



# World Scientific News

An International Scientific Journal

WSN 120(2) (2019) 168-180

EISSN 2392-2192

---

---

## Brand building in family businesses in Poland on the example of the sector of children's toiletries

**Izabela Bagińska**

Faculty of Management, Czestochowa University of Technology,  
19 B Armii Krajowej Str., 42-200 Czestochowa, Poland

E-mail address: [kancelariapodatkowa.ib@wp.pl](mailto:kancelariapodatkowa.ib@wp.pl)

*“Companies need to be aware  
that they are creating something more than just a product on a shelf.  
They are also creating a lifestyle.”*

Robert Hass, manager at Levi Strauss

### ABSTRACT

The strongest tool for communication between a company and its customers is the brand. A strong brand should encourage customers to buy the product or service offered, as it is treated as a guarantee of its good quality. The aim of this publication is to present the importance of a strong brand in family businesses. The main research problem is the question, how does the brand affect the recognition and success of a family business? The theoretical part of the paper presents definitions of the brand, its purpose and information concerning family businesses in Poland. The current situation in the Polish market of children's toiletries was also presented. The research method used in the article is a case study method. The results of the research allowed us to draw conclusions which are included in the final part of the paper. The research shows that a strong brand plays an important role in the development of a family business.

**Keywords:** family businesses, children's toiletries, brand

## **1. INTRODUCTION**

The role that family businesses play in the development of each country cannot be overestimated. It's no wonder that the topic of family businesses is widely taken up and commented on by many researchers all over the world, including in Poland. Although the dominant area in which family businesses operate is the small and medium-sized enterprises sector, there is no shortage of large, world-renowned brands among them. The method of company management modelled on kinship is one of the oldest methods of management.

In an increasingly competitive environment, it is becoming increasingly difficult for companies to succeed in the market by relying solely on the products or services they offer. Features that distinguish them from the competition are becoming more and more desirable. One of them is the brand. A strong brand increases the value of the product and contributes to subsequent profits of the company.

A strong brand is a tool that effectively helps gain a competitive advantage. On the one hand, it is a component of intellectual assets, on the other hand, it distinguishes one company from another. H. Pringle believes that the brand sends consumers information about what to expect when buying a product or service (Pringle H., Gordon W., 2006). It is a strong asset of every company. Brand equity is very important to marketers of consumer goods and services. Brand equity facilitates in the effectiveness of brand extensions and brand introductions. This is because consumers who trust and display loyalty toward a brand are willing to try to adopt brand extensions [13].

Due to the growing role of the brand, customers are often willing to pay more for the brand than the actual product. Therefore, the role of the brand in the development of family businesses cannot be overestimated.

## **2. THE ESSENCE OF FAMILY BUSINESSES**

Family businesses play an important role in economies across the world. Family businesses are consistently associated with specific attributes and expectations, which is something that points towards the notion that FB can be regarded as a "brand" on their own [12]. Despite the fact that family businesses are the oldest form of doing business, they developed relatively late in Poland. The political transformations of 1989 enabled the development of a market economy, which initiated a rapid development of entrepreneurship in Poland. Among the companies established at that time, there were many based on family ties. Although the largest percentage of family businesses are small and medium-sized enterprises, there are also large corporations among them.

It is generally accepted that a family's involvement in the business makes the family business unique; but the literature continues to have difficulty defining the family business [3].

Family groups are those that control more than 5% of the company's votes. A family group is identified through published family trees in each country and may consist of one family or a group of families. Definitions include aspects of one or all of the following: percentage of family ownership, percentage/number of family managers, family controlling interest, multi-generation, family objectives, family intentions, for example succession to a family member [7]. Family businesses are governed by slightly different rules than other entities operating in the market. Blood ties and family values play an important role in them. An important aspect is

also the fact that they aspire to succession. In addition to these obvious differences, family businesses, like others, aim to succeed in the market. It turns out that an important factor that allows this is the creation of a strong brand. A conscious enterprise always takes its image into account when building its strategy. A strong brand is one of the most important tools for competing in the market.

### **3. BRAND CHARACTERISTICS**

The brand is one of the intangible factors creating goodwill. A strong brand often determines the acquisition of a competitive advantage in the market. It is a product that guarantees functional benefits and added value, important enough for potential customers to want to make a particular purchase.

There are many definitions of the "brand", yet a comprehensive theory of the brand construct is still missing [7].

Based on the available literature, it can be assumed that a brand is a symbol, name, graphic symbol, created to distinguish a company from others. It is assumed that the brand guarantees good product quality. The positive image of a brand is influenced by the name of the owner in the company name. The owner declares to everyone that he or she guarantees the quality of the offered product or service with his or her own name. Around the world, also in Poland, attachment to a surname is a value in itself. Polish brands such as Ingot, Grycan, Raben, Sowa, Tarczyński speak for themselves.

The term "branded" has many synonyms. It means a product that is of good quality, with a company name; a product that is valued, fashionable, top-of-the-line, valuable, expensive. It guarantees the confidence that a consumer can have when purchasing a product labelled with a specific brand. This is largely due to the positive experiences that consumers have had with the brand in the past.

Today, every organisation wants to have a brand. Beyond the natural brand world of producers and distributors of fast-moving consumer goods whose brands are competing head to head, branding has become a strategic issue in all sectors [11].

Shopping is a constant part of our lives. Each of us buys the necessary products every day. What makes us choose a particular product from the multitude of similar products? It turns out that our purchasing choices are largely influenced by the brand. Family involvement in management combined with family corporate brand improves sales [5].

The main attributes of a strong brand are:

- brand image – depends on the individual assessment of customers. In the decision-making process, the consumer will choose a product of the brand which, in his or her opinion, is better than the other brand. Often his or her purchasing decisions are based on associations. The final assessment results from various elements and influences to the degree of a positive assessment of the brand image,
- brand quality – assessed on the basis of individual consumer perceptions. The higher the quality of the brand, the greater its value. This is confirmed by frequent purchases of products of a given brand. High quality often also means a high price. As a result, companies make higher profits by overpricing,
- brand awareness – the ability to recognise the brand and the products offered by it. Brand awareness is reflected in the related associations.

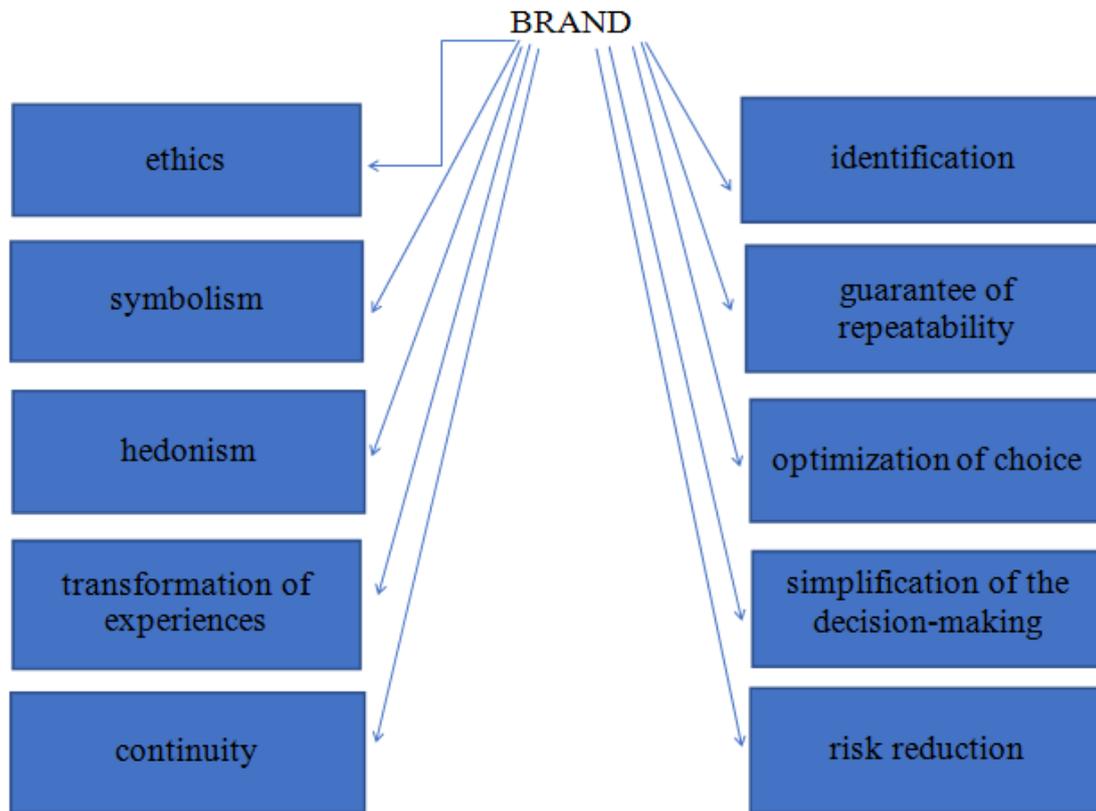
Each of us, when buying a product, is actually first buying his or her own satisfaction with the purchase. It seems that the most important factor influencing the shaping of a strong brand is its reliability.

The use of the brand is beneficial for both consumers and the company itself. The benefits for buyers result from the fact that the brand is perceived as a promise of good quality. It seems that knowing the manufacturer guarantees the quality of the product, which means that it is automatically rated higher than the products of non-branded companies.

Benefits for the consumer:

- makes it possible to identify products
- guarantees a good quality product
- reduction of purchasing risk
- the prestige of the product increases
- easier access to distribution channels

The benefits that consumers achieve by purchasing branded products are presented in Fig. 1



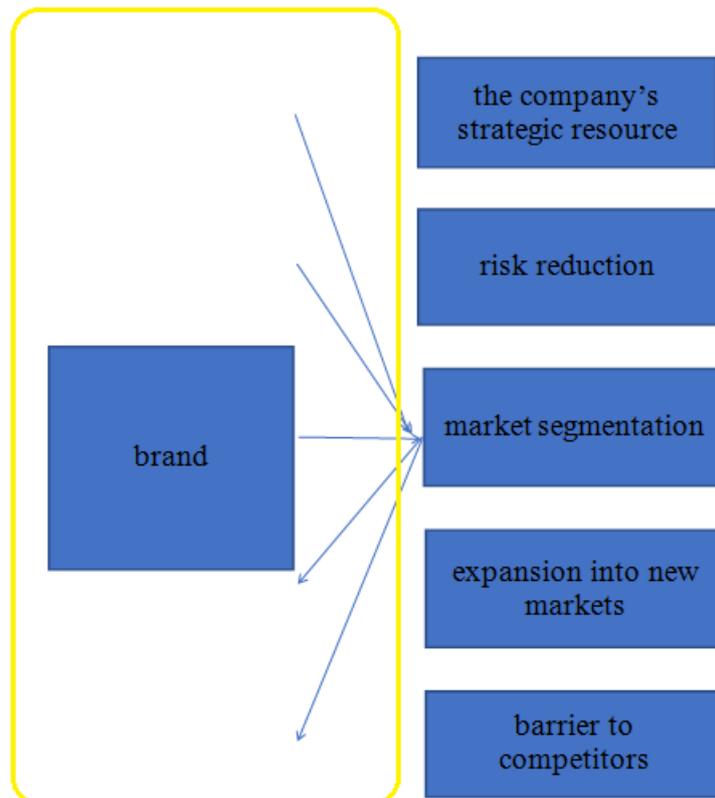
**Fig. 1.** Benefits that consumers achieve by purchasing branded products  
Source: The article author's own research based on GOOGLE and about [4-11]

The use of brands also brings numerous benefits to the company. It is customary to say that a brand is one of the most valuable assets of the company.

Thanks to the use of the brand, the company gains, among others:

- loyalty of customers
- additional possibility of advertising through the customers' grapevine
- the possibility of increasing the price by giving the customer satisfaction from the purchase
- of a well-known brand
- the creation of market entry barriers for competitors
- bargaining chips in negotiations with intermediaries

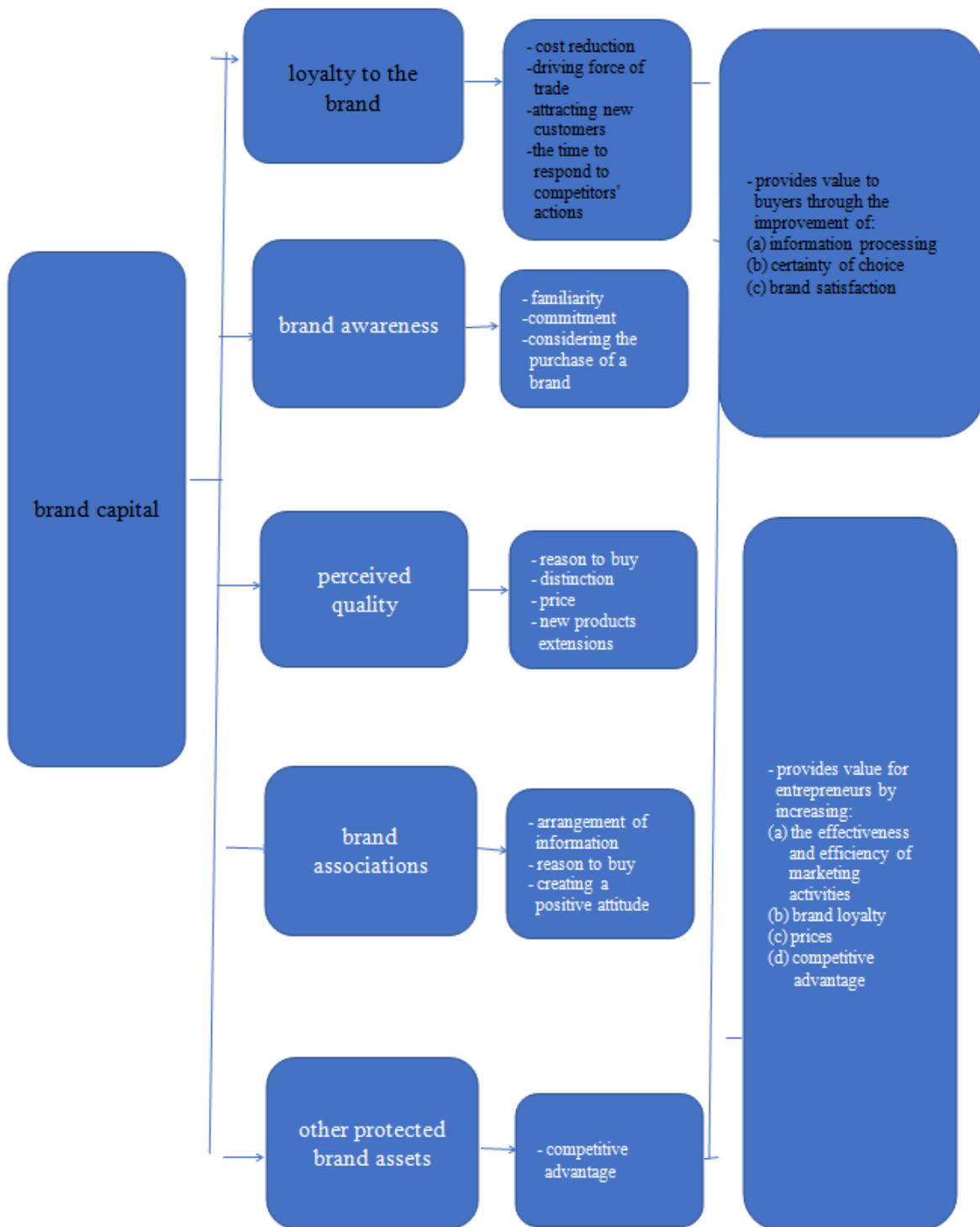
The most important functions of the brand from the company's point of view are presented in Fig. 2.



**Fig. 2.** Most important functions of the brand from the company's point of view

Source: The article author's own research based on GOOGLE and about [3-9]

The value of a brand is largely determined by its capital, which is the economic potential influencing the company's future success. The brand provides additional values in the form of trust and brand recognition. Although these features are intangible, they constitute the brand capital. Fig. 3 shows the elements of brand capital.



**Fig. 3.** Elements of brand capital

Source: The article author's own research based on GOOGLE and about [1-8]

The essence of the brand should be considered from the viewpoint of the owner of the company as well as the consumer. From the company's point of view, a brand means a marketing management strategy, while from the buyer's standpoint, a brand is an image of a product. In the mid 1980s, the approach to the brand changed. It began to be perceived as an important element of the company's assets. It was then that the concept of brand capital emerged. According to D. Aaker, brand capital means a set of assets and liabilities associated with the brand, which increases or decreases the value provided by the product.

#### **4. FAMILY AS A BRAND**

Thinking about a given brand, we recall the information associated with it. A common element to be associated with is undoubtedly the family element of companies. There is a reasonable belief that the company, thanks to its family spirit, takes care of the quality of the product in a unique way. After all, the founder guarantees this with his or her own name. The consumer appreciates the message that the whole family is often involved in the company's activities. This gives rise to greater trust in the brand [2].

A strong family brand strengthens the competitive position or customer loyalty, as well as giving benefits strictly related to its family character. These are:

- facilitating internal integration,
- attracting valuable employees,
- long-term employee loyalty.

Products of family businesses are willingly purchased by consumers; they inspire their trust and are appreciated for their quality. Therefore, companies should emphasise their family character and reveal their history. The aforesaid, although relatively short, is worth emphasising. It is therefore becoming more and more common for companies to emphasise the attribute of family spirit on their websites [8]. The analysis of the source literature shows that traditional values, the high quality of products and services offered, and reliability and credibility are the most important features of a family business indicated by consumers. Family ties, loyalty, insurance, and stability are expected to be effective in lengthening the horizons of managers and in providing the incentives for family managers to make efficient investments in the family business [6].

The strongest influence on the formation of a strong brand is attributed to:

- high quality of a product,
- high quality of customer service,
- associations based on the family nature of the company,
- friendly atmosphere, building good relations with employees and customers.

Strong brands are more resistant to economic crises. Often a strong brand translates into a premium price compared to other companies.

#### **5. THE POLISH COSMETICS MARKET**

According to PMR, a research company, the Polish children's goods market reached PLN 11.55 billion in 2017. The market of children's toiletries represents 6.7% of the total market for

children's goods. According to the Central Statistical Office (GUS), there are over 400 entities operating in the cosmetics market in Poland, both large international companies as well as small and medium-sized enterprises. Thanks to the beauty industry, the Polish economy generated over PLN 7 billion of added value, which provided jobs for 43,000 people (based on a Report on the state of the beauty industry in Poland in 2017).

Manufacturers outperform each other in their product offers for children and babies. Bathing and skincare products such as bath lotions, shampoos, shower gels, wet wipes, creams, bath oils and body lotions are available. In addition to the products listed above, speciality products such as nappy rash creams, sunscreen products, atopic skin products, mosquito repellents, hair styling gels and niche products such as toilet waters, refreshing perfume waters or lip balms can be purchased.

In order to encourage the purchase of certain products, manufacturers outperform each other in new ideas. For example, they offer liquid soap with a special sponge pump which is soaked in dye. When the pump is pressed, a coloured dot remains on the child's hand. The child must wash his or her hands until the coloured mark disappears. This method of soap application teaches children how much time it takes to wash their hands thoroughly. Another way to increase the attractiveness of the products on offer are bath gels which change the colour of the water or give it an intensive colour.

## **6. RESEARCH METHODOLOGY**

The research method used in this study is a case study method. This study combines both the theory of a given field of knowledge and everyday practice. The case study analysed in this paper concerns three family entities involved in the production of toiletries for children. The research shows what brand strategy these companies use and what is their position in the market. The research was carried out with the use of materials available in the industry press and in reports prepared by research agencies.

### **6. 1. First case study – the Makarczyks – Skarb Matki (“Mother's Treasury”)**

The history of the company dates back to 1947, when Władysław Makarczyk, MA in pharmacy, decided to establish a company. His dream was to run his own pharmacy, but at that time in Poland pharmacies were state-owned. Originally, the company produced zinc ointment, scabies and freckles ointments, nail polishes, toothpaste, etc. Makarczyk took care of the good quality of the cosmetics and beautiful packaging, which were supposed to encourage people to buy, especially women who wanted to look beautiful. He called the created powder "Ada", and the shampoo "Venus" and "Lilla". The authorities back then waited for Makarczyk to make the slightest stumble. They accused him of illegal production. His son was 17 years old when the founder of the company died. In 1965 Mr. Dariusz Makarczyk miraculously obtained a permit for the production of nail polish. He was the first in Poland to sell nail polish with a brush attached to the cap. He imported pigments from Switzerland and thus created coloured polishes. The coloured nail polish he produced was of such high quality that he started exporting it to Bulgaria.

Makarczyk states that at that time he did not have a brand because he did not really know what it was. In 1990 the production of nail polish was discontinued and the focus was on the production of powder for children according to the father's recipe. It was then that the brand

“Skarb Matki” was created. At the beginning of the 21st century, Makarczyk’s daughter Paulina and son Paweł started working for the company. On 1 February 2014, Dariusz Makarczyk's sole proprietorship was transformed into a general partnership (partners: Dariusz, Paulina and Paweł). Makarczykowie is a very strong brand in the children's toiletries market.

**Table 1.** Summary of brand strategy activities and their evaluation.

Name of activity	Before 1989 there was no perception of the value of a family business.	2010 – accession to the Association “Inicjatywa Firm Rodzinnych” (Family Business Initiative) and the logo of family businesses.	Since 2010 - exposing the family character of a company in its products and advertising materials, - identification of family values with the value of the Skarb Matki brand – honesty, reliability, sincerity, trust, love.
Evaluation	-----	Family approach to customers and employees.	High reliability of personal care products.
Effect	-----	Positive image in the eyes of consumers and employees.	Recognition of the brand as a family brand. Strengthening the customer relationship, customer loyalty to the brand. Increased interest in the brand in the market.

Source: Own elaboration.

## **6. 2. Second case study – Ziaja – Ziajka**

Ziaja Ltd Zakład Produkcji Leków sp. z o.o. was founded in 1989 by Aleksandra and Zenon Ziaja. It was a company entirely with Polish capital. As a couple of pharmacists, the Ziajas started with the production of medicines, but at that time the drug registration process was so complicated that they decided to produce cosmetics. Despite the fact that it takes many years for a medicine to be placed on the market and there is a lot of competition in the pharmaceutical market, the owners did not abandon the idea of producing medicines. Ziaja produces ointments such as Clotrimazolum, Dicloziaja, Heparizen, and others. The company has four laboratories: research and development, physicochemical, microbiological and quality control. The company focuses on the good quality and safety of its manufactured cosmetics.

Formulas for new cosmetics undergo detailed allergy, dermatological and microbiological tests. Not only cosmetics, but also packaging and every raw material used in the production process are subject to quality control. The first products were made in the couple's flat. Currently, Ziaja has two production plants with an area of 15,000 sqm in a special economic zone. Ziaja's first product was a natural olive cream. The formula of this cream has been the same for 25 years. The first creams signed with the Ziaja name were produced with the use of an old ice cream machine which the entrepreneur bought with the money borrowed from a friend. The first cosmetics were produced, packaged and distributed by the company's founder and his wife. Currently, the founder of the company is preparing his children to take over the business. The company has created a series of childcare products – Ziajka. The toiletries do not contain parabens, dyes or artificial substances. Ziaja focuses on the safety and high quality of its products. Zenon Ziaja has received an honorary award from Minister Janusz Piechociński for his contribution to the development of the Polish economy. The brand boasts high recognition in Poland.

**Table 2.** Summary of brand strategy activities and their evaluation

Name of activity	<p>1. Supports many actors who promote good health: - supports the Piękniejsze Życie Foundation, which organises free-of-charge workshops on care and make-up for oncological female patients, - supports the activities of LUX MED Diagnostyka, which is one of the providers of mammography tests under the Early Breast Cancer Detection Population-based Programme.</p> <p>2. He is a patron of the Wybrzeże Theatre and the Danuta Baduszkowa Music Theatre.</p> <p>3. He supports sports activities, including: - promoting nordic walking, - sponsoring the Gdańsk Yacht Club and fencing.</p>	For years he has been sending a constant message: a good product for a reasonable price.	Priority approach to the quality and safety of cosmetics. Using safe cosmetics, free of parabens and chemical ingredients. Home recipes and traditional methods of production. Advertising.	Launch of the new series “GdanSkin”.
Evaluation	Strengthening the company's image	Correct and innovative marketing system	Distinction of the brand in comparison to other companies	Strengthening the marketing message.
Effect	Brand recognition, positive brand image in the eyes of consumers	Strengthening the customer's relationship with the brand. It translates into real profits.	Brand recognition. Increased customer loyalty. Greater interest in the company's products.	References to the seaside climate of the city and exceptional environment give the brand a positive association. The fact that Gdańsk, Gdynia and Sopot are cities that have a good association, and the fact that they are correlated with

				cosmetics also has a positive resonance. Possibility of strengthening the position of the brand.
--	--	--	--	---

Source: Own elaboration.

### 6. 3. Third case study – Korana

The company was founded in 1993 by Nadia and Henryk Nicpoń. Nadia's father emigrated to France in the 1920s. Franciszek, believing in the health power of honey, founded a home apiary. Instead of candy, children ate honey. When they were sick, their parents spread honey on them. Honey was considered to be a medicine for everything.

Mr. Henryk's family comes from Panek near Częstochowa. The father of the founder of the company also dealt with beekeeping. Both spouses have thus brought out of the family homes respect for beekeepers and a passion for natural resources.

The Nicpoń couple founded the Korana company to create natural cosmetics. The main ingredients of the cosmetics are honey, wax and propolis. The logo of the company depicts the Bowl of Hygieia which is a symbol of health regeneration. Its construction consists of wax pillars. They symbolise the foundations of the company's idea, which skilfully combines modern cosmetology with traditional ingredients, especially honey.

**Table 3.** Summary of brand strategy activities and their evaluation.

Name of activity	Creation of a company logo	The owners consider trust, safety, partnership and honesty towards family members, employees and customers to be the most important.	Production of cosmetics based on natural ingredients, mainly honey.
Evaluation	Symbol of regeneration of health.	Emphasising the family-owned character of the company	Distinction of the brand in comparison to other companies
Effect	Presentation of the company as being modern and at the same time using the health power of natural ingredients.	Positive image in the eyes of customers	Greater brand recognition. Interest of consumers in products. Increase in customer loyalty.

Source: Own elaboration.

## 7. CONCLUSION

In conclusion, it should be noted that the brand occupies one of the leading roles in the development of family businesses. According to many experts, the strength of a brand is its association with Polishness, tradition and quality. The conducted research confirms that an important factor determining the development of a company and strengthening competitiveness is the applied differentiation strategy. Family businesses implement this strategy in a special way by building a strong brand. The case studies described above are characterized by a trustworthy brand. A family business is associated with honesty, friendly relations and tradition. A strong brand makes it possible to distinguish a company from others, and family businesses, being aware of the positive associations with family spirit, additionally emphasise it.

Consumers standing in front of a shop shelf make their decision to buy a specific product within a few seconds. During this short period of time, the customer experiences such associations as quality, composition, smell, consistency, purpose, or efficiency of action. It is possible to communicate all these factors within such a short period of time through the brand.

The surveyed companies achieved success in the market to a large extent thanks to their care for a positive image of their own brand. The research shows that the owners in their strategies included a reference to the family nature of companies. The study confirms that there is a close relationship between a strong family brand and customer loyalty and thus market success. The results of the research are in accordance with the assumptions of the paper. They confirmed that the family nature of a company strengthens its brand, which in turn translates into success for the company.

## References

- [1] Aaker, David A., and Alexander L. Biel. Brand equity & advertising: advertising's role in building strong brands. Hillsdale, N.J.: Lawrence Erlbaum Associates, 1993. ISBN-13: 978-0805812848
- [2] Barach, Jeffrey A., and Joseph B. Ganitsky. Successful succession in family business. *Family Business Review* 8.2 (1995) 131-155
- [3] Chua, Jess H., James J. Chrisman, and Pramodita Sharma. Defining the family business by behavior. *Entrepreneurship theory and practice* 23.4 (1999) 19-39
- [4] De Chernatony, Leslie, and Francesca Dall'Olmo Riley. Defining a brand: Beyond the literature with experts' interpretations. *Journal of Marketing Management* 14.5 (1998) 417-443
- [5] Gallucci, Carmen, Rosalia Santulli, and Andrea Calabrò. Does family involvement foster or hinder firm performance? The missing role of family-based branding strategies. *Journal of Family Business Strategy* 6.3 (2015) 155-165
- [6] James, Harvey S. Owner as manager, extended horizons and the family firm. *International journal of the economics of business* 6.1 (1999) 41-55
- [7] Howorth, Carole, Mary Rose, and Eleanor Hamilton. Definitions, diversity and development: Key debates in family business research. *The Oxford Handbook of Entrepreneurship* (2006): 225-47.

- [8] Donnelley, Robert G. The family business. *Harvard business review* 42.4 (1964) 93-105
- [9] Erdem, Tülin, and Joffre Swait. Brand credibility, brand consideration, and choice. *Journal of consumer research* 31.1 (2004) 191-198).
- [10] Laforet, S and Saunders, J (1994). Managing brand portfolios: how the leaders do it. *Journal of Advertising Research* 34 (5), 64–67
- [11] Kirmani, A, Sood, S and Bridges, S (1999). The ownership effect in consumer responses to brand line stretches. *Journal of Marketing* 63 (1), 88–101
- [12] Krappe, Alexander, Lazaros Goutas, and Arist von Schlippe. The family business brand: an enquiry into the construction of the image of family businesses. *Journal of Family Business Management* 1.1 (2011) 37-46.
- [13] Lassar, Walfried, Banwari Mittal, and Arun Sharma. Measuring customer-based brand equity. *Journal of consumer marketing* 12.4 (1995) 1