



Article

Innovation through tradition in family firms: Evidence from case studies in Chile

Innovación a través de la tradición en empresas familiares: Evidencia de estudios de caso en Chile

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Abstract: Innovation has become a vital element for the growth and projection of organizations. The literature on family businesses presents mixed evidence regarding the orientation of this type of companies towards innovation. Normally, this type of organization is rooted in its history and tradition, conditioning innovation. However, tradition can provide unique distinctive resources to leverage innovation in the family business. In this way, this study is dedicated to the search for evidence that allows advancing in the analysis of the innovation through tradition paradox. To carry out this research, it is qualitative in nature and will use the case study as a methodological tool, family businesses from the Los Lagos region in Chile will be analyzed. The results showed that tradition (legacy knowledge and deep-rooted values and principles) is related to and can drive innovation in the family business.

Keywords: Family Businesses, Innovation, Tradition, Legacy Knowledge, Values, Principles.

JEL Classification: M1, M2, O32.

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Resumen: La innovación se ha convertido en un elemento vital para el crecimiento y proyección de las organizaciones. La literatura sobre empresas familiares presenta evidencia mixta respecto de la orientación de este tipo de empresas hacia la innovación. Normalmente, este tipo de organizaciones hunde sus raíces en su historia y tradición, condicionando la innovación. Sin embargo, la tradición puede proporcionar recursos distintivos únicos para aprovechar la innovación en la empresa familiar. De esta manera, este estudio está dedicado a la búsqueda de evidencia que permita avanzar en el análisis de la paradoja de la innovación a través de la tradición. Esta investigación es de carácter cualitativo y utilizó como herramienta metodológica el estudio de caso. Se analizaron empresas familiares de la región de Los Lagos en Chile. Los resultados demuestran que la tradición (conocimientos heredados y valores y principios profundamente arraigados) está relacionada con la innovación en la empresa familiar y puede impulsarla.

Palabras clave: Empresas Familiares, Innovación, Tradición, Conocimiento Heredado, Valores, Principios.

Clasificación JEL: M1, M2, O32.

1. Introduction

The family business is characterized by having a deep-rooted set of beliefs and practices that make up its tradition that makes it special (Erdogan et al., 2020). Tradition understood as “consciously transmitted beliefs and practices that express identification with a shared past” (Dacin et al., 2019, p. 356), are part of the idiosyncratic features of this group of organizations, since they reinforce their collective identity, and they provide them with a sense of continuity and belonging. Hibbert and Huxham (2010) indicated that tradition could then be seen as a key resource for organizations because it is a unique, singular and inimitable resource.

Scholars researching family businesses find both theoretical and empirical support for arguing that family involvement influences inputs, outputs, and innovation-related activities (De Massis et al., 2015). The literature on family businesses and innovation presents different perspectives. Some studies suggest that they are more conservative and less innovative due to concerns about tradition and generational continuity (Dunn, 1995), however others argue that family businesses can be more innovative (Craig & Dibrell, 2006).

Naldi et al. (2007) highlighted the importance of innovation in companies and focused specifically on innovative behavior in family businesses. These companies are characterized by having a unique set of norms, culture and processes that distinguish them from non-family businesses. It is vitally important to understand how family influence can enhance or hinder a family business's ability to innovate, because innovation plays a fundamental role in “renewing businesses, improving their competitive advantage, stimulating growth, creating new employment opportunities and generating wealth” (Hayton & Kelley, 2006, p. 407).

The tensions between the preservation of family tradition and the need to innovate can generate unique challenges in the field of family businesses, since the coexistence of these two concepts: tradition and innovation, would seem paradoxical. This is evident in the lack of consensus among academics and professionals regarding the relationship between tradition and its influence on business innovation caused by the existence of different interpretations and perspectives on the subject. Shoham (2011) maintained that tradition and innovation are often seen as two paradoxical concepts, however, De Massis et al. (2016) stated that they can generate and cultivate a competitive advantage by using their tradition as the basis for a new product innovation strategy called “Innovation through Tradition” (De Massis et al., 2016). Some argued that tradition can be an obstacle to business innovation, arguing that adhering to

entrenched practices limits the ability to adapt and explore new opportunities. "Resistance to change, very often present in both families and workers in family businesses, is a factor that influences innovative capacity" (Arzubiaga et al., 2019b). On the other hand, there are those who maintained that tradition can be a source of strength and competitive advantage, being based on knowledge, values and beliefs accumulated over time. It is common for companies with strong connections in their community and a long history of innovation to take advantage of the knowledge accumulated in the past, as it is increasingly recognized as a valuable source of inspiration for innovation (Messeni-Petruzzelli & Albino, 2012; Barros-Contreras et al., 2021, 2022).

Family businesses are then faced with the need to adapt and evolve without losing sight of their elemental traits that have been fundamental to their success. Therefore, it is crucial that they can adapt, change and innovate to remain competitive (Adner & Snow, 2010). Harnessing tradition to drive innovation is presented as a possible answer to this challenge, allowing family businesses to take advantage of their inherited resources and knowledge, while opening to new ideas, technologies and opportunities. Although some researchers and practitioners see that tradition has great potential for innovation, current research is insufficient to understand the importance of tradition for companies and how they can take advantage of it to innovate. Limited research sheds light on how innovation is produced and developed through tradition (Arzubiaga et al., 2019a).

Therefore, it is crucial to conduct comprehensive research to address this ambiguity and provide a consistent basis to assist in making informed decisions to promote greater business innovation. In this way, the rigorous analysis of this problem aims to provide a solid foundation for innovation and adaptation in a dynamic business environment. It will explore how family businesses can use their tradition as a resource to promote innovation and how this can be transferred to similar contexts, because if the problem is not adequately addressed, there is a risk that companies will ignore the opportunities that may arise. by challenging traditional practices, such as valuable knowledge that can be extracted from tradition to drive innovation. Therefore, in this research, an analysis of the tradition and innovation variables will be carried out, examining different aspects associated with each of them. In the case of tradition, knowledge inherited from generation to generation will be considered, as well as deep-rooted values and principles. On the other hand, regarding innovation, the innovation of new products and/or processes will be specifically studied. The research model will be aimed at answering: How does tradition, measured through legacy knowledge and deep-rooted values and principles, influence innovation for the generation of new products and/or processes in the family business?

To test the research model, the study will use a qualitative methodology with a case study according to Eisenhardt (1989) and Yin (2003). A case study methodology is an appropriate way to investigate a topic in which few studies have been developed previously (Cepeda, 2006). The case study gives us the opportunity to investigate and understand various processes in depth, allowing us to analyze and examine specific situations in detail. By doing so, we can consider and use different methods to collect relevant data and obtain a more complete and holistic view of the phenomenon under study (Van Maanen, 1983). In this sense, this study will be carried out in three family businesses in the Los Lagos region in Chile. Businesses must have at least two generations of family involved in ownership and management. In-depth interviews will be applied to family members, as well as non-family employees working in the companies.

The results propose a positive relationship between legacy knowledge and deep-rooted values and principles with business innovation. The deep connection and commitment of family members to the legacy of the companies contribute significantly to their development, facilitating the balanced management of the paradox between tradition and innovation.

After this introduction, the literature review will be presented, then the methodology, the results and their discussion will be presented, and finally the conclusions, limitations and future lines of research.

2. Literature review

2.1. *Family business and innovation*

The literature on family businesses has attracted the attention of many academics for its unique culture, objectives to be achieved and resources used (Zellweger et al., 2010). Likewise, due to its economic and social importance, which makes it the most dominant organizational and business structure globally. The family business can be understood as whose ownership resides in the hands of two or more members of the same family, in which there is active participation of the family in management and a perspective of long-term generational continuity (Astrachan et al., 2002).

Family businesses have certain characteristics and traits that make them distinctive and interesting. Some of these characteristics and traits are shared values, a sense of belonging and an entrepreneurial spirit.

Shared values are an element of great importance in this type of company, if managed properly, it can favor the performance of the organization, since teamwork is strengthened, which leads to greater efficiency and cohesion among employees, who feel integrated into the company and develop greater loyalty towards it, therefore, these fundamental values of family businesses can be summarized in two key concepts: identification and commitment (De Clercq & Belausteguigoitia, 2015).

Sense of belonging, the idea of being part of a legacy and contributing to the future. This emotional approach strengthens the commitment to build something that benefits both the family and society at large, creating wealth and generating significant impact (Craig et al., 2008).

The entrepreneurial spirit is fundamental in family businesses, and although it is not hereditary, its maintenance ensures the survival of the organization. The most successful family businesses, as well as those with the greatest longevity, embody this entrepreneurial spirit at its finest, which contributes to their continued success (Boling et al., 2016).

Long-established family businesses have a deep-rooted set of beliefs and practices that make up their tradition. According to Hibbert and Huxham (2010), tradition refers to the accumulation of knowledge, cultural symbols and micro-institutional practices that are transmitted from generation to generation. This accumulation contributes to shaping the identity of individuals, organizations and territories. Tradition refers to the belonging of a family, the legitimacy of a belief and practice transmitted or inherited over time. Tradition is considered a legacy of past generations that must be protected and passed on to future generations (Erdogan et al., 2020).

According to De Massis et al. (2016) family businesses may have an advantage in successful innovation due to their idiosyncrasy. Based on the Innovation through Innovation (ITT) model, which states that family businesses can successfully innovate by taking advantage of the knowledge and resources coming from their own business tradition and the tradition of the territory where they are located. This model distinguishes two main sources of knowledge relevant to innovation: knowledge transmitted throughout the history of the company (such as raw materials, production processes, designs, etc.) and knowledge linked to local tradition (such as typical ingredients, artisanal techniques of the area, cultural values, etc.). Likewise, it differentiates two types of innovation: in the functionalities/characteristics of the product (through technical improvements) and in the meaning of the product (by incorporating cultural and symbolic aspects). In this way, family businesses can successfully innovate by creatively drawing on their legacy and tradition.

Innovation encompasses both the creation of new products or services and the development of new production systems. The first implies a form of innovation focused on technological aspects or the improvement of products, while the second refers to an innovation in the organization of processes or management systems (Crossan & Apaydin, 2010).

Innovation involves adopting new ideas and behaviors, but to do so, groups need to be willing to be alert and open to information and knowledge. Furthermore, they must work constantly and be prepared to find creative solutions to problems that arise (Açıkgöz et al., 2016). Innovation becomes the fundamental tool of entrepreneurs, who see change as an opportunity to take advantage of. It is important that the members of the organization constantly analyze their environment, searching for new ideas and solutions that allow them to satisfy the demands of a market characterized by short product life cycles and intense competition (Açıkgöz et al., 2016).

Family businesses can show resistance to change (Vago, 2004), as family members establish emotional ties with the company's original strategies. When innovative ideas are not explored and leveraged, family businesses run the risk of becoming stagnant and experiencing a decline in market share (Arzubiaga et al., 2019a). Despite the challenges that may arise in the context of the family business, innovation becomes essential to ensure its survival. It is crucial that these companies continually strive to identify and capitalize on new opportunities, as well as optimize their resources to achieve successful growth and competitiveness (Zahra, 2005).

2.2. Tradition and innovation paradox

Family businesses are faced with the need to adapt and evolve without losing sight of the values and principles that have been fundamental to their success. These challenges occur, as tradition is related and intertwined with the roots of the past, deep-rooted commitment and the firmness of stability (Jaskiewicz et al., 2015), innovation is associated with transformation and change by feeding a bold and renewing spirit and whose capacity involves breaking with continuity and developing new competencies and skills (Adner & Snow, 2010), so the coexistence of these two concepts would seem paradoxical or contradictory (Lattuch, 2019).

On the other hand, according to conventional innovative thinking, traditional knowledge is considered a threat to innovation effectiveness as it can lead to path dependence, inflexibility, conservatism, inertia and core rigidity (Sørensen & Stuart, 2000). The assumption mentioned above sees the past as an obstacle or barrier that limits the potential for innovation and hinders the ability to satisfy current environmental needs. Shared beliefs, rituals and legacy have been key to survival over time, but they can also become a barrier to change, especially if the company holds firmly to its traditions (Lumpkin et al., 2008; Rondi et al., 2019).

2.3. Innovation through tradition

Several recent studies have explored how family businesses can generate and cultivate a competitive advantage by utilizing their tradition, giving shape to a new product innovation strategy called ITT, which was presented previously based on the model developed by De Massis et al. (2016). This model suggests that family businesses can successfully innovate by taking advantage of the knowledge and resources that come from their own tradition. Likewise, the resource of tradition allows capturing value from innovation (Arzubiaga et al., 2019b). Although more and more academics and professionals recognize that knowledge of the past lies a great potential to drive innovation, there is still a lack of literature on how innovation is specifically produced and developed through tradition according to the ITT approach.

ITT theory identifies two main sources of knowledge (De Massis et al., 2016). Firstly, we find knowledge linked to business tradition, while, secondly, we find knowledge rooted in the territorial

tradition where the company is established (Messeni-Petruzzeli & Albino, 2012). Therefore, these two sources of knowledge are often closely interrelated in the context of family businesses that have ensured their sustainability over time. This model distinguishes between the source and type of innovation and describes two types of innovation: innovation in product features and innovation in product meaning. Furthermore, the model also highlights the importance of internalizing knowledge about materials and manufacturing processes, as well as reinterpreting product beliefs to bring new meanings to innovative product functionalities.

Several studies have been based on the ITT (De Massis et al., 2016), as is the case of the study by Vallone and Iannone (2020), which was based on the previous research by De Massis et al. (2016) but expanded the model by including process innovation. This new addition involved significant changes in product processes, manufacturing, packaging and commercial aspects. The results of the study pointed out that process innovation could be a crucial strategy to improve production efficiency and manufacturing capacity. It was observed that mechanization could be a way to achieve these objectives and, at the same time, maintain authenticity and family traditions in Hungarian wine production. With this extension of the original model, it was highlighted how the reinterpretation of beliefs and knowledge about materials and manufacturing processes, as well as innovation in processes, could contribute to providing new meanings and innovative functionalities to the products of these family wineries.

The authors Vallone and Iannone (2020) used a structured questionnaire divided into four different themes: governance, innovation, tradition and value creation and competitiveness, the objective of applying the questionnaire was to obtain deeper information about the family's wishes, the reputation, innovation and family tradition.

The study discovered important value creation factors such as: brand, family commitment, knowledge, product quality. These factors were considered important for value creation in family businesses and were discovered through direct interviews with the family, surveys, literature review, archives, observation of the life of the company, website, etc. Furthermore, it is mentioned that these factors can be influenced by the traditions of family businesses and their relationship with innovation. The study identified a series of factors important for value creation in these organizations. The variables chosen in this study (legacy knowledge and deep-rooted values and principles) are related to these factors and are relevant to understanding how family tradition influences innovation and value creation in this type of companies. By considering these variables, a more complete and in-depth view can be obtained of how family businesses manage to remain competitive and relevant in the market through generating value through innovation and preserving their identity and legacy.

Therefore, according to De Massis et al. (2016) tradition variables, legacy knowledge, inherited values, and principles, are chosen because they are key components of tradition and can influence a company's ability to innovate. Legacy knowledge can provide a solid foundation for innovation, as it is based on knowledge and resources that are reliable and validated over time. Inherited values and principles can guide decision-making and company culture, which can be beneficial for innovation. Deep-rooted beliefs can also influence the way innovation is approached, and new ideas adopted, which can be both a help and a hindrance to innovation.

2.4. Legacy knowledge

Legacy knowledge refers to knowledge accumulated and transmitted through generations, which can be used by companies to innovate and improve their performance. Legacy knowledge provides a base of unique wisdom and experience that can be a source of new ideas and inspiration for innovation in family businesses. By reinterpreting and recombining this knowledge, family businesses can generate valuable product and process innovations. It has an advantage in ancient knowledge management due to its conservative nature and its ability to establish close and lasting links with tradition, allowing them

to store, retrieve and exploit past knowledge resources (Magistretti et al., 2020). Legacy knowledge refers to past knowledge transmitted orally from generation to generation within a family business, which can come from both the tradition of the company and the tradition of the territory where the company is established. This knowledge can be both codified and tacit and can be an important source of competitive advantage for the family business (Arzubiaga et al., 2022).

2.5. The impact of legacy knowledge on innovation through new products or processes

According to a recent study of Magistretti et al. (2020), the impact of legacy knowledge on new product and process innovation was examined during periods in which the firm had a majority stake. At this time, companies launched products with a design more rooted in tradition, reviving historical elements. This study makes valuable contributions to the knowledge management literature by revealing how companies can measure and leverage the management and exploitation of ancient and traditional knowledge, thereby generating innovative business offerings. Regarding the impact of legacy knowledge, the long-standing accumulated experience that these companies have, preserved and transmitted between generations, constitutes an invaluable asset to promote their innovation. This legacy knowledge, both explicit and tacit, provides a deep understanding of your business, markets and production processes. By creatively applying and reinterpreting this knowledge in the creation of new products and techniques, family businesses can produce genuine and distinctive innovations, reflecting the best of their tradition while integrating with the modern.

The fundamental route to achieving this innovation advantage lies in how a company capitalizes on its prior knowledge base. This implies their ability to access, use (through a knowledge search process), internalize, reinterpret (through a recombination of processes) and transfer knowledge that may be temporally distant (Swan et al., 1999). In this way, it is proposed:

H1: Legacy knowledge can positively impact innovation through the generation of new products and/or processes in the family business.

2.6. Deep-rooted values and principles

Deep-rooted values and principles refer to the fundamental and ethical beliefs that are important to a person, family, or community and that have been maintained over time. These values and principles can be transmitted from generation to generation and can influence the way decisions are made and actions are carried out (Erdogan et al., 2020) they provide an identity and purpose that guides innovation in family businesses. By combining traditional aspects with new approaches, these companies can achieve meaningful innovation in both goods and production methods. Evidence has been found in other contexts that positively links tradition and deep-rooted culture with higher levels of innovation in family businesses. They are those that are fundamental to the identity and culture of a person or a community. These values and principles are deeply ingrained in the way people think, feel and act, and are considered unquestionable truths (Feranita et al., 2017).

2.7. The impact of deep-rooted values and principles on innovation through new products

The values and principles embedded in family businesses, such as tradition, history, and family control, have a direct relationship with innovation in these companies. Understanding traditional values can contribute to the development of new products or services, and combining tradition with technology can achieve successful innovation (Heidrich et al., 2022).

In the same context, deep-rooted values and principles can influence product innovation in several ways. For example, cultural values and ethical principles can inspire new ideas for products or production processes. Furthermore, long-held values and principles can influence how consumers

perceive and accept new products. Therefore, companies can leverage long-held values and principles to innovate products and production processes, if they are willing to challenge existing values and principles and seek new combinations of knowledge (De Massis et al., 2016).

Therefore, it is proposed:

H2: Deep-rooted values and principles can be used to favorably influence innovation through the creation of new products and/or processes in the family business.

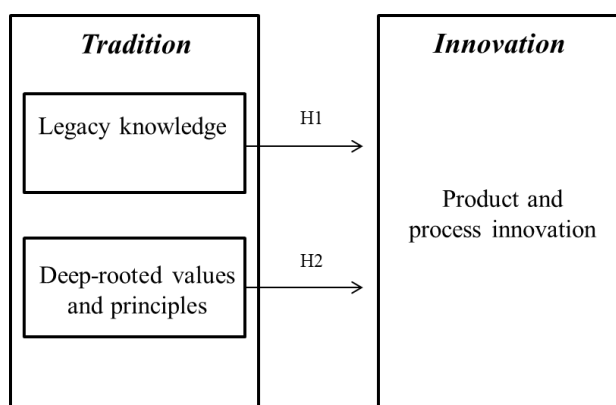


Figure 1. The research model.

3. Methodology

A qualitative methodology was chosen in this study because it allows for an in-depth analysis of the complex social and human factors involved in the management of family businesses, including dynamic variables such as traditions, values and beliefs. Through a flexible and interpretive approach, this methodology makes it possible to understand the perspectives and meanings that actors in these organizations give to various organizational processes. Furthermore, the exploratory nature of the research makes a qualitative approach especially appropriate. Thus, the use of strategies as case studies is relevant, facilitating a detailed examination of the phenomenon in its own natural context. Family businesses have been recognized as a favorable field for qualitative analysis (De Massis & Kotlar, 2014) and, as suggested by Hernández-Sampieri et al. (2010), for whom: “qualitative research is based on an interpretive perspective focused on understanding the meaning of the actions of living beings, especially humans and their institutions (it seeks to interpret what it actively captures)” (p. 9). Furthermore, and according to Yin (2003), the qualitative approach is particularly appropriate given the question “how”, qualitative allows us to encompass the complexity of the variables and capture deep interpretations of the participants about how tradition and innovation are managed in its reality. organizational.

For the purposes of understanding the impact, incidence or influence of the variables in the generation of new products and/or services, observation of these in natural contexts for the participants is required, for which direct observation will be carried out. allows a more subjective immersion with the phenomenon, from the first source, through in-depth interviews, which will also make it possible to observe and record behaviors, gestures and other elements such as cohesion and the sense of belonging or teamwork, among others, such as norms, cultures and institutional processes. Thus, through an interview script based on the operational variables of the study, a set of predefined questions or topics allow greater flexibility for participants to expand, deepen, and share their experiences and perspectives more openly. Although Hernández-Sampieri et al. (2010) pointed out that in the case of studies in which “data are collected about a new area without predetermined ideas and with openness, they are rather

exploratory” (p. 165), they maintain a theoretical perspective that guides the researcher to focus in your problem and avoid deviations from the original approach, which also allows you to measure the constructs more carefully (Eisenhardt, 1989).

The study will be applied to three family businesses to which in-depth interviews will be conducted and will be visited at a single time of data collection. Once the data has been collected, patterns and propositions will be sought that must be related to the theoretical variables (mutually exclusive) present in the question script extracted from the operationalization of the study variables to explore their relationships and correspondences. to better understand the phenomenon and its elements. In this sense, 3 companies were examined with a total of 12 participants, where in each company 4 members were interviewed (2 family members and 2 non-family members).

Following the methodology proposed by Miles et al. (2014) and Yin (2014), data collection will be carried out through semi-structured in-depth interviews with participants from family businesses in accordance with the research model. Then, transcription and organization will be carried out, where the interviews are transcribed to facilitate the management of the collected information, which is organized according to the variables to be examined. With the information obtained, a content analysis will be carried out to identify patterns, themes and emerging relationships in the data, which, when identified, will be grouped into the corresponding category. The procedure continues with data coding, in which codes are assigned to specific segments of data that represent the variables and their relationships. This coding will be carried out systematically, allowing efficient classification of the data according to the variables of interest. The results will be emptied into tables, where tools such as Excel will be used to organize and summarize the coded data. The analysis of organized data allows for triangulation, comparing the information collected from the different participants in each company and with the corresponding literature, which gives validity and reliability to the results and their implications. In this sense, it will include a documentary review, a review for which an exhaustive analysis of information related to aspects associated with tradition and innovation of products and processes adopted by the family businesses participating in the study will be carried out. This analysis includes secondary sources such as institutional documents, protocols and standards that reflect its organizational culture, such as its website, among others. Finally, the results are interpreted and discussed in the context of the research objectives.

3.1. Variables

Below, the variables and their items to be measured are presented. The variables and their measurements were adapted according to De Massis et al. (2016).

Tradition

Legacy knowledge

Raw materials: The influence of tradition on the choice of raw materials for production will be measured, evaluating the extent to which decisions are based on knowledge transmitted over generations.

Graphic elements: It will be analyzed how traditional elements, such as logos, labels or designs and graphic elements in general influence the visual identity of the products and how this can be a manifestation of tradition.

Production processes: It will be investigated how production methods and processes have been inherited and to what extent tradition influences.

Deep-rooted values and principles

Beliefs and brand identity: It will be measured how brand identity reflects values and principles that contribute to positioning in the market, considering beliefs and assumptions rooted in the company's culture.

Innovation

Product innovation

Add New Features: The company's ability to introduce new functions or features into its products or services will be measured, and how these innovations can be related to tradition.

Creation of a New Product Line: It will be investigated whether the company has developed new product lines that, in some way, are connected to its heritage and tradition.

New Meanings: It will be analyzed how the company has reinterpreted or redefined traditional aspects to adapt to changing market demands and how this has contributed to innovation.

Process innovation

New processes: It will be analyzed how the company can use its heritage and experience as inspiration to develop new processes. This could involve incorporating traditional elements into new methods or reinterpreting old practices in a more up-to-date and efficient way.

Process improvement: It will investigate how the company reviews and optimizes its processes, taking its heritage and experience as inspiration. It analyzes how the organization incorporates traditional elements into new methods or how it reinterprets old practices in a more updated and efficient way.

3.2. Sample

The sample for in-depth interviews is non-probabilistic because in this type of sample the choice of elements does not depend on probability, but on causes related to the characteristics of the research or who makes the sample and for convenience and accessibility. Two very important dimensions to consider of the environment according to Mertens (2005). On the other hand, two family members and two non-family employees per organization will be interviewed, who must have knowledge and experience in the company regarding the resources, scope and limitations of the research. In this study, three companies will be analyzed: Cecinas Ancud, Cecinas Llanquihue and Cecinas Braunau.

Cecinas Llanquihue, a Chilean company founded in 1914 in Puerto Montt, Chile, is dedicated to the production and marketing of meat products, especially cured meats and sausages. It is a family business that has maintained a strong connection with its traditional values throughout generations, which is reflected in the quality and authenticity of its products. The company has managed to stand out in the national and international market thanks to its focus on family heritage and its commitment to excellence in the meat industry.

Cecinas Ancud is a Chilean company dedicated to the production and marketing of meat products, especially cured meats and sausages. Founded in 1977 in Ancud, Chiloé, the company has stood out for its focus on tradition and the quality of its products. Cecinas Ancud has achieved a significant presence in the Chilean market and has maintained a solid reputation in the food industry.

Cecinas Braunau is a family business founded on May 22, 1992, with the idea of recovering those old German recipes, which were somehow being lost. In this way the motto "It is the tradition of the German Colonists" was born.

Cecinas Braunau has always been concerned about the environment, complying with all current environmental regulations, receiving an award, given by the Superintendency of Sanitary Services (S.I.S.S.), for the continuous treatment of its liquid industrial waste.

The selection of the three companies under study is based on their suitability to provide a comprehensive perspective with respect to the objectives established in this research. The investigation into how family businesses in the Los Lagos region can capitalize on tradition as a resource for innovation. The chosen companies not only exhibit solid permanence in a highly competitive market, but also stand out for their ability to evolve and adapt over time.

4. Results

To identify the members of the three companies, a unique code system has been established. In the first company, Cecinas Braunau, identified as E1, the codes E1F1 and E1F2 are assigned to refer to the first and second family member, respectively, and E1NF1 and E1NF2 are used for the two non-family members of the company. The identification codes are distributed as follows: E1F1 for the owner and commercial manager with 32 years of experience, E1F2 for the commercial manager with 22 years of experience, E1NF1 for the production operator with 7 years of experience, and E1NF2 for the manager of the crude oil line with 32 years of experience.

For the second company, Cecinas Llanquihue, identified as E2, 2 family members and 2 non-family members were interviewed. The codes E2F1 and E2F2 are used for the two family members, as well as E2NF1 and E2NF2 for the two non-family members. The identification codes are distributed as follows: E2F1 for the owner and commercial manager with 45 years of experience, E2F2 for the treasury manager with 23 years of experience, E2NF1 for the support manager with 22 years of experience, and E2NF2 for the sales administrator with 33 years of experience.

Finally, in the third company, Cecinas Ancud, designated as E3, 2 family members and 2 non-family members were interviewed. The assigned codes are E3F1, E3F2, ENF1 and E3NF2 to refer to specific members of this company. The identification codes are distributed as follows: E3F1 for the human resources manager with 15 years of experience, E3F2 for the logistics manager with 21 years of experience, E3NF1 for the production subject with 10 years of experience, and E3NF2 for the sales manager with 13 years of experience.

This coding approach will facilitate the organization and analysis of the interviews, providing a clear way to refer to each family and non-family member in the context of each company. Below, in Table 1 are the main quotes from those interviewed for the three companies.

Cecinas Braunau: Tradition and innovation relationship

Table 1. Impact of legacy knowledge on innovation.

Items	Quotes from interviewees
Raw Materials – Product Innovation	E1F1: “Yes, but the recipe is kept because, furthermore, I don't know how to do it any other way, people are not stupid. So, if I give you a sausage to try, I'll make this one. And you say, 'now'. And then I'll give you another one. What changed? It baffles you. “We cannot lose that tradition and that flavor, that is our hallmark.”
In creating new product lines, has the company drawn on legacy knowledge about raw materials as a source of inspiration or as a distinctive element of family tradition?	E1F2: “The recipe is the essence, the heart of what we do. We stick to those ingredients and the choice of live animals; they are our ace up our sleeve. We are inspired by what has worked and that foundation is what allows us to create new things.” E1NF1: “The company always starts from the traditional recipe and ingredients when it ventures to create new products. “It's like going back to your German roots.” E1NF2: “For the company, when creating new products, they always start from the basis of respecting quality, flavor and the German essence that has earned them an important place in the hearts of customers.”
Raw Materials - Process Innovation	E1F1: “What happens is that, of course, before things were done manually or with very basic machines. And over time, those manual machines have improved. Today, many of the tasks are carried out by a machine, but I don't want you to think that we have lost that homemade touch, the same processes and each treatment according to the raw material are still respected, but as I told you, increasing efficiency, being faster.
Has continuous improvement of production processes involved the application of legacy knowledge about raw materials?	E1F2: “The processes are greatly influenced by the choice of raw materials and our beliefs. “Each process is based on characteristics of those ingredients that

	have always been that way, such as the choice of live animals and traditional spices."
	E1NF1: "They have incorporated new technology to improve, but always related to those characteristics of the raw materials that have been part of the tradition."
	E1NF2: "The continuous improvement of processes has been like fine-tuning a recipe that is already classic. "It's like looking for ways to do things better without changing what has already worked for a long time."
Graphic Elements - Product Innovation	E1F1: "I don't know, we must comply with the demands of what he says and has to say, even when it is a simple sausage that seems to be nothing more than a little piece of paper. Even though regulations push us to adjust, we try to hold firm to that identity rooted in the tradition of the German settlers."
	E1F2: "We face regulations and standards that force us to innovate in this sense. "It's quite a juggling act, but we try to balance what they ask of us with keeping our identity strong."
	E1NF1: "No big changes have been made in the visual aspect of things, rather they have had to make adjustments due to the law."
	E1NF2: "It seems that the company has not made so many changes to the graphics."
Graphic Elements - Process Innovation	E1F1: "From my point of view, the graphic elements are not what really change the production processes."
	E1F2: "Look, processes are fundamental, there is no doubt about that. But honestly, I don't know how the logo or the graphic elements directly influence those processes."
	E1NF1: "I don't know if it influences, maybe they don't have much relationship, it doesn't occur to me."
	E1NF2: "The logo and that, surely have their importance in the image, but in the production line, I don't know."
	E1F1: "It is crucial to highlight that we keep intact all the legacy processes that have been fundamental to the success and identity of our company. The selection of the live animal, for example, is a vital belief embedded in our production practices."
Production Processes - Product Innovation	E1F2: "We believe that the authenticity of our traditional processes is reflected in the quality of the products we offer."
	E1NF1: "Still the same steps, but now faster to catch up with demand. "It's like adding turbo to production, but the steps are the same as always."
	E1NF2: "So, yes, they have used those legacy processes to continue to innovate and bring new things to market. It's like the formula that continues to bear fruit."
	E1F1: "We have undoubtedly experienced adaptations in our production processes due to improving efficiency and productivity. However, it is crucial to highlight that we keep all legacy processes intact."
Production Processes - Process Innovation	E1F2: "When it is time to get our hands on new processes, we do it with complete confidence that we do not lose our essence that has brought us to a successful conclusion. We maintain those lifelong methods. "We introduce them to the latest technology, so as not to be left too far behind"
	E1NF1: "Obviously, the processes have been maintained because I believe it is fundamental. and what makes this cecineria so special. But, as I said, we have also added some machinery to give it more speed."
	E1NF2: "It's like having a solid foundation and then building on it. So, for them, that influence of tradition is not a burden, but rather a guide to continue evolving."

Source: Authors.

Regarding raw materials, the importance of maintaining the traditional recipe as the heart and essence of the company's products is highlighted. In the words of E1F1, *"People are not stupid. So, if I give you a sausage to try, I will make this one. And you say, 'now'. And then I give you another one. What changed? It baffles you. We can't lose that tradition and that flavor, that is our hallmark."* This underlines the need to

preserve the recipe as a distinctive feature that creates a unique connection with customers. E1F2 reinforces this point by stating that the recipe is the essence and heart of what they do, allowing them to be inspired by what has worked to create new proposals without losing authenticity. According to E1F2, *"The recipe is the essence, the heart of what we do. We hold on to those ingredients and the choice of live animals, they are our ace up our sleeve. We are inspired by what has worked and that base is what gives us allows us to create new things."* In general, they highlight that, when venturing into new products, the company always starts from the basis of respecting quality, flavor and the German essence that has earned them an important place in the hearts of customers and a large part of these dynamics is based in the use of traditional raw materials.

In the innovation in production processes, the quotes indicate a technological evolution without losing the traditional touch. E1F1 mentions: *"Today, many tasks are done by a machine, but I don't want you to think that we have lost that homemade touch."* This emphasizes the importance of maintaining efficiency without sacrificing authenticity. On the other hand, E1NF2 comments *"The continuous improvement of processes has been like fine-tuning a recipe that is already classic. It is like looking for ways to do things better without changing what has already worked for a long time."* This statement highlights that improvement continuous is aimed at fine-tuning an already classic recipe, looking for ways to do things better without changing what has worked for a long time.

Regarding graphic elements, it is important to note that, according to E1NF2, innovation in these visual elements is mainly driven by external regulations: *"We are faced with regulations and standards that force us to innovate in that sense. It is quite a juggling act, but we try to balance what they ask of us with keeping our identity firm."* This highlights that innovation arises primarily in response to external regulations rather than as an internal initiative, underscoring the significant influence of regulatory requirements on the direction of product innovation.

Although innovation responds to external regulations, the company prioritizes maintaining its identity rooted in these elements. E1F1 points out *"Although regulations push us to adjust, we try to hold firm to that identity rooted in the tradition of German settlers."* As noted, even though existing regulations exert some pressure for the company to adjust and adapt, it seeks to maintain firmly the identity that is rooted in the tradition of the German settlers who established these productive practices in the area.

There is an effort to preserve that legacy and those distinctive features originating in its historical and cultural roots. E1F1 emphasizes the need to maintain intact inherited processes, fundamental to the company's identity and success, by highlighting that *"The selection of live animals, for example, is a vital belief rooted in our production practices."* This quote highlights the essential connection between deep-rooted traditions and the productive identity of the company. E1NF2, by describing that *"They are still the same steps, but now faster to catch up with demand"*, highlights the company's ability to adapt agilely to market demands without compromising the fundamental steps.

The metaphor of "turboing production" suggests that if you are committed to innovating without losing the essence. E1F2 also mentions that *"When it is time to get our hands on new processes, we do so with complete confidence that we do not lose our essence."* This quote reflects the conscious strategy of technological innovation, carefully implemented to improve efficiency and productivity without giving up the traditional and German essence that characterizes the company. Therefore, the company innovates in its production processes by incorporating technologies to adapt agilely to market demands, but this innovation is carried out consciously and carefully, firmly maintaining the connection with the German tradition that has been essential for the identity and company success. For greater detail, review quotes from the interviewees in Table 2.

Table 2. Impact of deep-root values and principles on innovation.

Items	Quotes from interviewees
Brand Beliefs and Identity - Product Innovation	E1F1: "The idea is that each new line of products reflects the essence of our brand, maintaining the quality standards that have characterized us over time. "The authenticity and purity of the ingredients are valued, aligning us with the German tradition that has been the basis of our success." E1F2: "At work, we are all clear that when we get our hands on a new line of products, it must have a taste of us, with those values and principles that run in our blood. "It is not a matter of launching something on the market for the sake of launching it."
How has brand identity influenced the creation of a new product line, ensuring that the new products reflect the essence and values of the family brand?	E1NF1: "They want people, when trying something different, to feel that they are still in tune with what has always characterized the company. For one, the identity of the company is summed up in keeping the German tradition alive in every sausage that leaves here." E1NF2: "The idea is that each new product is not just something to sell, but an extension of identity and tradition. "Everyone agrees that quality and German essence must continue to be the pillars of any new product they launch on the market."
Beliefs and Brand Identity - Process Innovation	E1F1: "The important thing is that, when introducing new production processes, we strive to maintain the essence of our tradition. Modernization may involve the incorporation of more advanced machinery, but always ensuring that fundamental steps, such as the selection of live animals, are maintained. It is not just innovating for the sake of innovating." E1F2: "Of course, for us it is super key to maintain that essence and flavor that identifies us. Yes, obviously, we want to improve productivity and modernize, but without breaking away from what has made us unique. We cannot risk industrializing everything and losing what it has taken us years to build. Innovation has to be as precise, taking care of every detail, because the client will know if we go out of style. It is a complicated balance, but you have to know well what to innovate."
How has the brand identity inspired and guided the creation of new production processes, ensuring that they are aligned with the image and values of the family brand?	E1NF1: "In short, new processes are designed with the idea of evolving, but without losing the authenticity that distinguishes us." E1NF2: "For example, improvements were implemented in the selection of raw materials, more advanced smoking processes and more efficient packaging methods, but all respecting the flavors and processes that have always characterized us."

Source: Authors.

The company emphasizes the importance of each new product line reflecting the essence of the brand and maintaining the quality standards that have characterized it over time. According to E1F1, "The idea is that each new line of products reflects the essence of our brand, maintaining the quality standards that have characterized us over time. The authenticity and purity of the ingredients are valued, aligning us with tradition German that has been the basis of our success." Here, the direct connection between the quality of the products and the German tradition that has been fundamental to the success of the company is highlighted. E1F2 complements this approach by noting that when introducing a new product line, everyone in the company is clear that it must reflect the unique flavor of the brand, aligned with the values and principles embedded in its identity: "At work, everyone We are clear that when we get our hands on a new line of products, it has to have a flavor of ours, with those values and principles that run in our blood. It is not a matter of launching something on the market for the sake of launching it." Here the importance of authenticity and emotional connection with each product launched on the market is highlighted. Each new product seeks not only to be something to sell, but an authentic extension of the company's identity and tradition. Quality and German essence are considered the fundamental pillars in any innovation that the company launches on the market. For greater detail, review quotes from the interviewees in Table 2.

Cecinas Llanquihue: Tradition and innovation relationship

Table 3 collects the main quotes from the interviewees of the Cecinas Llanquihue company regarding the tradition – innovation relationship.

Table 3. Impact of legacy knowledge on innovation

Items	Quotes from interviewees
Raw Materials – Product Innovation	E2F1: “Yes, we have innovated, we have released new products, but what we have not changed, and we are not going to change is our raw materials. Our raw materials are 100% animal protein, whether it be pork or beef, and that is what is defined as jerky, because that is also how our ancestors began to make it.” E2F2: “Yes, the wealth of experience and knowledge accumulated over generations has been a valuable source of ideas to develop products that not only respect the essence of tradition but also take advantage of the authenticity and quality of raw materials.”
In creating new product lines, has the company drawn on legacy knowledge about raw materials as a source of inspiration or as a distinctive element of family tradition?	E2NF1: “If, for example, the person who was head of production, Víctor Mödinger, studied in Germany, he studied how to make jerky, he came and made a recipe there that he then made here and he said that this is maintained over time and That has been happening and that has not changed over time.” E2NF2: “Inherited raw material knowledge has been leveraged to add new meanings to our existing products. “Beyond simply being ingredients, these raw materials are carriers of stories, traditions and a legacy.”
Raw Materials - Process Innovation	E2F1: “Yes, continuous improvement of production processes has involved the application of inherited knowledge about raw materials. “The company has taken advantage of, and applied knowledge transmitted over time.” E2F2: “Yes, the continuous improvement of production processes has involved the application of inherited knowledge about raw materials.”
Has continuous improvement of production processes involved the application of legacy knowledge about raw materials?	E2NF1: “Operational efficiency and consistent product quality. I believe that the deep understanding of raw materials has not only influenced the selection and acquisition of inputs but has also had a positive impact on the production of the cured meat itself.” E2NF2: “This integration of the traditional with the innovative has been crucial to maintaining our unique identity, while allowing us to adapt and thrive in an ever-changing business environment.”
Graphic Elements - Product Innovation	E2F1: “Yes, the importance of maintaining the authenticity and representativeness of the southern area of Chile in the graphic elements has been recognized, which not only contributes to the cultural identity, but also adds a distinctive value to the products.” E2F2: “The elements, rooted in family tradition, have not only served as visual inspiration, but have also contributed to maintaining an authentic connection with the company’s identity and values over time.”
Has the knowledge passed down from generation to generation about graphic elements been used to add new visual features to existing products?	E2NF1: “Yes, I believe that it has been possible to integrate graphic elements that not only respect the family heritage, but also make consumers feel identified.” E2NF2: “I think rescuing the old vibe in the designs. “With traditional graphic elements, we ensure that the new products maintain that familiar vibe, but with a modern touch that everyone likes.”
Graphic Elements - Process Innovation	E2F1: “It is very important to keep in mind that in my opinion the graphic elements do not really change the processes. Well, based on the production processes, which may be an element of tradition, as it is normally done, or on the processes that they have always had.” E2F2: “On the subject of graphic elements, I think I am not sure if they have been used to develop improvements in any process.” E2NF1: “The technology and sustainable practices implemented reflect the company’s commitment to consistent quality, while respecting the authenticity and tradition represented in its graphic symbols.”

Production Processes - Product Innovation	E2NF2: "The thing is, symbols and efficiency are not incompatible. "They have realized how they have always done it and have improved the processes so that everything is faster, but without losing the essence that makes them unique." E2F1: "I could tell you that the experience accumulated over time has provided a solid base of practical knowledge about manufacturing, allowing the company to identify opportunities to improve and diversify its products." E2F2: "Of course, for the creation of new products our values and knowledge from our ancestors will always be present in order to reflect the essence of the company."
Has the company turned to legacy production processes as a resource for creating new products?	E2NF1: "Ancestral experience in production processes is not only a legacy, but a tool that is used to give a special twist to what we already know." E2NF2: "When you launch products, you always build on what you already know. The processes of yesteryear are not just history, they are valuable resources. They adapt to new products, and thus the essence of always in innovative things is maintained." E2F1: "The German heritage in the methods and processes of our cured meat company is key to its success, new functions for our products. Being connected to those traditions not only gives us identity, but also serves as a basis for innovating and trying new things."
Production Processes - Process Innovation	E2F2: "Yes, the company has capitalized on inherited knowledge about production processes as a resource to innovate in the creation of new manufacturing methods."
In relation to the inheritance of production methods and processes influenced by tradition, how is this influence related to the company's ability to successfully introduce new processes?	E2NF1: "The company takes advantage of inherited knowledge in production processes to innovate in the creation of new methods. It's not just following the beaten path; it's taking what has always worked and adapting it to create something fresh." E2NF2: "When the production line is modernized, heritage is used. The methods that have always been taught are like the base of the pyramid. "They give us the direction to innovate in manufacturing processes and be more efficient."

Source: Authors.

In the impact of legacy knowledge on product innovation, Cecinas Llanquihue's commitment to the quality and authenticity of its products is evident, using exclusively animal protein raw materials according to tradition. The experience accumulated in these raw materials is considered a valuable source for developing products that respect this tradition. A relevant example is the contribution of the recipe by production manager Víctor Mödinger, which has endured over time. As expressed, E2F1: *"Yes, we have innovated, we have released new products, but what we have not changed, and we are not going to change is our raw materials. Our raw materials are 100% animal protein, whether it be pork or beef, and that is what is defined as jerky, because that is also how our ancestors began to make it."*

In relation to innovation in processes, continuous improvement stands out through the application of inherited knowledge about raw materials, increasing the efficiency and quality of products by impacting the acquisition of inputs and production methods. The integration of traditional and innovative aspects is highlighted to maintain the unique identity while adapting to new conditions. As noted by: E2F1: *"Yes, the continuous improvement of production processes has involved the application of inherited knowledge about raw materials. The company has taken advantage of, and applied knowledge transmitted over time."* E2NF2: *"This integration of the traditional with the innovative has been crucial to maintaining our unique identity, while allowing us to adapt and thrive in an ever-changing business environment."*

Regarding the effect of the values and principles rooted in product innovation, the presence in new products of values and knowledge transmitted between generations stands out, thus reflecting the essence of the company. As E2F2 states: *"Of course, for the creation of new products our values and knowledge from our ancestors will always be present in order to reflect the essence of the company."*

About innovation in production processes, the German heritage in methods and procedures is highlighted as a fundamental pillar, serving as a basis for improvements and innovations by providing

identity and tradition on which to build: E2F1: *“The German heritage in methods and processes of our cured meat company is key to their success, new functions for our products. Being connected to those traditions not only gives us identity, but also serves as a basis for innovating and trying new things.”* E2NF2: *“When the production line is modernized, heritage is used. The methods that have always been taught are like the base of the pyramid. They give us the direction to innovate in manufacturing processes and be more efficient.”*

Regarding brand identity and product innovation, the company believes that brand identity has played a fundamental role in adding new values. In addition, it has always sought to maintain visual and conceptual coherence to ensure that the incorporations respect the aesthetics and values rooted in the brand. E2F1: *“Brand identity has been a fundamental tool to add new meanings and values to our products. It’s not just a pretty logo; It is the essence of who we are and what we represent.”*

Table 4. Impact of values and principles on innovation.

Items	Quotes from interviewees
Brand Beliefs and Identity - Product Innovation	E2F1: <i>“Brand identity has been a fundamental tool to add new meanings and values to our products. It’s not just a pretty logo; It is the essence of who we are and what we represent.”</i>
How has brand identity influenced the creation of a new product line, ensuring that the new products reflect the essence and values of the family brand?	E2F2: <i>“We have sought to maintain visual and conceptual coherence with the family tradition, ensuring that the additions respect the aesthetics and values rooted in the brand. This has contributed to strengthening the recognition of our products in the market.”</i> E2NF1: <i>“I believe that brand identity is not only a visual distinctive, but a strategic vehicle to add meaning and values to each of our products.”</i> E2NF2: <i>“The brand identity has been like a compass when creating new things. When a different line is launched, they always make sure that it breathes the same air of the familiar brand.”</i>
Beliefs and Brand Identity - Process Innovation	E2F1: <i>“The brand identity has been a constant source of inspiration and guidance in the creation of new production processes, ensuring that they are aligned with the image and values of the family brand.”</i>
How has the brand identity inspired and guided the creation of new production processes, ensuring that they are aligned with the image and values of the family brand?	E2F2: <i>“We have ensured that these processes are aligned with the image and values of the family brand, maintaining the quality and authenticity that the brand represents.”</i> E2NF1: <i>“From my perspective as a worker with 20 years of experience at Cecinas Llanquihue, each new approach we have adopted over the two decades has been designed with the clear purpose of reflecting and highlighting the visual essence and values rooted in the company. identity of our family brand.”</i> E2NF2: <i>“In the worker experience, the brand acts as a trusted guide when introducing changes to processes. The intention is to improve without losing the connection with the essence of the brand, using history as a lighthouse that ensures that each innovation is aligned with the tradition of Llanquihue.”</i>

Source: Authors.

Regarding brand identity and process innovation, the company believes that the intention to improve is always without losing the essence and ensuring that they are aligned with the image and values of the family brand. E2F1: *“The brand identity has been a constant source of inspiration and guidance in the creation of new production processes, ensuring that they are aligned with the image and values of the family brand.”* E2NF1: *“From my perspective as a worker with 20 years of experience at Cecinas Llanquihue, each new approach we have adopted over the two decades has been designed with the clear purpose of reflecting and highlighting the visual essence and values rooted in the company. identity of our family brand.”* For greater detail, review quotes from the interviewees in Table 4.

Cecinas Ancud: Tradition and innovation relationship

Table 5. Impact of legacy knowledge on innovation.

Items	Quotes from interviewees
Raw Materials – Product Innovation	E3F1: “Yes. To create new products, or to create new processes, or improve processes, or improve products. Something that, as has always been done before, is used for the creation of new products.”
In creating new product lines, has the company drawn on legacy knowledge about raw materials as a source of inspiration or as a distinctive element of family tradition?	E3F2: “Creating innovative procedures both in existing processes and products is necessary but tradition always has to be there, it cannot not be there.” E3NF1: “Whether for product innovation, the creation of new processes or to improve both processes and products. It is something that is traditional, it is used for new creations.”
Raw Materials - Process Innovation	E3NF2: “To generate new products, the tradition and knowledge that is passed on to us is essential, since it is the way in which people recognize us.” E3F1: “Obviously over the years the tradition has had to be adapted.” E3F2: “Tradition, as expected, has had to adapt to changing dynamics.”
Has continuous improvement of production processes involved the application of legacy knowledge about raw materials?	E3NF1: “Of course, over the years, it has been necessary to adjust the tradition. It is something that, naturally, has been adapted to the circumstances.” E3NF2: “Undoubtedly, as the years have passed, tradition has had to adapt to circumstances, in this case to new processes.”
Graphic Elements - Product Innovation	E3F1: “Well our logo is quite unique, so it has to be reflected in each of our products, you immediately recognize our brand with our logo.”
Has the knowledge passed down from generation to generation about graphic elements been used to add new visual features to existing products?	E3F2: “We strive to reflect this seal in any new article, to enhance recall and the emotional bond with the brand.” E3NF1: “Absolutely, our logo has its own unique style, which is why we incorporate it on all our products. It’s like our visual form, something that stands out immediately.” E3NF2: “It’s something that stands out instantly, a kind of hallmark that clearly identifies our brand.”
Graphic Elements - Process Innovation	E3F1: “Of course, that’s a bit out of character. So, this condition of our products, here the company wants to keep it very rooted and does not want to compromise that. Although for us it would be much more comfortable to have products that will last a long time.”
Considering the importance of graphic elements in the visual identity of products, in what way has the company used these symbols of its heritage as inspiration to develop new, more efficient production processes?	E3F2: “The company really values keeping that feature ingrained in our products, it’s something they are not willing to negotiate.” E3NF1: “That essence rooted in our products is something they are not willing to compromise, although of course the processes must maintain an evolution.” E3NF2: “The company really insists on preserving that characteristic, the owners transmit that to us.”
Production Processes - Product Innovation	E3F1: “Yes, here at Cecinas Ancud we have taken inherited production processes as a valuable resource in the creation of new products.” E3F2: “The company has used the usual production processes as a strong card when creating new products.” E3NF1: “Making sure each release has the authenticity and quality that comes with those same old processes.”
Has the company turned to legacy production processes as a resource for creating new products?	E3NF2: “The company has opted for the usual production methods to launch new products, of course it has innovated in some things, but the recipe is there”
Production Processes - Process Innovation	E3F1: “The tradition is the same. It is about respecting the recipe as it was done then. With that difference, until today, 55 years later because that has been evolving.”
In relation to the inheritance of production methods and processes influenced by tradition, how is this influence related to the company’s ability to successfully introduce new processes?	E3F2: “The essence is maintaining tradition, making sure that the recipe is respected.” E3NF1: “Of course, for us it is essential to preserve tradition, ensuring that the recipe remains faithful to its origins.” E3NF2: “Of course, the basis is preserving the tradition, making sure that the recipe remains the same as it was in the beginning.”

Source: Authors.

Regarding tradition and innovation at Cecinas Ancud, from the management of raw materials and product innovation, the company reflects its constant concern for tradition, without wanting to lose the thread that makes them so characteristic. Although they recognize the importance of innovation, they consider it essential to maintain their values. When it comes to innovating, they use all legacy knowledge. E3F2: *“Creating innovative procedures both in processes and in existing products is necessary, but tradition always has to be there, it cannot not be there.”*

The adaptation of raw materials over time has been a necessity, but it is the recipe applied to the products that distinguishes them and makes them special. The company has sought to innovate existing products, introducing new features. From a process innovation perspective, the company has adopted new practices to adapt to changing market demands. E3NF2: *“Undoubtedly, as the years have passed, tradition has had to adapt to circumstances, in this case to new processes.”*

About graphic elements and product innovation, the company maintains its logo as an essential part of its identity. They have innovated in new product lines, maintaining the traditional essence that has contributed to their success. People identify the brand immediately by its distinctive logo. E3NF1: *“Our logo is truly distinctive, so we incorporate it on all our products. It is something that immediately identifies our brand.”*

In relation to graphic elements and process innovation, the company seeks to reflect its heritage and values in its logo. Although they seek to innovate in processes, they do not want to deviate from their deep-rooted principles. E3F1: *“Although for us it would be much more comfortable to have products that will last a long time. The company wants to keep the condition of our products deeply rooted and does not want to compromise that.”*

From the perspective of production processes and the relationship with product innovation, the company uses legacy knowledge to create new products, especially in the production of condiments, maintaining the original recipe with no intention of changing it. E3NF1: *“Making sure each release has the authenticity and quality that comes with those same old processes.”*

In relation to production processes and process innovation, the company insists that tradition must be respected as it was in the beginning, although it recognizes the evolution over the years. E3F1: *“The tradition in it. It is about respecting the recipe as it was done then. With that difference, until today, 55 years later because that has been evolving.”* For greater detail, review quotes from the interviewees in Table 5.

Table 6 shows the results of Cecinas Ancud in the analysis of the relationship between deep-rooted values and principles and innovation.

Table 6. Impact of values and principles on innovation.

Items	Quotes from interviewees
Brand Beliefs and Identity - Product Innovation	E3F1: <i>“Well, the brand identity is tradition, it is the character of craftsmanship, of what was created a long time ago. And that’s how we want the company to perceive it.”</i>
How has brand identity influenced the creation of a new product line, ensuring that the new products reflect the essence and values of the family brand?	E3F2: <i>“Well, I firmly believe that the identity of our brand is found in tradition, in that artisanal touch that brings us.”</i> E3NF1: <i>“The essence of our identity lies in the richness of tradition, in the artisanal imprint that lasts over time.”</i> E3NF2: <i>“I think the identity of our brand is rooted in tradition, in that artisanal touch.”</i>
Beliefs and Brand Identity - Process Innovation	E3F1: <i>“We want it to last forever, because we firmly believe that that distinguishes us. We are convinced that this will be the case. That is why we strive to work in a way that reflects our identity. “We want each new process to not only be efficient, but also a testament to our values and what we stand for as a family brand.”</i>
How has the brand identity inspired and guided the creation of new production processes, ensuring that they are aligned	E3F2: <i>“We want this to last forever, because we truly believe that makes us stand out.”</i>

with the image and values of the family brand?	E3NF1: "We are completely convinced that this is how it will be, and that is why we have a chance working in this way that really represents us." E3NF2: "We want this to go on forever, because that's where our true essence is. We are super confident that this will be the case, and that is why we put everything into it, working in this way that completely reflects who we are."
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Source: Authors.

Related to deep-root values and principles, the company considers it essential to remain in the market as a traditional brand, transmitting an image of artisanal and quality products. The brand's identity is rooted in tradition and that artisanal touch. E3NF2: *"I think the identity of our brand is rooted in tradition, in that artisanal touch."* The relationship between brand identity and process innovation is clear for the company. They want every process innovation to be efficient but also reflect their deep-rooted values. E3F1: *"We want each new process to not only be efficient, but also a testament to our values and what we stand for as a family brand."* E3F2: *"We want it to last forever, because we firmly believe that that distinguishes us."* The company strives to work in a way that reflects its identity, ensuring that innovation does not compromise its style and deep-rooted values.

5. Discussion

The case study was applied to 3 family businesses in the Los Lagos region. The companies analyzed correspond to the field of cured meat production and are recognized both locally and nationally.

The results obtained suggest that inherited knowledge involves deep knowledge especially in recipes, according to E1F2: *"Quality meat, old school spices and those small details that make us unique. The thing is to continue sticking to the German wave."* E1F2 also indicates: *"The recipe is the essence, the heart of what we do. We stick to those ingredients and the choice of live animals; they are our ace up our sleeve. We are inspired by what has worked and that foundation is what allows us to create new things."* Similarly, E3NF2 states: *"We look closely, we look for the best touch, but we always use the same suppliers. It's like our trademark in terms of flavors, always the same."* Companies agree that the use of raw materials must be inherited and legitimized as a transmitted practice since it is based on the idea of respecting the original recipe of the legacy of past generations that must be protected (Erdogan et al., 2020). In this sense, companies agree that their success with the final consumer and the loyalty of their customers has to do with respecting the traditional recipe, the origin and tradition of the German settlers, as E1F1 points out: *"You have to be consistent between what do you think, say and do, look, I want the company to be perceived as a company that follows the German tradition. It must be that way, we have to be consistent, because if the word says it is tradition, then we are in the right place."* Which would apply both to the raw materials and to the graphic elements that accompany the brands, which manifest their tradition and influence the visual identity of their products by being conceived as key, according to what E2F2 mentions: *"I would define them as elements graphics that adjust to what we want to convey that we are a company that was born in the south, is family-owned and that we deliver premium products,"* and this is also pointed out by E2NF2: *"I would define it as characteristic of the area, representing the essence of the company,"* identity that the 3 companies share, considering them as details that make the products have their own story, according to E3NF2: *"They are those little details that make our products have their own story. And the logo is a little gem that never goes out of style."* In this case, companies maintain that the roots in traditional visual elements have contributed to maintaining an authentic connection with the company's identity and values, as well as cultural identity, also adding distinctive value to the products.

Family businesses have an invaluable asset: the accumulated knowledge and traditions inherited over generations. Far from hindering innovation, several authors have found that this legacy can catalyze adaptation to market dynamism. Swan et al. (1999) highlighted the importance of companies knowing how to access, use, recombine and transfer their prior knowledge to achieve valuable innovations.

Magistretti et al. (2020), examined how inherited knowledge drives product innovation with designs more rooted in tradition.

Furthermore, it is observed that the legacy knowledge from tradition influences production methods and processes, according to E1F2: *“From the careful selection of live animals, through smoking and sealing with that traditional touch, to the cooking that bears the signature of the German tradition,”* is also indicated by E3F1: *“They have always been related to tradition, as was done in the past, the past knowledge was passed on to the production people and they lead the way and teach the younger ones.”* Therefore, although they are susceptible to continuous improvements, these would be based on automation with the incorporation and implementation of new technologies, preserving the methods, recipes, procedures, making the processes more efficient, we see this in Table 3 as E2NF2 points out: *“When the production line is modernized, heritage is used. The methods that have always been taught are like the base of the pyramid. They give us the direction to innovate in manufacturing processes and be more efficient”*, also as seen in Table 1, according to E1F1: *“We have undoubtedly experienced adaptations in our production processes due to improving efficiency and productivity. However, it is crucial to highlight that we keep all inherited processes intact”* in this sense E1F1 indicates that: *“What happens is that, of course, before things were done manually or with very basic machines. And over time, those manual machines have improved. Today, many of the tasks are carried out by a machine, but I don’t want you to think that we have lost that homemade touch, the same processes and each treatment depending on the raw material are still respected, but as I told you, increasing efficiency, being faster”* (Table 1). This could be due to the importance that the interviewees attribute to the importance of not varying the flavor or the recipe, an issue that they say has worked from generation to generation and has proven to be successful. The findings on the integration between traditional production processes and improvements in efficiency through innovations. Specifically, Vallone and Iannone (2020) expanded the Innovation Through Tradition model by incorporating innovation in processes, concluding that changes such as mechanization can increase productivity while maintaining essence. This dynamic vision of tradition allows us to understand that inherited practices can be complemented with adaptations and innovations, enhancing it instead of weakening it. The companies studied exemplify this by automating previously manual tasks, but without altering recipes or flavor, which they attribute to their transgenerational success.

The results also agree that the management of preserving artisanal methods anchored to traditional practices would be fundamental, as seen in Table 3, as indicated by E2NF1: *“Ancestral experience in production processes is not only a legacy, but a tool that is used to give a special twist to what we already know,”* as well as the transmission of the values that they attribute to each of the raw material treatment processes they use since they maintain that the methods they follow are a legacy which is transmitted from generation to generation as E3NF1 points out: *“In our company, we are proud of the tradition in our production processes and it is reflected in our products. The methods we follow are a legacy passed down from generation to generation. The veterans share their knowledge with the new members.”* Veterans share their knowledge for both products and processes, which for them is a legacy that must be preserved between generations, as E3F2 points out: *“We like to follow the traditional vibe. Production processes are like a kind of inheritance that is passed from hand to hand. The masters of the hit are like the stars who share their tricks with the youngest ones.”* The results of the study agree with the literature in that inherited artisanal production processes constitute a crucial source of tradition from which to drive innovation, as indicated by E3NF1 (Table 5) *“Of course, for us it is essential to preserve tradition, ensuring that the recipe remains faithful to its origins.”* Specifically, De Massis et al. (2016) proposed as one of the sources of knowledge relevant to innovation, the knowledge linked to artisanal techniques and traditional manufacturing processes of the territory where the family business is located.

The perspective of Messeni-Petruzzelli and Albino (2012) also emphasized how the local cultural and historical heritage, of which the inherited production procedures are part, nourishes the capacity for

adaptation and distinguished innovation of these companies. Therefore, the importance given by the companies analyzed to preserving their artisanal methods as an intergenerational legacy is fully consistent with the vision of tradition and innovation presented in the reference literature. Its enhancement represents a lever for change based on what is known.

When it comes to deep-rooted values and principles, companies demonstrate that their brand identity, with its deep-rooted beliefs and assumptions, influences their market positioning. The results suggest that companies seek to be recognized for their authenticity, which is reflected in each new product line, in their production processes and in their organizational culture. The latter is also associated with the visual and conceptual coherence of the family tradition that the three companies agree on, E2NF2: *"I believe that it aspires to be recognized as a company with centuries-old flavors and bearer of a heritage that lasts"*. In fact, the company E3 points out that it was their own ancestors, the first owners, who went to look for the raw materials themselves, according to E3F1: *"Yes, the first owners went directly to look for the raw materials and processed it themselves, now we use suppliers who bring the processed product, but our recipe and ingredients are the same."* In Table 3 for E2NF2: *"When you launch products, you always build on what you already know. The processes of yesteryear are not just history, they are valuable resources. They adapt to new products, and thus the essence of always in innovative things is maintained."* The accumulation of experiences and knowledge over generations has proven to be a precious resource for generating ideas that shape products. These not only maintain the essence rooted in tradition, but also ensure the authenticity and quality of the raw materials. This combination offers a unique fusion between ancestral heritage and modern demands, as reflected in Table 2, according to E1F1: *"The idea is that each new product line reflects the essence of our brand, maintaining the quality standards that they have characterized us over time. The authenticity and purity of the ingredients are valued, aligning us with the German tradition that has been the basis of our success."*

Under this logic, regarding the Innovation variable, the three companies explored have developed new products or production lines during the last five years, always demonstrating a strong connection with their heritage and tradition, as pointed out by E1NF1: *"Yes, in the company they have launched new products in the last five years. It is not an easy task, but they always add that German flavor,"* and as E3NF2 also indicates: *"We have introduced some new features to our products, now we opt for suppliers that provide us with already processed products. The recipe and ingredients remain the same as always."* Regarding product innovation, two of the three companies indicate that they are strongly attached to their ingredients and raw materials for the manufacture of their products; however, E2 has carried out other innovative practices from a proactive approach and continued, adjusting and perfecting its ingredients with the knowledge of expert cured meats brought directly from Germany who would rectify certain recipes and, subsequently, the company carries out market analysis strategies to evaluate the acceptance of its products and gather opinions from consumers, always maintaining the same component. of value: the traditional German flavor through its raw materials, as E2F1 points out: *"Yes, we are constantly trying to innovate. In fact, as I told you before, last week, we had two German technicians who were making new products."*

On the other hand, companies agree that, although they are not willing to innovate in raw materials, they are willing to innovate with respect to its processing and the management of the production chain, by turning to suppliers who bring raw materials already processed, maintaining the recipe, E3F1 indicates: *"Yes, the first owners went directly to look for the raw materials and processed it themselves, now we turn to suppliers who bring the processed product but our recipe and ingredients are the same."* It is observed from the innovation of characteristics, that the companies explored demonstrate reluctance to change their image, which would put their identity at risk, which is why the innovation of their characteristics has to do in some cases with modifying the ingredients without altering the recipe, as well as the image of the product, removing symbolic seals in response to the new animal market on the scene, and with this, also redefining its products by demonstrating responsibility for the management of raw materials

and respect for its production process, local culture and its values, in addition to modernize the packaging, without altering the colors and brand identity. The above is observed in Table 1, as E1F1 points out: *"I don't know, we have to comply with the demands of what it says and has to say, even when it is a simple sausage that seems to be nothing more than a little piece of paper. Even though regulations push us to adjust, we try to hold firm to that identity rooted in the tradition of the German settlers."* Furthermore, as E2NF1 points out: *"It is very particular because until a while ago and because of everything that the issue implies today, animalistic and all, animals were removed from all brands, the traditional pig was asked to come out,"* and as also indicated by E2F1 in Table 3: *"Yes, the importance of maintaining the authenticity and representativeness of the southern area of Chile in the graphic elements has been recognized, which not only contributes to cultural identity, but also adds a distinctive value to the products."* In this regard, E2F1 indicates *"The brand identity has been a constant source of inspiration and guidance in the creation of new production processes, ensuring that they are aligned with the image and values of the family brand"* (Table 4).

Undoubtedly, tradition has experienced challenges for these companies, however, the results on process innovation demonstrate that it is the element that has emerged most naturally when making processes more efficient, which has involved the use of knowledge inherited from generation to generation. In this sense, in response to modernization, the family employees of the companies interviewed demonstrate that they have complemented this knowledge with formal knowledge in careers related to the value chain of the companies to which they belong, demonstrating commitment to the optimization of modern processes, to keep the original recipes consistent with the values and principles embedded in the organizations. Similarly, Boling et al. (2016), for their part, suggested that the entrepreneurial spirit present in these generations is characteristic of the continued success of this type of companies, as well as those with greater longevity, which, although it would not be hereditary, assures the survival of organizations.

This, through the implementation of technologies, software and processes that, from the perspective of process innovation, has responded to the need to evolve and adapt the factory, innovating in specialized machinery, for example, to meet market demands to satisfy customers. Under this logic, the companies explored would rather represent an innovation model focused on the organization of processes or management systems, beyond embodying a model of product improvement.

With the above, it can be concluded that the family businesses explored in the Los Lagos region demonstrate a high sense of belonging by feeling that they contribute to the social, local and organization's future, creating wealth and generating a significant impact (Craig et al., 2008) as indicated in E2F1: *"The company is perceived as a family business, rooted in the south and that has been consolidated over the years and the consumer perceives this, values it and that is why they continue to consume the product."* That the set of beliefs and practices that make up their tradition can be summarized in remaining strictly attached to the original flavors and raw materials, by updating production methods related to the authenticity of their recipes, according to E1F2: *"We want people to see it as the very essence of German tradition, with a familiar touch and top quality products"* and as E1NF2 indicates: *"They want to be loyal to their customers, maintain that consistency that makes each product unmistakable. Imagine, if one day it came out sweet, another salty, another black, people wouldn't know what to expect. For the company, being faithful to the flavor is being faithful to its roots and to the people who choose us again and again."* Both their family and non-family employees refer in their quotes to what, for De Clercq and Belausteguigoitia (2015), would be two key concepts, such as identification and commitment, which would influence the management of shared value to the performance of the organization, such as indicates E3NF1: *"We are modernizing our way of operating, but always with the commitment to preserve the authenticity that characterizes us"* and as E3F1 points out in Table 6: *"We want it to last forever, because we firmly believe that that distinguishes us. We are convinced that this will be the case. That is why we strive to work in a way that reflects our identity. We want each new*

process to not only be efficient, but also a testament to our values and what we stand for as a family brand.” Thus, these key traits make these companies, all successful and distinctive.

Furthermore, they are firmly customer-oriented, giving them an important role in their innovations as they are the ones to whom they respond in terms of preserving the traditional elements that have led them to success and to whom they limit themselves to taking advantage of this inherited knowledge. the production processes, their efficiency and productivity since the brand identity to which their raw materials and flavors respond represent “non-negotiable” and “non-tradeable” elements of their tradition which, for Erdogan et al. (2020), is considered a legacy of past generations that must be protected and passed on. The above, according to E1NF2: *“They want to be loyal to their customers, maintain that consistency that makes each product unmistakable. Imagine, if one day it came out sweet, another salty, another black, people wouldn’t know what to expect. For the company, being faithful to the flavor is being faithful to its roots and to the people who choose us again and again”* and also in Table 2, as E1NF1 points out: *“They want people, when trying something different, to feel that they are still in harmony with what has always characterized the company. For one, the identity of the company is summed up in keeping the German tradition alive in every sausage that leaves here.”* E1F2 points out: *“Of course, for us it is super key to maintain that essence and flavor that identifies us. Yes, obviously, we want to improve productivity and modernize, but without breaking away from what has made us unique. We cannot risk industrializing everything and losing what it has taken us years to build. Innovation has to be as precise, taking care of every detail, because the client will know if we go out of style. It is a complicated balance, but you have to know well what to innovate”* (Table 2). E1F2 also indicates in Table 1: *“We face regulations and standards that force us to innovate in that sense. It’s quite a juggling act, but we try to balance what they ask of us with keeping our identity strong.”* Furthermore, E2NF2 points out (Table 3): *“I think it is worth rescuing the old vibe in the designs. With traditional graphic elements, we ensure that the new products maintain that familiar vibe, but with a modern touch that everyone likes.”* It can be concluded that the presence of different family generations in the company influences its governance and administration by coexisting conventional, more traditionalist innovative thoughts of older generations with the new trends of entrepreneurial innovative thinking, which sees not tradition, but resistance as a threat, thereby providing a fresh look at the inflexibility, conservatism, inertia and rigidity of the core, as well as the development of new competencies and skills through the visualization of change and innovation as a fundamental tool and characteristic of the entrepreneurial spirit of the new generations (Boiling et al., 2016; Sørensen & Stuart, 2000; Lumpkin et al., 2008; Rondi et al., 2019). These characteristics, added to the sense of belonging and the sense of contribution to the area and the future, typical of family members, would represent essential elements to manage the paradox.

Finally, this study shows notable affinities in terms of the way of managing the paradox with the ITT proposed by De Massis et al. (2016), which has been fundamental in family business research. The observations made in this work align with the key variables of the ITT: legacy knowledge, deep-rooted values and principles, and their impact on innovation. Thus, the results suggest that inherited knowledge, in accordance with De Massis et al. (2016), have a positive impact on innovation since the management and exploitation of ancient and traditional knowledge generates innovative commercial offers. These findings support both hypothesis H1, indicating that inherited knowledge can be a key catalyst for innovation in family businesses in the Los Lagos region of Chile allowing the capitalization of the knowledge stock, as well as hypothesis H2, which suggests that deep-rooted values and principles can be used to favorably influence innovation through the creation of new products and/or processes in family businesses in the region.

6. Conclusion

In this study, we investigate the tradition-innovation paradox with the aim of providing evidence to the debate. To carry out this, a qualitative study was carried out through a case study of family

businesses in the Los Lagos region in Chile. The evidence obtained indicates a strong root in the elements that make up the tradition (legacy knowledge and deep-rooted values and principles), especially about ancestral recipes, distinctive flavors, raw materials of local origin and visual identity representative of its legacy. These elements are considered the heart of the business and fundamental pillars that strengthen the positioning and prestige achieved by the companies analyzed.

Although companies are cautious and reluctant to introduce changes in those factors that constitute their traditional core, they do demonstrate openness to innovate in terms of production processes, implementing new technologies and seeking efficiency gains, as long as this does not alter the distinctive quality, nor the authenticity that characterizes its products.

Likewise, an alignment is seen between the results of the study and the main factors considered in the Tradition-Innovation Paradox Model (ITT) developed by De Massis et al. (2016), which reinforces the importance of elements such as legacy knowledge and deep-rooted values and principles to understand the way in which these companies manage the permanent tension between tradition and innovation.

The findings support the hypotheses about the positive impact of legacy knowledge, deep-rooted values and principles on business innovation. The deep connection and commitment of family members to the legacy of the companies contribute significantly to local development, facilitating the balanced management of the paradox between tradition and innovation.

This study makes contributions to the literature by providing empirical background on how these types of companies capitalize on their legacy and cultural roots to promote innovations, manage the tradition-innovation paradox and ensure their durability over time (De Massis et al., 2016) and differentiate themselves from their non-familial peers (Gusenbauer et al., 2023). This study also contributes to expanding research on family businesses in Chile.

It also provides important contributions to the management of family businesses. The consideration by those who lead this type of company of aspects linked to the history and traditions of the family and the company seems to be a key aspect for innovation. The family business is rich in idiosyncratic components, many of them rooted in traditions and strongly supported by emotional components.

This research has not been free of limitations; conducting qualitative studies based on case studies may limit the generalization of the contributions. However, given the nature of the study, this type of methodology is appropriate to analyze in depth the sources of the relationships that are the subjects of the research. Future studies may expand the base of companies or carry out surveys that allow greater coverage of companies and support quantitative studies. On the other hand, considering companies only in the field of jerky production could be a limitation. In this sense, the area of the country under analysis is rich in traditions, some of them coming from the German immigration of the mid-19th century that has allowed the appropriation of a multiplicity of products, tastes and customs that have been taking root and adopted in the area and which was considered an interesting area for the application of this study. Future research may expand the productive areas and sectors of family businesses to test the study of the tradition – innovation paradox. The resources and capabilities coming from tradition can become a source of competitive advantage and leverage the continuity of the family business.

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