

## What happens when a family business stops telling the world it's family-owned?

*When do family firms decide to go silent?*

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**F**amily firms often thrive by emphasizing their unique identity as family-owned businesses. This identity fosters trust, customer loyalty, and even pride among family members. However, what happens when a family business decides to stop communicating its family ownership? This article explores the effects of such a shift by analyzing a third-generation Swedish home electronics firm that chose to cease identifying as a family business in its public communications. This decision challenges traditional thinking about the benefits of family business branding and provides insights into how companies manage their identity through significant strategic changes.

### WHAT WE STUDIED

This study is based on a longitudinal case study of TJAB, a Swedish home electronics family firm that underwent a strategic shift after acquiring a competitor, OnEl. Using a combination of archival data and interviews, the study tracks the changes in both the company's family firm identity and the owning family's involvement. The primary research question examines how the family firm identity is affected when it is no longer communicated externally.

The researchers used multiple data sources, including business magazine reports, interviews with family members and employees, press clippings, and commercials, to build a comprehensive picture of how the company's identity evolved before and after it ceased to communicate its family firm identity.

### KEY INSIGHTS

#### **1. Family Firm Identity Before the Shift**

Before TJAB publicly stopped communicating its family firm identity, it closely associated its identity with the

family's active involvement in daily operations. Family members were highly visible in the company's management and in its public branding efforts. The company's low-price strategy was also a core part of its identity, which was highlighted in numerous television commercials featuring family members.

The family business also played a unifying role within the Johansson family, bringing together multiple generations through a shared entrepreneurial legacy. The firm was seen as a symbol of the family's continuity and success, and the second-generation family members were viewed as entrepreneurial role models.

#### **2. Family Firm Identity After the Shift**

Once the family decided to stop communicating its identity as a family firm, the most visible change was the rebranding of TJAB to OnEl, which marked the removal of the family firm brand. This shift was largely motivated by business rationality: the family felt that OnEl's focus on e-commerce and warehouse outlets was better suited for the future competitive landscape.

Although the family firm brand was no longer publicly communicated, many elements of the family firm identity remained intact internally. The company continued to focus on its low-price strategy, but family members took a more distant, strategic role in the company rather than being actively involved in daily operations.

The study found that the family's attachment to the business remained strong despite the external changes. Internally, the family continued to refer to its history and legacy, even using stories from the past to justify the strategic decision to rebrand the company.

### **3. Decoupling of Internally Experienced and Externally Communicated Identities**

One of the key insights from this study is the concept of decoupling, where the internal experience of the family firm identity continues even when it is no longer communicated externally. This decoupling allowed the family to maintain its emotional connection to the firm while strategically repositioning the business to meet market demands.

The decision to stop communicating the family firm identity did not diminish the family's pride or their sense of ownership. Instead, they reframed the shift as a bold move in line with the family's entrepreneurial history, demonstrating that a family business can maintain its internal identity while altering its external image.

#### **PRACTICAL IMPLICATIONS**

Family business leaders facing similar decisions can learn from this case study. Key takeaways include:

##### **1. Managing Rebranding with Business Rationality:**

The decision to stop communicating a family firm identity may be necessary for strategic reasons, especially when a firm needs to adapt to new market conditions. However, it is important to maintain core identity elements internally to preserve family unity and pride.

##### **2. Balancing Visibility and Strategic Roles**

As a family business evolves, family members may shift from operational roles to more strategic positions.

This shift can allow the business to grow and adapt without losing its connection to the family's legacy.

##### **3. Using Family History to Support Strategic Decisions**

Families can use their history and legacy to frame and legitimize bold strategic moves. By drawing on the past, they can ensure that even significant changes align with the family's values and identity.

#### **CONCLUSION**

The decision to stop publicly communicating a family firm identity represents a major strategic change, but it does not necessarily lead to the dissolution of the internal family firm identity. In the case of TJAB, the family successfully decoupled its internal and external identities, allowing them to reposition the business for future success while maintaining their emotional connection to the firm. This study highlights the importance of flexibility in managing family firm identity and provides a framework for understanding how family firms can navigate identity-related challenges during strategic transitions.

#### **TAKEAWAYS**

Family business leaders should carefully consider how changes in branding and public identity might affect their company's long-term strategic goals. By maintaining internal coherence and strategically decoupling external communications when necessary, family firms can adapt to new market realities without losing their core values.

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