

Signaling Stewardship and The Value of Family in a Brand Heritage Identity: A Cross-Cultural Study of Wineries

Abstract

Brand heritage identity (BHI) has been examined in single corporate cases, often of family firms, in a specific country, to reveal a deep theoretical understanding of the concept and how BHIs are created. Our study complements this research by providing a large-scale empirical study of BHI in family firms across countries. Specifically, using signaling theory as a framework, this study investigates how country-level importance of family values, as well as firm age, influence the use of BHI and drive marketing performance for family businesses. BHI is a signal that helps stakeholders resolve market asymmetries and this signal is bolstered in countries where family is deemed more important. Firm age is an important moderator. The findings demonstrate that in countries where family, as a key social unit, is more important, firms signal competitiveness via BHI, which in turn relates positively to marketing performance.

Keywords: Brand Heritage Identity; Signaling Theory; Family Businesses; Geographic Origin; Wine

1. Introduction

There is a growing interest in developing a richer understanding of marketing practices within family businesses (Covin et al., 2016; Craig et al., 2008). Among such practices, branding, which broadly relates to the way consumers identify and relate to a specific product (Aaker, 2014), is gaining interest in the family businesses literature (Astrachan & Botero, 2018; Astrachan et al., 2018). Such focus is relevant, as around the world, many brands have been inextricably linked to families for generations. Communicating a brand's family business status, which may embody a long heritage of family involvement, can have a positive influence on consumer behavior and perceptions (Schellong et al., 2019). One of the strategic brand decisions often made in family businesses is how to market the family brand (Astrachan et al., 2018; Micelotta & Raynard, 2011) and specifically, how to define the brand's heritage identity. Heritage identity is defined as the attributes and qualities of a firm's heritage made meaningful in its corporate identity (Balmer, 2011; Balmer & Burghauser, 2018). By using heritage identity actively in marketing and management, firms establish competitive advantages (Park, 2010) through their branding. This occurs via the creation of a brand heritage identity (BHI), which relates to the identity of a brand evident in its track record, longevity, core values, use of symbols and particularly, in an organization's belief that its history is important (Urde, Greyser & Balmer, 2007). It has also been conceptualized as a corporate heritage brand, which is "a multi-dimensional concept that can be highlighted through brand price, quality, design and symbol" (Sammour, Chen & Balmer, 2020, p. 466).

Yet, empirical evidence shows that some firms use BHI more than others (Wiedmann et al. 2011b) and that not all family firms use family as a core tenet of their BHI. For example, some wineries actively use family in their branding (e.g., the Robert Mondavi Winery in

California relies heavily on the legacy of Robert Mondavi), while others shy away from doing so (e.g., The Rouzaud family does not actively figure in any of Roederer Champagne's marketing, despite the firm's being family-owned since 1833). Nevertheless, recent studies suggest that investigating BHI as a firm asset may be particularly interesting in sectors where families have long been associated with a product, such as the wine industry (Spielmann et al., 2021).

Consequently, this research focuses on BHI in family-run wineries for three key reasons. First, most wineries are run as family businesses, and most winemakers often incorporate some form of family heritage into their identities (Spielmann et al., 2021). For example, some wineries include the word "Family", but also "and Sons", to showcase longevity, in addition to using the year of their firm's establishment. Second, recent studies highlight the relevance of branding for family businesses, suggesting that it can represent a crucial competitive advantage (Astrachan et al., 2018; Schellong et al., 2019). In such businesses particularly, branding represents a key mechanism and channel for communicating diverse aspects of the business to consumers, such as the people involved and the products and/or services offered (Astrachan & Botero, 2018). Family members can influence the introduction, development, and sustained quality of firm products (Astrachan et al. 2018). However, research has yet to explain *how* family involvement can be used strategically in branding. Third, many family-owned businesses are shaped by the country in which they reside, suggesting that country-contextual factors affect the importance placed on family in the creation and continuity of a business (Gupta & Levenburg, 2010). For example, in countries associated for many years with specific products (e.g., wine), family history can become intertwined with the industry history (Dufour & Steane, 2010). One can hardly conceive of California wine without thinking of the Mondavi family and vice versa. We seek to address the knowledge gaps relative to family involvement in BHI creation in this research by using the

lens of signaling theory.

There is a need to develop more knowledge of how the country of origin context in which firms operate influences firm decision-making (Wadhvani et al., 2020) and, more specifically, of how the country of origin context relates to branding strategies, especially when firms are family-run (Astrachan et al., 2018). We use the theoretical framework of signaling theory (Spence, 2002) to unpack how the country-level importance of family values influences BHI, which in turn positively influences brand performance. We argue that the emphasis placed on BHI by a family firm (strong versus low) is a signal that helps consumers determine high- and low-quality actors in the marketplace (as determined by higher/lower marketing performance). We also theorize that the country-level importance of family values in the country of origin where the family operates are antecedents that shape the quality of that signal. Stated otherwise, the more the family is important, the stronger the BHI and the better the market performance. Finally, we argue that firm age strengthens the relationship between the country-level importance of family values and BHI. Consequently, we contribute to the management and marketing domains of signaling theory by proposing that family firms use branding to signal to their markets and that the viability of this signaling depends on the country of origin culture in which the firm operates (versus the culture that the firm cultivates). We use BHI to explain the effect of this proposed signal (providing the *why* to the effect of this proposed signal). We also consider a moderator – firm age (providing the *when*) – as BHI is cultivated over time and across generations in family firms (Hudson, 2011).

By examining the nexus between country of origin, family influence, and BHI, this study contributes to three distinct literatures. First, we contribute to family business research by revealing how important BHI is to branding and performance for these firms. While significant

research on family businesses has focused on diverse geographical settings and industries (Gupta & Levenburg, 2010), research addressing how the country of origin influences family businesses' BHI and how the value placed on family in a country of origin can influence BHI is scarce. The study presented here incorporates all these notions and consequently substantiates that BHI boosts firm performance, especially for family businesses in country of origin contexts where family is considered more valued. Second, it advances BHI research using a large scale and cross-cultural sample, complementing the work of Balmer (2011) on the importance of heritage identities and their formation. More specifically, we compare 209 French and Italian wineries, affording us a more reliable and compendious dataset from which to draw conclusions. Moreover, we find that firm longevity, a key facet of heritage, amplifies the relationship between country-level importance of family values and BHI, suggesting that the notion of heritage in family firms is a valuable asset. Finally, we contribute to the research on signaling theory by proposing BHI can play a crucial role in family firms, signaling to stakeholders the value associated with the branding and quality of products. In this way, signaling helps reduce information asymmetry in the marketplace. In this research, we adopt the perspective that firms can create signals to better appeal to target markets; marketing strategies can signal specific facets of the firm to stakeholders, just as IPOs can signal visibility (Pollock & Gulati, 2007). Our research question is: does family-involvement specific to a country of origin – as signaled by the use of BHI – influence firm performance quality? The following sections of this paper will develop the theory and hypotheses that incorporate family business, BHI, and signaling theory. We then present the results of a pilot study and a main cross-cultural study, concluding with theoretical and managerial implications.

2. Conceptual Framework

2.1 Signaling Theory

Signaling theory is a seminal microeconomic theory (Spence, 2002). It describes how two parties reconcile their differences in information asymmetry (Connelly, Certo, Ireland, & Reutzel, 2011). Signaling theory is relevant for this study as it may explain situations where firm disclosure of family status could impact information asymmetry and influence consumer perceptions of product quality. Indeed, firms must manage fixed attributes (indices) and alterable attributes (signals) that can be interpreted by their stakeholders. Signals can be manipulated to resolve stakeholder perception of an information asymmetry, but such signals must be distinct enough to be perceived (Karasek & Bryant, 2012). For example, wine producers may choose to include award stickers on their wine bottles to reduce consumer uncertainty about the quality of the wine. However, if all wines have award stickers, the signal is no longer distinguishable or useful in reducing the information asymmetry. Importantly, one rationale motivating firms to signal to stakeholders is the firm's tendency to optimize utility (Tellis and Gaeth, 1990), i.e., to respond to the fact that stakeholders seek out the products most beneficial to them and will therefore respond to signals that convey such benefits. For example, stakeholders may seek to enhance utility by purchasing lower-priced options (versus higher-priced options) to reduce risk of financial loss (Dutta & Biswas, 2005). Globally, signaling theory informs management and marketing practices by stipulating that if firms do signal (i.e., via advertising and publicity, recruitment practices, organizational culture), this strategy should benefit the stakeholder and in turn benefit the firm (i.e., in a feedback loop). Typically, signaling is used in advertising as well as in the branding of higher quality products (Khan, 2019; Khan & Lee, 2020).

In the family business literature, signaling theory shows promise as a relevant framework

for understanding how to reduce information asymmetry both inside and outside firms (Schell et al., 2020; Rauschendorfer et al., 2022). For example, recent studies suggest that family businesses may choose whether to disclose their family status, thus signaling firm-specific facets that may facilitate exchange with stakeholders (Micelotta & Raynard, 2011). For that exchange to happen, buyers and sellers need to reduce information asymmetry and facilitate ongoing relationships (Spence, 2002). As such, it may be that communicating family-related cues can reduce information asymmetry by indicating a certain level of quality or longevity to consumers. Accordingly, consumers may associate aspects such as wine quality and authenticity (Ranfagni et al., 2021) to a signal (i.e., BHI) transmitted by firms. Recent studies suggest that signaling to consumers that the company behind a brand is family-run may influence their perception; consumers may find these brands to be more trustworthy or have superior qualities (e.g., Schellong et al., 2019; Rauschendorfer et al., 2022). In the following sections, we discuss how country of origin, as well as country-level importance of family values, can guide the BHI of a family firm, leading to higher brand performance.

2.2 Origin Heritage and Firm Identity

The importance of spatial context or origin in identity creation is a recent topic in the marketing and management literatures. Firms are more and more likely to identify themselves with an origin via either their products or modes of business because of the inherent value that origin contributes to firm products (Charters, Spielmann, & Babin, 2017). In particular, the consciousness of operating in a country of origin and the level of embeddedness in that country may shape corporate heritage identity (Burghausen & Balmer, 2014), which in turn has the potential to influence how the BHI of a firm is conceived. For example, many firms now

emphasize the country of origin of the products they make, using the notions of *terroir* specifically: identifying how geographic features and workmanship shape the value of the product (Charters, Spielmann & Babin, 2017). Likewise, there is a profound connection between family firms and the contexts in which they operate (Baù et al., 2021; Hadjielias et al. 2022), and recent studies suggest a strong link between leadership values, the country origin importance of families in business, and family influence and participation in business (Ranfagni et al., 2021). The influence of country – as rooted in a geographic origin – and firm heritage on the firm identity is undeniable. As scholars advocate, “the link between heritage and locality, and between locality and identity, must then be argued” (Ashworth, 2013, p. 14). In this study, we define country of origin as encompassing not just geographical environment, but also traditions, know-how, history, values, and norms (Charters, Spielmann & Babin, 2017).

It would be myopic to examine structures and firm identities without considering the influence of the country of origin in which businesses are run. The heritage of a brand depends on the brand’s country of origin in the same way that the origin of a brand nourishes the branding concept (Thakor & Kohli, 1996). BHI is an extrinsic product cue that can communicate volumes, including not only a brand’s quality, but also its country and firm origins (Keller, 2003). This may be particularly relevant for businesses that produce an origin-based product (i.e., wine). When firms identify the origin of their product, they adopt – in addition to their own brand – the assets and liabilities attached to the brand’s origin (Spielmann & Williams, 2016). Specifically, the heritage of a firm or country of origin in which a firm operates can be used to signal a unique competitive advantage, because origin-specific features contribute to the heritage identity of the firm (Burghausen & Balmer, 2014).

2.3 Family Businesses and Brand Heritage Identity

When a family firm uses heritage as a marketing cue in its branding, it signals a BHI for the firm (Spielman et al., 2021). BHI is defined as the expression of a heritage identity in the branding activities of a firm. Heritage is defined as a legacy and a collective identity that persists and can be perpetuated over time (Macdonald, 2006). The essence of heritage is two-fold. First, it is an anchor communicating certainty in an ever changing and evolving world, a totem of consistency and clarity (Lowenthal, 1998). Second, heritage consists of material testimony and practices that can be objectified (Macdonald, 2006). Many heritage characteristics and symbols can emerge over time and become valuable to the firm; they are multi-modal and sourced from the various actors and facets of the firms (Burghausen & Balmer, 2014). As such, for a firm, “heritage identities are an accretion of various identities, which are variously linked to institutions, places, cultures, and to time frames” (Balmer, 2011, p. 1380).

Firms develop BHIs by incorporating historical facts and/or figures into their branding to develop their unique selling proposition (Lowenthal, 1998). Family and its heritage can be included in BHIs (Blömbäck & Brunninge, 2013). For example, family firms can employ many generations at once and/or use “and sons/daughters”; in all cases, the firms reference the past (from), the present (father), and the future (to sons and daughters). Likewise, mentioning the founding year on a product is an extrinsic cue showcasing the links of the brand from generation to generation and references family as an inherent cue of the firm’s BHI (Hudson, 2011).

Family and family businesses represent unique contexts to consider in BHI because the historical interaction between the family, the firm, and its environment often determines the firm’s survival over generations (Blömbäck & Brunninge, 2013; Wadhvani et al., 2020). Furthermore, by including family members in the business, firm decisions must take into account not only the future, but also the past and present (Chrisman et al. 2007). Indeed, beyond family

member involvement in the firms themselves, the governance structures guiding them, and the social capital resources that the family members represent, family also infuses a historical dimension into the firm that can help it thrive over time (Blömback & Brunninge, 2013; Chrisman et al., 2007; Glyptis et al. 2021). Essentially, family communicates notions of a brand's beginning, and thus a form of psychological essence that over time creates a BHI. This is particularly true when family members are involved because this psychological essence is transferred within families (Uhlmann et al. 2012), and therefore to and within firms that are family-owned.

Currently, most BHI research focuses on historical events rather than family influences and on country of origin environmental aspects of BHI (Balmer, 2011). Although recent research (Spielmann et al., 2021) has started to focus on country of origin as a nexus for corporate heritage identity, the importance of family and country of origin in BHI is rarely examined. Therefore, since many heritage identities are constructed based on family histories and/or founding members of a firm, and the branding of family heritage is often determined by the country context in which the brand originates, further exploration of how family and country of origin shapes BHI is warranted.

2.4 Country of origin, Brand Heritage Identity, and Brand Performance in Family Businesses

Past research that has examined the BHI of firms has done so by focusing on a case study (e.g., the British Monarchy or a beer brand) or by contrasting firms within different industries (Balmer, 2011; Burghausen & Balmer, 2014). However, until recently, such research has not compared firms in the same industry from different countries. Although Spielmann et al. (2021) qualitatively examined how country of origin shapes corporate heritage identities across seven family-owned wineries and leads to the relative invariance of the identities, there has not been a

large-scale empirical comparison of the BHI of family businesses in the same industry across different countries. Furthermore, how country environments influence the active involvement of family members in the family business – which may be related to BHI in turn – remains shrouded. Concurrently, research on country of origin and territorial branding remains mostly conceptual. In addition, it has not focused on businesses with high levels of family involvement or heritage and has examined only one region (e.g., Champagne: Charters & Spielmann, 2014); it has not considered country-specific differences as a potential variable. Thus, research is scarce demonstrating how the family identities reflected in BHI mediate the relationship between country of origin and firm brand performance.

We propose that the ability to profitably interweave heritage with other firm resources requires a stewardship form of management (as per Burghausen & Balmer 2015; Davis et al. 2010). A stewardship approach originates from family ownership and the intention to look after or safeguard the firm (Davis et al., 2010). Importantly, a stewardship perspective helps to understand the rationale and approach of family members in agricultural firms and how they manage the assets that make them unique (Hadjielias et al., 2021). Specifically, the likelihood of choosing to steward a business and have that stewardship reflected in the BHI will also depend on how important family is in the country context where the brand originates. Indeed, the importance of family varies from country to country, as outlined by the World Values Survey (www.worldvaluessurvey.org/); for example, whereas family is very important to the respondents from Albania with a 97.4% average score, it is very important for only 66.7% of the respondents in Lithuania. Recent studies reveal that for family businesses in particular, the choice to engage in diverse strategies to compete is influenced by both family and business objectives, as well as the country context in which they operate (Baù et al., 2021). The link

between family objectives and the country context may be particularly pertinent in the agricultural sector where strategic decisions may be understandable only within the specific context and place in which they occur (i.e., the terroir) and where there is knowledge of how they are linked to family dynamics (Discua Cruz et al., 2021).

Just as mission statements are used to signal organizational culture (Peyrefitte & David, 2006), we argue that a place of origin or country can signal a more versus less family-driven culture, and this is especially so for family businesses. Furthermore, culture, at macro and micro levels, is dynamic and subject to evolve as society changes (Erez & Gati, 2004); therefore, culture can be identified as a signal, especially when actively promoted by a firm. Past marketing literature has shown that signals can be used to convey impressions of product superiority and quality (Boulding & Kirmani, 1993). Consequently, we argue that country of origin culture – and specifically how family-oriented the country of origin culture is – can contribute to improved marketing performance (a combination of the brand and quality perceptions by stakeholders) of family-driven firms.

H1: In a country of origin where family as a value is considered more (versus less) important, marketing performance of the family businesses will be higher.

In country of origin contexts where family involvement in business is more valuable or important, we propose that there is a stronger internal motivation in these family firms to build and leverage a source of competitive advantage by establishing BHI that is, in turn, related to stronger brand performance. Every firm has an identity; however, whether a firm takes on an identity based on heritage depends on numerous firm influences, such as corporate beliefs, the age and prominence of the firm, its international activities, as well as the origin and the country of origin from which it stems (Balmer, 2008).

In this research, we speculate that the more a family is involved in a firm's activities, in terms of management and ownership, the more important BHI will be to the firm. Furthermore, brand heritage is a key driver of marketing performance (Wiedmann, et al. 2011a), and research suggests that brand performance is influenced by family-based identity (Craig et al. 2008). Indeed, custodianship, stewardship, resilience, and continuity have a direct and positive influence on firm performance (Burghausen & Balmer, 2015; Santoro et al. 2021). Prior works suggest that some family firms may be more able to create and retain a BHI when family participation is closely interlinked to the family history and to the history of an industry in the country of origin (e.g., the history of wine is deeply associated with family participation in the development of the industry in most countries) (Layton, 1998). Family may endow the firm with resources that facilitate customer relations and appreciation of the product. For example, family members over generations have discovered, through trial and error, that specific grapes are suited to certain soils. Such unique and long relationships between families and places of origin cannot be underestimated.

The family, which is a spatially and socially rooted entity (Jaskiewicz et al., 2017), becomes the expression of the provenance of both the wine and the business (Gallucci & D'Amato, 2013). Thus, family conveys an image of longevity because it can be contextualized in time and place (Ranfagni et al., 2021), and the consumer can appreciate a long family tradition of developing a product and a brand (Binz Astrachan & Botero, 2017). This is crucial in the wine industry, where family producers in historically best-known appellations, have developed a duty to steward the quality and character that established the fame of their wines (Ugaglia et al., 2019). Recent works highlighting the value of family in society and in business over time suggest that in contexts where family values in business are appreciated, the firm benefits from

associating these values to the marketing of their products (James et al., 2012). Naturally, BHI as a valuable resource, intended for the long term, influences the performance of the firm (Balmer & Burghauser, 2018). Consequently, we expect BHI will mediate the relationship between marketing performance and the country of origin culture where family is an important value. Stated otherwise, BHI will be greater in countries where family involvement is valued more and, in these countries, BHI will have a positive impact on marketing performance.

H2: The higher the country-level importance of family values, the stronger the brand heritage identity, which in turn relates positively to the marketing performance of family businesses.

As family businesses can evolve from the involvement of a founding couple to multiple family members over time (Howorth & Robinson, 2020), the approach to leveraging and communicating their unique heritage may evolve. An increased number of generations involved in management may influence the way marketing and branding are engaged and leveraged for a firm (Astrachan & Botero, 2018). As generational involvement increases, the involvement of more family members may strengthen the competencies of the firm (Cherchem, 2017). BHI is inextricably linked with the continuity of family members in its business. The length of time a family has been associated with its business is a major factor in determining the quality and value of a firm's BHI. As well, BHI is not defined by age alone (Martin, Poehlmann, & VanBergen, 2019), but by the multiple brand facets that lead to longevity and continuity. However, family members involved in the firm can help perpetuate the relevance of a BHI over time (Astrachan et al., 2018), thereby also leading to stronger and more meaningful internal motivations that translate into a more coherent and clearer BHI.

Gupta and Levenburg (2010) highlight that the relevance of the family in a country

context is reflected in the way the business incorporates family involvement. Thus, a family business's BHI could be considered a key resource that appreciates, because of the family's unique history, identity, and the family members involved. This is especially important across generations and over time (Astrachan et al., 2018; Blömbäck & Brunninge, 2013) and, we posit, in a culture (unique to a country of origin) in which family is an important value. The "family nature" of a family business can become a unique resource that is brought to bear on the brand and its performance (Astrachan et al., 2018, p. 11). Family is also a value that can be nurtured within a culture and have different effects on how BHI is construed (Spielmann, et al. 2021). As such, and considering family involvement and the potential for generational transmission over time, we would expect that the older the firm, the stronger the link between the value placed on the family by the country context and BHI. Thus, we posit that firm age will positively moderate the relationship between the country-level importance of family values and the BHI of family firms. Stated otherwise, a BHI that is motivated by stronger family values common to an origin is more important when the family firm has operated within that place of origin for a longer period.

H3. In family businesses, firm age strengthens the positive relationship between the country-level importance of family values and brand heritage identity.

Figure 1 outlines our conceptual model.

INSERT FIGURE 1 ABOUT HERE

3. Methods

The data supplied for this research was collected over the period of 2016-2021, across different countries and using different samples. In the pilot study, we surveyed a representative proportion of winemakers within a single appellation (sub-region) to obtain a contained and homogenous

sample and initially test our general measures and the directionality of our overarching thesis. Next, we conducted an online survey (using the Qualtrics platform) with consumers to gauge the importance of family as a value in both France and Italy to confirm the adequate selection for our main study. Finally, we collected a larger sample using winery owners and managers across France and Italy to test our hypotheses.

3.1 Pilot Study

As a pilot study, we surveyed winemakers in a small region of France, Quincy, located in the Loire Valley. This appellation is comprised of only 33 wineries. This survey allowed us to assess directly a new scale of the importance of BHI. Participants rated the extent to which they believed five features of their brand influenced their company's strategic decision-making process based on items suggested in the BHI literature and the brand performance of these family businesses. To do so, we employed the same methodology as Grewal, Hmurovic, Lambertson, and Rezcek (2019). We were able to survey 13 managers of family-owned businesses (39.4% of all wineries; $M_{age\ of\ firm} = 27.54, SD = 9.22$; $M_{Hectares} = 10.98, SD = 6.94$; $M_{employees} = 2.46, SD = 2.60$, $M_{bottles\ sold\ 2020} = 77846, SD = 59511$). See Table 1 for all items and summary statistics for the measures for BHI and brand performance.

INSERT TABLE 1 ABOUT HERE

The items for the BHI measure were aligned with the work by Burghausen and Balmer (2014) and Balmer (2011), which state that brands with heritage include dimensions such as continuity, community, track record, longevity, core values, use of symbols, omni-temporality, and history (p. 8). We also considered the work by Santos, Burghausen, and Balmer (2016), which notes how timelessness, omni-temporality, and relative invariance (p. 70) can be leveraged for branding purposes. We then considered a measure used by (Gimenez-Fernandez et

al. 2020) which was developed to measure brand strategy.

Consequently, in the BHI measure we asked the respondents: “Please rate the extent to which you believe the following features of your brand influence your company’s strategic decision-making process using a 7-point Likert scale ranging from 1=strongly disagree to 7=strongly agree, with 4=neutral”. The five items were as follows: 1) “Our company’s history influences how we make everyday business decisions,” 2) “We preserve the heritage of our brand when we make strategic decisions,” 3) “We strive to preserving the timelessness of our brand when making key management decisions,” 4) “The values of our brand have not changed over time,” and 5) “We would rather be loyal to our company history than change our branding to adapt to the market.”

We learned several things in our pilot study using the items in this new BHI scale. First, the wineries reported generally high scores for the five brand heritage items. For example, for the item related to history, family businesses scored high relative to the midpoint ($M = 5.46$, which is significantly above the midpoint of the scale, in which 1 = strongly disagree and 7 = strongly agree; $t(11) = 4.13, p = .001$). The same pattern is uncovered for heritage ($M = 5.54$, significantly above the midpoint of the scale, $t(11) = 7.00, p < .001$). The item for timelessness was not significantly different from the scale midpoint ($M = 3.54, t(11) = .073, p = .943$). However, the item addressing brand values over time was marginally, but significantly higher than the midpoint ($M = 4.54, t(11) = 1.89, p = .084$), and the item related to loyalty to brand history was significantly higher than the scale midpoint ($M = 6.08, t(11) = 9.74, p < .001$). Taken together, the entire scale ($\alpha = .70$) was significantly higher than the midpoint ($M = 5.03, t(11) = 5.20, p < .001$).

Participants were also asked to compare their brand and perceived quality of products with those of their primary competitors on a 4-point Likert scale ranging from 1=“worse” to 4=“much better”. They reported marginally significantly higher brand performance than their primary competitors ($M = 2.83$; $t(11) = 2.00$, $p = .071$). They also reported significantly higher perception of quality of products than their primary competitors ($M = 3.25$, significantly above the midpoint of the scale, $t(11) = 5.75$, $p < .001$).

The pilot study suggests that the management of the 13 family-owned wineries surveyed in France believe that their BHI has had a major positive influence on their company’s strategic decision-making process and that they have been more successful in terms of branding and providing quality products to the marketplace than their primary competitors. We now move on to a wider-scale study that includes wineries from two countries to test the proposed relationship between BHI and brand performance.

3.2 Main Study

3.2.1 Sample

Two countries (France and Italy) were selected for the study primarily because they are among the top three wine producing countries in the world. Furthermore, France and Italy have similar production surfaces and consumption patterns (Globalist, 2017) and very similar percentages of family-owned wineries, namely, 80% for the former and 85% for the latter (AIDAF, 2019). They also share similar histories, having very old and very nascent firms. The data collection for the pre-test and the main study described below took place between 2016-2021.

We also chose Italy because while family involvement in the business is important in

France, it is a founding pillar or institution in Italian culture (Luciano et al. 2012). Italian (versus French) family dynamics are much more oriented around family cohesion and interdependent interactions, as reflected in the highly involved parenting styles (Claes, et al. 2011) and relatively more time spent at home with the family (Craig & Mullan, 2010). In Italy, family members are often encouraged to be part of family-managed enterprises to solidify family ties (Corbetta, 1995) and, as noted by Goffee and Scase (2015), “the major regions of small business growth in Italy are those with traditional family and community structures” (p. 14). Furthermore, an analysis comparing French and Italian firms shows that Italian firms are more likely to be consistently (for more than a decade) owned by family – 78% versus 64% in France – and that while 48% of the most successful firms in France are family-owned, 66% of the successful firms in Italy are family-owned (Franks et al., 2009). Furthermore, in their seventh wave (2017-2020), the World Values Survey (<https://www.worldvaluessurvey.org/>) highlights that there are differences in the importance of family in France and Italy. Whereas 85.4% of French respondents (n=1880) stated that family was very important to them, 90.1% of Italian respondents (n=2282) stated the same. In sum, research has revealed that the social and institutional environment in Italy places more value on family involvement in family businesses than the social and institutional environment in France.

3.2.2 Pre-test

We conducted a pre-test to confirm the assumption that the social and institutional environment of Italy values the involvement of family in family businesses more than the social and institutional environment of France. A sample of 121 respondents (n=66 from Italy and n=55 from France, 59.5% male, $Mage = 27.02$, $SD = 8.98$) were solicited by Prolific, a research consulting firm, and given monetary compensation for their participation. Only those

respondents fluent in English and those who resided in and have always resided in Italy/France were included. To measure the importance of family values in each country of origin, at macro, meso, and micro scales, two measures were used. The first measure aimed to measure *general family values* in the social context and consisted of three items: “Family is an important value in France/Italy,” “Family is an important value in the region where you live,” and “Family is an important value in the city where you live” ($\alpha = .84$; Likert scale anchored with 1 = strongly disagree and 5 = strongly agree). To measure the importance of *family values held by the individual participating* in the survey, we used an established measure by Burroughs and Rindfleisch (2002) using seven items measured on a Likert scale anchored with 1 = strongly disagree and 5 = strongly agree ($\alpha = .64$); please see the Appendix for the measures used in the pre-test and main study. The scale includes items such as “My really important relationships are in the home” and “I can’t imagine having a fully satisfying life without my family.” By measuring the personal values in this pre-test, we assumed that managers living in the country of origin and working in family-firms in the country of origin would share the same personal values as those living in the country of origin.

ANOVA analysis revealed that residents of Italy are significantly more likely to report that family involvement in family businesses is important in their country of origin ($M_{Italy} = 4.52$ $SD = .72$; $M_{France} = 3.87$ $SD = .71$; $F(1, 119) = 24.77$, $p < .001$). The same pattern was uncovered for family values of the survey participants: residents of Italy place more importance on family values than residents of France ($M_{Italy} = 3.72$ $SD = .49$; $M_{France} = 3.46$ $SD = .77$; $F(1, 119) = 4.77$, $p = .031$). Consistent with our theoretical framework, the importance of family involvement in business in these two countries was significantly different, with Italy showing significantly higher average values than France (significantly higher than the scale midpoint for country of

origin importance: $t(65) = 22.85$, $p < .001$ as well as for personal family values: $t(65) = 20.03$, $p < .001$). Thus, our pre-test suggests that these two countries represent appropriate contexts for our research objectives, consistent with the World Values Survey (<https://www.worldvaluessurvey.org/>).

3.2.4 Questionnaire and Data Collection

Managers of firms in the wine industry in France and Italy were solicited to participate in an industry survey – one respondent per firm was interviewed. Data were collected using a questionnaire (in French and Italian). In Italy, 800 firms were randomly contacted from the five most important consortia in Italy (an overall set of over 92,000). A total of 246 firm managers participated in the research, but only 141 questionnaires were fully completed (30.8% response rate). In France, a random sample of 500 firm managers were contacted by telephone and 107 agreed to and did participate in a telephone survey (response rate of 21.4%). Finally, only those that were family-owned were retained for this analysis – 92 firms in France and 117 firms in Italy. The full sample therefore consists of 209 firms, which allowed us, based on the number of measures used and the specificity of the population, to have a large enough sample (Babin & Zikmund, 2016).

Firm managers, owners, and top executives answered the questionnaire on behalf of their firms. As part of the demographic questions, respondents were asked the date when the winery was established and the number of family members still active in the firm. To gauge firm size, respondents provided the number of bottles they sold in 2015 and the number of full-time employees in the firm. See Table 2 for firm demographics.

INSERT TABLE 2 ABOUT HERE

3.2.5 Measures

In addition to the items used to measure BHI in the pilot study, we also asked respondents questions about the firm's product profile, strategy, pressures, and practices. Once again, respondents answered two questions about their firms' marketing performance using two items: "Compared to your primary competitors, how would you compare this company's 1) brand, and 2) perceived quality of products, over the last three years", on a scale from 1 = "worse" to 4 = "much better" ($r = .19, p = .007$). For this study, we combined the two items for further analysis and named the combined scale *Marketing Performance*.

To control for the effect of alternative mechanisms capable of influencing marketing performance, we measured, in addition to firm size, entrepreneurial orientation (EO), and we did so for four reasons. First, research shows a positive link between EO and firm performance (Rauch et al., 2009). Second, firms with higher (lower) levels of EO are more likely to attend to (disregard) new opportunities; firms with higher levels of EO exhibit more aggressive versus passive behavior in the marketplace, which could explain their brand performance (Avlonitis & Salavou, 2007). Third, the relationship between EO and overestimation bias is well documented (Boersmans & Willebrands, 2017; Gutierrez, Åstebro & Obloj, 2020), and as our sample had single respondents per firm, we felt it important to control for potential overestimation in our respondents' responses to firm performance. Finally, both organizational values and the environment in which the firm operates are EO determinants of a firm (Aloulou & Fayolle, 2005), suggesting a potential relationship between the values held by business management toward the family and the country-level social and institutional environments in which the firm operates. EO was measured using a 10-item measure with a seven-point bi-polar scale (Atuahene-Gima & Ko, 2001; Li et al., 2006; Lumpkin & Dess, 1996). The scale was reliable

(alpha coefficients of .92 overall, .95 in France, and .87 in Italy). An aggregated mean of the 10 items was computed for each participant and used for further analyses.

3.3 Findings

We analyzed the BHI measure for reliability across countries. Factor analyses revealed that in both countries, the items loaded on one factor (68.9% variance explained for France and 58.1% for Italy), with all items loading at .640 or higher. Importantly, we also ran a factor analysis with the five items of the BHI measure and the two performance items to ensure that the measures of BHI were perceived as distinct from the marketing performance items. A rotated components analysis revealed two distinct components (Component 1, BHI: 45.2% of the variance; Component 2, marketing performance: 17.5% of the variance). Reliability analyses revealed that the BHI measure was acceptable in both countries, with alpha coefficients of .88 for France and .81 for Italy. An aggregated mean of the items was computed for each participant and used for further analyses.

As a manipulation check, a comparison of means showed that there were significantly more family members in Italian firms than in French firms ($M_{France} = 2.37$ SD = 1.29, $M_{Italy} = 2.92$ SD = 1.53, $F(1,172) = 6.61$, $p = .011$). These statistics confirm that Italian firms are more likely to have family involvement. There were no significant differences between the number of full-time employees ($M_{France} = 7.98$ SD = 18.82, $M_{Italy} = 9.72$ SD = 17.89, $F(1,205) = .46$, $p = .50$) or the number of bottles produced in 2015 between the two countries ($M_{France} = 263\ 009$ SD = 753 447, $M_{Italy} = 776\ 125$ SD = 3 727 568, $F(1,153) = 1.59$, $p = .21$), suggesting that firm size is not a relevant covariate.

Mean comparisons revealed that BHI was higher for Italian firms than for French firms ($M_{France} = 4.97$ SD = 1.36, $M_{Italy} = 5.43$ SD = 1.08, $F(1,207) = 7.38$, $p = .007$). A mean

comparison further revealed that overall marketing performance was perceived as significantly better by Italian firms than French firms ($M_{France} = 2.75$ $SD = .47$, $M_{Italy} = 2.90$ $SD = .58$, $F(1,205) = 4.38$, $p = .038$), supporting H1. The same pattern was found for EO. Italian firms scored higher on EO than French firms ($M_{France} = 3.59$ $SD = 1.38$, $M_{Italy} = 4.14$ $SD = 1.11$, $F(1,207) = 10.15$, $p = .002$). Consequently, EO was included as a covariate in the following analyses¹.

A mediation analysis was then conducted using PROCESS Model 4 (Hayes, 2013), with the country of origin (Italy versus France) as the independent variable, BHI as the mediator, marketing performance as the outcome variable, and EO as a covariate, to test Hypotheses 2. Reported in Figure 2, the results showed that there was not a significant direct relationship between the country of origin and marketing performance ($B = .03$, $SE = .07$, 95% CI [-.1078, .1756]) when BHI was included as a mediator. The evidence suggests that BHI fully mediates the relationship between country of origin and firms' marketing performance. In Italy the values of family were significantly more related to BHI than in France ($B = .53$, $SE = .17$, $p = .003$), and BHI was positively related to marketing performance ($B = .09$, $SE = .03$, $p = .001$). Thus, the indirect effect of country of origin on performance through BHI was significant ($B = .05$, $SE = .02$, 95% CI [.0123, .1007]), which confirms a total mediation of BHI on the relationship between the country of origin (and family involvement common to it) and the firm performance. EO was not a significant covariate on the relationship between country of origin and BHI. It was a significant covariate on the relationship between BHI and marketing performance. These results fully support H2, showing that wineries in Italy (i.e., where country-level importance of

¹ Given the many reasons discussed as to why EO serves as a good covariate, in this study we include it in the analysis. However, we thank a reviewer for suggesting that we conduct this robustness check to verify whether our results for the analysis without EO as a covariate have a similar pattern, with all results remaining significant as those with EO.

family values is higher) place more importance on BHI than do French wineries. Such higher BHI is related more positively to perceived marketing performance.

INSERT FIGURE 2 ABOUT HERE

We then tested H3: the older the firm, the stronger the positive influence of family values on BHI in a culture. We conducted a moderated-mediation PROCESS Model 7 (Hayes, 2013) analysis using country of origin (Italy versus France) as the independent variable, BHI as the mediator, marketing performance as the outcome variable, EO as the covariate, and firm age as the moderator. The regression analysis revealed a significant BHI by firm age interaction ($B = .005$, $SE = .002$, $p = .04$). Country of origin was not a direct significant factor ($B = .21$, $SE = .23$, $p = .36$), however firm age was a direct significant factor ($B = -.007$, $SE = .003$, $p = .02$). The main effect of BHI on marketing performance was significant ($B = .09$, $SE = .03$, $p = .001$). The direct effect of country of origin on marketing performance was not significant ($B = .03$, $SE = .07$, $p = .64$). Because the index of moderated mediation contains zero (95% CI [-.0002, .0010]), moderation effects were uncovered and examined (Hayes 2013). A spotlight analysis compared the mean firm age for each country of origin, as well as the mean for each country of origin at the 16th and 84th percentiles. The indirect effect of country of origin on marketing performance through BHI does not significantly increase for younger firms ($M_{age} = 16.28$ years: $B = .03$, $SE = .02$, 95% CI [-.0077, .0811]). The effect is stronger and significant when firm age is average ($M_{age} = 38$ years: $B = .04$, $SE = .02$, 95% CI [.0045, .0872]), and even stronger still, and significant, when firms are older ($M_{age} = 96.72$: $B = .06$, $SE = .03$, 95% CI [.0164, .1207]). Again, EO was not a significant covariate on the relationship between country of origin and BHI ($p = .19$), but it was a significant covariate on the relationship between BHI and marketing performance ($p < .001$). The results add further support for H2 and confirm H3.

To explore our data further, we also conducted a similar moderated-mediation analysis to measure the moderating influence of EO on the indirect relationship between country of origin and marketing performance through BHI. The analysis revealed non-significant interaction between BHI and EO ($p = .96$). As such, firms that are more (less) entrepreneurial in a country of origin where family values are more important versus one where family values are less important (i.e., in Italy versus in France) are not more (less) likely to think that BHI influences their brand performance. EO is a covariate, but not a moderating variable, of the relationship of interest.

4. Discussion

Across two studies using data from wineries in Italy and in France, the results show that country of origin environments, namely the country-level importance of family values, influences the use of BHI, which enhances marketing performance. Consequently, this research makes several contributions. First, this research contributes to a growing body of literature on the success factors of family businesses (Howorth & Robinson, 2020) and how branding is critical to family business management (Schellong et al., 2019). We provide a richer understanding of how a country of origin context may be related to family involvement in establishing and perpetuating BHI and how, in turn, this affects the firm's marketing performance (Astrachan et al., 2018). Specifically, we show that wineries in a country of origin where the social and institutional environments place greater value on family values are more likely to emphasize BHI more strongly than wineries in a country of origin where the environmental context places less importance on family values; we also show that this stronger BHI is more positively related to firm marketing performance relative to primary competitors. Furthermore, we find that the link between country of origin context and BHI is positively moderated by firm age, confirming that BHI is indeed cultivated over time and that a family's unique history and identity appreciates

over time and becomes a valuable asset that can be translated into a stronger brand identity (Astrachan et al., 2018; Blömbäck & Brunninge, 2013). With this research, we empirically show the positive implications of a family-driven BHI on the firm's performance, and this especially true in contexts where family is an important value.

Second, this large sample research provides empirical evidence that family wineries are inextricably linked to place of origin, informing the developing stream of literature on BHI (Spielmann et al., 2021). Specifically, this large sample study reveals that the family-driven country of origin context in certain countries can have direct implications on the branding strategies of these firms. Furthermore, we propose and find evidence supporting the contention that BHI is dependent on the country of origin context in which it is devised, due to certain countries placing more (versus less) importance on family values. There is an obvious uniqueness of origin/country that firms, especially family businesses, attempt to capture in their branding to distinguish their products, to make their products special and unique, and to stand out relative to the competition. Indeed, certain countries are more likely to foster family involvement in family businesses, which has positive marketing and firm profitability implications. This is the first large-scale study to provide evidence in support of these theoretically derived contentions.

Third, we contribute to the signaling theory research advocating that firms must manage fixed attributes (indices) and alterable attributes (signals) that can be interpreted by their stakeholders; signals can be manipulated by firms to resolve stakeholders' perceptions of an information asymmetry (Connelly et al. 2011). We suggest that BHI represents an alterable attribute that can signal to stakeholders the unique value associated with the branding and quality of products that helps to address the information asymmetry in the marketplace. We also posit

that age is a fixed attribute that enhances the probability of BHI being a valuable asset in country of origin-specific cultures where family is important.

4.1 Theoretical Implications

In terms of signaling theory, our findings further our understanding of how family values at both firm- and country-levels may signal stakeholders about the brand and quality of a firm's products and thus reduce information asymmetry between firm and market. Prior research has shown that signaling theory may offer useful insights into the management of family firms (Astrachan et al., 2018; Schellong et al., 2019; Rauschendorfer et al., 2022; Micelotta and Raynard, 2011). We extend this stream of research by exploring how country-level family values affect the importance of BHI for family firms and how BHI can lead to higher marketing performance. Specifically, our results suggest that the characteristics of the country environment can drive the signaling role of family involvement in the business through more emphasis on BHI. BHI (high versus low emphasis by the firm) constitutes this signal, and it helps consumers determine high- and low-quality actors (as determined by higher/lower marketing performance). We argue that cultural values specific to an origin constitute the antecedents that shape the quality of that signal. Our research, therefore, calls for further attention to the interplay between country- and firm-level, family values in shaping BHI in order to more fully understand how family firms leverage their values to communicate the distinctive features of their products and gain a competitive advantage.

Moreover, Gupta and Levenburg (2010) highlight that family businesses may be influenced by contextual embeddedness when the development of the firm is founded on dedicated spatial resources, such as deep experiences and localized endowments. We extend this research by featuring how brands are influenced not just by internal firm facets and history, but

also by the country of origin context in which a brand operates. In countries where family is an important value, brands are more likely to place an emphasis on BHI and to cultivate a stronger BHI, and this has positive implications for brand and product quality success.

The findings presented here also build on prior research in marketing on BHI (Balmer, 2011) and territorial branding (Charters & Spielmann, 2014) and support the perspective of origin-driven BHI (similarly to Spielmann et al. 2021) with large-scale (versus case-based) empirical findings across two countries. These findings suggest that the country of origin can influence if and how family businesses react to the market. Clearly, the culture of the family, the origin or country context, and the management (e.g., number of family members in the firm) overlap and become integrated into a unique and profitable BHI. This is a novel and more complete perspective of BHI creation and dissemination, therefore providing a significant contribution to the brand and brand heritage literature.

Furthermore, our findings align with recent marketing research on the topic of brands and heritage identity. First, our research shows that beyond enhanced consumer perceptions of products, a strong BHI is positively related to firm performance relative to primary competitors. Second, we show that firm age is important in defining BHI, but that age alone does not explain BHI (as per Martin, Poehlmann, & VanBergen, 2019). Rather, it is the interaction of country origin, corporate culture, age, and family that together provide a more complete picture of how BHI predicts brand success. Third, we contribute to the BHI literature by conducting a survey, which allowed us to empirically analyze data supporting the multi-modal theory of BHI (Burghausen & Balmer, 2014). The context of the origin or country in which families operate can shape the trajectory of firm identity, serving as a context within which family, firm, and country of origin become inseparable overtime. Thus, the country of origin contexts of

businesses influence their BHI. The findings add volume and depth to brand heritage conceptualization and theory (Balmer, 2011).

What clearly distinguishes this research from prior research is the comparison of the varying implications of the country of origin context on the management of family businesses and their brand identity. Indeed, and as per Charters and Spielmann (2014), the results show that the overarching country of origin identity becomes intrinsic to the development of BHI, because it subsumes the social and institutional environmental values that in part determine the firm's BHI. Overall, our research demonstrates that even though BHI is highly dependent on firm structure and firm values, it can also be greatly affected by the country of origin context in which it operates.

4.2 Managerial Implications

The findings of this study provide relevant managerial implications. Considering this study's focus on family wineries, the managerial implications are tied more specifically to these firms. Generally, family businesses may choose to disclose or conceal their family status at a particular point in time to support a specific strategy (Micelotta and Raynard, 2011). First, family businesses seeking to identify and define their BHI may want to consider being more explicit in their signals to the marketplace when they have more family members involved. As well, firms may want to consider sending a signal to the market that they are family-managed and indicate the level of family involvement over time. This is especially recommended when marketing their products in countries where family values are deemed more (versus less) important. These facets of the firm could be communicated online and be an integral part of all marketing communications adopted by family firms. Marketing intergenerational continuity, the importance of the family firm within the local environment, as well as BHI, can combine and serve as a

powerful tool; it can suggest that the brand is a family affair and that its essence will not change over generations, thereby motivating more positive responses from consumers. For consumers, BHI can translate into a signal of quality. As consumers may associate a particular label (wine) with higher quality or another dimension of value (e.g., family involvement), BHI can function as a heuristic device in a supermarket, thereby reducing the informational discrepancies consumers may experience.

Moreover, the value of family in BHI might also facilitate accountability in the marketplace. While some wineries may use brands as quality substitutes, others are zealous in protecting the reputation of their brands and, in doing so, that of their immediate context (e.g., appellations or designated areas such as American Viticultural Areas). Family firms in very well-established places (like the two countries we examined) may wish to focus on what tradition means in their branding. They may evoke firm history in terms of past, as well as present and future, by using the generational angle when they have many family members involved in the firm (Cherchem, 2017). Likewise, authenticity, communicated through links with history, heritage, or past events in a location, results in the construction of a heritage narrative (Ranfagni et al., 2021), which can nourish a stronger BHI, creating a stronger market signal for the firm. Thus, the data here suggest that business as much as family continuity is valuable to the brand and should be actively communicated via a well-defined BHI.

4.3 Limitations and Future Research

This research has some limitations. First, the sampling logic would have been stronger if a broader sample from different countries had been included. As our study involved family wineries of diverse ages in two countries, we suggest that heterogeneity also be considered in designing further studies (Memili & Dibrell, 2019) so that differences among family firms within

a single industry and across countries might be further discussed. Second, much of the research focused on wineries in origins established as having heritage (France and Italy are world-renowned for their wineries); our research could be replicated in nascent wine producing regions. Moreover, further studies can focus on diverse aspects (e.g., generation in charge, scope of business, number of family members involved) not captured in our study, as they may affect the results of further qualitative and quantitative work. Third, our results focus on firm-reported marketing performance, thereby presenting possible response bias. We do not measure the perceptions of all stakeholders, but rather the experienced outcomes of signals on marketing performance reported by management. Further studies that consider broader samples (including a contrast of stakeholder views), diverse contextual differences, and methodologies can advance understanding of the influence of family in BHI and its relevance for family businesses and brands around the world. Likewise, we were not able to measure ROI, CAGR, and other factual measures of firm performance, which could be considered as possible outcome variables in future research. Finally, we propose here a measure for BHI, which has been shown to be reliable, but which should nonetheless be tested further in other contexts and compared to other related measures (i.e., Wiedmann et al. 2011b).

APPENDIX - Study measures

Country-level importance of family values

1 = strongly disagree, 5 = strongly agree

- Family is an important value in (country)
- Family is an important value in the region that you live in
- Family is an important value in the city where you live

Family values (Burrough and Rindfleisch, 2002)

1 = strongly disagree, 5 = strongly agree

- I can't imagine having a fully satisfying life without my family.
- It is possible for me to be happy without being married.
- I would not work longer hours if it interfered with my family activities.
- The rewards of raising a family are more important to me than anything else.
- The needs of other family members are more important than my own needs.
- My really important relationships are in the home.
- The family evening meal is one of the most important activities of my day.

Entrepreneurial Orientation (Atuahene-Gima & Ko, 2001; Li et al., 2006; Lumpkin & Dess, 1996)

Seven-point bi-polar scale

- In general, the managers of my company favor a strong emphasis on
 - o proven products or services/ new products
- How many new lines of products or services has your company marketed during the past three years?
 - o No new lines of products or services/Very many new lines of products or services
 - o Changes in product or service lines have been mostly of a minor nature/Changes in product or service lines have usually been quite dramatic
- In dealing with its competitors, my company
 - o Typically responds to actions with competitors initiate/Typically initiates actions to which competitors respond
 - o Is very seldom the first company to introduce new products/services, administrative techniques, operating technologies, etc./Is very often the first company to introduce new products/services, administrative techniques, operating technologies, etc.
 - o Typically seeks to avoid competitive clashes, preferring a "live-and-let-live" posture/Typically adopts a very competitive "undo-the-competitors" posture
- In general, managers of my company have a strong preference for...
 - o Low-risk projects/High risk projects
- In general, managers of my company have chosen...
 - o Cautious, fairly incremental actions to achieve the company's objective/Bold, wide-ranging actions to achieve the company's objectives.
- When confronted with decision making situations involving uncertainty, my company typically adopts a...
 - o Cautions "wait and see" approach in order to minimize the probability of making costly decisions/Bold, aggressive approach in order to maximize the probability of exploiting potential opportunities
- In general, I would consider my company to be managed with a more...
 - o Conservative, risk-adverse managerial philosophy/Entrepreneurial, innovation-centric managerial philosophy

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Table 1: Winery Pilot Study, Items, Scales, and Results

Survey Item	Scale/Answers	Mean (or % responded)	SD
Brand Heritage Identity Scale	1 = strongly disagree 7 = strongly agree	5.03	1.06
Please rate the extent to which you believe the following features of your brand have an influence in your company's strategic decision-making process			
- Our company's history influences how we make everyday business decisions		5.46	1.71
- We seek to preserve the heritage of our brand when making strategic decisions		5.54	1.05
- Preserving the timelessness of our brand is what we strive for when making key management decisions		3.54	1.90
- The values of our brand have not changed over time		4.54	1.98
- We would rather be loyal to our company history than to change our branding in order to adapt to the market		6.08	.95
Compared to your primary competitors, how would you compare this company's:	1 = worse 4 = much better		
- Brand		2.83	.58
- Perceived quality of products		3.25	.45

Table 2: Firm Demographics (Main Study)

	France	Italy
Number of Firms	92	117
Number of family members working in firm	2.37	2.92
S.D.	1.29	1.53
Average firm age	68.34 years	52.91 years
S.D.	95.79	55.05
Minimum	3 years	0 years
Maximum	760 years	424 years
Number full-time employees	7.98	9.72
S.D.	18.82	17.89
Number of bottles produced in 2015	263 009	776 125
S.D.	753 447	3 727 568

Figure 1: Conceptual Framework

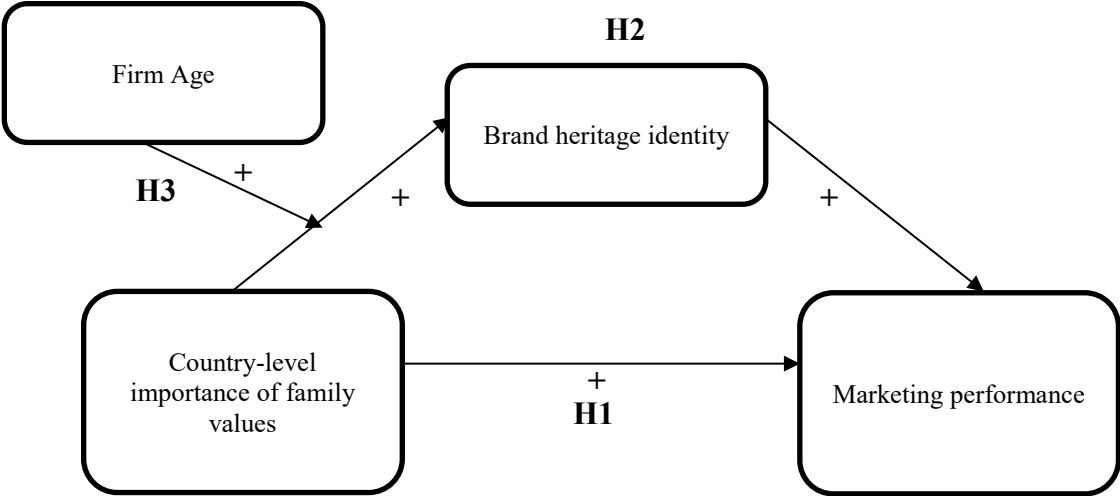
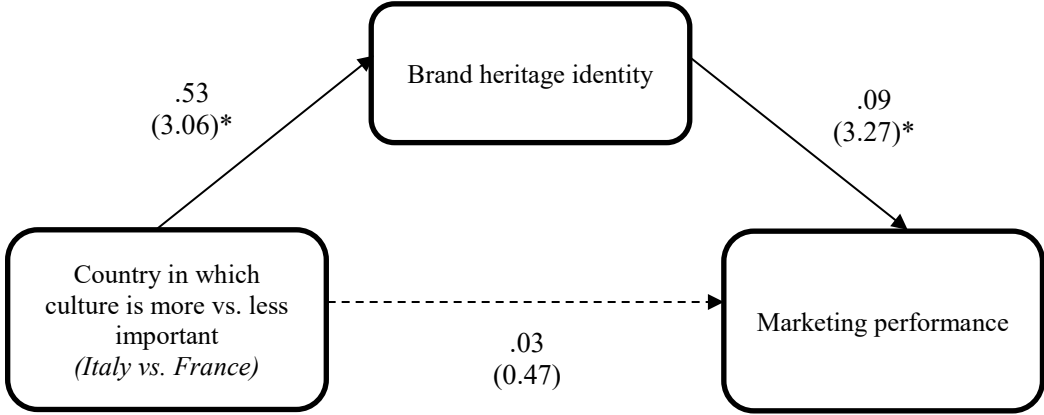


Figure 2: Mediation Analysis



Notes: * $p < .05$; numbers in parentheses are the t -values