University of Sussex
Business & Management

Seminar series

Date: Wednesday 27 February

Speaker: Antonio Majocchi (University of Pavia)

Title: Are family firms more internationally involved than non-family firms? The case of Italy

Abstract: In spite of the important role played by family firms, there is limited research on their international strategies. Some authors have argued that because family firms tend to be relatively more risk averse and possess fewer resources, they should be relatively less internationally involved than publicly-owned firms. Much of the empirical evidence, based on US, Australian and Spanish samples, has indeed found that family firms have a lower ratio of foreign to total sales than non-family firms. Family control, however, has many potential advantages, one of which is a longer time horizon, which may facilitate making the significant investments required to penetrate international markets. There is also scattered evidence that the international behaviour of the SMEs that have been studied in the literature may not reflect that of all family firms. To test this we look at the foreign sales of a panel of 263 Italian firms listed on the Milan stock exchange. Using a gravity model that predicts the level of sales they should direct to each of four main world regions, and controlling for the main firm and country factors, we find that Italian family firms have higher foreign sales than non-family firms. This suggests that previous findings may have limited generalisability, and calls for more research in this important area.