

# CZECH FAMILY BUSINESS BRANDS AS A TRADITION BEARER

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## **Abstract**

Czech family brands and the topic of family entrepreneurship appear more and more frequently before the eyes of both general and professional public on the page of Hospodářské noviny (Economic Journal) and Lidové noviny (People's Journal), in the magazines Lobby, Moderní řízení (Modern Management), Trade News, on the television screens in the programme Cesty k úspěchu (Ways to Success) hosted by Marek Vašut, etc. The scientific objective of this article is to examine the history and the presence of unique Czech brands of family business, and the range of interpretations to their names. The text was elaborated on the basis of general scientific methods, in particular using the comparison method for secondary data of publicly available / published research, case studies, primary quantitative research, deduction and generalization. The findings of this study confirmed the assumption that family businesses/farms that continue a family tradition, present the first and last name of their founders in their name. One of the main objectives of a company facing the need to design a successor strategy is to pass on the family brand and tradition to the incoming generation. The successors are brought up to respect traditions and to share the knowledge that the family brand is one of the most valuable intangible assets held by the family. However, the core of the family brand must rely on an excellent product or service. If properly taken care of, the family brand constitutes a major competitive advantage of the family business over other market players.

## **Keywords:**

Family entrepreneurship, tradition, family business, family farm, family brand.

## **1 History and presence of family entrepreneurship in the Czech Republic**

We consider it essential to first explain the use of the “family entrepreneurship” concept. In professional literature, you can find terms such as family business, family entrepreneurship, family firm, family enterprise, family company. If we were to apply the language used in the applicable legislation in force (new Civil Code – NCC), we would not be allowed to use the term BUSINESS or COMPANY, which were replaced by BUSINESS CORPORATION and FAMILY ENTERPRISE. However, the terms “family business corporation” or “family enterprise” (provisions of Sections 700 et seq.) are not yet used by the general public. Although we are not able to avoid the generally used term “family company” in the text, we understand “family entrepreneurship” to comprise the activities by a family carried out as part of business.<sup>1</sup>

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<sup>1</sup> Section 420 of NCC defines **entrepreneurship** as a gainful activity carried out independently, on one's own account and responsibility, in the form of a trade or in a similar manner with the intention to do so consistently for profit.

**FAMILY** – pursuant to NCC (Sections 655 et seq.), it includes: spouses, parents, siblings, children, grandchildren, in-laws, grandparents.

**RELATIVE** – a relationship between persons based on consanguinity or adoption. Relatives in direct line – children, grandchildren, parents, grandparents); relatives in collateral line (siblings, aunts, uncles, nieces, nephews).

It is very difficult to determine the historical period marking the beginning of family entrepreneurship in the Czech Republic; nevertheless, it is possible to state that family businesses were the first form thereof in terms of entrepreneurship.<sup>2</sup> According to Odehnalová, they date back to the Middle Ages – business carried out by aristocratic families – and later also by rich landlords, millers and publicans.<sup>3</sup> The term “family company” may evoke the image of a traditional handicraft workshop of a goldsmith, blacksmith, tailor, shoe-maker, painter, butcher, confectioner, etc., the development of which was ensured along the heir line – by passing experience onto the descendants. For instance, the family enterprise Roman Pánek’s Kamenosochařství (stone sculpture shop) the history of which dates back to the period of the 17<sup>th</sup> century guilds is still in business today.

In the Historical Encyclopedia of Czech, Moravian and Silesian businessmen, Myška et al. (2003) compiled a biographical dictionary of figures who dedicated their life to activities in the economic domain – businessmen and business entities belonging to a single family or family line.<sup>4</sup> The time limit for the historical processing of these data is the middle of the 20<sup>th</sup> century – the nationalization in the period 1945–1948. They listed many families of industrialists, financiers, wholesalers, big-scale businessmen from all industrial fields who had successfully passed their business over several generations. For instance, the Bartoň family – entrepreneurs in textile industry, Czermack – an industrialist family in engineering, Fiedor (Fidor) – a family of domestic producers and later industrialists in food industry, Grohmann – an industrialist family in dyeing, spinning and mining industries, Kuffner – an industrialist family in sugar, distillery and brewing industries, Pilňáček – an industrialist family in soap boiling and cosmetics, Reich – an industrialist family in glass industry, Weiss – an industrialist family in wood and paper making industries, and many more. An act of nobility was offered for successful businessmen by the Austrian monarchy – everyone who invented something revolutionary, who achieved an extraordinary success or won an award at international exhibitions received from the monarch the Order of the Iron Cross, which gave its bearer the right to obtain a title free of charge (František Ringhoffer, Vojtěch Lanna, Emil Škoda, Josef Šimonek) – all these successfully climbed all the way to the top of the society. Logically, it follows that many owners of family enterprises were referred to as an example of diligence, invention and honesty.<sup>5</sup>

The first World War, followed by the establishment of Czechoslovakia, marked a major turning point in the development of family entrepreneurship. The First Republic brought many economic changes. Private and family business was flourishing not only thanks to the development of small trades. It was during that period that several billionaire business clans were operating in our territory – such as Baťa (footwear), Daněk (engineering), Gutmann (industrial and financial empire), Jelínek (distillery), Křižík (electrical engineering), Moser (glass), Odkolek (bakery), Rotschild (industrialist in the Ostrava region), Podolská (fashion designer), Škoda (engineering plants, steel manufacture), Wanníček (steam engines, sugar factory equipment and turbines), and other. Some owners of family enterprises of that time became the victims of the Nazi atrocities (such as the Jelínek family). Some were able to emigrate; some were, because of their German nationality, displaced after the end of WWII. The businesses of others became the subject of nationalization through the presidential decrees of Edvard Beneš of 24 October 1945 or during the second nationalization wave after the communists came to power in 1948. For most owners, the nationalization entailed a tragedy not only from their personal, but also from the economic point of

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<sup>2</sup> O'HARA, W.T., MANDEL, P.: *The World's Oldest Family Companies*. [online] [2016-09-02]. Available at: <http://www.catedraef.udc.es/subido/Paginas%20simples/pag20080928171545/100empresasfamantiguas.pdf>

<sup>3</sup> ODEHNALOVÁ, P.: *Přednosti a meze rodinného podnikání*. Brno: Masaryk University. 2011, p. 32.

<sup>4</sup> MYŠKA, M. et al.: *Historická encyklopedie podnikatelů Čech, Moravy a Slezska*. Ostrava: Faculty of Arts of the University of Ostrava. 2003, pp. 7–8.

<sup>5</sup> HANÁKOVÁ, D.: Miliardáři první republiky. In *Speciál týdeníku DOTYK*. 2016, p. 14.

view. By losing their businesses, the families lost both their source of livelihood and their family tradition, which was built by their ancestors for many years, often several generations. Throughout the communist era, it was virtually impossible to establish a private company; socialism caused an interruption in the family business tradition in the Czech Republic.<sup>6</sup> (Puklová, 2016)

Family farms doing business in the primary agricultural sector can also be classified as family businesses. After the abolition of serfdom in 1781, agriculture gradually recovered, also with the help of famous aristocratic families that contributed to its development – e.g. the Černín, Schwarzenberg, Lobkowicz, Kinsky, Harrach families, etc.<sup>7</sup> By Act of 7 September 1848, forced labour was abolished in the Czech lands. As a result, a Czech peasant became the beneficiary owner of the land, grew into a free citizen and could start up agricultural business – most of the time on a family basis. After 1989, the family farms with great success today – such as the Farm of the Děkanovský family, Kuncl mill house with more than 300 years of tradition, the Zapletal family farm with 250 years of history, etc., picked up the family agricultural and growing/breeding tradition and history which was interrupted in 1948 by the collectivization process – expropriation of agricultural production.

The modern history of family entrepreneurship has built on the fall of the communist regime in Czechoslovakia in 1989. Market economy which is, unlike the planned economy, highly friendly towards the establishment of private businesses was reintroduced. Assets were returned under the restitution procedure and several privatization cycles took place. The restitution and privatization process allowed the traditional family businesses to return to their initial owners (Petrof – piano manufacture, Vavruška family – KOLI sodas, Kolář family – the corn mill house Mrzkovice, etc.). The first enthusiasm was replaced by disappointment. The returned businesses did not even remotely correspond to the situation before their nationalization. The families lacked the relevant education and skills that would help them with the management of their enterprise, they did not have sufficient finance for revitalization, and they lost both supplier contacts and customer base.<sup>8</sup> However, there were not with many; consequently, it does not come as a surprise that a large number of family businesses currently expanding both on the Czech market and abroad were established shortly after the Velvet revolution. The 1990's can be considered to mark the new beginning of family entrepreneurship in the Czech Republic.

One generation is considered to amount to approximately 20–30 years of existence of a business<sup>9</sup>. Consequently, it is not difficult to calculate that businesses established after 1989 are now at the verge of being passed on from the first generation to the second one – at the verge of the most difficult period a family business can face. Ing. Naděžda Petřů, a postgraduate student of the Faculty of Economics at the University of West Bohemia in Pilsen, which is currently conducting a survey among family enterprises using the F-PEC scale method as part of the research part of her dissertation (the data have not yet been processed and published), focused one of the identification questions on the year of establishment of the respondents' businesses. Given the total number of 195 respondents from the Czech Republic, this result cannot be seen as representative, but it indicates the reality of the issue – see Diagram 1.

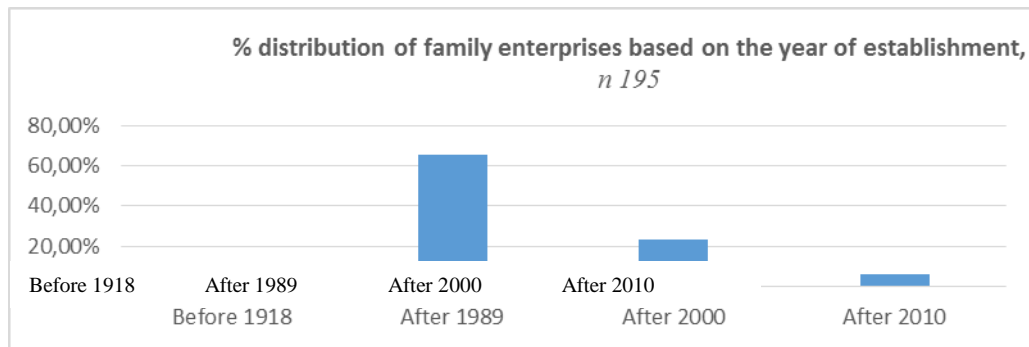
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<sup>6</sup> PUKLOVÁ, A.: *Osud rodinných firem u nás*. [online] [2016-09-02]. Available at: <http://www.majitelefirem.cz/osud-rodinnych-firem-u-nas/>.

<sup>7</sup> JINDRA, Z., JAKUBEC, I. et al.: *Hospodářský vzestup českých zemí od poloviny 18. století do konce monarchie*. Prague: Charles University in Prague, Karolinum publishing house. 2015, p. 150.

<sup>8</sup> HESKOVÁ, M., VOJTKO, V.: *Rodinné firmy – zdroj regionálního rozvoje*. Prague: Profess Consulting. 2008, pp. 103–105.

<sup>9</sup> KROŠLÁKOVÁ, M.: *Rodinné podnikanie*. Bratislava: Publishing house EKONÓM, 2013. 131 pp. ISBN 978-80-225-3697-4.



**Diagram 1** % distribution of family enterprises based on the year of establishment

Source: own research

In addition to these family businesses, specific forms of family enterprises can also be found in the Czech Republic, such as agricultural farms or manors of former aristocratic families returned in restitution. The family farms have positive effects and a direct impact on the municipality and the region where they are located; many times they are among the key employers in the municipality.<sup>10</sup> They contribute to food safety, sustainable management of natural resources and a balanced development of the areas in which they operate.

The outputs of the 40th research carried out by the Association of Small and Medium-Sized Enterprises and Crafts of the Czech Republic – published under the title “Specificities of family business”<sup>11</sup> – present the ways how family entrepreneurship is perceived by the current owners of family businesses. In two out of three cases, it is seen as an advantage for the operation of the business. The main goals of the family enterprises are the following: keep good employees, increase the efficiency of company operation, and **pass on the family brand and tradition to the incoming generation**. A large part of the family businesses expects increasing sales revenues, particularly due to higher demand for traditional or local products.<sup>12</sup>

An attentive reader certainly noted that a number of the enterprises we mentioned in the text above bear their family name in the business trade name – and is, at the same time, the brand of the family business. For the family members, this fact is a commitment towards their ancestors, towards the current and the future family, towards customers, suppliers and the general neighbourhood. If the reputation of the enterprise would be damaged, the family name would be damaged as well. Now let’s have a look at the brands of Czech family businesses which are, at the same time, bearers of family tradition and build a customer bond.

<sup>10</sup> RYDVALOVÁ, P. et al.: *Rodinné podnikání - zdroj rozvoje obcí*. Liberec: EDITION of the Faculty of Economics at the Technical University of Liberec. 2015, p. 128.

<sup>11</sup> Method of collection: phone enquiry, target group: owners of family businesses with 6 to 249 employees, sample size: 400 respondents, data collection period: April/May 2016, research tool: standardized questionnaire of 16 minutes.

<sup>12</sup> Association of Small and Medium-Sized Enterprises and Crafts of the Czech Republic: *Specifika rodinného podnikání* [online] [2016-09-07]. Available at [http://www.amsps.cz/uploads/dokumenty\\_2016/TZ/IPSOS\\_pro\\_AMSP\\_Rodinne\\_firmy\\_novinari\\_TISK.PDF](http://www.amsps.cz/uploads/dokumenty_2016/TZ/IPSOS_pro_AMSP_Rodinne_firmy_novinari_TISK.PDF)

## 2. Czech family business brands as a family tradition bearer

The common practice documented by many surveys and research proves that a family brand, reflecting the history of the family business, family values, the quality of the products/services offered, helpful communication, customer service and emotional relationship, constitutes one of the greatest customer bonds – namely very close ties of the family members, customers and suppliers with the family business.<sup>13</sup> Traditional family enterprises, which survived several generations are perceived as successful by the general public and represent a guarantee of good-quality communication, innovated high-quality products/services and long-term operation. An identical family brand can be considered to provide a sustainable competitive advantage. “When you need to decide which “image” you want to create for your brand, bear in mind: image means distinctiveness.”<sup>14</sup> The image and identity of a family brand is determined by the specific face of the founder(s) (evokes their diligence and experience) and their successors, tells a story, shapes the specific values recognized by the enterprise, the locations or field, as appropriate, where the enterprise does business.<sup>15</sup> The ties between the past and the present are important for the family members, customers, employees as well as for the general public in order to ensure differentiation of and build trust in the family brand.<sup>16</sup> Family brand is one of the most valuable intangible assets held by the family; however, the core thereof must rely on an excellent product or service.

Brands identify the origin or manufacturer of products, allow the consumers to attribute responsibility for their quality to a specific family business<sup>17</sup> and, at the same time, provide the possibility of market differentiation,<sup>18</sup> thus interconnecting marketing with management<sup>19</sup> in the modern interpretation of both topics<sup>20</sup>. This (among other) increases the efficiency of entrepreneurship.<sup>21</sup> Using the snowball method – obtaining new contacts based on the process of gradual nomination by persons who are already included in the sample – the authors drawn up a list of 247 family businesses.<sup>22</sup> The objective of the survey was to develop a range of interpretations of a brand in a business name based on a comparison of family business/farm names. The assumption was that family businesses/farms that continue a family tradition, present the first and last name of their founders in their **trade name**. The authors came to the conclusion that the nomenclature of Czech family brands can be interpreted as follows:

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<sup>13</sup> KAŠÍK, M., HAVLÍČEK, K.: *Marketing při utváření podnikové strategie*. Prague: University of Finance and Administration (VŠFS) 2015, p. 81.

<sup>14</sup> OGILVY, D.: *O reklamě*. Prague: Management Press. 1996, p. 14.

<sup>15</sup> AAKER, A.D. Measuring Brand Equity Across Products and Markets. In *California Management Review*, 1996, Vol. 38, No. 3, p. 104.

<sup>16</sup> GRAYSON, K., MARTINEC, R.: Consumer Perceptions of Iconicity and Indexicality and Their Influence on Assessments of Authentic Market Offerings. In *Journal of Consumer Research*, 2004, Vol. 31, No. 2, p. 298.

<sup>17</sup> KOTLER, P., KELLER, K.L.: *Marketing management*. Prague: Grada Publishing, a.s. 2013, p. 280.

<sup>18</sup> KUPEC, V.: Marketing a ochranná známka. In MATUŠ, J., ČÁBYOVÁ, L., ĎURKOVÁ, K. (eds.): *Nové trendy v marketingové komunikaci* (New trends in marketing communication). Trnava: Faculty of Mass Media Communication at the University of Ss. Cyril and Methodius in Trnava, 2009, p. 185.

<sup>19</sup> MATUŠ, J. et al.: *Marketing – základy a nástroje*. Trnava: Faculty of Mass Media Communication at the University of Ss. Cyril and Methodius in Trnava, 2008, p. 32.

<sup>20</sup> MATUŠ, J., MATUŠOVÁ, J. G., FINDRA, S.: Innovation in Marketing – Marketing Innovation. In: *European Journal of Science and Theology*, 2015, Vol. 11, No. 6, p. 148.

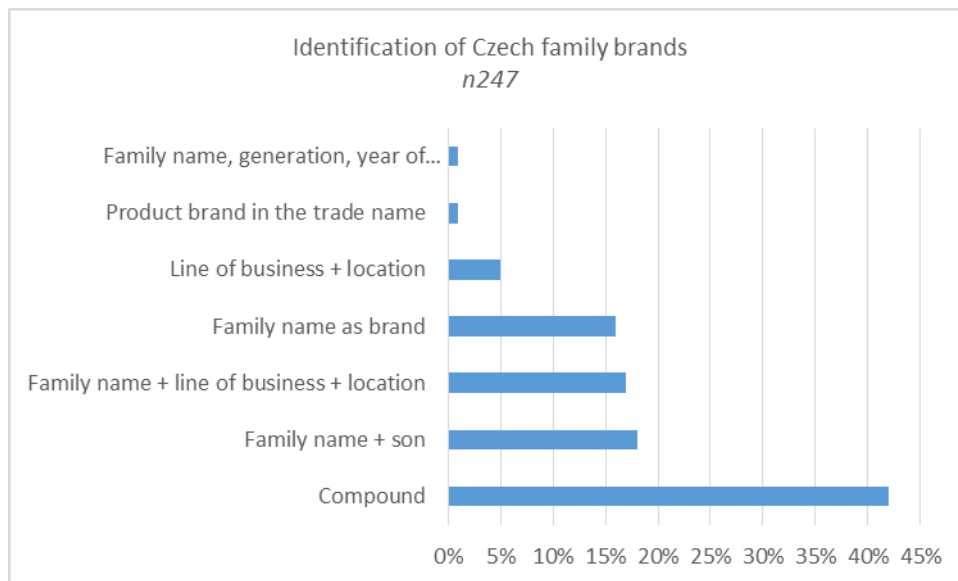
<sup>21</sup> KUPEC, V.: *Marketingový výzkum ve vybraných procesech řízení banky*. Trnava: UCM, 2014, p. 35.

<sup>22</sup> An extensive quantitative research of Czech family businesses is prevented by their official untraceability (absence of a legislative framework and of statistics produced by the Czech Statistical Office).

- Where the family name is included in the trade name of the business, we refer to it as the so-called individual brand.<sup>23</sup> As an example, we can mention the family enterprises Pleva (producer of honey products), Flosman (wholesale and retail trade in foodstuffs), Hrdlička (geodesy), Matějovský (manufacture of bedlinen), Beznoska (implants, operating instruments), etc.
- In the business trade name, the family name of the founder is – upon a generation change – supplemented with information about joint participation of the successors – e.g. Podzimek, Podzimek and sons, in the future possibly Podzimek and grandsons (construction company), Herrmann, Herrmann & sons (publishing house), Sup, Sup and sons (wholesale trade in meat), etc.
- The business trade name represents the family name, generation and year of establishment – e.g. HOCH AND SONS 1899, s.r.o.(the Hoch family – production of “turnkey” advertising).
- The business trade name includes the family name of the founder accompanied with the line of business – such as Mach drůbež (poultry) (chicken hatchery), Cork Janosa (manufacture of cork stoppers), Dvořák – svahové sekačky (slope lawn mowers) (manufacture of machines and equipment for certain economic sectors), Elektrocentrum Skuhrovec (specialized retail trade), Hanák nábytek (furniture) (manufacture and sale of kitchens, luxury interior doors, built-in wardrobes and dressing rooms, living room wall units, bedroom furniture, tables and customized furniture), etc.
- In the business trade name, the founder’s family name is supplemented with name, location or possibly also line of business – Blažek Prague (production and sale of men’s clothing), Horáková benátecká sodovkárna (production of non-alcoholic beverages), Jan Pulíček goat farm Pěnčín (agricultural production), etc.
- The business trade name includes the location and line of business – Agrostroj Pelhřimov (Stokláškoví – manufacturer of agricultural machinery), Auto Jarov (Fojtíkoví – car sale and service, motorcycle technology, accessories and parts), České vinařství Chrámce (Váňovi – wine makers), etc.
- The business trade name includes a fictional word, a word based on a compounds of two or more words, the so-called blend (Intel – Integrated Eletronics, Aldi – Albrecht Discount), which – as an artificial word – does not have any specific meaning, or evokes a certain feeling due to its similarity, abbreviations, acronyms or words as an abbreviation of the first letters of names of family members (MARADAN – Max, Radka, Dan, Nad’a) Among Czech enterprises, we can mention Zelos (the Vaňkát family – publican, accommodation, company catering), Vavi (the Vávra family – customized shirt manufacturer), LIKO-S (the Musil family – manufacture and installation of halls), etc.
- The business trade name includes a product brand – e.g. Crocodile (the Cichoň family – production of baguettes and sandwiches).

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<sup>23</sup> HESKOVÁ, M.: *Brand management. Značka jako nehmotné aktivum firmy*. Mladá Boleslav: Škoda Auto a.s. University. 2008, p. 7.



**Diagram 2 Identification of Czech family brands**

Source: *own research*

The above diagram implies that 51% of the respondents have the family name, associated with general recognition, included in their business trade name. Although not based on a representative sample of respondents, we can confirm that family businesses/farms that continue a family tradition, present the first and last name of their founders in their name. First names and family names are usually easy to memorize, difficult to imitate and remind the consumers that there is a specific person behind the product – which in turn affects customer loyalty.

In literature, we can find reference to the so-called Ibn Chaldún’s law of four dynasties. As early as in the 14<sup>th</sup> century, when researching history, this Arab scholar noticed that the prestige of a family stops after four generations. The person who made one family famous knows how much efforts it has cost them to win such success and, therefore, maintains the founding principles. The son coming after that person has a personal contact with the father and learns all these things from him. However, he is already less mindful. The third generation learns by copying and by relying on tradition. The fourth generation loses these properties and does not cherish anything as much. Does it make sense in the long run to include the founder’s family name in the trade name and brand? After several generations, there is no longer any relationship to tradition or family brand, which often results in the extinction of the brand and dissolution of the business or, in a better case scenario, in its acquisition by another company and rebranding. In such situation, however, rebranding is perhaps better than letting “strangers” take over the family name perceived as family silverware (in whatever way).<sup>24</sup>

The history of family businesses since the very start of family entrepreneurship until today has not yet been mapped down by the historians in the Czech Republic. We do not know the exact numbers, sizes or lines of business of family enterprises. Nevertheless, there are known examples of good practice in family businesses which have been in existence for four and more generations. Let’s have a closer look at some of them.

<sup>24</sup> VRBÍK, Zdeněk: Rodina značek a rodinná značka. In *Strategie* (Strategy). 2009. No. 19, p. 32.

## 2.1 Case study – the Petrof family business brand

The company PETROF is a traditional and currently the largest manufacturer of pianos and upright pianos in Europe. The Petrof brand came into existence during the Austrian-Hungarian Monarchy period after Antonín Petrof returned from visiting his uncle in Vienna. He was inspired by work in his small piano factory and wanted to build his own piano. In 1864 he built the first four pianos and established a company. Twenty six years later, the instruments of Czech origin were exported worldwide. He built his success on honest manual labour, careful choice of materials, experienced craftsmen and innovation.

Perhaps every one from the Petrof family had to face some fatal adversity. At the start of the 20<sup>th</sup> century, they were hit by the economic crisis, later followed by the Second World War, nationalization by communists, and lengthy privatization after the Velvet revolution. Following the privatization, the family was heavily indebted. It had to repay roughly 250 million crowns, because only 4 percent of the business was returned by the National Property Fund to the family descendants in restitution and the rest had to be bought back by them. Ms. Petrofová refused to sign a document for the banks stating that, in case of a failure to meet the very strict conditions, the family could lose the factory from one day to another. Instead, she started with cost cuts and unpopular measures. Two hundred out of the one thousand employees remained, the management was replaced and the company focused more on the eastern markets. It survived and makes profits again today, also in the Chinese market for instance. As regards the PETROF enterprise, the Chinese customers are particularly impressed by the historically embedded brands, tradition and family management which is passed on from generation to generation. The sixth Petrof generation has two candidates. The twenty-four year old daughter administers the Facebook site and the six-year old son examines all components inside a piano, consisting of seven thousand parts. “Once he learned his signature, the first word he wrote was Petrof,” said the mother.<sup>25</sup>

*“It is my honour to continue in the tradition of manufacturing excellent upright pianos and pianos, which was started by my great great-grandfather more than 150 years ago. In PETROF, we work very hard to make sure that our instruments bring great joy and pleasure to the pianists and make the hearts of music fans around the world vibrate due to their romantic and cultivated sound”* – as Mgr. Zuzana Ceralová Petrofová, the President of the PETROF Group and the 2014 Manager of the Year, wrote on the company website *firmy*.<sup>26</sup>

## 2.2 Case study – the Belda & Co. family business brand (Belda Factory)

The tradition of the family business Belda & Co. dates back to the beginning of the 20<sup>th</sup> century in the United States. In 1915, Ladislav Belda established a company in New York under the name Czechoslovak Bead Co. After the First World War, he stayed in Czechoslovakia and established the company Belda & Co. in Turnov in 1922. This company was expanding in the fields of imitation jewellery and silver jewels until 1948 when it was nationalized by the communist regime. Ladislav Belda died in 1959. His son Jiří Belda (1932) continued in the craft tradition while studying at the Secondary Arts and Crafts School in Turnov where he produced many major works of art together with his colleagues, the most important one being a copy of the Czech crown jewels. After the fall of the communism in 1989, Jiří Belda and his son, also Jiří, a graduate of the Academy of Arts, Architecture and Design in Prague, revived the company Belda & Co. Today, they produce mainly

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<sup>25</sup> Idnes.cz: *Příběhy českých značek: Pianina i bedny na granáty. Pohnutý život Petrofu*. [online] [2016-09-20].

Available at: [http://ekonomika.idnes.cz/pribeh-firmy-petrof-04x-/ekoakcie.aspx?c=A160121\\_181850\\_ekoakcie\\_fih](http://ekonomika.idnes.cz/pribeh-firmy-petrof-04x-/ekoakcie.aspx?c=A160121_181850_ekoakcie_fih)

<sup>26</sup> CERALOVÁ, PETROFOVÁ, Z. *Slovo prezidentky*. [online] [2016-09-20]. Available at: <http://www.petrof.cz/prodej-a-servis.html>



golden and silver design jewels and small metal objects. Viktorie Beldová (born in 1987) represents the youngest creative generation building on the family tradition. She studied product design at the Academy of Arts, Architecture and Design in Prague and gained experience also during her six-months placement at the Polytechnic University of Milan. Consequently, she is the first designed in the family, which gives her space to seek new forms and craft innovations.

The current products offered by the company distinctly show timelessness as well as perfect details which make use of the craft know-how that hardly anybody possesses nowadays. *“Similarly to everything around us, jewels are also subject to continuous development. This is supported by new technology, materials as well as fashion trends. Naturally, every designer and manufacturer responds in their own way to these circumstances. Our jewels maintain the modern design while preserving the conventional craft. As a result, the Belda brand is a synonym for tradition as well as responsibility, which is also documented by the fact that all our jewels are made in such a way so as to allow their refurbishment in the original condition, similarly to good-quality English shoes,” says Jiří Belda Jr.*<sup>27</sup>

### **2.3 Case study – the Kuncl mill house farm**

The three-hundred years old manor of the Kuncl family in central Vltava (Moldau) region is a magic place in the middle of woods and grassland. The first written records of its existence imply that the operation of the mill house under the authority of the nearby farm in Skřýšov dates back to 1713. The Kuncl family which lives and runs a business here, is connected to it in female tail since the second half of the 18<sup>th</sup> century and in male tail since 1919. At that time, František, the great-grandfather of the current young farmer Petr Kuncl, married into the family. He mainly engaged in agriculture and left the operation of the mill house to the chief miller. During his presence, in particular, the economic background of the farm was significantly meliorated. His son, who was a miller apprentice and took over the farm in 1947, did not keep the miller trade in operation. For five years, he was farming over 24 hectares of land which belonged to the mill house. After that, the farm buildings, machines and all inventory were taken over by the farm cooperative Drážkov. Following a gradual degradation of the dam by flood flows, the water fully stopped running through the mill race-way, and the race, the pond and the basin started to overgrow with wood species and reeds ...

The decision of the Mr. and Mrs. Kuncl at the beginning of the 1990's to start up a private farm was an important milestone in the modern history. Immediately since the start, the Kuncl mill house became a place for many various activities. In addition to farming, which then mainly consisted in the maintenance of the land returned in restitution and the breeding of a smaller Hereford cattle herd for meat, the Kuncl family focused on agritourism. Two years ago, the family put into operation a carcass cutting room and an ageing chamber directly at the farm, based on a long-term demand from their current customers. The interest in high-quality organic beef meat is still growing; it is sold from the farm in the form of small crates or vacuum packed in individual packages. Given that the young farmer is a hotel school graduate, the future offers the possibility of further extension of the services offered in the Kuncl mill house. The family has already prepared a project to reconstruct and redesign a part of the manor into a pension and a small restaurant. The

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<sup>27</sup> KRYNEK, O.: *Belda slaví 100 let výstavou retrospektivních šperků*. [online ] [2016-09-15]. Available at: <http://www.designmagazin.cz/udalosti/58669-belda-slavi-100-let-retrospektivni-vystavou-sperku.html>

implementation of the project could thus be another step in the development of diverse business activities on the farm. The Kuncl family won the first prize in the 2015 Farm of the Year contest.<sup>28</sup>

Based on the case studies described above, it is possible to draw the following general conclusion. In family businesses, in which the owners were raised by their parents and in which the parents pass their experience on to the children, respect and devotion to the family brand is one of the stable, fundamental values. With every generation and every family member investing their individual personal skills, knowledge and experience, they build a solid basis for a further development of the family brand in the future. Both customers and the general public will recognize the integrity, helpful communication and customer service, quality and innovation, excellence, creativity, business spirit, tradition, responsibility, etc., a will repeatedly return to the family business with trust.<sup>29</sup>

## Conclusion

The business trade name and the brand represented by first name and family name play an important role in the life of a family business. In the world, entrepreneur families with a long history establish practically museums of family entrepreneurship which serve as an illustrative aid in the process of raising successors. They can include a gallery portraying all family members who were involved in the development of the family brand or the historical factory technology which made it possible for the family business to be innovative and progressive at a certain point in time. As good as all of us are familiar with the idiom “Golden Czech hands”, which has accompanied our ancestors for many generations. It contains respect for the handicraft skills of our compatriots, often members of craft family businesses. Also the saying “Czech brand – shiny family silverware” is related to the brands of family enterprises or the brands of their products. They are often more valuable than the rest of the enterprise. It is sufficient to say their name and everybody immediately recalls their products or services. And not only that. Most people also know the story associated with the businesses. Those are the most valuable Czech brands. We have presented a few of them in our paper. We hope to have inspired the academic community – historians, marketers, sociologists, etc. to focus their attention on examining the aspects of family entrepreneurship.

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<sup>28</sup> Association of Private Farming of the Czech Republic. (2016) *Soutěž o rodinnou farmu roku* (Family Farm of the Year contest). [online] [2016-09-15]. Available at: Available from <http://www.asz.cz/cs/soutez-o-farmu-roku/>.

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