

A Case for Family Business: The Western Wear Industry

The purpose of this study is to explore the role of family business in the emergence and evolution of an industry. Porter (1980) defines an industry as “the group of firms producing products that are close substitutes for each other” (p. 5). As many industries begin with numerous, small, closely held businesses, family businesses are likely to be prevalent in industry emergence. This study uses western wear as a case, due to its sustained presence as an industry with long-lived companies that have created and modified products that endure. The question explored is how family businesses evolve over time, as an industry evolves.

This study examines the role of family business in the emergence and evolution of the western wear industry through case studies of three leading companies: Lee, Levi’s, and Wrangler. Data was collected for the time period from company founder birth (starting in the 1840s) through 2010. Cases were built through collection of both qualitative and quantitative data. Changes in products, leadership, and performance were captured in a comprehensive document for each company.

Cross-case comparison evidences co-evolution of the companies. A pattern of imitation and differentiation attempts was identified through within- and across-company analysis of the relationships between leadership, product, and performance.

The contribution of family business to the western wear industry evolution is multifaceted. Our analysis of three prominent family businesses shows that some persist as family businesses while others rely upon changes in ownership and leadership to effect business and industry continuity. Overall, these ownership and leadership influences suggest that family businesses shape industry evolution through their competitive interplay.

Porter, M. (1980). *Competitive strategy*. NY: The Free Press.