LUISS

Department of Business
and Management

Course of Creative Industries and Business Model Innovation

A Family Tale: Exploring the Role of Family Legacy in Consumer Behaviour Towards Family-Owned Luxury Brands

Prof. Luigi Nasta

SUPERVISOR

Prof. Christian Lechner

CO-SUPERVISOR

Francesca Martiello
Matr. 744771

CANDIDATE

Academic Year 2022/2023

INDEX

INTRODUCTION

Family businesses have always been a cornerstone of the global economy and represent a unique type of business. Typically constituting a dense network of enterprises, family businesses tend to proliferate in specific sectors, such as in the luxury industry. This is a phenomenon particularly common in this sector because the typical characteristics of family businesses align well with the peculiarities of luxury companies and their strategic dynamics. Luxury family businesses are often founded by individuals with great entrepreneurship, working to ensure that their entrepreneurial vision and originality can continue to live in future generations. Indeed, luxury family businesses represent the perfect fusion between the familial sphere, characterized by a higher degree of care and savoir-faire, and the corporate reality. For these reasons, these companies cannot be simply described as economic actors because they often serve as custodians of a long history made of family values and traditions.

Legacy holds particularly significance for this type of business as it embodies the heart and soul of the family business by incorporating its mission, values, stories, and best practices that each generation aims to enrich and transmit over the years. Legacy is inherent and tangible in everything related to the company, from the setup of its stores to the products the company offers to its consumers. Luxury consumers are characterized by a decision-making pattern that is not always rational, as purchasing luxury products is often driven more by emotion than reason. In this context, legacy can become a factor capable of influencing consumer purchasing behaviour. Starting from these assumptions, the following research seeks to analyse the role that legacy plays in the behaviour of consumers toward family-owned luxury brands.

The study begins with an overview of the world of luxury (Chapter 1), defining the characteristics that distinguish luxury products and exploring different classifications, such as the Daniel Allérés luxury pyramid and the distinction between hard and soft luxury. The chapter provides an overview of the luxury market and its peculiarities, leading to an introduction of luxury consumers. Different typologies of the latter are analysed, studying their behaviour and the motivations that drive them to purchase luxury goods, highlighting the emerging trends of the market that indicate a significant decrease in the age of luxury goods buyers compared to the past.

The second chapter focuses on family luxury businesses. As previously mentioned, in the luxury sector, family companies are quite numerous and come in various forms, including independent brands, as Brunello Cucinelli S.p.A, and large conglomerates such as LVMH. This chapter delves into how family businesses can be defined and how they distinguish themselves from non-family firms. In this context, the concept of "Familiness" is explored, representing the distinctive trait of this types of companies. Family businesses are rather unique corporate models due to the specific characteristics that set them apart from non-family firms. In this study, the main characteristics taken into consideration are the involvement of the family in the business, the importance placed not only on the reputation of the company but also on the reputation of the family, and finally, the length of family ownership.

The study continues with the definition of the legacy of family luxury business (Chapter 3). Legacy is a highly significant element in family firms as it can impact long-term performance and enhance the reputation of the company, becoming a means to gain a competitive advantage. In this chapter are explored various motivations that drive generations to work towards ensuring that the family legacy continues to be transmitted, describing also the different forms that the legacy can take (biological, material, social). The need to shift from an “inward-oriented” view of legacy, which sees it as a factor that impacts only family members and people within the business, to an "outward-oriented" perspective is then analysed. In the last perspective, legacy is seen as a characteristic of the family business that can also influence consumers. To make this possible, the company must commit to work to ensure that its legacy transcends the boundaries of the company and reaches consumers. It is demonstrated that consumers tend to develop greater trust when a company bases its competitive strategy on its legacy. Indeed, the family firm must be able to effectively communicate its own legacy to consumers implementing effective legacy-focused marketing communication. There are various projects that the firm can undertake, indirectly helping in conveying communicate its legacy: examples of such projects include corporate museums, family business foundations, and Corporate Social Responsibility activities.

In the fourth chapter of the study, the research proceeds by testing the actual impact that the family legacy has on consumer behaviour towards family-owned luxury brands. This chapter can be divided into four main sections. The first section defines the research questions and the four hypotheses to be tested, which were outlined with the reference to the relevant literature. In the second part of the chapter is presented the methodology used to collect the data and the dependent, independent and control variables chosen for the research. The third part is dedicated to the quantitative analysis of the results, including the presentation of the two linear regression models constructed and the corresponding coefficients obtained. Finally, the last part of the chapter focuses on reporting the research findings, which are discussed to outline both the theoretical and practical implications of the study.

CHAPTER 1: LUXURY CONCEPT

1.1. Luxury Definition

“Luxury is a necessity that begins where necessity ends.”

- Coco Chanel

The concept of luxury has many different definitions. Literally, the word “luxury” come from the Latin “Luxus” and have a double meaning: on one hand it can be translated as excess but, on the other hand, “Luxus” derives from the word “Lux” that means light and can be referred to abundance. It is evident that in the concept of luxury is intrinsic a strong personal hedonistic component and at the same time an important symbolic value. The luxury sector is characterized more than any others by the relevance given to the intangibility factor, a symbolic value that goes far beyond the functional one. Christian Hafner, head of branding at Swarovski, says that “Luxury is about history, authenticity, depth, and being a partner. Buying a luxury product is like a love affair.” It is clear from her words how much the emotional component is an integral part of the concept of luxury itself. Luxury goods do not satisfy rational or functional needs, instead they have an intrinsic symbolic value that goes beyond their practical scope.

From an economic point of view the word luxury can be associated to the Veblenian Goods. Theorized by the economist Thorstein Veblen into 1899, as the price of Veblenian Goods increase, their demand increases as well, in contrast to the traditional supply and demand mechanism (Figure 1). Similarly, if the price of the good decreases, consumer interest in buying it also decreases, reducing its demand. The reason behind is that when the price increases, the items result even more exclusive and prestigious to the eyes of consumers, increasing the desire to own it and boosting its demand.

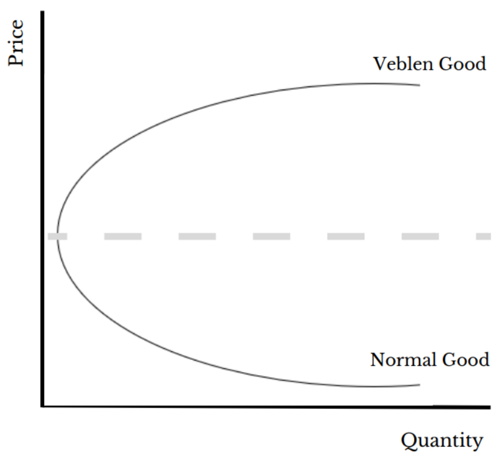

Figure 1. Veblen Good vs Normal Good

The literature about luxury concept and its main characteristics in marketing is very broad. Dubois et al.[1], designed the first important framework where they defined the luxury goods through the following characteristics:

- Outstanding quality: luxury products are characterized by very high quality, both in terms of materials and the attention paid to details into their manufacturing process.
- Very expensive: the high prices of luxury goods not only derive from the raw materials, but they are also strongly linked to the brand image. In fact, very often consumers decide to pay a premium price not for the product itself but also for the history and values associated to the brand. To conclude, high prices depend more on intangible features than intrinsic characteristics of the products.
- Uniqueness and scarcity: luxury goods must be scarce because their purpose is to make consumers perceive the prestige in owning them: if luxury goods were accessible to all, the real concept of luxury would be lost.
- Aesthetics: this characteristic is tied to the hedonistic aspect of luxury products. The sensory and emotional experience is the basis of luxury itself.
- History and strong heritage: the history of the brand contributes both to give an aura of uniqueness and to create an emotional relationship with consumers. The heritage makes explicit the values and the origins of the brand.
- Extremely superfluous: Luxury goods do not satisfy rational needs. The purchasing process of this category of goods is totally driven by irrationality.

Kevin Lane Keller[2], a marketing researcher and expert of brand management, dedicated part of his studies to luxury branding. He argues that the luxury brands have ten main features. Firstly, a premium image that differentiate the brand from the others by acquiring a relevant position in the minds of consumers. Secondly, luxury brands create positive brand association to let the consumers self-identify with the brand. Luxury brands distinguish themselves from the other thanks to their high quality perceptible from tangible and intangible factors. Further, brand elements, as logos, packaging, and the brand name are key drivers to increase the value of a brand. The latter, defined as brand equity, is determined by how the consumers perceive the quality. To reinforce and enhance the brand, luxury companies build relationships with celebrities and increase their presence at important events. Luxury brands leveraged on an exclusive retail distribution network, deciding to do not develop the e-commerce in order to connect the purchase to a luxury experience. The final aim of this strategy is to increase the premium price to be applied. Another important characteristic is the brand architecture, defined as the structure gave by the brand to its product lines that has to be carefully built to be

---

[1] B. Dubois, G. Laurent, S. Czellar. (2001). Consumer rapport to luxury: Analyzing complex and ambivalent attitudes. Consumer research working paper no. 736, HEC, Jouy-en-Josas, France.
[2]Keller, K. (2009). Managing the growth trade-off: Challenges and opportunities in luxury branding. J Brand Manag 16, pp. 290–30.

perceived coherent to the chosen customer segment. Competition for luxury brands must be defined broadly because they do not compete only with the luxury companies in their product segment but with all the luxury brands. It is possible to explain that because luxury products go beyond the basic necessities and the goal for this brand is to be associated to luxury. To conclude, there are legal protection and trademarks that in the luxury sector acquire even more consideration due to the high threat of counterfeiting.

Nowadays, the luxury market is a subject that appears in research related to many different fields as for example marketing, business and management, economics, and sociology. This is the reason why exists many frameworks to define luxury. Depending on how it is interpreted, it can have many different facets and meanings, according to various personal associations and beliefs. To simplify, the most important and characterizing features of luxury products are mainly three: superior quality, high price, and a strong social image. The intangibility factors are the most important because they allow the luxury brands to evoke feelings and emotions in the consumers, giving them a relevant place in the mind of consumers. The symbolic value is the main reason why a customer would choose a luxury product over any other product even if he will have to pay a premium price for it.

1.1.1. Luxury Classifications

1.1.1.1. Luxury Pyramid

Since there are different definitions of luxury, at the same time there are also different levels of the concept of luxury. In 1996 Daniel Allérés[3],one of the first researchers in the luxury sector, designed the luxury market as a pyramid divided into three main sections each with its own characteristics, pricing strategies, distribution channels and costumer segments (Figure 2).

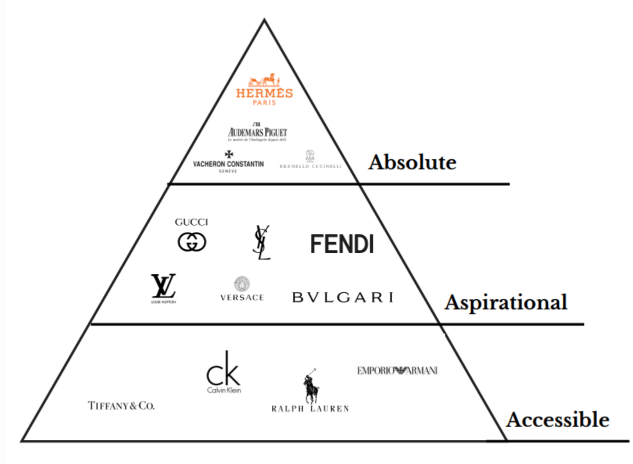

Figure 2. Daniel Allérés Luxury Pyramid. Personal Elaboration

[3] Allérès D. (1996). Luxe, stratégies-marketing. Economica. Paris.

Starting from the base of the pyramid, there is the *Accessible Luxury* characterized by products sold at affordable prices and therefore can be purchased by a larger number of people, trying to guarantee the emotional experience of luxury. Companies operating in this luxury segment manage to lower their selling prices through product standardization and the exploitation of economies of scale. Very often luxury brands, in order to broaden their target audience, create lines of products and sub-brands with lower prices in order to be able to acquire the target market of affordable luxury, following the policy of trading down. This is a typical mechanism of fashion brands. Some examples of this phenomenon could be Calvin Klein that did it through the creation of CK Jeans line or Armani with Armani Exchange.

Moving up along the pyramid, there is the *Aspirational Luxury* or intermediate luxury. The products belonging to this bracket have some characteristics of the superior level, as quality and style, but, in contrast, they are not custom made and they produced on a larger scale. Aspirational luxury goods belong to the so-called "ready-to-wear" category. Examples of these brands could be Bvlgari, Luis Vuitton and Gucci.

To conclude, at the top of the pyramid there is the *Inaccessible Luxury*, products that are often perceived as unreachable by consumers because of the very high price. These are products made in limited numbers, exclusive items made just for one customer or products whose purchase requires long queues. The distribution channels of these brands are also very exclusive. For example, some brands refuse to sell online because luxury is not only a material product, but also a sensory experience that must be accompanied by an in-store purchase. This is where the haute-couture brands are placed. An example is Hermès, just consider the long selection and waiting list needed to purchase the legendary Birkin Bag.

1.1.1.2.Hard and Soft Luxury

Another possible distinction in the concept of luxury is the differentiation between *hard and soft luxury*[4]. This differentiation describes a spectrum of goods ranging from limited editions and uniqueness to mass luxury. The latter defines a category of goods that can be purchased by a wider range of consumers. Both hard and soft luxury strategies seek to create an emotional and symbolic value that consumers can perceive through the product and through the brand itself. In fact, this symbolic value may derive from intrinsic characteristics of the product or from external sources. Regarding the intrinsic characteristics, the reference is made, for example to the history, attention to detail and the complexity behind the realization of the item. Instead, the external characteristics refer to the rarity, prestige, exclusivity of the item and the brand heritage.

---

[4] Carcano L., Ceppi C. (2010). Time to change. 1st edition, Egea. Milan.

Brands belonging to hard luxury usually have a strategy aimed at enhancing their product leveraging on intrinsic factors of the product, as aesthetics, details and manufacturing ability. Typically, this category includes haute-couture brands or some watch brands, where the importance given to details is fundamental and almost obsessive. In fact, very often brands belonging to this category are very focused on the core business and not very differentiated.

Soft luxury brands, on the contrary, are brand-based, tending to put more emphasis on brand and product portfolio building, working on the image they want consumers to perceive from the outside[5]. Soft luxury brands are therefore more used than hard luxury brands to differentiate and to make brand extensions in product categories not inherent to their core business.

1.2. Luxury Market

The luxury market is a highly complex and fragmented environment. Following Bain & Company definition[6], it is segmented into nine main typologies of luxury items including both material goods and experiences. The segments include: personal luxury goods, luxury cars, luxury hospitality, fine wines and spirits, gourmet food and fine dining, high-end furniture and housewares, fine art, private jets and yachts and finally luxury cruises. These nine segments can be divided into four subcategories. The first are the luxury toys which include luxury cars, yachts, and private jets. Then, there is the category of fine art and design furniture which include the whole market of fine art and of high-quality design. Further, there is the category of food and beverage experiences which covers wine, spirits, gourmet food and fine restaurants markets. To conclude, the last category is the most affected by the pandemic crisis that are the out-of-home experiences which includes luxury hotels and cruises. The segments related to personal goods, cars and hospitality are the most significant ones and this is why they account for more than 80% of the entire market.

Talking about the key players, luxury market is very concentrated but at the same time is highly fragmented. Luxury companies are usually of medium size with a strong awareness among consumers. The landscape is composed by some diversified large companies that dominate the market and a constellation of small and medium size companies. Belong to the first category LVMH, Kering, Swatch and Richemont, which are global companies that have implemented an internationalization process. In the second category is possible to include, for example, Prada group, Chanel and Hermès. The distribution of these companies is related also to countries:

[5] Carcano L., Corbetta., Minichilli A. (2011). Why luxury firms are often family firms? Family identity, symbolic capital and value creation in luxury-related industries. Universia Business Review, pp. 41-43
[6] D' Arpizio C., Levato F., Prete F. (2023). Renaissance in Uncertainty: Luxury Builds on Its Rebound. Bain - Altagamma Luxury Goods Worldwide Market Study.

for example, Italy is a country characterized by small and medium companies instead, in France there are few large companies holding the market.

As the majority of the sectors, also the luxury one was severely impacted during 2020 due to the Covid-19 global pandemic. According to the esteems of Bain and Altagamma January Report, in 2021 luxury sector recovered the losses, generating profits about 1.5 trillion in that year, maintaining the trend also in 2022 with a growth of 19-21%. The recovery was mainly driven by personal luxury goods which in 2022 experienced a record in terms of retail sales, calculated around €353 billion (Figure 3).

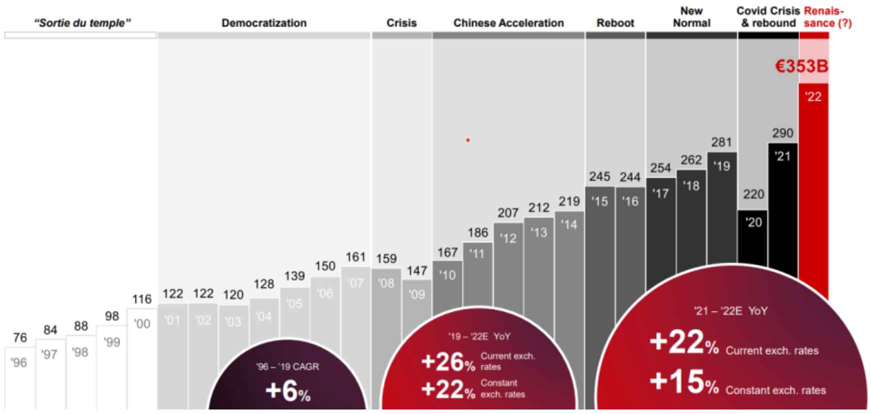

Figure 3. Personal Luxury Goods Market. Source: Altagamma Report 2022

Despite the period of global crisis, the luxury market is not expected to suffer new contractions, instead to grow further trough 2023. Indeed, it is forecast that the market will not be impacted by the crisis as it was in 2008. According to Bain and Altagamma November Report[7], this new resilience depends upon several factors: first of all, the period of pandemic and lockdown that forced the world population to stay at home led to a boost in accumulated savings. Secondly, the so-called YOLO - You Only Live Once- culture, which is driving consumers to desire to live the experiences missed because of the Covid-19 situation. Further, the approach of consumers to luxury goods has changed during these years. Indeed, today the purchase of a luxury item could be considered, in many cases, as an investment for the future and as a resale opportunity. Moreover, the market seems to be more equipped to face a potential global crisis also thanks to the higher attention reserved to final consumers that led to a considerable expansion of the customer base during the last years. In fact, generations Y and Z entered in the customer base of the luxury market, driving the whole market growth in 2022. The higher attention to costumer care makes companies able to build close relationships with the top costumers that are less sensitive to the possibility of an economic downturn. This industry resilience is estimated in 2023 to drive a growth in sales of luxury personal goods about 6-8%, in the best scenario.

[7] D' Arpezio C., Levato F. (2022). Leap of Luxury Renaissance in Uncertainty Figures, trends and actions. Bain - Altagamma Luxury Goods Worldwide Market Study.

1.3. Luxury Consumers

The shape of luxury consumers has changed over the years. In the past being a luxury consumers meant to be part of an elite; luxury brands were only about social status and were used to express an economic capability. Indeed, luxury consumption was associated to a behaviour driven by external factors, it reflected the personal desire to impress others and show richness[8]. In the Theory of the Leisure Class[9], Veblen described the behaviour of luxury consumers as *conspicuous consumption* and stated that the accumulation of wealth is not what determines status, instead, it is the evidence of wealth that determines it, and this leads to show what is owned. Today, the customer base for luxury products is much broader and different. As a consequence of the growth in the customer base, also the motivations for choosing the luxury market increased. Among these motivations, first of all, there is the mindset of luxury consumers that has changed over years. In fact, today, luxury brands are not only bought for what they produce but are also chosen for what they represent within society. Consumers are much more sensitive to what companies behave respect to global problems as sustainability and social rights, also for this reason the elements that are part of a purchasing decision of a luxury consumer has increased. At the same time, luxury shoppers no longer belong exclusively to an elite. In fact, it is estimated that today the 35% of luxury consumers are millennials and this trend will continue to grow, indeed it is estimated that by 2025 they will be more than 50% of the total luxury shoppers.

1.3.1. Luxury Goods and Gen Z

The consumer target group of the luxury market has undergone significant changes in recent years. In the last decades, the primary consumers of luxury products where typically individuals from Generation X and Baby Boomers age groups. However, this trend has changed in the recent years. Strong evidence of this lies in the fact that the substantial growth of the luxury sector is largely attributed to the changing generational dynamics. Nowadays, there has been a significant decrease in the age of luxury goods buyers compared to the past, indeed the average age of the first luxury purchases is estimated to be around 15 years. According to the January report by Bain and Altagamma[10], the main drivers of the luxury industry growth in 2022 were Generation Y (1981-1995) and Generation Z (1996-2015). This trend is expected to continue growing in the coming years: it is estimated that Generation Z and even Generation Alpha (2016-present) will constitute approximately one-third of the luxury market consumers by 2030 (Figure 4).

[8] Truong Y., Personal aspirations and the consumption of luxury goods. International Journal of Market Research. Vol. 52 No. 5, pp.655-673 (2010)
[9] Veblen, T.B. (1899), The Theory of the Leisure Class: An Economic Study in the Evolution of Institutions, New York, NY, USA: Macmillan
[10] D' Arpizio C., Levato F., Prete F. (2023). Renaissance in Uncertainty: Luxury Builds on Its Rebound. Bain - Altagamma Luxury Goods Worldwide Market Study.

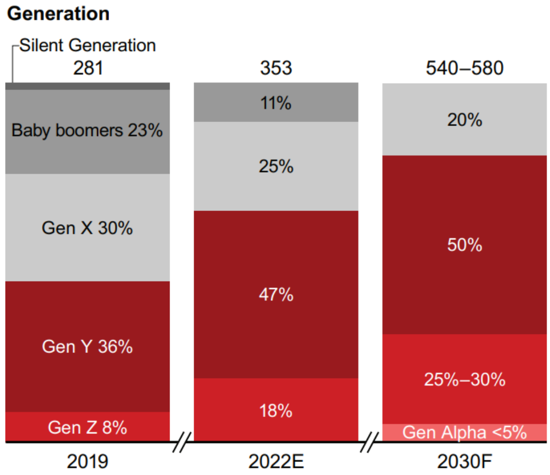

Figure 4. Gen Z growth - Bain & Altagamma Luxury Goods Report.

In order to ride this trend, luxury sector companies have implemented different market strategies. Firstly, they have tried to broaden their product portfolio, ensuring a wide range of products in line with the preferences and tastes of the younger generations. In the case of fashion brands, this has involved a focus on streetwear. This phenomenon is leading a restructuring of the luxury market, as it establishes unexpected connections with different segments of the markets. In this contest a significant phenomenon are the collaborations between sportwear and luxury brands, such as Jacquemus x Nike or Gucci x Adidas. Additionally, companies have placed considerable emphasis on communication strategies that heavily relay on digital platforms and technologies. To attract this new consumer segment, companies try to include innovations as augmented reality and Metaverse into the marketing strategies. Finally, luxury brands have begun to hire influential figures who have significant visibility among the younger generation, such as social media influencers and content creators. These individuals are selected based on the values that the company aims to associate with its brand.

The changing in consumer demographics is associated with an introduction of new values that costumers seek. According to the BCG 2022 Report[11], consumers belonging to the Millennials and Z Generation are not particularly interested in values such as heritage, timeless and unreachable quality level, as was the case for Generation X and the Boomers. The new generations are interested in values such as inclusiveness, sustainability. Moreover, rather than flashy products they prefer the so-called quiet luxury (or silent luxury). The growing trend towards quiet luxury is truly emblematic of a radical change of the concept of luxury and in the buying psychology of the consumers. Quiet luxury refers to products that are deliberately inconspicuous, discreet, minimalist, where logos or flashy labels that would make the brand recognizable do not appear on the items. Examples of brands that apply this new philosophy are certainly Brunello Cucinelli, Loro Piana, Brioni and Bottega Veneta, all brands that aim to produce products with excellent workmanship and row

[11] Hazan J., Willersdorf S., Bianchi F., Fassenot B. (2022). Luxury Outlook 2022 Report. Advancing as a responsible pioneer Rarity, sustainability, exclusivity, new experiences, and new territories. BCG and Comitè Colbert.

materials but with quietness and zero ostentation. Whereas previously consumers took pleasure in buying and wearing products of unequivocal authorship as symbols of a status quo, we are now moving to a new group of consumers for whom luxury is not so much a vehicle for ostentation of themselves to others but a way to express their identity.

1.3.2. Luxury Consumers Typologies: 4 Ps of Luxury

The consumers that are part of this new evolution of luxury, on one hand, must have the economic capability to buy luxury products, on the other hand, they also must have the right attitude. Depending on the use of luxury items, self-expression, or status identification, Han, Nunes and Dreze suggested a new framework to define and segment luxury goods consumers, the so called "4 Ps of Luxury" (Figure 2)[12]. The model is based on defining luxury consumers according to their purchasing behaviour. The model has two variables: wealth and need for status. According to the variables is possible to distinguish among four well-defined groups of consumers: Patricians, Parvenues, Poseurs and Proletarians.

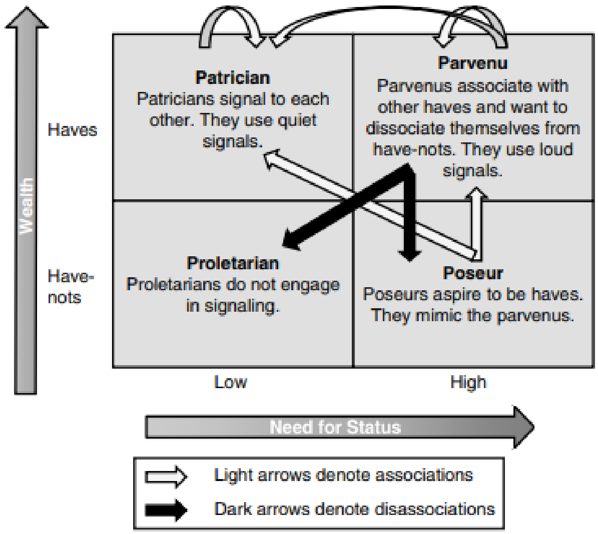

Figure 5. Four Ps of Luxury: Signal Preference and Taxonomy Based on Wealth and Need for Status. Source: Han Y.J., Nunes J.C., Drèze X. (2010)

The name *Patricians* derives from the denomination of the elites in ancient Rome. This group is characterized by high financial resources but a low need to show their status. The Patricians is mostly constituted by the so-called 'old rich', people who grew up in economic wealth, have experience with luxury and know what they want. They recognize quality in products and are not affected by brands and by mass communication. It is a

---

[12] Han Y.J., Nunes J.C., Drèze X. (2010) Signaling Status with Luxury Goods: The Role of Brand Prominence. Journal Of marketing, Vol. 74, July 2010, pp. 15-30.

very complicated target to reach but it is the one that has the power to influence all other targets who see Patricians as their aspirational segment. This group do not want to show their wealth, which is why they use brands that can only be recognized by other members of their social circle and are willing to pay high price for inconspicuous brands. The Patricians do not wear recognizable logos and are therefore fanatics of quiet luxury.

The second category are the *Parvenues*: their members want to show the high financial resources that they have. They are usually individuals who worked to achieve the status they have earned and therefore want this to be evident to all. To this group belong the so-called "new rich", who are prone to follow new trends and are highly influenced by brand and mass communication. The Parvenues therefore do not dislike ostentation and try to wear clothes that are recognizable with clearly visible logos, such as the famous Luis Vuitton or Fendi monogram.

The third class of consumers are the *Poseurs*. This term literally identifies a person who pretends to be what he is not. This category, as well as the Parvenues, has a high need to buy luxury goods to show and affirm their status, what distinguishes them is the fact that the Poseurs do not have the high financial resources to buy authentic luxury goods. The Poseurs need to show their status to distinguish themselves from even less influential people, but they lack the required financial resources to buy luxury products. The consequence is that this category turns to the counterfeit market where they can find copies of the original items at lower prices.

The last group of consumers are the so call *Proletarians*, word usually used to identify people that come from a lower social class. In this context, Proletarians identify people that are not driven to buy luxury goods both because they have no need to show their status and because they do not have enough financial resources to do so.

1.3.3. Luxury Purchasing Behaviour

The basis for the luxury goods purchase are primarily personal psychological factors, indeed they combine personal pleasure and self-expression[13]. Taking into consideration the famous Hierarchy of Needs Theory of Maslow that classifies needs into five clusters which goes from the basic psychological needs, as water and food, to the self - fulfilment needs. The luxury consumption reasons can be collocated around the top of the pyramid. In fact, nowadays luxury products are no longer perceived merely as objects used to demonstrate a

[13] Keller K., Kotler P. (2016). Marketing Management. Pearson, 15th edition, pp.398-400.

social status or elite membership. Luxury goods generate self-esteem, they are used as a complement to personality and their use is a way to self-express and to build a personal identity[14].

These peculiarities of the luxury sector also impact the decision process that characterizes the purchase of luxury goods, which differs from the decision process that guides the purchase of other categories of items. In fact, the traditional purchasing behaviour starts because the consumer realizes, thanks to internal or external stimuli, that he has a problem or need. From this moment starts the second phase dedicated to the search for information that can help to find the right way to satisfy the latent need. Once the consumer is aware of the general information, he can then proceed to evaluate the possible alternatives. At this point he has all the necessary information to be able to make an informed purchasing decision. Finally, there are the steps of the experience and post experience that are also very important into a purchasing decision pattern.

The luxury purchasing behaviour is different because, even if fundamentally the mental steps the consumer takes are almost the same, once the need has been recognized, the luxury consumer does not carry out a rational search for information but is guided by emotions. These sentiments lead him to conclude the purchase. Therefore, while traditional purchasing behaviour is guided by utility, for luxury products the purchase is driven by irrationality and emotions. Razvan Zharia, marketing professor, to underline how much the luxury purchase decision is driven by a hedonic motive, in a study about luxury consumption argues that "luxury goods are considered to be products that nobody needs, but everybody wants. Luxury is the expression of imagination, hopes, and dreams of the consumer, not his/her real needs."[15]

1.3.4. Luxury Consumption Motivations

There are different types of factors that can influence purchasing behaviour of the customer. In luxury sector there are two main categories of factors: psychological and sociocultural influences. The firsts are internal factors of the consumer as the personal motivations, the personality of the consumer, the perception he has of the concept of luxury, the values he wants to express and his lifestyle. The sociocultural influences are external factors linked to the social context in which the individual lives. These factors include the social class to which the consumer already belongs, the reference group that is not only the social group in which the consumer already lives but also the group where he would like to belong. It is defined as the aspirational group. Another factor influencing the purchasing behaviour of the consumer is the family and the context in which the consumer grew up, that drives the values the consumer will tend to express using luxury goods. The last external factors are the culture and subculture where the consumer belongs and that are part of his background.

---

[14] Tunali S. (2016). Study on the effect of luxury brand during the social identity projection of individuals. The Turkish Online Journal of Design, Art and Communication. Vol. 6, Issue 3

[15] Zaharia, R. (2015). Psychology of Luxury Goods Consumer. International Conference on Marketing and Business Development Journal (I)1, pp. 200-208.

These can have an important impact into the purchasing decision pattern of the costumer, influencing his behaviour.

There are multiple studies concerning the behaviour of luxury consumers. The economic literature distinguishes different types of luxury consumers whose purchasing behaviour is driven by multiple motivations, particularly with a focus on sociability and self-expression. Combining five different values that the consumer may find relevant in a luxury good consumption with five motivations that may lie behind the purchasing decision, it is possible to distinguish between different behavioural frameworks. [16]

The first of the values that a consumer may find relevant in a luxury good consumption is the conspicuousness. Veblen states that conspicuousness is typical of those consumers who use the possession of luxury goods to show to others their economic availability, status, and wellness. It is possible to say that Veblenian Consumers give greater importance to the price of goods because it is for them an indicator of their status. Their primary goal in buying luxury goods is to impress others.

The second value that a luxury consumer may look for in a product is its uniqueness. This is linked to the so-called *"snob effect"* (Figure 3), the mechanism whereby individual demand for a good decrease when the demand of others begins to grow. This happens because the individual seeks exclusivity in the purchase of luxury goods: as others start buying, the snob consumers stop. Therefore, they perceive the price of a good as an indicator of exclusivity, they do not buy popular brands and always look for the new luxury niche to enter before others.

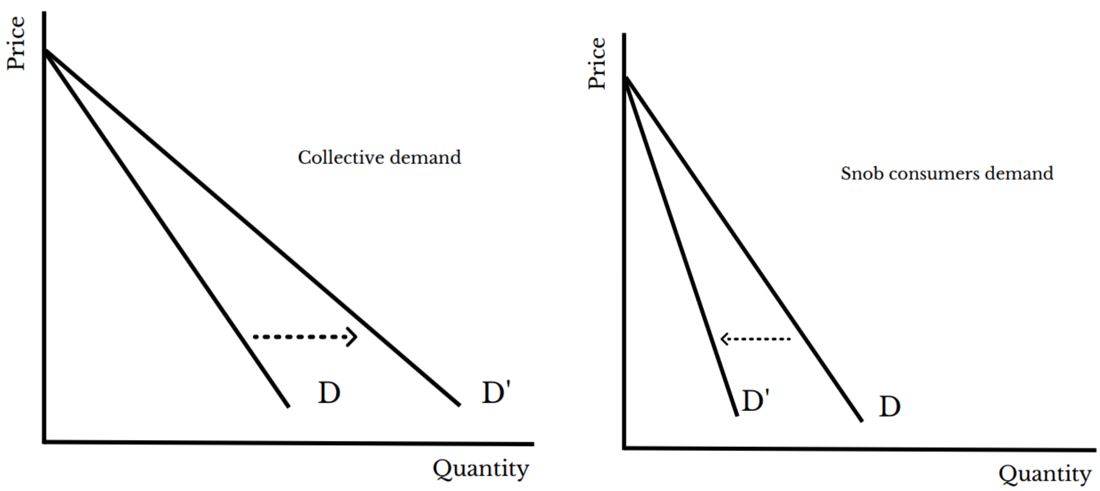

Figure 6. Snob effect: as the collective demand increase the demand of snob consumers decrease.

[16] Vigneron, Franck and Lester W. Johnson (1999), "A Review and a Conceptual Framework of Prestige-Seeking Consumer Behavior ", Academy of Marketing Science Review, 1999 (1), pp. 1-15.

The third value that a luxury consumer may seek is the sociality. Here, it is possible to refer to the so-called "*bandwagon effect"* (Figure 4) which is exactly asymmetrical to the snob effect. In fact, the consumer buys a certain good because everyone else is doing the same too. This behaviour is particularly present in the fashion sector. Bandwagon consumers give less importance to the price: they care more about the judgements of others.

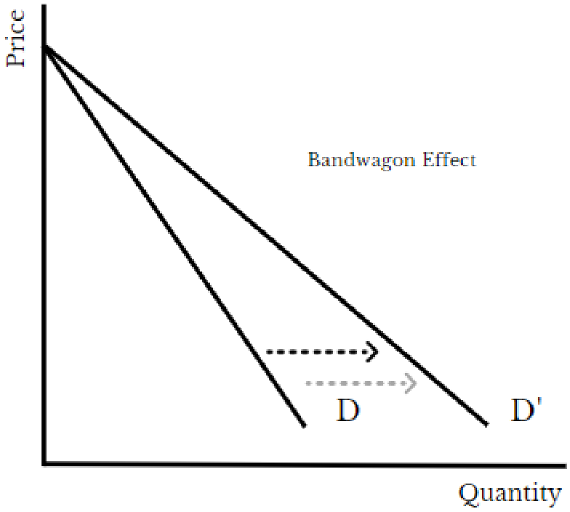

Figure 7. Bandwagon Effect: as the collective demand increase, the individual demand increase as well.

Vigneron and Johnson, added to the cases mentioned above other two values that consumers may seek in the consumption of luxury goods: emotion and quality. It is possible to distinguish luxury consumers into hedonist consumers and perfectionists. The hedonist consumers follow their feelings and emotions in the purchase of luxury goods, giving less attention to the price that by this category of consumers is not used as an indicator of prestige. The behaviour of hedonistic consumers leads them to self-actualization, the highest level of the pyramid of Maslow where the individual fully become what he is potentially. In many cases consumers that follow the hedonistic pattern are satisfied in acquiring something rare, exclusive and of high quality. The hedonistic motive is therefore certainly one of the main drivers of the purchase of luxury products. In contrary, perfectionist consumers during their purchasing decision rely on their own perception of the quality and the price is an important factor of the perception. In fact, customers can perceive a higher price as a consequence of a higher level of quality, becoming a reassuring factor for consumers. The perfectionist consumers evaluate products according to the degree of reassurance e they attribute to them.

Each brand has a different target group of consumers with their own desires, needs, values, and interests, so it is difficult to segment consumers according to what might be their motivations for buying luxury products. The luxury consumer behaviour falls within the field of psychology and behavioural sciences, this is why several psychologists have attempted to analyse the subconsciousness of luxury consumers to identify what might be the main reasons behind the purchase of luxury goods. According to the report produced by Crobox in 2022[17], the main motivations can fall into three main clusters: research of uniqueness, communicating the status symbol and self-building.

First of all, behind the purchase of luxury goods there is a strong need to feel unique and different from others. Charles Richard Snyder [18], an American psychologist specialized in positive psychology[19], wrote that consumers for whom the search for uniqueness is important usually try to buy products that can emphasize their self. This category of customers looks for differentiating brands and are more inclined to search for and try new and unpopular brands. Thus, the purchase of luxury goods can be a way to express personality of an individual and to differentiate himself from the rest of the world.

The second reason for buying luxury goods is the communication of the status and belonging to an elite. In this circumstance, luxury items can acquire the meaning of "affirmational goods", defined as goods that are used as signals and symbols of wealth and social status. This category of costumers was previously defined as Veblenian Consumers. However, in 2023 this second motivation seems to have lost importance for the consumers because nowadays they do not tend to like what is conspicuous.

To conclude, the last motivation of luxury consumption is founded into the self-building. The luxury purchases acquire a significant meaning in the life of consumers, becoming a symbol and an extension of their self-identity. The luxury shoppers utilize luxury goods to write and interpret their own story, building an identifying self-image that can only be understood by those who belong to the same social group that are able to decode what the consumer wants to express non-verbally. The image that consumers construct of themselves through luxury goods is the image of the ideal self, which is how they want to be perceived from the outside. This is an aspirational image that does not necessarily correspond to reality. Even if the consumption of luxury goods is used as a means of self-expression and differentiation, it is still a language that can only be understood by those who have enough resources. To conclude, despite the luxury goods are used to differentiates itself, in the end, it symbolizes a membership of a well-defined social group.

[17] Wintermeier N., Fonteijin J., Oberstadt P. (2022). The state of Luxury: Luxury consumers Trends, Segments, and psychology behind their decisions. Crobox Report.
[18]Snyder,C.R., et al. (1977). Abnormality as a positive characteristic: development of a scale measuring need for uniqueness. Journal of Abnormal Psychology, 86(5), pp. 518-527.
[19] Positive psychology refers to a branch of psychology that studies the characteristics and the behaviors that allow people to build a meaningful life.

CHAPTER 2: FAMILY LUXURY BUSINESS

2.1 Family Business

2.1.1 Family Business Definition

To fully understand the role that family companies play within the luxury market it is important to begin by defining the concept of family business and identifying their main characteristics. Family firms can be considered as the oldest and simplest model of financial organization, which is why they are numerous and represent a significant part of the business network both at Italian and international level. According to an estimate made by the European Commission[20], they constitute more than 60% of all European companies, playing a significant role in the economy of the European Union. To understand the relevance of this phenomenon, following the estimations made by the Family Business Network (FBN) [21], the leading family business organization, it is important to consider that nowadays family businesses account 70% of global gross domestic product and employ 60% of the global workforce. Hence, they play a vital role as significant economic actors. Family business can be small companies as well as large and international enterprises, such as the luxury conglomerate of Bernard Arnault, LVMH.[22]

It is difficult to give a strict definition of what is meant by family firm because there is not a univocal one, but it depends on many aspects. Some studies argue that family business must have the characteristic of family ownership control, meaning that the family actually owns the majority of the business exerting control over it. Another perspective in management research suggests that a broader definition of family business should include some level of control over strategic decisions by the family. Additionally, another possible definition involves a focus on the concept of generation and requires that a family business must have multiple members belonging to different generations of the same family within the management body of the firm. According to some studies, this purpose of transmitting a company from one generation to the next is the main characteristic that distinguishes a family firm. Furthermore, another possible definition of family business involves the founding act of the company. In fact, many academics argue that companies are defined as family businesses when they are founded with the involvement of family members or when they are founded with the intention of transmitting control to future generations. In this case an organization can still be qualified as a family business even if in the present it is no longer run by members of the original family.[23]

---

[20] www.commission.europa.eu : Internal Market, Industry, Entrepreneurship and SMEs – Family business
[21] www.fbn-i.org

[23] Ghadoliya M.K. (2020). Family Business.

It is possible to define three typologies of family businesses: family-owned business; family-managed and owned business; family led and owned business. *The family-owned business* model refers to those companies in which family members control and own most of the shares of the company. In *family managed and owned business*, the family owns the majority of the shares of the business, which gives them the right to set the short-term goals, long-term objectives and the business management policies. Finally, *the family led and owned business* refers to a business in which the family not only has part of the ownership of the business, but also has at least one family member involved in the business board of directors. This allows the family member to influence the direction and major strategies that the business wants to undertake.

In order to include all the different meanings given to the concept of family business and distinguish it from the non-family business, Chua et al. [24] defined it as “a business governed and/or managed with the intention to shape and pursue the vision of the business held by a dominant coalition controlled by members of the same family or a small number of families in a manner that is potentially sustainable across generations of the family or families.” This definition stresses on an important feature of family businesses: having a shared common vision among family members. This interpretation assumes the ownership and the management issues not as intrinsic features of the family business concept but, as factors that help to pursue the common vision of the family. Family members must align themselves with the vision of the company and make strategic choices in order to transmit the values and traditions of the family.

To summarize, despite the different meanings that the concept of family business can assume, there are some fundamental characteristics that this type of company must possess to be included in such category. Firstly, there must be family involvement in the control or management of the business, this means that is required some form of participation by family members in the life of the business. It can be said that family relationships are the basis of the business. The second crucial aspect is the alignment of vision: there needs to be a harmony between the values the company wants to transmit, and the values held by the family. When these elements are present, then a company can be defined as a family business.

2.1.2 Distinction Between Family and Non-family Firms: The Concept of Familiness

There are numerous studies on the peculiarities of family firms and on the features that distinguish family-firms from non-family firms. Some academics have found this distinction in the theme of *Familiness*. Habbershon and Williams[25], researchers of the family business organizational environment, have coined the term "familiness" which defines a typical trait of family businesses and differentiates them from other types

[24] Chua J.H., Chrisman J.J., Sharma P. (1999). Defining the family business by behaviour. Enterpreneurship theory and practice, Vol. 23, Issue 4, pp. 19-39

[25] Habbershon T.G., Williams M.L. (1999). A Resource-Based Framework for Assessing the Strategic Advantages of Family Firms. Family business review, vol. XII, no. 1.

of organizations. "Familiness" is the basis of the competitive advantage of the family-firms, and it comes from the positive influence that family members can bring to business activities. The concept of familiness expresses the unique set of resources and capabilities that are built up over time from the involvement of family members in the activities of the company[26].

Pearson et al.[27], in their studies, have used a social capital perspective to define the unique resources and capabilities that nourish the concept of familiness. Social capital is defined as "the sum of the actual and potential resources embedded within, available through, and derived from the network of relationships possessed by an individual or social unit"[28]. This is expressed through intangible elements such as norms, values, and stories that are created over the years through the relationships between people. The social capital is a very important factor in family business because it is part of the resources of the company that cannot be imitated by competitors since tied to family traditions, making the company unique. Social capital is made up of three different dimensions that can be used to understand how familiness constitutes a distinctive resource giving them a competitive advantage. These three dimensions are: structural, cognitive, and relational.

Starting with the *structural dimension*, it refers to the social interactions and the intensity of ties created over time between family members. It is a peculiar feature of family businesses because no other type of organization can faithfully recreate these types of social interactions. Therefore, family businesses are more advantaged in the development of the structural dimension of social capital because they can rely on strong relationships that derive from the peculiarity of the company. Going on, the *cognitive dimension* refers to the vision shared by family members that reflects all the cultural baggage, made of values and traditions, which the family tries to transmit generation after generation. The cognitive component is very important and unique in family companies because it is based on its history, becoming an important element through which, the company builds its unique and inimitable identity. Finally, the last component of social capital is the *relational dimension*. It refers to the resources that the company can obtain from the long-lasting relationships nurtured by family members. These resources may be of various types such as trusts, loyalty and obligations. The relational component can influence the behaviour of family members and helps to achieve greater cooperation, communication and commitment toward the pursuit of a shared purpose.

The three dimensions of social capital are often applied to the context of family business. These dimensions interacting with each other can produce distinctive capabilities, giving the family firm a chance to differentiate itself from non-family firms. From these unique resources and capabilities comes the concept of Familiness.

---

[26] Bannò M., Pisano V. (2017). Le strategie d'internazionalizzazione delle imprese familiari italiane. G. Giappichelli Editore, chap. 1, pp. 1-20.

[27] Pearson A.W., Carr J.C., Shaw J.C. (2008). Toward a Theory of Familiness: A Social Capital Perspective. Entrepreneurship Theory and Practice, 32(6), pp. 949–969.

[28] Nahapiet, J., Ghoshal, S. (1998). Social Capital, Intellectual Capital, and the Organizational Advantage. The Academy of Management Review, 23(2), pp.242–266.

Indeed, family firms perform differently because they can rely on unique resources, and it is from these resources and capabilities that they can gain a competitive advantage. The unique features of the family business model compared to non-family firms came from the fact that the special characteristics of the family reality are applied to a business context. This gives rise to ties, values, and relationships far different from those that can be found in any other organizational environment.

2.1.3. Strengths and Weaknesses of Family Businesses

Family businesses are very distinctive corporate models that have many strengths but at the same time multiple weaknesses.[29] Starting with the strengths, family-owned businesses can benefit from high reputational esteem related to the values they inspire and the relationships they create with the stakeholders. Indeed, the reputation of family businesses can contribute to drive consumers to develop a relationship of trust and loyalty to the business. Another advantage of family businesses is the loyalty developed by employees towards the company. In fact, the value of the family is not only manifested in the relationships that are established with consumers, but it plays an important role in the relationships within the company boundaries. Family companies have usually a greater focus on employees than non-family-firms, contributing to a healthy work environment and encouraging employees to become promoters of the values the family wants to spread. Employees become ambassadors of the company. Another possible strength of family businesses is social sensitivity: the values that inspire the family can lead to greater sensibility with respect to social responsibility issues. Family businesses are characterized by the hope that future generations will continue to pursue the values and goals of the family. This is why they are more inclined to adopt a long-term view that involves not just the company itself but also the environment in which the company operates. It is normal for a company of this type to have the desire to leave to future generations the best possible situation in which they can make the business flourish. Other strengths of family businesses are the continuity and the purpose, fundamental factors of a family business since it is hoped that the heirs will continue the business in the future following the family tradition. If this scenario is realized it results from the fact that the heirs, as the founders, have a deep sense of corporate purpose due to their strong commitment to the family. These two factors are especially important because modern society is characterized by constant changes and abandonment of past traditions and values.

While there are considerable strengths associated with family businesses, the other side of the coin includes several weaknesses that a family business must be prepared to address and overcome if they occur. The first issue that can emerge is conflicts of interest. These can be of two different types: on the one hand, conflicts can arise because the relationships between the family members could, as generations move on, deteriorate and become destructive for the company. On the other hand, since in most cases the family owns or is

---

[29] Donnelley R.G. (1988). The family Business. Family Business Review. Vol. I, No. 4, pp. 427- 445.

responsible for the management of the company, possible conflicts of interest may arise if the family members use their power to pursue their own goals that diverge from the interests of the company. Moving forward, another weakness that the business may face is the lack of interest of the heirs in the activities of the business. Indeed, it is not guaranteed that the children or grandchildren will want to continue the family business. Additionally, if they feel forced, they may not manage it properly and risk to destroy what has been built over the years. Another form of weakness is the excessive nepotism which is a very common issue in family firms. This can lead inadequate family members with no real qualifications to hold important decision-making positions, damaging implicitly the firm. Finally, the last weakness that can be identified is the lack of flexibility and willingness to change that these types of firms may have. In fact, family companies, having strong ties with the past and traditions, it can lead to show a certain degree of resistance to innovation and adaptation.

To conclude, family businesses have distinctive features that can help them to gain competitive advantages in the market. However, the challenges they may face should not be underestimated. Family firms have a simple business model, but it does not lack in downsides.

2.2. Family Business Specific Characteristics

2.2.1 Family Involvement

Family involvement is probably the characteristic that distinctly distinguishes a family firm from a non-family firm. Many studies, when discussing about family involvement, refer only to the control exerted by the family over the company and the aspects related to generational transitions that promote the continuity of the business. However, this perspective is quite limited. Debicki et al.[30] have expanded the description of family involvement with two other critical dimensions: the commitment of family members and their contribution to enrich the company. Family members must demonstrate a strong commitment to the operations and the values of the company, not merely passively inheriting the legacy of previous generations, but actively enriching the company through their own personal vision. These elements show that family members are not only involved in the decision-making and strategic processes of the company but are also closely connected to it on an emotional and values-based level. It is emphasized a strong emotional and loyalty bond that connect family members to the company. According to the perspective of Ahmed et al., family involvement is a composite concept that simultaneously combines "the owner's family control, continuity, commitment and enrichment".[31]

[30] Debicki B.J., Kellermanns F.W., Chrisman J.J., Pearson A.W., Spencer B.A. (2016) Development of a socioemotional wealth importance (SEWi) scale for family firm research,Journal of Family Business Strategy,Volume 7, Issue 1, pp. 47-57.
[31] Ahmed S., Omar S., Quoquab F. (2021). Family firms' sustainable longevity: the role of family involvement in business and innovation capability. Journal of Family Business Management. Vol. 1, No. 1, pp. 86-106

When talking about family involvement, the term *Socio-Emotional Wealth (SEW)* is often used, referring to "non-financial aspects of the firm that meet the family's affective needs, such as identity, the ability to exercise family influence, and the perpetuity of the family dynasty"[32]. This means that when there is direct involvement of family members, they will tend to base their strategic choices on the preservation of the family characteristic of the business even when such decision-making pattern leads to non-economically rational decisions. This asset that is safeguarded by family members represents "the set of values promoted by a family as a result of its position of control in a specific business"[33]. The protection of this valuable heritage thus becomes the ultimate purpose of the activities of the company. This asset is a unique characteristic of family businesses that sets them apart in the corporate landscape. Socio-Emotional Wealth is considered a key dimension of family involvement in a business that drives family members to establish a series of goals that are not strictly economic. These objectives include emphasizing and protecting the reputation and image of the family, preserving the company and its values across multiple generations, and maintaining ownership and control of the company by family members.[34] Socio-Emotional Wealth demonstrates how family involvement in the business is the driving force that enables the company to continue operating from generation to generation. Indeed, as discussed below, family involvement is one of the factors that ensures the longevity of family businesses.

The perspective of Socio-Emotional Wealth highlights how family involvement can be seen as a catalyst for business decisions that are not strictly economic. However, family involvement in the business activities can also be a strategic factor for the company in economic term becoming a means of differentiation in the marketplace. Often, this aspect of the company is emphasized through marketing strategies, becoming a tool that the company can use to build its image and determine the position it wants to occupy in the minds of consumers. The fact that the company continues to have active family involvement in its business dynamics after several generations is an element that can instil positive perceptions in consumers. The perceptions individuals have of organizations are important for the company because they can guide and influence consumer purchasing behaviour.[35]Family involvement can contribute to increasing the level of trust consumers place in the company, becoming a crucial driver of purchasing decisions of consumers and a factor that influences their loyalty.

[32] Gómez-Mejía L. R., Haynes K. T., Núñez-Nickel M., Jacobson K. J. L., Moyano-Fuentes J. (2007). Socioemotional Wealth and Business Risks in Family-controlled Firms: Evidence from Spanish Olive Oil Mills. Administrative Science Quarterly, 52(1), pp. 106–137.
[33] Bannò M., Pisano V. (2017). Le strategie d'internazionalizzazione delle imprese familiari italiane. G.Giappichelli Editore. Chap. 1, pp. 1-20.
[34] Tan Q., Liu Z., Geng P. (2021). Family involvement, family member composition and firm innovation. China journal of accounting research, Vol.14, pp. 43-61.
[35] Botero I., Litchfield-Moore S.R. (2021). Customer perceptions about family firms and their effects on customer behaviors. Journal of Small Business Strategy, Vol. 31, N. 02, pp. 19-35.

2.2.2 Family Reputation

The reputation of the family involved in the business is a highly important element that influences the image of the company and the purchasing behaviour of consumers. To fully understand this factor, it is necessary first to define what is generally meant by corporate identity, image, and reputation. *Corporate identity* refers to all the tangible and intangible elements that characterize the core of the company and contribute to create a strong image in the minds of consumers. The *corporate image* is the overall impression that the public has regarding an organization, including the emotions and beliefs they have about the activities of the company. The image that the company leaves in the minds of consumers is very important because it is a key element that guides the purchasing decision of consumers and their relationship with the brand. *Corporate reputation* is an aggregate judgement about the company that consumers and stakeholders form over time by combining all the elements and knowledge they have about the business. Individuals can form different opinions about the company, this is why reputation can vary from person to person.[36] The company must carefully nurture its corporate identity to convey the desired image to the outside world. In this way, the company can influence the judgments formed by consumers and ensure a good reputation. This process is crucial: it has been demonstrated that consumers are more inclined to buy from companies that have a good reputation and are even willing to pay a higher price.[37]

In family firms, reputation plays a fundamental role compared to non-family firms. Indeed, in this type of company, the involvement of the family influences and is an essential part of the identity of the company. Therefore, in this context, it is not only the reputation of the company that is important but especially that of the family itself. Family members see the company as an appendix of their own personality and are highly motivated to protect the reputation of the company to keep the family name alive. Family business usually have a long-term perspective focused on transmitting the business generation after generation. This orientation incentivizes them to create a consistent image and develop a strong reputation that can ensure the survival of the company under the guidance of future generations and to foster its grow. For family firms, building solid reputation is important because it might be a factor that gives them a competitive advantage. Indeed, leveraging the family reputation can be a winning strategy to differentiate themselves from competitors and appear unique in the eyes of consumers.

Following the work of Sageder et al.[38], who have conducted significant work of literature review on family companies, they identified several factors that can influence the image and the reputation of family firms, the actions that can enhance reputation and the results that family firms could achieve by working on their image

---

[36] de Leaniz P., del Bosque Rodríguez I. (2016). Corporate Image and Reputation as Drivers of Customer Loyalty. Corp Reputation Rev 19, pp. 166–178.

[37] Fombrun, C. and Shanley, M. (1990). 'What's in a name? Reputation building and corporate strategy', Academy of Management Journal, 33 (2), pp. 233–258.

[38] Sageder M., Mitter C., Feldbauer-Durstmüller B. (2018). Image and reputation of family firms: a systematic literature review of the state of research. Rev Manag Sci 12, pp. 335–377.

and reputation. Firstly, these main factors are: the firm specific characteristics, the family involvement, identification with the firm, social ties, ethical values, long-term orientation, history and tradition and the legal framework. *Firm-specific characteristics* refer to factors that influence the image and reputation of the firm as the size, performance, and age of the company. Age is particularly important in family businesses as it defines the generation that is involved in controlling the business at that moment. It is usually found in the history of family-run businesses that the early generations are more focused on working for the growth and performance, while successors are more attentive to manage the reputation of the company. *Family involvement*, as previously discussed, is an important factor that influences the trust that stakeholders and consumers have in the company, playing an important role in building corporate reputation. Some studies[39] argue that family involvement alone ensures that the company will behave in a socially responsible manner, and these associations lead to the creation of a very positive image of the company. Another important factor that impacts reputation is the *identification of family members with the firm.* As mentioned earlier, family members see the firm as an extension of themselves and therefore, so working to build a good reputation means raising the name of their own family. Family members are proud of their company and therefore are highly inclined to invest in creating a positive image that enhance the company reputation. The building of strong *social ties* is another important element. Companies of this type are generally more connected to the territory and the local community. These bonds are established over time and nurtured from generation to generation, contributing to create a positive image of the company and influence the judgements that both consumers and stakeholders make about the company and its activities. *Ethical values* are the guiding principles that govern all business activity and are transmitted from one generation to the another, constituting a fundamental part of the identity of the company. The ethical values shape the soul of the company and define its image. When these values are perceived by consumers and stakeholders externally, they influence the image they have created about the company. *History and tradition* are particularly important features for family-run companies. The heritage of the family is an integral part of the corporate identity and adds consistency. The family background and long-standing traditions are elements that provide legitimacy to the business, enhancing its reputation. *The long-term orientation*, typical of these types of companies, allows them to leverage well-structured assets such as brand image and social capital and to focus on building a strong reputation rather than solely concentrating on financial results, as they would if they had a short-term perspective typical of a public company. Finally, *the legal framework* of a country can influence the reputational factor because it can force firms to assume a responsible behaviour by requiring them to implement measures aimed at the protection of stakeholders, the community and the territory, as is the case with Corporate Social Responsibility activities.

---

[39] Whetten D.A., Dyer W.G. (2006). Family Firms and Social Responsibility: Preliminary Evidence from the S&P 500. Entrepreneurship Theory and Practice. 30. pp. 785 - 802.

The reputation of companies can be implemented and strengthened through certain actions and behaviours that the company can undertake. Following Sageder et al., these actions can be classified into different clusters: build strong relationships with stakeholders, communicate with stakeholders, act in a socially responsible way and build a strong family firm identity. *Building strong relationships with stakeholders* is the basis for building a strong reputation and includes employees, investors, and the community. In family firms, these relationships are even more important because they are relationships that are built over time and that each generation must nurture and strengthen them. The involvement of the family in the activities of the company facilitates the creation of solid bonds with the stakeholders, emphasizing the corporate reputation. The creation of such ties heavily depends on *the communication with stakeholders,* which should be tailored according to the type of stakeholder. Companies disseminate their identity and values through different channels such as the mission, the website and with marketing strategies. The company aims to communicate to its stakeholders the desired image they should perceive, to create positive opinion of the company and enhance its reputation. One way for family firms to build a good reputation is *acting in a socially responsible way*. This behaviour helps to shape the desired image the company wants to portray by investing in Corporate Social Responsibility initiatives, for example projects for environment protection, culture or the community wellbeing. Some studies argue[40] that the magnitude of responsible behaviour adopted by a company depends on its size and the context in which it operates. Companies operating in broader contexts include environmental initiatives, diversity and product-related activities within their CSR programs, while smaller companies focus more on community, employee wellbeing, and the protection of the local territory in which they operate. Consumers base their judgement of a family firm on its identity and the family must work *to build a credible corporate identity*. To do this, they need to integrate their values and heritage into the corporate identity and ensure that their essence is perceived externally. The actions described above ensure that the company is able to influence the judgement of consumers and stakeholders, spreading the desired image and enhancing their reputation.

The reputation of a company and how it is communicated can have an impact on company performance, both financially and not. Sageder et al. have investigated several consequences that emphasizing image and reputation can bring to the company. Firstly, the literature confirms that working on reputation can contribute to improve the performance of the company. It seems that in the case of family firms, the involvement of the family in the company and the identification of the members of the family in the company can have a positive impact on its financial performance. This happens because people, as mentioned before, are more inclined to purchase from and establish ties with companies that have a high reputation. Secondly, having a good reputation can facilitate the access of the company to resources. This occurs both from an economic point of view, as having a high reputation can facilitate the raising of capital, and from a human resources perspective,

[40]Block J.H, Wagner M. (2014). The Effect of Family Ownership on Different Dimensions of Corporate Social Responsibility: Evidence from Large US Firms. Business strategy and environment. Vol. 23. issue 7, pp. 475-492.

as family businesses have a reputation for taking great care of their employees. In turn, this moves the employees to work with greater motivation and loyalty, becoming an added value to the company. Moreover, the strong reputation of family firms influences consumer loyalty, as consumers perceive these companies in a positive light, finding them trustworthy and very customer oriented.[41] As mentioned before, consumers develop a stronger relationship with family firms because of the higher trust they have in them rather than non-family firm. A family with a high reputation significantly influences the purchasing decisions of consumers, making them more loyal to the brand and more likely to recommend it to friends and relatives. This positive reputational factor can also impact the social capital of a company, reaching support from both the present and the future generations within the community where the company operates. Finally, working on the reputational element can help the company to exploit new business opportunities and expand its business network through the word-of-mouth mechanism of loyal customers and the relationships the company has managed to build over the years.

The reputation and image of family businesses are unique and can instil trust in consumers and stakeholders. A good reputation for a family business can have a significant impact on its long-term sustainability and success. It is important for family firms to actively engage in managing their reputation through ethical business practices, a high focus on customer needs, and a transparent communication. This intangible asset, as seen, can influence the performance of the company and, when properly exploited, can provide a competitive advantage in the market.

2.2.3. Length of Family Ownership

The length of family ownership is an important factor to consider when evaluating the performance of a family business. It narrates the history of the family, highlighting both the emotional aspect of the successive generations and the economic and managerial implications that have emerged over the years. One of the main objectives of companies is to survive and remain profitable in the long run. Therefore, decisions, strategies and company resources are organized with a long-term perspective. In this aspect, family businesses are similar to non-family businesses: longevity is a shared goal across all types of companies. However, when talking about the length of family ownership, there are two opposing tendencies. On the one hand, some scholars argue that family businesses are less long-lasting than non-family businesses due to their intrinsic characteristics, on the other hand they are seen as the most enduring type of company.

Speaking about the first perspective, over the years there has been a growing belief that family businesses are more fragile compared to other types of companies and thus their longevity is more challenging to preserve.

[41] Motoc A. (2019). Family business image and reputation. A model of the influencing factors, actions and effects. Management dynamics in the knowledge economy. Vol.7, no.4, pp. 503-519.

In this context, reference is often made to the so-called "*Three Generations Rule"*, which suggest that in most cases family-run businesses fail to survive beyond the third generation. John Ward[42], author of many leading books on family business, argues that only 30% of family businesses survive to the second generation, 13% to the third generation, and only 3% manage to surpass the fourth generation. The failure of a family business very often results from the challenges of succession that can arise between one generation and the next. If a family business wants to survive over the years, it must be able to carefully manage the succession process.

According to a study of Miller et al.[43], three ineffective succession models can be identified: conservative, wavering and rebellious. In *conservative successions*, the new CEO remains somewhat dependent on his predecessor and find himself working in his shadow. The conservative succession is typical of those companies that had particularly influential personalities as CEOs. In this case, the company experiences a period of conservatism where decision-making strategies remain rooted to the past. As a result, the company exhibits high resistance to adapting to potential changes occurring in the external environment. Managers in this context tend to focus more on internal issues within the company boundaries, avoiding facing the new challenges presented by the marketplaces. Conservative succession can have devastating effects on the company, especially in rapidly changing environments. By remaining anchored to the past, sales quickly begin to stagnate, profit margins shrink, and market share erodes.

Wavering successions are characterized by a new generation paralyzed by indecision. The new CEO finds himself caught between the respect he holds for the traditions of the past and the desire to make his own mark. The successor is stuck in the middle between these feelings, struggling to assume an effective leadership role. The strategies implemented by the new management might be: in one hand, small initiatives strongly based on past decision-making, in the other hand, in case of a new strategy, it can met the indecision of the leader stopping at halfway and wasting time and resources. The major problem with wavering successions is the difficulty in establishing a stable new strategy to follow. The confusion in decision-making choices leads consumers to lose a clear understanding of the identity of the company causing a loss of trust. Competitors might take advantage of this moment of uncertainty to seize market share from the company, causing a decisive decline in profits.

The rebellious succession is characterized by a new CEO who wants to radically break away from what has been done by their predecessors. This type of succession is rarer compared to the previous ones, but when it occurs, it leads to a total abandonment of the legacy, the past and the best practices that have defined the history of the company. The rebellious succession mostly arises when there is internal conflict among family

---

[42] Ward J.L. (2011). Keeping the family business healthy: How to plan for continuing growth, profitability, and family leadership. A family business publication.
[43] Miller D., Steier L., Le Breton-Miller I. (2003) Lost in time: intergenerational succession, change, and failure in family business. Journal of Business Venturing. Vol. 18, Issue 4, pp. 513-531.

members. This strategy is marked by significant changes for the company, such as acquisitions, divestments, significant product changes, and expansions into other types of markets. Often, these changes push the company in directions that are quite distant from its origins, with the risk to create doubts about its credibility. In fact, in these cases, the decisions of the CEO are not driven by a coherent vision but by an uncontrolled desire to get free from the ghosts of the past, generating a significant waste of resources and leading to the loss of the traditional customers of the brand.

This analysis emphasizes the challenges that a family business has to face when a generational change occurs and the reason why many scholars argue that the longevity of family firms is continually put to the test. As a type of company that relies not only on commercial dynamics but also on emotional factors, it is normal that complex dynamics can arise and need to be managed. The patterns described by Miller et al. are frequently observed, highlighting how succession problems are one of the major critical issues for the longevity of a family firm.

The second perspective to consider shows a quite different result. Contrary to what was stated above, some studies claim that family businesses have a significantly higher average longevity compared to other types of business. In fact, they hold a dominant position in the lists of the longest-lived companies in history.[44] The Corporate Sustainable Longevity (CSL) shows the factors that allow companies to survive longer than others. Following the studies of Ahmed et al. [45], these factors can essentially be traced back to five main dimensions: financial strength, strategic perspective, customer orientation, learning and growth and sustainable production. These are the factors that companies should work on in order to ensure a long life. However, this model is applied to all companies. As already mentioned, family involvement influences every part of the company and thus also its longevity. In order to fill this gap in the CSL model, Ahmed et al[46], elaborated a model that can also be used in the context of family businesses, considering the importance of family involvement and how it impacts the longevity of the company. This study demonstrates how the involvement of a family within the company dynamics has a positive impact on its longevity. It shows that the presence of the family in the ownership or management of the company is not a factor that undermines the survival of the company but rather enriches it and makes it stronger. This happens because family members usually hold the destiny of the company closer to their hearts compared to managers in non-family business. In fact, they typically have a stronger sense of responsibility and commitment to preserving and growing the company for future generations.

---

[44] O'Hara W.T., Mandel P., Gunasti J. (2003). The world's oldest family companies: One hundred lessons in endurance from 17 countries. Family business, The guide for family companies.
[45]Ahmad S., Omar R., Quoquab F. (2019). Corporate Sustainable Longevity: Scale Development and Validation. SAGE Open, Vol. 9 No. 1, pp. 1-19.
[46] Ahmed S., Omar S., Quoquab F. (2021). Family firms' sustainable longevity: the role of family involvement in business and innovation capability. Journal of Family Business Management. Vol. 1, No. 1, pp. 86-106.

Some studies consider family firms to be extremely resilient and extraordinarily robust in dealing with periods of crisis, as demonstrated during the pandemic. Naturally, this type of firm also faced complex challenges during the pandemic crisis, but it appears that they seem to have handled them better compared to non-family firms[47]. A survey conducted in 2020 by Banyan Global[48], an advisory company that assists family businesses worldwide, involving about 140 family businesses operating on different continents and in different sectors. The survey shows an extremely positive environment in a period where many companies where struggling due to the pandemic crisis: 68% of the respondents believed that business operations would become more efficient post-pandemic; more than half expected new business opportunities, leaner decision-making processes and many opportunities for new generations; finally, more than 25% of the companies expected their market share to grow in the coming years. The survey demonstrates how family businesses have a competitive advantage in situations requiring a high degree of resilience. This happens because this type of companies in times of turbulence can hold on to the practices and pillars that have enabled the company to survive generation after generation. This readiness in the face of crisis situations contributes to the longevity of family firms as a distinct business type.

This debate on the longevity of family firms highlights why the length of family ownership is considered an interesting variable for understanding the peculiarities of the company, its strength, the commitment of family members and its history. All these factors denote that continuity is a very important characteristic of family businesses. Continuity leads consumers to place greater trust in family businesses compared to other types of companies, serving as a guarantee of quality for consumers and can be an important factor in establishing brand loyalty.

2.3. Family Luxury Business

Family firms are more present in some sectors than in others, and the luxury industry is one in which they tend to proliferate. In the "Global Power of Luxury Goods 2022"[49] , report that is edited annually by Deloitte on the luxury industry, the top 100 luxury goods companies of the year are identified and ranked according to their sales. Analysing this classification, it can be noted that numerous family firms figure among the top 100. In fact, even if we exclude large conglomerates, such as LVMH, and take into account only independent family companies, as for example Brunello Cucinelli S.p.A. and Ermenegildo Zegna Group, there are about twenty-

[47] Baron J., Lachenauer R, (2021). Do Most Family Businesses Really Fail by the Third Generation?. Family business, Harvard Business Review.
[48] Banyan Global Advisory. (2021). Family Business Pulse and Response to the Pandemic.
[49] Faccioli G., Martin K. (2022). Global powers of the luxury Goods 2022: a new wave of enthusiasm in luxury. Report by Deloitte

five companies of this type. According to the "Global Power of Luxury Goods 2022" report, the 25% of the most profitable companies in the luxury industry are family firms.

In this industry there are different forms of family companies: independent brands and large conglomerate. Belong to the first category those brands that have remained independent over the years and continue to pursue the values and traditions of the founder, as for example Hermès. It is interesting to note that this is a typical feature of Made in Italy brands. In fact, among the top 100 luxury goods companies there are many Italian companies, as Brunello Cucinelli S.p.A, Ermenegildo Zegna Group and Ferragamo S.p.A. which are important examples of family business in the luxury sector.

To the second category belong the large conglomerates that maintain the characteristics of family-controlled firms but have grown over the years through acquisitions of other brands. This is the case of the Arnault family that owns the giant LVMH, a company that has grown exponentially through the acquisition of other family businesses such as Fendi and Bulgari, or the Pinault family that runs the Kering Group that includes brands such as Gucci, Bottega Veneta, Yves Saint Laurent and Balenciaga. Both the Arnault and Pinault families are already expected to maintain the characteristics of family businesses in the future as the two companies already have several possible heirs who are expected to take the reins of the family business. The reason why family firms are so numerous in the luxury market depends on the fact that the peculiar characteristics of family-owned and managed businesses are perfectly applicable to the competitive logics of this sector.

2.3.1. The Key Factors of a Family Business: The 4C Model

Miller and Breton-Miller[50] have developed a model that defines the key success factors of a family business. Analysing them, it is clear that these are highly aligned to what the luxury market requires. This approach is called " 4 Cs Model" where the factors are: continuity, community, connection, and command. The analysis and the study of each of these elements is the basis for determining specific strategic choices. Applying this model to the luxury context can highlight the advantage of a family ownership in this sector [51].

As already mentioned, the *Continuity* factor is a key feature of family businesses because characterizes its strength. Continuity is linked to history, origins, and legacy of the family, all particularly important elements for a firm that works in the luxury sector. It is evident that in family luxury firms there are constant reminders of the history and the origins of the family. For example, in the Hermès logo there are two horses driving a carriage to evoke the roots of the family as saddle makers. The competitive strategies of a family firm are often

---

[50] Miller D., Le Breton- Miller I. (2005). Managing for the long run. Lessons in Competitive advantage from great family business. Harvard Business School Press, Boston.

[51] Carcano L., Corbetta., Minichilli A. (2011). Why luxury firms are often family firms? Family identity, symbolic capital and value creation in luxury-related industries. Universia Business Review, pp. 41-43.

influenced by family history and myths because they are an important feature of their brand value. In luxury brands this is even more important because the intangible value drives consumers to buy the brand. Moreover, there are luxury products that are iconic pieces of brand history by themselves, just consider the Kelly bag by Hermès. Even if the times change, these products remain the same because nowadays they have become an iconic symbol of the brand that emphasize its continuity. Moreover, the element of continuity is important because it stresses the process of creating distinctive company competencies that are improved over generations until they become a typical characteristic of the company. In the luxury sector continuity brings a competitive advantage given by the experience and attention to details that companies tend to develop over the years. Finally, continuity is a key driver of family businesses because usually the owners of family-firms have the patience necessary to plant a seed today that can turn into great value in the long run, also if it means to sacrifice the financial results in the short run. In the luxury sector, the long-term view is extremely important because in most cases luxury brands require many years before they become profitable. This happens because part of their value depends on reputation and branding, which are elements that are built up and reinforced over time. It is no coincidence that the most important and famous luxury brands have all a long family origin.

The *Connection* dimension refers to the relationships the company manages to create with its suppliers, customers, employees and with the territorial community in which it operates. These relationships are based on the reputation and trust placed in the company work. The brand, trust, and reputation are particularly important elements in luxury businesses because of the relevance that consumers assign to the intangibility factor. In family luxury firms, reputation can be linked to family history. For instance, many brands in this industry bear the first or last name of their founder, which instil trust in consumers. The association of a brand or product with a family name and its values could be a driver of consumer purchasing decisions. Moreover, the connection element clarifies the relationship the company has with the territory in which it operates, very emphasized in family-luxury businesses. Just consider the centrality of Umbria region in the work of Brunello Cucinelli S.p.A. or the importance given to Florence by the Ferragamo family. The association with a territory is a characterizing factor for family luxury businesses. In fact, this element can give them a competitive advantage even in the foreign market because they contribute to create an imaginary of Italy that can encourage consumers to visit the places where the products are made.

The *Community* dimension refers to the priority of creating a cooperative and motivated work environment where people have a strong dedication to the culture of the company. Human resources in luxury companies are the most important component because the definition of luxury involves the quality of the product. The quality derives from the care of the employees in the details and the raw materials used. This is why companies operating in the luxury business usually have a higher attention to their employees. Indeed, in luxury sector managers must work together with artisans and designers to emphasize brand value. The family nature of a company is reflected in its employees who often share its values and feel part of the family themselves. The leaders of family luxury firms consider their employees as important drivers of the company success, a rare and indispensable resource, for whom the managers have to create a cohesive community that reflects the family reality.

Finally, the last dimension to be analysed is the *Command*. The leaders and mangers of luxury businesses must be very fast to take creative and innovative decisions. The luxury market is very competitive, and firms must fight with passion, innovation, and creativity in order to succeed in building their niche. For this reason, the managers of these firms have to implement unconventional strategies that set them apart from other firms. In family luxury firms, the family members are often involved in the process of product creation and have the final word when a new product is released. Family firms are often established with the intention of the founder to implement an innovation, either in process or product, within the luxury sector. This innovation is passed down to the following generations. This transmission of know-how is a factor of competitive advantage on which family luxury firms build their reputation.

The 4Cs model wants to emphasize that the characteristics of a family business fit very well with the luxury sector. There is a high correspondence between their main characteristics, explaining why family businesses are prolific in the luxury market.

CHAPTER 3: THE LEGACY OF FAMILY LUXURY BUSINESS

3.1 The Legacy Concept

3.1.1. Legacy Definition

Defining what is meant by legacy is complicated because it can have different meanings depending on the context. Legacy can be defined as "an enduring meaning attached to one's identity and manifested in the impact that one has on others beyond the temporal constraints of the lifespan"[52]. Indeed, when an individual is committed to leave a legacy, it happens because he is driven by the desire to influence future generations. Legacy becomes a means to make the identity of the individual immortal and let his values and ideas continue living in future generations.

To understand what makes a person willing to leave a legacy for the future, two important factors must be taken into consideration. Firstly, when the individual becomes truly aware of being a mortal person he may be assailed by anxiety and sadness. These feelings of unease may lead the individual to seek a way to extend his life on earth even after his physical death: building and transmitting a good legacy may be seen as a way to overcome the mortality of the body. Secondly, the most narcissistic and wealthy individuals, moved by the same feelings of anxiety, are committed to build something that, from one side, can be a benefit to future generations and, from the other side, make them symbolically immortal.

In the business context, building a strong legacy means trying to ensure a long-term vision for the company. Indeed, the legacy can be seen as a guideline for future generations, where the latter must be committed to continue and to leverage the work of the founder guided by the values he wanted to place at the core of the company. Therefore, the basis for shaping the legacy is the desire to guide future generations in building a company that will increasingly become strong, productive and connected to shared values. Legacy is a fundamental part of corporate culture and at the same time an important strategic driver that influences corporate decision making.

3.1.2. Legacy Motive

The legacy motive is the personal motivation that drives the individual in search for symbolic immortality. The latter refers to "the sense of self-extension that individuals achieve when they create a lasting legacy by

[52] Fox M., Tost L.P., Wade-Benzoni K.A. (2010). The legacy motive: a catalyst for sustainable decision making in organizations". Business Ethics Quarterly, pp. 153-185

affiliating themselves with other individuals, institutions and value system that will outlive them"[53]. Therefore, it can be said that at the base of the legacy motive there is the instinct that every person has of leaving something behind his death in order not to be forgotten. People are driven to leave a positive legacy for their descendants to feel that they have lived a meaningful life.

Following the work of Fox et al., there are several factors that can cause or emphasize the need for an individual to build and transmit his legacy. These factors are: mortality salience, moral identity, resource valence, power asymmetry and cultural demand.

The *mortality salience* refers to the awareness of the inevitability of death that the individual develops during his life. This awareness causes both anxiety and a desire to be alive in the individual. This tension drives the individual to seek a way to survive to death: from this feeling arises the legacy motive.

The second legacy motive is driven by *moral identity,* it refers to the ideal image the individual has of himself and the perception of his own morality. The strength of moral identity depends on the person and differs according to the esteem everyone has of himself. Individuals with a high moral identity will be more susceptible in considering the implications of their actions and the effect they may have in the long run. This awareness may give rise to a feeling of worry for future generations, the idea of having an obligation towards them will grow in the mind of the moral individual. From such a feeling arises the legacy motive.

Resource valence are any events that are able to increase the awareness of the individual regarding the decisions made in the present that have ethical implications for the future. Resources valence is any event that makes the individual realize the importance of working in the interests of future generations and as their guide. People are more influenced by negative events than by positive ones: the fear of an individual to leave a negative legacy for the future is the major driver that generate the legacy motive in the human being.

Power asymmetry is a typical feature of intergenerational contexts. It refers to the fact that previous generations usually have more decision-making power than next generations because the latter will already have a strategy to adopt dictated by the past. The earlier generations are aware of the uncertain situation that the future generations will have to face, making them more inclined to take ethical decisions that will help future generations. Individuals with more power will have a greater motivation to leave a positive legacy that will lead to the highest level of benefit to future generations. Therefore, power asymmetry can be considered one of the legacy motivators.

The last factor from which the legacy motive can arise is the *cultural demand*, which involves the individual reaction to how the current community perceives the needs of the succeeding generations. As mentioned

---

[53] Fox M., Tost L.P., Wade-Benzoni K.A. (2010). The legacy motive: a catalyst for sustainable decision making in organizations". Business Ethics Quarterly, p. 160.

previously, the norms and beliefs of the group to which the individual belongs influence its identity and can be a driver of the legacy motive. Thus, if the individual belongs to a group that cares about the future of the next generation, he will be more inclined to leave a positive legacy for them.

To conclude, there may be different reasons for leaving a legacy. Everyone may have a different motive and usually it is the desire to leave something from which future generations can benefit. It is necessary to note that legacy is an important element both for those who transmit it and for those who receive it.

3.1.3. Family Legacy

Legacy and family are two interrelated concepts: legacy is a very important factor in family firms that fits very well with the family business purpose. Indeed, the founders of family businesses are hopeful that they are building a company that can continue to grow into the future through the next generation. Building a strong legacy means to work to ensure the prosperity of the company in the long run: the goal is to try to leave to the prosperous an organization that is more productive and stronger than in the past. For this reason, the hope of the founder lies in the idea of being able to build solid roots from which a vigorous tree can grow. This is the fundamental role that legacy plays in family businesses. To realize this project is important to transmit to future generations values, traditions, myths, stories, principles that characterize the company. Legacy is an invisible force capable of impacting the decision-making patterns of future generations, becoming relevant when values, knowledge, and norms of previous generations are adopted by current generations. Until the legacy is not internalized it is just a set of features of past generations but then, when the legacy is internalized, it becomes the guideline for new generations.

It can be said that "in family business, legacy is the connective tissue that binds the core purpose of the business, the family's values and the meaningful achievements across multiple generations"[54]. For this reason, legacy assumes peculiar and unique characteristics depending both on the business and the family. The concepts of family legacy and business appear interdependent, and each contributes to emphasizing the other. Psychologists call generativity the motivation behind the decision to build a legacy. The concept of generativity is based on a strong preoccupation for the future and the next generations. Considering the identity of family businesses such feelings provide a more pronounced moral obligation and therefore there is a high degree of generativity.[55]

Talking about legacy means not only looking at the past but more importantly looking at the future; it means being conscious of what is important for the company and for the family and trying to pursue those values to

---

[54] James A., Samara G., Calabrò A., McGinness T., Coelho J., Rimoldi S. (2021). The enduring legacy of business family. Uniting business purpose and family business. KPMG January report.
[55] Davis J.H. (2022). Wrestling with Legacy in a Family Business. Harvard business review

enable future generations to raise the company. The decisions that are made by one generation will have an impact on the next, and that is why there must still be consistency between the values and principles that are at the heart of each decision, although the goals may differ according to the needs of the firm in different times. Legacy is a responsibility that falls on each generation, if it is not valued properly this can have a negative effect on the reputation of the family and the company itself. Each generation is committed to pursue the legacy of previous generations, to enrich it, and to transmit it to future generations. The importance of legacy is obviously subjective for each family and each business. On the one hand, for some family members the business is seen as a resource made in order that the next generations consume it and derive as much value from it as possible. On the other hand, for other family members, business can be viewed more broadly as a resource to be nurtured and cared by future generations. These different perspectives affect how family members make decisions about the future of the business. Sometimes it is also the reason why some family members prevent their heirs from taking control of the business as they feel they are not capable of preserving and enriching the legacy. On the perspective of the heirs there may be two opposing sides to consider: on the one hand, for some generations the family legacy may be a gift to be preserved and transmitted; on the other, the legacy may also be seen as a moral obligation that must be fulfilled. The latter case is one of the reasons why it may happen that family members decide to sell the business or not to be directly involved in the business activities.

Legacy is an important asset for family businesses that can affect their performance in the long run and can contribute to improve their reputation in the market. However, it is not enough to have solid roots: perseverance and constancy are required. It is responsibility of the next generation to work to enrich and transmit the legacy. Only through intergenerational cooperation the value of the legacy will be recognized.

3.1.4. Types of Family legacy

The concept of family legacy is quite broad since it can refer to both tangible and intangible assets. Following the definition of Hammond et al. [56], *family legacy* can be defined as “collective or shared perception reflecting a unique and continuous stream of meanings associated with the family that are transferred to and shared most often, but not always exclusively, among generations of family members though a collection of legacy artefacts”. These artifacts can be of several types, and a family may give more importance to one type of legacy than another. It is necessary to make a distinction between three different family firm legacy orientations: biological, social, and material.

---

[56] Hammond N.L., Pearson A.W., Holt D.T. (2016). The quagmire of legacy in family firms: definition and implications of family and family firm legacy orientations. Entrepreneurship theory and practice, Sage Publications Inc. pp. 1209- 1231.

The *biological legacy* is transmitted through legacy artifacts such as family name, genes, and bloodline. According to some studies about family companies, this form of legacy is at the basis of this type of firm. The biological legacy wants the leadership of the company to be passed on generation through generation. In order to manage the business the individual must necessarily have the family genes pushing them to pursue strategies that focus on trying to preserve the family line through the generations. However, strategies that are based on ensuring the transfer of biological legacy can lead to two effects: on the one hand, to extreme cases of favouritism toward family members, which, as noted above, could have a negative effect on the performance of the company if they are not actually able to hold the position assigned to them. On the other hand, it can load future generations with pressures and anxieties that, as noted above, the individual does not feel he can handle, leading him to become disinterested in family affairs.

The *material legacy* refers to the transmission of artifacts such as money, property rights and family heirlooms. Family companies that have a specific interest in protecting and transmitting material legacy will be more inclined to minimize the risk and to protect the family wealth. The managerial strategy in this case will be to preserve the transferability and existence of the material artifacts by preventing them from going into the hands of individuals outside the family, adopting a very conservative managerial style.

The *social legacy* refers to immaterial artefacts such as stories, myths, family traditions, values, narratives, and ties with the community in which the company works. The managerial strategy aimed to transmit the social legacy is expressed by following and spread the values of the company even through activities not strictly related to the core business with philanthropic and social nature. Therefore, social legacy is important because it guides future generations by transmitting to them the values and traditions of the family and, at the same time, it connects the company with the environment in which it operates. Social legacy is not only an important element of the internal culture of the family firm, but also an important factor for the external community that can be influenced in its purchasing decisions.

3.1.5. Inward and Outward Perspectives of Family Social Legacy

Social legacy, referring to its literature, is generally seen as something exclusively internal to the company. In fact, in most cases it is considered exclusively as the set of values that are passed from one generation to the next one. In this context the only utility of social legacy is limited within boundaries of the company. It refers to an *"inward-orientated"*, or "*intrafamily"*, form of legacy[57] . According to this perspective, the social legacy has the power to influence the behaviour of only family members and people within the business, meaning that both sender and receiver of the legacy are located within the corporate boundaries. This inward perspective

[57] Manelli L., Magrelli V., Kotler J., Petruzzelli A.M., Frattini F. (2023). Building an outward- orientated social family legacy: Rhetorical History in family business foundation. Family Business Review, pp. 1-26.

is certainly very important for the family business because it has embedded the idea of the transmission of values and traditions through different generations. The succession of different generations brings new competencies and know-how to the company: each generation will face different issues dictated by the historical period and, at the same time, will have different objectives to achieve. Despite this, the entrepreneurial legacy must remain coherent through the generations. In fact, companies that possess a strong family identity place great emphasis on legacy, membership, stories, and traditions of their family. Legacy can be useful in instilling a sense of pride and loyalty, motivating family members to be part of the success of the family business and contributing to reinforce family identity across generations. Therefore, the intrafamily focus emphasizes the role of legacy as the bridge that unify the generations of the past, present, and future in a single line of succession with the same values despite the changes that the company may be forced to experience.

Recently, the possibility of going beyond the intrafamily focus of the legacy has been taken into consideration. Indeed, it has been observed that there are cases in which the social legacy, which family members want to protect and transmit, becomes so strong and powerful that it is able to transcend corporate and family boundaries. Legacy in this case takes an *"outward-oriented"* focus becoming an important factor even for people outside the company, as stakeholders and consumers. Following this perspective, Hammond et al. argue that social legacy “creates deeper and longer lasting social ties not only with each other -referring to family members- but with key stakeholders through local community projects and long-term partnerships”[58]. From this definition, it can be observed that the social legacy can be considered as an element that connects the company to the context in which it operates, becoming a factor that consumers consider during purchasing decisions. The social legacy represents the expression of family identity and can influence and shape consumer purchasing behaviour. When this happens, it may result from the share of the values or the identification of consumer with the family history. Then the consumer believes there are elements that connect his identity with the company and therefore finds the purchase of its products a means of self-expression.[59]

3.1.6. The Family Legacy Paradox

Legacy is a factor that can give a company a competitive advantage if the company knows how to emphasize it in the right way. Despite this, there are studies which believe that emphasizing the legacy too much can be in some cases a limitation for the company. Companies compete in two different areas simultaneously: firstly, they compete on the basis of material resources, which are capital, people, real properties and other material

[58]Hammond N.L., Pearson A.W., Holt D.T. (2016). The quagmire of legacy in family firms: definition and implications of family and family firm legacy orientations. Entrepreneurship theory and practice, Sage Publications Inc. pp. 1209- 1231.
[59] Arnould E., Commuri S. (2006). Living Legacies: Exploring Influences on Family Consumption Behavior. Advances in Consumer Research Vol. 33, pp. 82-86.

assets. Secondly, companies compete for intangible and symbolic assets such as status and reputation; legacy is part of these assets. Legacy is a very important intangible asset in the context of family businesses because it is both the basis of the identity of the company and the guide in the decision-making process. Legacy is one of the assets, as well as corporate culture, that cannot be copied from outside, being embedded in a company. Market competitors can copy the processes, raw materials, and products of a company but they can never steal its legacy as it is part of the identity of the firm. Following the Resource - Based - View (RBV) perspective, theory originated from the work of Jay Barney[60] and used to understand the strategic resources that a firm can exploit to reach a competitive advantage. The legacy can be considered one of those resources that fulfil the VRIN criteria, a framework that establishes the resources which the company should exploit must be Valuable, Rare, Inimitable, and Non-substitutable. Legacy perfectly meets the criteria of the VRIN resources, making it a tangible asset that can provide a competitive advantage to the firm, if the company understand how to leverage it properly.

However, some research reveals the downside of the legacy, which occurs when it becomes a liability for both the company and the family members. When firms are deeply rooted in their traditions, values, and way of conducting business, there is the risk that they become too rigid. In this case, the legacy becomes a factor that forces the company and its members to be reluctant to change and not inclined to innovate. In the long run this behaviour has a negative effect on the performance of the company. The corporate heirs in this context have to face a moral dilemma, as they feel forced to continue pursuing the legacy of the family, leading them to overshadow the direction they would like to give to the company, and which could help it achieve a better performance. In this case there is a clear contradiction between the expectations the family places on the heirs and the personal fulfilment of the latter. A strong commitment to the legacy can cause organizational inertia, which makes it very difficult for managers to modify the strategies of the company when reacting to changes in the environment. [61]

From this discussion results that there is a paradox in the concept of legacy: on the one hand, family members would like to be promoters and transmit the values and legacy of the family, on the other hand, this behaviour can cause immobility. Every manager of a family business sooner or later has to face this struggle and finds himself with a choice between two options: the first option is to apply a rational approach to take strategic decisions aimed at the well-being of the business; the second option is more emotional, approach aimed preserve the idea and values of the family. The best strategy to deal with these alternatives and the challenges to which all family business managers are exposed, is to be able to build a legacy whose elements can adapt to the changes that the business will face generation after generation. Indeed, a winning form of legacy cannot

[60] Jay Barney is a researcher of strategic management, and the literature suggests that it was his article of 1991, "Firm Resources and Sustained Competitive Advantage", that initiated the Resource – Based - View Theory.
[61] Davis J.H. (2022). Wrestling with Legacy in a Family Business. Harvard business review. pp. 1-5.

be so anchored in the past that it does not allow the company in the present to innovate and adapt to changes. Some studies[62] argue that senior generations should, from one side, define the values they want to transmit to future generations and, from the other side, leave them the freedom to decide how to interpret the legacy and how to transmit it in the future. It is the job of the leader to emphasize what are the norms and the core values of the company that represent its true identity: this is the legacy that must be transmitted over the years. Everything that constitutes the boundaries of the legacy and not the core must be constantly discussed to allow the company to evolve and adapt. This strategy allows mangers to manage the legacy paradox while allowing the company to maintain its core identity without losing its competitive advantage.

3.1.7. Consumer Trust in Family Legacy

Legacy-based competitive strategies of family luxury businesses can impact the emotional side of consumers by increasing their trust in the brand. Consumer trust in the brand is based on the image they have in their mind about the brand.[63] These elements that contribute to consumer trust can be attributed to direct experience with the product, knowledge of the history and values of the company, but also to the emotions the brand evokes in the consumers. It is important to note that trust is one of the main characteristics on which family businesses build their competitive strategy. In fact, according to some research, consumers tend to trust family businesses more because they feel there is a greater emotional connection than other companies.[64]

The Edelman company[65], a global communications and public relations consultancy firm, annually conducts a global analysis called "Trust Barometer" to measure on a scale from 1 to 100 the level of trust society has in institutions and companies. This scale is divided into three possible categories from 1 to 49 means distrust, from 50 to 59 is a neutral range and finally from 60 to 100 indicates that there is a high level of trust in companies. The results of this analysis show that family businesses globally are more trusted than other types of firms. This is demonstrated by the fact that family businesses record a trust score that is 12%[66] higher than other forms of business. Italy[67] is a country where there has been a very low level of trust in institutions over the years. On the contrary, trust in companies has grown over the last ten years but continues to remain quite low (figure 7) compared to the levels recorded in other countries such as China, Indonesia and the UAE, which are the areas where is recorded the highest level of trust in the corporate system.

---

[62]Bergfeld A.F., Bergfeld M.M. (2022). Next-generation entrepreneurial identity in family business systems: The influence of role changing events on the understanding of legacy, individual identity, and transgenerational entrepreneurship of next-generation family business principals. Thunderbird international Business review, pp.1-10
[63] Husain R., Ahmad A., Khan B.N. (2022). The impact of brand equity, status consumption, and brand trust on purchase intention of luxury brands, Cogent Business & Management.
[64] PwC. (2023). Transform to build trust. PwC's 11th Global Family Business Survey
[65] www.edelman.com
[66] Edelman Trust Institute. (2023). Edelman Trust Barometer Analysis: Global report.
[67] Edelman Trust Institute. (2023). Edelman Trust Barometer Analysis: Italy report.

ITALY

Distrust (1-49) | Neutral (50-59) | Trust (60-100)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	10yr change
Business	45	49	48	57	55	54	53	57	59	59	57	+12
NGOs	51	54	53	58	59	46	44	49	48	54	49	-2
Media	45	43	41	50	48	45	45	49	50	50	47	+2
Government	21	18	27	30	31	27	43	41	51	49	46	+25

Figure 8. Edelman Trust Barometer - Italy Report

The "Edelman Trust Barometer Analysis" of 2023 shows that in Italy, there is a prevailing sense of distrust and neutrality towards corporate context which is made by state-owned, publicly-traded, privately-held and family-owned companies. However, among these different types of companies, the only category that the population trusts and that falls within the "trust" range is family-owned business. This phenomenon is probably caused by the fact that in Italy family businesses have historically been a fundamental part of the industrial network of the country. In fact, there are about 800,000 family businesses in Italy, which account for 85% of the total number of companies and 70% of the employees.[68] As this phenomenon is rooted in the Italian territory and it is historically very important, this is the reason why these types of companies are the ones to which Italian consumers trust more.

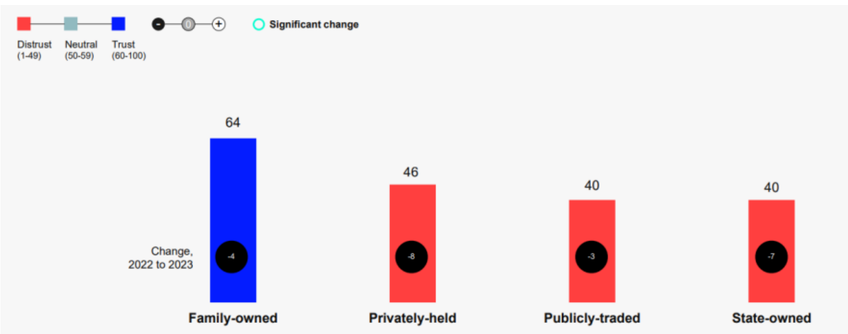

Figure 9. Edelman Trust Barometer - Business Trust Index - Italy Report

For the analysis, the trust of consumers in family businesses is a very important factor to consider because many studies have shown that there is a close relationship between trust and profitability[69]. In fact, the degree of consumer trust is one of the biggest determinants of performance variance: higher levels of trust in the

[68]www.kpmg.com: Family business: l'approccio di KPMG ai business familiari.
[69] Lakhdar K., Lindblad F. (2022). Translating trust into business reality. Strategy + Business, PWC publication

company usually correspond a higher economic performance. It is important for the family business to implement a strategy aimed at increasing the trust people repose in the company, for example, by levering on the legacy and the values of the company.

3.2. How Family Luxury Business Communicate Their Legacy

3.2.1. The Marketing Strategies of Family Business

"Family Business Branding" refers to the notion that the family-owned company wants to promote its familial nature. It wants to build its competitive strategy around the concept of being a family business[70]. Branding a company as a family firm can have many positive implications, increasing the employee loyalty, customer satisfaction, company reputation and financial performance. Family Business Branding entails that marketing strategies focus on what makes the company unique, such as the legacy, the values and the familiness of the company. This factor serves as a way for the company to differentiate itself and stand out in the competitive landscape, lending credibility and legitimacy to the brand. Ultimately, it can create an emotional bond with consumers, which, that in a long-term perspective, can foster brand loyalty.[71]

These marketing strategies vary depending on the needs and goals of the company. However, there are specific characteristics of family firms that marketing generally leverages more. First of all, in this type of firm, great importance is attributed to the valorisation of the history and the traditions of the company. Marketing strategies capitalize the length of the history and the well-established traditions of the family business, emphasizing their values and creating an emotional connection with consumers. Secondly, since these companies are considered highly trustworthy, as we mentioned before, a key element is the authentic and transparent communication towards consumers and employees. The effect is an increase in the trust and affinity of clients with the company. Moreover, family business can leverage in their marketing strategies their more personal atmosphere compared to non-family firms, building longer and more authentic relationships with customers. Furthermore, many companies of this kind shine for the quality, craftsmanship, and attention to detail they put into their products and services. These factors can be promoted and emphasized by marketing to attract customers who appreciate such attentions. Finally, another strategy they can adopt, being closely tied to the territory, is actively supporting the local community. In this way, they will be able to create closer relationships with local community and at the same time strengthen the image of the company.

---

[70] Astrachan C.B., Botero I., Astrachan J.H., Prügl R. (2018). Branding the family firm: A review, integrative framework proposal, and research agenda, Journal of Family Business Strategy, Vol. 9, Issue 1, pp. 3-15.
[71] Blombäck, A. Brunninge, O. (2013), "The dual opening to brand heritage in family businesses", Corporate Communications: An International Journal, Vol. 18 No. 3, pp. 327-346.

There are several aspects of family businesses that marketing can use to emphasize their uniqueness to differentiate them from other businesses. In particular, marketing can serve as an excellent vehicle to communicate the legacy of the company and convey the heritage and values of the entrepreneurial family to the public.

3.2.2. Family Legacy Communication

In the previous paragraphs, it has been stressed the importance of legacy in family luxury businesses and how it can be used as an important driver for the company. Now, it is necessary to understand how to move from an inward to an outward vision. This means analysing how companies manage to make the legacy overcome the boundaries of the company and to let legacy become an important element in the mind of consumers when they make purchasing decisions. First of all, the family members themselves can serve as storytellers, being primary sources of anecdotes and significant moments that represent an important part of the legacy of the company. An example of this is the narrative work carried out by Brunello Cucinelli through the publication of his book "*Il Sogno di Solomeo*", where the history and the core values of the company are retraced from an intimate and personal perspective, aiming to be perceived by the audience.[72] Another way to propagate the legacy is through the dissemination of images that capture the essence of the company, such as old photos that provide an intimate glimpse into entrepreneurial family. This allows people to identify with the brand and create a strong emotional connection with it. In such a contest, there are two actions that the management can use to exploit the legacy: firstly, highlight specific factors as the history and culture of the company; then starting activities and initiatives to enhance and explicate the values of the business. The aim is to make the legacy part of the consumers purchasing behaviour.

Every company is unique and embodies heterogeneous values and legacy. The subsequent paragraph will devolve into the various forms of business strategies that can be implemented.

3.2.2.1. Rhetorical History

The history of a company can be a powerful means of implicitly communicating the legacy of the family. Indeed, stories about the company, its foundation and the founder are an integral part of the social legacy concept. This is why, it is possible to leverage the history to make it a driver to acquire a competitive advantage and occupy a top position in the minds of consumers. The idea regarding the history of a company as an element that can influence the firm and its activities is not a novelty. In fact, Arthur L. Stinchcombe[73], a sociologist interested in the organizational context, in his studies on corporate context stressed the concept that

[72] Cucinelli B. (2018). Il sogno di Solomeo: la mia vita e l'idea del capitalismo umanistico. Feltrinelli editore.
[73] Stinchcombe, A.L. (1965) Social Structure and Organizations. Ed. Handbook of Organizations, Rand McNally, Chicago, pp. 142-193.

companies reflect the time in which they operate by saying that "organizations formed at one time typically have a different social structure from those formed at another time". Therefore, these historical features typical of the time when the company was founded are incorporated and made explicit through traditions and values that will later become the basis of the company culture. This idea of history as a factor shaping the company is perceived from two different perspectives by management academics. According to the first perspective, the importance given to history is seen as a constraint that decreases the flexibility of the company and increases its resistance to environmental changes. This happens when, for example, the managers of a company live in the myth of the past and therefore try to replicate the success the firm achieved in the past without taking into account the changes in the competitive environment. The second perspective can be associated with the concept of "path dependence", a term that aims to show how small events in the past are able to influence and have important consequences also in the future[74]. According to this perspective, history is not considered a limit that precludes changes but as a factor that can indicate the direction of the decisions and choices of the company.

Firms which realize that history can be an asset that help them to gain a competitive advantage, generally start building a corporate strategy aimed at enhancing the role that history and legacy play within the firm. When this happens, it can be called "*Rhetorical History*": this term, coined by Suddaby et al[75]., refers to the strategic use of the past to engage and influence consumers and stakeholders. The term "Rhetoric" in fact identifies that the use of narratives about the past has a persuasive and evocative purpose. Indeed, the rhetorical history concept is based on the assumption that transmitting stories, values and traditions of the past can create a bridge between the past and the future becoming a strong persuasive factor. Therefore, in this context "history must be reconstructive in large part because its value lies less in its accurate rendering of past events than in its ability to accommodate and align the interests of competing stakeholders both within and outside the organization". Following the research of Suddaby et al., there are three roles that Rhetorical History can play in a competitive contest: give legitimacy, contribute to identity creation, and facilitates strategic changes.

Firstly, Rhetorical History is able to confer legitimacy to the activity of the company. An example is when the brand name is followed by the date when it was created, people tend to have a greater reputation and trust the firm more. This happens because the company emphasizes the idea that it continues to do business continuously and with the same passion over a long period of time, showing to consumers stability and adaptability. The creation of this type of image in the minds of consumers can have an impact on their purchasing decisions.

---

[74] Antonelli C. (1997). The economics of path-dependence in industrial organization. International Journal of Industrial Organization Vol. 15, pp. 643-675.
[75] Suddaby R., Foster W.M., Trank C.Q. (2010). Rhetorical history as a source of competitive advantage. Advances in Strategic Management. Vol. 27, pp. 147-173.

Secondly, the Rhetorical History defines the identity of the company. Indeed, the latter is structured over time through the combination of the values, norms, traditions, histories that the company embodies. This set of cultural elements differs from company to company, explaining why similar companies operating in the same sectors may appear as completely different entities from each other, guided by different competitive advantages.

Finally, Rhetorical History can help the company deal with strategic changes. Indeed, history can define a guideline for the firm to help it remain stable even when the environment in which it operates is rapidly changing. However, managers must be able to look at history not as a rigid artefact but as a multifaceted factor that can be reinterpreted according to the changes the company faces.

It has to be understood how Rhetorical history can be implemented to achieve a competitive advantage. In order to exploit the concept of Rhetorical history in the corporate strategy, entrepreneurs must be able to use the history of their own family to build a storytelling that appears credible to consumers and stakeholders. Credibility derives from the extent to which the company has succeeded over the years in building an image which associates it with the values that need to be perceived by consumers. This enables entrepreneurs to tie their aspirations to those of the community in which they work. [76] When this happens, the social legacy succeeds in transcending the boundaries of the company and impacts consumers. To conclude, rhetorical history is a concept that helps the family business to move from an inward legacy perspective to an outward one. When consumers have the opportunity to learn about the history and origins of a family business, they are able to acquire the knowledge about the legacy of the company.

3.2.2.2. Family Business Foundations

Foundations are a tool that companies can use to spread their legacy. Family business foundations can be defined as nonprofit institutions, created to protect the material and cultural legacy of the family business with the aim of achieving goals related to the will of the founder or of the family members. Foundations are organizations that: can be used by family businesses to emphasize their value system and cultural heritage; founded to achieve non-economic goals that are not strictly related to the core activities company; and finally, they can be used to build a connection between past, present and future generations. The relevance of family business foundations is recent but an expanding phenomenon both in Europe and in Italy, increasing significantly over the past decade. The main reason behind the creation of foundations is to stress the legacy and the values of the family as much as possible. This is why, according to some studies, these organizations can be a fundamental means to allow the legacy to cross the boundaries of the company. Family business

[76] Suddaby R., Israelsen T., Mitchell J.R., Lim D.S.K. (2023). Entrepreneurial Visions as Rhetorical History: A Diegetic Narrative Model of Stakeholder Enrolment. Academy of Management Review. Vol. 48 Issue 2, pp. 220-243.

foundations can be an important bridge between the inside and outside of the company, highlighting the relationships between the corporate structure and the community in which it operates. Usually, each foundation has its own objectives depending on the values that the company wants consumers to associate with it. The areas of activity, in most cases, are research, culture and education.

In the luxury sector, the foundation phenomenon is particularly fertile. Family luxury businesses very often use foundations as a tool to communicate their history and legacy. One of the numerous organizations is the Zegna Foundation[77] established in 2000 by the President Anna Zegna, a member of the third generation of the family. Its aim is to transmit the values and philosophy of the founder. The Zegna Foundation is particularly active in the areas of culture, environmental sustainability, research, and attention to local communities. Another example is the Brunello and Federica Cucinelli Foundation[78], which was established in 2010 with the intention of spreading the ideals that have "nurtured the humanistic aspiration of Solomeo". The aim of its activities is to promote knowledge and protect the territory and the values of tradition. The initiatives of the company reflect the values that inspire the famous humanistic capitalism of Brunello Cucinelli and that he wants to be transmitted to posterity: love for the territory and care for the human soul. Finally, the last example to be reported is the Ferragamo Foundation[79], established in 2013 with the aim of enhancing the world of art and craftsmanship to remind people of the creative genius of Salvatore Ferragamo and the role the company played in the 20th century. All the examples cited highlight how foundations can be a very powerful vehicle of the values and legacy of the company.

Research of Manelli et al.[80], identifies three narratives practices to best develop this legacy through foundations: founder foreshadowing, locating the legacy within the broader community and weaving family history with macro-history. These three practices want to emphasize three different dimensions through which the social legacy is communicated: the temporality of the family, the spatiality, and the historicity of the family.

The first narrative practice is the *founder foreshadowing.* This involves the reinterpretation and diffusion of the values of the founder by adapting them to the contemporary context in which the company works. The founder foreshadowing has several objectives: firstly, it draws a line of continuity between past and present; secondly it emphasizes the role of the founder by making his personality persistent over time. Finally, and most important, founder foreshadowing provides an idea of the corporate legacy as a fluid element that can adapt to the issues of the modern world. This moves away from the perspective in which the legacy is a rigid construct that impedes the company from innovating. This narrative practice enhances the temporality

[77] www.fondazionezegna.org
[78] www.brunellocucinelli.com
[79] www.fondazione.ferragamo.com
[80] Manelli L., Magrelli V., Kotler J., Petruzzelli A.M., Frattini F. (2023). Building an outward- orientated social family legacy: Rethorical History in family business foundation. Family Business Review, pp. 1-26.

dimension of the family by making the founder legacy a resource for dealing with current challenges. An example of this phenomenon can be found in the activities promoted by the Fondazione Zegna, which are strongly oriented towards sustainability and environmental protection practices, which are very important issues today.

The second narrative practice involves the *location of the legacy within a broader community*. According to this, family business foundations help the creation of a bridge between the legacy of the family and the community in which it works. Therefore, foundations symbolically connect the business to a space seen as both a territory and a community. For this reason, it was argued that this practice is related to the spatiality dimension of the family business. Foundations that promote this narrative practice are able to build a deep bond between the family business and its community. A perfect example of this phenomenon is the Brunello and Carolina Cucinelli Foundation where most of the initiatives they carry out are linked to the love the founder has for the territory. In order to understand this love, it is enough to visit the small village of Solomeo, the birthplace of the company, and see the care taken in redeveloping not only the village but also the entire neighbourhood. The business becomes a focal part of a community, and this allows Brunello Cucinelli S.p.A to spread its legacy.

Finally, the last practice involves *weaving family history with macro-history*. This practice assumes that foundations can be an appropriate means to stress the role that the history of the company has played within the historical contest in which it works. This perspective considers the family not as an external entity separate from the historical contest in which it works, but rather as a product of that context. This narrative makes the legacy a meaningful factor not only for the family but for a wider range of stakeholders. Here it can be seen how this practice impacts on the historicity of the family by making family story part of a stream of macro-historical events. An example of such a narrative is the work of the Ferragamo Foundation, which places enormous importance on its historical archive. It constantly stresses the role that Salvatore Ferragamo has played in the history not only of Italian footwear but also of international sphere of fashion and culture.

These three narrative practices can be implemented through the joint work of foundation and company. Foundations are entities that through different types of initiatives can support and strengthen corporate activity by enhancing its reputation among stakeholders and consumers. This paragraph is necessary to understand the role that family foundations can play in the passage from an inward to an outward perspective of the legacy.

3.2.2.3. Brand Heritage and Corporate Museums

Another way for the company to externally communicate the role of the legacy is to let the brand heritage perceived. First, it should be clarified that there is a distinction between the concepts of "brand heritage", "heritage brand" and "brands with a heritage". Following the studies of Urde et al, *brand heritage* refers to a "dimension of a brand's identity found in its track record, longevity, core values, use of symbols, and particularly in an organizational belief that its history is important".[81] Therefore, brand heritage is a resource that the company must learn to exploit in order to gain a competitive advantage. A *heritage brand* is defined as a company that bases its values and purpose on its brand heritage; and a *brand with a heritage* is defined as an organization that, despite having an important heritage, decides not to make it part of its competitive strategy. In a world increasingly characterized by the proliferation of brands and a rapidly changing environment, consumers tend to prefer brands with a strong heritage because they are more credible and inspire more trust. The company must try to communicate its brand heritage to help the legacy of the family to be perceived from the consumers and to become a driver of purchasing decisions.

There are many tools that the company can use to enhance its heritage, such as historical archives, exhibitions and performances in the headquarters and corporate museums. The latter, according to some studies, is a perfect vehicle for transmitting the corporate legacy. Corporate museums are "non-for-profit institutions that preserve, exhibit, and communicate the tangible and intangible evidence of a business or an industry"[82]. There are two features that characterize a corporate museum in particular: the location, typically near the headquarter and in a city that has meaning for the brand, and the administration, usually done by the company itself or by the Foundation.[83] These organizations represent a temple of corporate identity in which the history and values of the firm are preserved and celebrated. Their purpose is to make clear to visitors what the company considers important and how its past has shaped it into what the company is today. Corporate museums are places where the *organizational identity* of the firm is amplified. Organizational identity refers to the "set of features that organization members recognize as fundamental, distinctive, and enduring (or continuous) considering the past, the present and the future of the company"[84]. Corporate museums can become an excellent means to create and strengthen relationships with the stakeholders and the community, when properly managed. Indeed, these institutions will be useful to help consumers understand the true essence of brand identity, leading them to associate their identity with the one of the companies, creating a sense of pride. For these reasons, corporate museums play a key role mediating between the company and the community, becoming a strategic tool for communicating the legacy of the company.

Brand heritage is particularly important for family luxury businesses because it allows them to bridge the past and the present by enhancing emotional aspects. It is not a coincidence that luxury companies very often design so-called "heritage collections", collections in which there are shapes and features belonging to the past but reinterpreted in a contemporary way. These firms are very inclined to use the corporate museum as a means

[81] Balmer J., Greyser S., Urde M. (2007). Corporate brands with a heritage. Bradford University School of Management Working Paper Series.
[82] Iannone F., Izzo F. (2016). Salvatore Ferragamo: an Italian heritage brand and its museum. Place branding and public diplomacy, vol. 13, 2, p.163-175
[83] Bonti M. (2014). The corporate museums and their social function: some evidence from Italy. European Scientific Journal November, special edition vol.1
[84] Albert, S., & Whetten, D. A. (1985). Organizational identity. Research in Organizational Behavior, v. 7, pp. ama263–295.

to diffuse the legacy. Since in the luxury sector, as already mentioned, consumer behaviour is mostly based on emotions, the use of corporate museums by these companies provides a method to evoke feelings and suggestions in consumers. Corporate museums can help luxury businesses to obtain a competitive advantage through the strategic use of corporate history and culture. Very often, corporate museums are used by those companies with a strong relationship with the territory than the ones that have built their own identity tied to the traditions of the area where the company is located. In Italy there are a large number of corporate museums, for example the Salvatore Ferragamo Museum in Florence. This museum was established by the family in 1995 and is a tangible demonstration of the importance that family businesses place on transmitting the legacy through the generations. The purpose of the Ferragamo museum[85] lies both in honoring the memory of the founder and in the desire to make the community aware of the importance the brand had in the international fashion scene of the 20th century. Therefore, it is also a way to spread the legacy of the founder and make it transcend family and company boundaries. Ferragamo is a perfect example of brand heritage: in 2022 the company was one of the winners of the "Corporate Heritage Award"[86], an honor that rewards companies that distinguished themselves for their commitment to enhance and communicate their historical and cultural heritage.

3.2.2.4. CSR Initiatives

In conclusion, Corporate Social Responsibility (CSR) initiatives are the final category of activities analysed trough which companies can indirectly transmit their legacy, providing consumers with a perception of what the firm considers important. The concept of CSR is particularly broad. It includes all the actions implemented by companies that are not strictly related to their core activities and that do not usually have a commercial purpose for the firm. These are activities aimed at improving the environment and the community in which the company operates. Over the years, the emphasis given to CSR activities has grown significantly. While initially it was a marginal part of the activities of the company, today Corporate Social Responsibility practices are fundamental assets that are able to increase both the economic and social value of the company.

According to some studies [87] there are three factors that characterize Corporate Social Responsibility in family companies: social engagement, sustainability, and corporate engagement. Social engagement refers to how consumers perceive the contribution that the family firm can bring to the community in which it works. Family firms are more closely linked to the local territory and usually want to contribute to the development and improvement of the community. Sustainability refers to the greater care that family firms take of the

[85] www.museo.ferragamo.com
[86] www.corporateheritageawards.it
[87] Bargoni A., Kliestik T., Jabeen F., Santoro G. (2023) Family firms' characteristics and consumer behavior: An enquiry into millennials' purchase intention in the online channel, Journal of Business Research, Volume 156.

environment, being more connected to the local area than non-family firms. This drives family firms to invest heavily in initiatives to protect the fauna and flora of the territory in which they work. Finally, corporate engagement refers to the perception that consumers have of the attention that companies pay to their employees. The latter are often seen as the extension of the family and therefore in this type of companies there is a corporate culture that is much more focused on their needs. These three subitems of CSR show that consumers positively perceive the social contribution of the company. Indeed, as mentioned in the first chapter, in the contemporary world consumers of luxury products are increasingly becoming sensible to how companies deal with social and environmental issues. For these reasons, the attention paid by luxury companies in CSR activities can be an important driver of consumer purchasing decisions.

Each company will have a specific CSR program depending on the objectives of the firm and the values it wants to promote. The Tod's Group[88], for example, invests considerably in CSR activities. Indeed, each year 1% of the net profit is invested in charitable initiatives. This demonstrates the constant commitment of the company to the safeguard of people, environment, and culture. The Tod's Group is particularly committed to the protection of cultural heritage, as demonstrated by the Colosseum Restoration Project financed by the company and the long partnership with the FAI association (Fund for the Italian Environment). Several studies show that family businesses are more inclined to implement CSR activities than non-family businesses. This phenomenon is probably because these types of companies are more connected to the local community in which they operate and therefore more attentive to the issues existing in this context.[89] Corporate Social Responsibilities activities can be a useful means to make explicit what the beliefs of the company and which are the aspects it wants to protect.

CSR initiatives reflect the values and legacy that the company wants people perceive externally. For example, the Zegna Group is guided in its CSR activities by the values and philanthropic spirit of its founder. Indeed, the company website says that what inspires them is the belief that "it is their responsibility to look to the past to create a better future"[90]. The Zegna Group is particularly committed to the protection of the environment. In fact, the responsible approach of the founder gave birth to “Oasi Zegna”, a project that over the years has led to the planting of over 500,000 trees with the aim of enriching the territory and the surrounding community, to preserve the relationship between man, mountains, culture and nature for the benefit of future generations.

Corporate Social Responsibility initiatives, as the other strategies seen in the previous paragraphs, reflect the values of the company and represent a further way for family luxury businesses to continue the legacy of the past. It allows the company to simultaneously have a positive impact on the context in which it operates, to

---

[88] www.todsgroup.com
[89] Stock C., Pütz L., Schell S., Werner A. (2023). Corporate Social Responsibility in Family Firms: Status and Future Directions of a Research Field. J Bus Ethics.
[90] www.zegnagroup.com

enhance its reputation, and to make the legacy perceived externally. This will allow consumers to reinforce the idea they have of the company and to develop a closer relationship with it, influencing their purchasing decisions.

CHAPTER 4: THE EFFECT OF FAMILY LEGACY ON CONSUMER BEHAVIOR TOWARDS FAMILY-OWNED LUXURY BRANDS: A QUANTITATIVE ANALYSIS

4.1. Introduction and Research Question

Luxury brands have a value that goes beyond the goods they produce because they are rich in symbolic value. These companies can build their own image not only by emphasizing tangible characteristics such as product quality or aesthetics, but also by using the distinctive characteristics of the company as its history and heritage. Highlighting these elements helps to create an image of the company that appears unique and incomparable to consumers.[91] Indeed, some firms have a very distinctive corporate heritage that becomes a crucial aspect of their corporate identity, connecting the past, present, and potential future of the company. This enables to differentiate themselves from the market and gain a competitive advantage.[92] A *Heritage Luxury Brand* can be defined as "a luxury brand that has a long history and have successfully retained original features or corporate stories from the past"[93]. In the luxury market, populated by numerous small and large players, if a company is able to build its competitive strategy around the communication of its history and legacy, it can be seen as having a higher degree of authenticity and credibility. For this reason, these characteristics can become drivers of consumers purchasing decisions. In fact, the consumers will be more inclined to buy from a brand that has a reputation that has been solidified over the years, as they will tend to feel reassured by the continuity and expertise that the company has acquired over time. Moreover, this strategy clearly reveals the values and the roots of a company, leading to a greater emotional engagement of consumers and the creation of a lasting bond with the brand.[94]

Most of the well-known luxury brands had originated from the creative mind of a founder who later turned the business into a family tradition. Therefore, many brands in the luxury market are born as family enterprises, and a part of these continues so even today. Family firms are a very ancient and widespread business construct, also globally, particularly within the context of the Italian industrial landscape. They represent a dense network of companies spread and deeply rooted within the territory. This type of companies dominates certain specific sectors, as for example the luxury market[95]. In particular, there are certain families that dominate the luxury market and enjoy great popularity, such as the Arnault family, owners of the colossal LVMH, and the Pinault

---

[91] B. Dubois, G. Laurent, S. Czellar. (2001). Consumer rapport to luxury: Analyzing complex and ambivalent attitudes. Consumer research working paper no. 736, HEC, Jouy-en-Josas, France

[92] Burghausen M, Balmer J. (2015). Corporate heritage identity stewardship: A corporate marketing perspective, European Journal Of Marketing, Vol. 49, pp. 22-61.

[93] Halwani, L. (2019), "Making sense of heritage luxury brands: consumer perceptions across different age groups", Qualitative Market Research, Vol. 22 No. 3, pp. 301-324.

[94] Suddaby R., Israelsen T., Mitchell J.R., Lim D.S.K. (2023). Entrepreneurial Visions as Rhetorical History: A Diegetic Narrative Model of Stakeholder Enrolment. Academy of Management Review. Vol. 48 Issue 2, pp. 220-243.

[95] Kenyon-Rouvinez D., Ward J. L. (2014). Family Business: Key Issues. Palgrave Macmillan Editor.

family of the Kering Group. It is very interesting to observe that two of the largest key players in the luxury sector are under the control of individual families. Family-owned businesses are extremely diffuse across every segment of the luxury market. Examples of this phenomenon include Ferragamo and Hermès in fashion, Audemars Piguet and Chopard in watches and fine jewellery sector, Porsche in luxury cars segment, and Marriott International in luxury hospitality sector. This phenomenon is so prevalent because family firms have characteristics that align with those of luxury brands, enabling them to sustain and pursue their competitive logic. Indeed, in many cases, the characteristics of family firms have a positive effect on a luxury brands. This complementarity ensures that the features of one part influence and reinforce the other.[96]

In family-owned luxury brands, the legacy plays a fundamental role. This element is a distinctive trait of family firms as it narrates the passion and personal commitment that family members direct towards managing the company from one generation to the next. As mentioned, the luxury market is particularly characterized by an emotional connection between customers and the brand. In this context, having a strong legacy for a family firm can help them in crafting an engaging storytelling, prompting consumers to establish a lasting relationship and a higher level of trust with the brand. In the luxury sector, where, as mentioned, the value of the brand outweighs the value of the products sold, the legacy of a family is one of the elements contributing to add value to the product by enhancing its perception. This leads the consumer to decide to pay a premium price, as they perceive themselves not just buying a material object but a piece of history. This is precisely what occurs when buying a foulard or Birkin Bag by Hermès.

As legacy holds significant importance within family firms, especially for family-owned luxury brands, it can be considered a distinguishing element of this business type. Therefore, legacy is an integral part of the corporate identity, capable of shaping the image and perception of the company that consumers have created in their minds. From this emerges the notion that legacy can be considered an intangible intrinsic element of the company, one that has the potential to impact the purchasing decisions of consumers. Building upon these premises, the following research question has been formulated, seeking to be addressed through this work of research:

R.Q. What is the role of family legacy in the consumer behaviour towards family-owned luxury brands?

---

[96] Carcano L., Corbetta., Minichilli A. (2011). Why luxury firms are often family firms? Family identity, symbolic capital and value creation in luxury-related industries. Universia Business Review, pp. 41- 43.

4.2. Research Hypothesis

To provide a concrete answer to the formulated research question, it is essential to consider several characteristics of family luxury businesses that contribute to build and transfer the legacy, not only from one generation to another, but also from the company to the consumers. The aim is to shift the perspective of legacy from being intrafamily focused to becoming outward-oriented [97].

To study the impact of family legacy on luxury consumers, it has been decided to consider the length of family ownership by investigating whether consumers perceive as significant the temporal factor of the familiness of the company. This aspect recalls to the component of legacy related to the roots and history of the company, highlighting the continuity of family work across generations. This element can be taken into account during the decision-making pattern of consumers as it signals to them the long-standing tradition behind the work of the company, resulting in a high level of product quality, specialization and expertise. To test the impact of the length of family ownership, the research presents the following hypothesis:

H1: *The length of family ownership has a positive impact on the attitude that consumers develop toward family-owned luxury brands.*

Assuming this hypothesis, it can be further analysed if, in addition to the temporal factor, the consistent involvement of the family in the business can also have an impact on consumers. Theoretically, some studies argue that the involvement of family members in the activities of the company is one of the elements that contribute to improve the performance of the company[98]. From an economic perspective, this phenomenon can be attributed to two key factors[99]. Firstly, family business can capitalize on the principles described by the stewardship theory, wherein "people are intrinsically motivated to work for others or for organizations to accomplish the tasks and responsibilities with which they have been entrusted"[100]. This inclination not only yields benefits for themselves but also extends to benefit all stakeholders involved. This sentiment is particularly strong in family businesses because family members are highly motivated to create a solid company that generates value for all involved parties. Secondly, when family involvement is present, the typical agency costs are reduced. Family involvement is a fundamental part of the corporate legacy as it emphasizes the fact that across generations the family members have continued to work towards transmitting the vision of the founder. Consumers can perceive family involvement in business activities as a reassuring

---

[97] Manelli L., Magrelli V., Kotler J., Petruzzelli A.M., Frattini F. (2023). Building an outward- orientated social family legacy: Rhetorical History in family business foundation. Family Business Review, pp. 1-26.
[98] Garcia-Castro R., Aguilera R. V. (2014). Family involvement in business and financial performance: A set-theoretic cross-national inquiry, Journal of Family Business Strategy, Vol. 5, Issue 1, pp. 85-96
[99] Chirico F., Bau' M. (2014). Is the Family an "Asset" or "Liability" for Firm Performance? The Moderating Role of Environmental Dynamism, Journal of Small Business Management, 52:2, pp.210-225.
[100] Menyah, K. (2013). Stewardship Theory. In: Idowu, S.O., Capaldi, N., Zu, L., Gupta, A.D. (eds) Encyclopedia of Corporate Social Responsibility. Springer, Berlin, Heidelberg.

factor that enhances the trust they place in the brand. Building upon these premises, is possible to formulate the second research hypothesis:

H2: *Family involvement has a positive impact on the attitude that consumers develop toward family-owned luxury brands.*

Taking into consideration temporality and family involvement as variables to be investigated, these elements outline a third factor to be considered: the reputation that the company has developed over time. The overall reputation reflects the judgement that consumers develop about the company over the years and considers several features of the company, including also the length of family ownership and family involvement. The legacy of the company is one of the key factors contributing to its reputation across the generations. Generally, family-run businesses have a stronger and higher reputation compared to non-family firms. This is because they are perceived by consumers as more trustworthy, credible, and authentic than other types of companies[101]. Furthermore, it is also important to consider that companies operating in the luxury sector have generally a strong reputation and a clear brand image. This is one the reasons why consumers are willing to pay a high price for their products[102]. Following the scientific literature, enjoying a high reputation allows company to attain a higher level of customer loyalty and to implement a premium pricing strategy more easily.[103] On the basis of what has been said, it is assumed that consumers within the context of family luxury brands are particularly influenced by the reputational aspect of the company. From these assumptions arises the third research hypothesis:

H3: *Family reputation has a positive impact on the attitude that consumers develop toward family-owned luxury brands.*

Having outlined the previous three research hypotheses, it becomes necessary to understand how the company and family members work to convey the legacy to consumers. To facilitate this transition, it is essential to place a particular emphasis on the family legacy in the marketing communication of the brand. This can be useful in helping consumers to perceive the main characteristics of the brand by making its history and heritage known. Family firms can employ different methods to communicate the familial nature of their company, as previously mentioned, by choosing the most effective way to show specific facets of this nature, such as: the history of the company, the number of generations currently involved, the values that guide them, and their

---

[101] Orth U.R., Green M.T. (2009). Consumer loyalty to family versus non-family business: The roles of store image, trust and satisfaction. Journal of Retailing and Consumer Services, vol. 16, pp. 248–259.
[102] Cabigiosu A. (2020) An Overview of the Luxury Fashion Industry. Digitalization in the Luxury Fashion Industry.
[103] Binz C., Hair J.F., Pieper T.M., Baldauf A. (2013). Exploring the effect of distinct family firm reputation on consumers' preferences, Journal of Family Business Strategy, Vol. 4, Issue 1, pp. 3-11.

mission [104]. Some studies[105] argue that communicating these elements to consumers has a positive effect on the associations and judgements formed about the company. Moreover, emphasizing the legacy in marketing communication is a way for the company to differentiate itself in the eyes of consumers, providing a significant competitive advantage. In certain industries, such as the luxury sector, engaging in this type of communication, mainly based on emotional and value-driven factors, is essential as it helps consumers to create an even stronger bond with the brand. From these assumptions arises the last hypothesis that will be tested:

H4: *Family communication has a positive impact on the attitude that consumers develop toward family-owned luxury brands.*

The four hypotheses just defined break down the overall impact of the legacy on consumers of family-owned luxury brands. Thus, through their analysis, an appropriate response to the proposed research question will be sought.

4.3. Data Collection

4.3.1. Sample Design

The proposed quantitative research is based on data collection through the distribution of a survey questionnaire. The latter was designed and disseminated using the Qualtrix XM platform to 314 consumers, constituting a highly heterogeneous sample in terms of age, gender, income level, and education. The decision to employ a survey for data collection was made due to its effectiveness and speed in collecting a large volume of responses concerning consumer habits, opinions and behaviour. [106] For the questionnaire administration, was chosen a purposive sampling technique, a commonly used non-probabilistic technique in which the sample is selected on the basis of the judgement and convenience of the researcher.[107]

The survey consists of 29 closed-ended questions[108], each of which can be answered using a 5-point Likert scale, where 1 indicates “Strongly Disagree” and 5 is “Strongly Agree”. The chosen measurement scale is deemed in capturing the shades of perception and judgement of the respondents regarding the addressed topics. The questionnaire is structured with an introductory section about the demographic characteristics of the respondents, aimed at getting an insight about the demographic composition of the population. In this section,

---

[104] Binz Astrachan C., Prügl R., Hair J.F., Babin B.J. (2019). Marketing and branding in family business: Assessing the landscape and charting a path forward, Journal of Family Business Strategy, Vol. 10, Issue 1, pp. 3-7.
[105] I.C. Botero, C.B. Astrachan, A. Calabrò. (2018). A receiver’s approach to family business brands: Exploring individual associations with the term “family firm”, Journal of Family Business Management, 8 (2), pp. 94-112.
[106] Pozzo, M. I., Borgobello, A., and Pierella, M. P. (2019). Using questionnaires in research on universities: analysis of experiences from a situated perspective. REIRE Revista d’Innovació i Recerca en Educació, 12(2), pp. 1–16.
[107]Acharya A.S., Prakash A., Saxena P., Nigam A. (2013). Sampling: why and how of it? Indian journal of medical specialities, Vol.4(2), pp. 330-333.
[108] The completed questions of the questionnaire can be found in the appendix.

consumers are requested to provide information about their gender, age, income, level of education and whether or not they consider themselves as consumers of luxury products. The survey is divided into two mean parts. The first part consists of four sections of questions concerning family legacy, which investigate what will constitute the independent variables of the study. These sections specifically focus on:

- Length of family ownership (5) [109]
- Family reputation in the luxury market (3)
- Family involvement in the business (4)
- Emphasis of family legacy in the marketing communication of the brand (4)

In the second part of the questionnaire there are questions related consumer behaviour towards family-owned luxury brands. This part consists of two sections of questions that outline what will be considered the dependent variables of the study:

- Intention to purchase or repurchase (4)
- Loyalty to the brand (4)

4.3.2. Methodology

To address the research question and test the outlined hypotheses, once a sufficient number of questionnaire responses were obtained, it was decided to run two Ordinary Least Squares (OLS) regression models. Before explaining the models, it will be outlined which dependent, independent and control variables are employed within the models.

Dependent Variables

The research aims to analyses the impact of corporate legacy on the purchasing behaviour of consumers in family-owned luxury businesses. The decision was made to measure this favourable consumer attitude through the study of two distinct dependent variables: *intention to purchase* and *brand loyalty of consumers.*

The first variable was used to understand whether the legacy positively influences consumer purchasing habits. Specifically, it seeks to test whether the legacy of the company can be a factor that motivates consumers to be willing to pay a premium price to own a certain product and convinces them that the investment required, often significantly high, is worthwhile.

Through the second variable, the aim is to examine whether legacy has the capacity to influence the development of a loyalty attitude towards the brand and the company. This approach assesses whether the

[109] The number in parentheses indicates the count of questions in the questionnaire related to that specific topic.

legacy of a family-owned business is able to foster the creation of an emotional bond with its consumers, leading them to cultivate a sense of pride in using the products of the brand. Simultaneously, it prompts them to defend the company against potential criticism and negative reviews.

Independent Variables

Four independent variables were chosen to be consistent in both linear regression models, aiming to understand their impact on the intention to purchase and brand loyalty. These four variables are: *Length of Family Ownership, Family Reputation, Family Involvement* and *Family Communication.* Specifically, the aim is to examine whether the perception of these characteristics of family-owned businesses by consumers are factors capable of enhancing their emotional connection with the brand, increasing trust in the company, elevating the perceived level of product quality among consumers, and determining if they are considered key elements of the heritage of the company.

Control Variables

In the regression models, were included several control variables. The same set of control variables was chosen both for linear regression models. These control variables were determined based on the relevant literature regarding the *intention to purchase*[110] [111] and the *brand loyalty*[112]. They include gender, age, level of education, income, and whether or not the individual is a consumer of luxury brands (Figure 10).

---

[110] Daneshvary, R. and Schwer, R.K. (2000). The association endorsement and consumers' intention to purchase, Journal of Consumer Marketing, Vol. 17 No. 3, pp. 203-213
[111] Suzanne Amaro, Paulo Duarte. (2015). An integrative model of consumers' intentions to purchase travel online, Tourism Management, Vol. 46, pp. 64 -79.
[112] Konjkav Monfared, A., Mansouri, A. and Jalilian, N. (2021), "The influence of personality and social traits on the importance of brand design of luxury brands and brand loyalty", American Journal of Business, Vol. 36 No. 2, pp. 128-149.

Variable	Category
Gender	Woman
	Man
	Other
Age	< 20
	20-35
	35-45
	45-65
	> 65
Education	High School
	BSc
	MSc
	PhD
	Other
Income	< 15.000
	15.000 - 28.000
	28.000 - 55.000
	55.000 - 75.000
	> 75.000
Luxury Brands Consumers	Strongly Disagree
	Somewhat Disagree
	Neither Agree or Disagree
	Somewhat Agree
	Stongly Agree

Figure 10. Control Variables. Personal Elaboration

The two constructed OLS regression models describe two different relationships: in the first model the four independent variables are used to predict the dependent variable *Intention to Purchase*; in the second model thy are used for the dependent variable *Brand Loyalty*. The research aims to measure the favourable attitude that consumers develop towards family-owned luxury brands through the examination of the two dependent variables.

4.4. Results

4.4.1. Descriptive Analysis of the Sample

The research survey was distributed online via Qualtrix XM platform, and upon its conclusion, it reached a total of 314 participants. Before proceeding with the analysis of the research results, it is interesting to provide an overview of the demographic composition of the reached sample. Thus, the descriptive analysis of the sample aims to offer a simple summary of the demographic data of the population. The sample consists predominantly of female respondents, with women comprising over half of the total sample (60.9%). (Figure 11)

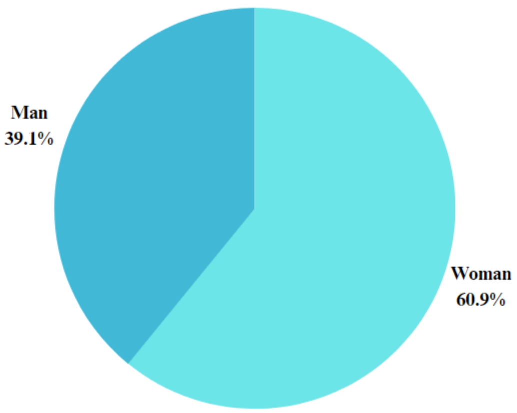

Figure 11. Gender of Respondents

The complete demographic description on the respondents is presented in the table below (Figure 12).

N = 314

Variable	Category	Frequency	Percentage
Gender	Woman	190	60.9%
	Man	122	39.1%
	Other	0	
Age	< 20	7	2.2%
	20-35	171	54.5%
	35-45	42	13.4%
	45-65	68	21.7%
	> 65	23	7.3%
Education	High School	43	13.7%
	BSc	114	36.3%
	MSc	142	45.2%
	PhD	10	3.2%
	Other	2	0.6%
Income	< 15.000	63	20.1%
	15.000 - 28.000	53	16.9%
	28.000 - 55.000	93	29.6%
	55.000 - 75.000	42	13.4%
	> 75.000	57	18.2%
Luxury Brands Consumers	Strongly Disagree	42	13.4%
	Somewhat Disagree	65	20.7%
	Neither Agree or Disagree	70	22.3%
	Somewhat Agree	99	31.5%
	Stongly Agree	34	10.8%

Figure 12. Sample's Demographic Characteristics. Personal Elaboration.

Analysing the age of the respondents, it can be observed that more than half of the participants (55%) fall within the age range of 20 to 35 years old, with the second most represented group being individuals aged between 45 and 65 years old (22%). Concerning the education level, the majority hold a Master's degree (46%), followed by those with a Bachelor's degree (37%). Regarding the income level, the highest percentage is represented by respondents with an average annual income between 28,000 and 55,000 euros (30%), while the second highest representation is among represented with an annual income below 15,000 (20%). Finally, respondents were asked if they considered themselves consumers of luxury brand products. Their preference was indicated using a 5-point Likert scale, where 1 indicates "Strongly Disagree" and 5 indicates "Strongly Agree". To this question, the majority of the population responded positively, with 43% falling between "Somewhat Agree" (32%) and "Strongly Agree" (11%). It is possible to conclude that the sample reached is quite heterogeneous in terms of the characteristics taken into consideration.

4.4.2. Correlation Matrix and Variance Inflation Factor (VIF) Test

To provide a better understanding of the OLS linear regression models that will be analysed in the following sections, it is useful to start the analysis by constructing a Correlation Matrix (Figure 13) among the considered variables. The correlation indices were obtained using the statistical software platform SPSS. To assess the linear correlation between the 10 independent, dependent and control variables, the Pearson correlation coefficient "r" was utilized. This index always falls within a range of values from -1 (perfect negative correlation) to +1 (perfect positive correlation). The closer the correlation index is to -1 or +1, the stronger the correlation between the two variables; the closer the number is to zero, the weaker the relationship. A correlation of zero indicates no correlation. The Pearson correlation is typically the most commonly used technique to estimate the existing relationship between two variables.

Variable		Lenght of Family Ownership	Family Reputation	Family Involvement	Family Communication	Intention to Purchase	Brand Loyalty	Age	Education	Income	Luxury Brands Consumers
Lenght of Family Ownership	Pearson Correlation	1									
	Pvalue										
Family Reputation	Pearson Correlation	0.600									
	Pvalue	<0.001									
Family Involvement	Pearson Correlation	0.683	0.642								
	Pvalue	<0.001	<0.001								
Family Communication	Pearson Correlation	0.666	0.692	0.730							
	Pvalue	<0.001	<0.001	<0.001							
Intention to Purchase	Pearson Correlation	0.619	0.563	0.618	0.652						
	Pvalue	<0.001	<0.001	<0.001	<0.001						
Brand Loyalty	Pearson Correlation	0.561	0.527	0.554	0.623	0.846					
	Pvalue	<0.001	<0.001	<0.001	<0.001	<0.001					
Age	Pearson Correlation	0.031	0.203	0.100	0.023	-0.139	-0.111				
	Pvalue	0.588	<0.001	0.079	0.684	0.015	0.051				
Education	Pearson Correlation	-0.117	-0.057	-0.134	-0.083	-0.168	-0.136	0.183			
	Pvalue	0.040	0.320	0.018	0.144	0.003	0.017	0.001			
Income	Pearson Correlation	0.088	0.152	0.072	0.128	0.111	0.142	0.315	0.225		
	Pvalue	0.125	0.007	0.208	0.026	0.053	0.013	<0.001	<0.001		
Luxury Brands Consumer	Pearson Correlation	0.393	0.361	0.258	0.387	0.580	0.628	-0.055	-0.035	0.284	1
	Pvalue	<0.001	<0.001	<0.001	<0.001	<0.001	<0.001	0.331	0.544	<0.001	

Figure 13. Correlation Matrix. SPSS Software

Examining the correlation matrix, the dependent variable *Intention to Purchase* shows correlation values that are quite similar and consistently positive with all four independent variables (*Length of Family Ownership, Family Reputation, Family Involvement* and *Family Communication*). These values range from a minimum value of 0.563 (*Family Reputation*) to a maximum value of 0.652 (*Family Communication*). Performing the same analysis with reference to the dependent variable *Brand Loyalty* yields a very similar outcome. The four independent variables show correlation values with *Brand Loyalty*, ranging from a minimum of 0.527 (*Family Reputation*) to a maximum of 0.623 (*Family Communication*). What it can be observed is that both dependent variables seem to have a slightly weaker correlation with *Family Reputation* and a slightly stronger correlation with *Family Communication*.

Moving forward, the correlation between the control variables and dependent variables can be examined. Taking into consideration the four control variables (A*ge, Education, Income* and *Luxury Brand Consumer*) and the dependent variable *Intention to Purchase*, it is evident that it is most strongly and positively correlated with being a *Luxury Brand Consumer* (0.580), as could be expected. The correlation with *Income* (0.111) is almost neutral, while the relationships with *Age* (-0.139) and *Education* (-0.168) are negative but not particularly significant. The slight negativity in the age factor can be attributed, as discussed in the first chapter, to the trend of the last few years where generation Z is more interested in the world of luxury and more inclined to purchase luxury goods compared to the previous generations. Performing the same analysis between the four control variables and the second dependent variable *Brand Loyalty*, it is possible to observe very similar results. This variable is more positively correlated with being a *Luxury Brand Consumer* (0.628), even slightly more with *Intention to Purchase.* The correlation with *Income* is positive but not highly significant, again almost neutral (0.142). There is a slightly negative correlation, similar to the *Intention to Purchase,* with *Age* (-0.111) and *Education* (-0.136).

The correlation matrix not only represents the relationships among the independent variables but also serves as a valuable tool for detecting potential issues of correlation, specifically multicollinearity, between the variables. Multicollinearity occurs when there is a very strong correlation between two variables, typically when the correlation coefficient is close to +1. However, from the correlation matrix, there does not seem to be a significant problem of this nature, as the correlation values among the independent variables are not particularly high. To ensure the absence of multicollinearity issues, it was conducted a Variance Inflation Factor (VIF) Test, generally used to measure the strength of correlation between independent variables in a regression analysis. A correlation between two independent variables near +1 will not add any predicting power to the regression, instead, increasing the bias due to another variable to consider in the process. The purpose of the VIF Test is to determine whether this issue can potentially exist or not. Generally, higher VIF values indicates less reliability of the outcomes of the regression model. Specifically, most of the literature[113] suggests that when the values of the VIF test exceeds 10, it is indicative of a multicollinearity issue. However, some more conservative studies[114] argue that a value surpassing 5 might raise concerns, while exceeding 10 is likely to signal a more serious problem for the regression model. The estimated values are visible in the table below. (Figure 14)

Variable	VIF Test
Lenght of Family Ownership	2,199
Family Reputation	2,231
Family Involvement	2,63
Legacy Communication	2,859
Age	1,248
Education	1,109
Income	1,281
Luxury Brands Consumers	1,402

Figure 14. VIF Test. SPSS Software

The values obtained in the VIF Test are quite low and in no case exceed either the thresholds of 5 or 10. Therefore, it can be concluded that there is no presence of significant multicollinearity problem among the variables used as inputs in the regression model.

4.4.3. Ordinary Least Squares (OLS) Regression Models

The statistical software SPSS was chosen to run the OLS Regression Models, which will be analysed in the following sections. The first model features *Intention to Purchase* as dependent variable, while the second features *Brand Loyalty*. The independent variables (*Length of Family Ownership, Family Reputation, Family Involvement* and *Family Communication*) and the control variables (*Age, Education, Income,* and *luxury Brand Consumer*) remain consistent in both regression models.

[113] Vittinghoff E. (2005). Regression Methods in Biostatistics: Linear, Logistic, Survival, and Repeated Measures Models. Springer.
[114] Menard S. (2001) Applied Logistic Regression Analysis. 2nd edition. SAGE Publications, Inc.

4.4.3.1. Model I: Intention to Purchase

The first constructed regression model aims to examine the impact of the defined independent and control variables on the dependent variable *Intention to Purchase*. (Figure 15)

Model	R	R-Squared	Adjusted R-Squared	Standard Error
I	,813[a]	0,66	0,651	0,57128

a. Predictors: (costant), Luxury Brands Consumer, Education, Age, Family Involvement, Income, Family Reputation, Lenght of Family Ownership, Legacy Communication

Figure 15. Model I: Intention to Purchase. SPSS Software

R-squared, that is the coefficient of determination, can be defined as "the proportion of variation of one variable (objective variable or response) explained by other variables (explanatory variables) in regression"[115]. R-squared values vary range from 0 to 1 and, generally, the higher the value, the greater the predictive power of the model. However, when this value is too close to 1, the model might become unrealistic, as it is impossible to predict a phenomenon with 100% certainty. As evident from the R-squared estimation, the regression appears to be quite good. In the analysed case, the R-squared value is 0.660, indicating that 66% of the dependent variable *Intention to Purchase* a family-owned luxury brand is explained by the variables that are included into the model. This includes the independent variables (*Length of Family Ownership, Family Reputation, Family Involvement* and *Family Communication*) and the control variables (*Age, Education, Income* and *Luxury Brands Consumer*).

To check the significance of the model and determine the feasibility of conducting a linear regression, an analysis of variance, or ANOVA test, was conducted using SPSS Software (Figure 16). This test is based on the utilization of F-statistic ratio, developed by Sir Ronald Fisher, in conjunction with the use of Pvalue.

---

[115] Kasuya E. (2018). On the use of r and r squared in correlation and regression. Ecological Research, Vol. 34, Issue 1, pp. 235-236.

ANOVA[a]

Model		Sum of Squares	DoF	Mean Square	F	Pvalue
I	Regression	186,567	8	23,321	71,458	<,001[b]
	Residual	95,949	294	0,326		
	Total	282,517	302			

a. Dipendent Variable: Intention to Purchase
b. Predictors: (costant), Luxury Brand Consumer, Education, Age, Family Involvement, Income, Family Reputation, Lenght of Family Ownership, Family Communication

Figure 16. ANOVA Test. SPSS Software

As can be observed from the results presented in the ANOVA test table, the variance built on the square of each variable is high, as indicated by a high F-statistic value (71.458). This result is also significant as expressed by the associated Pvalue (<0.001), which is less than 0.05, the alpha set as the threshold.

Once the significance of the model has been tested, based on these considerations, once can proceed with the analysis of the coefficients of the linear regression obtained using the SPSS software. (Figure 17)

Coefficients

Model		Not Standardized		Standardized	t	Pvalue
		B	Standard Error	Beta		
I	(Costant)	-0,359	0,241		-1,486	0,138
	Lenght of Family Ownership	0,183	0,058	0,159	3,146	0,002
	Family Reputation	0,224	0,072	0,157	3,101	0,002
	Family Involvement	0,358	0,071	0,276	5,012	<,001
	Family Communication	0,137	0,071	0,112	1,947	0,053
	Age	-0,161	0,035	-0,175	-4,616	<,001
	Education	-0,047	0,044	-0,038	-1,072	0,285
	Income	-0,002	0,027	-0,002	-0,06	0,952
	Luxury Brands Consumer	0,255	0,032	0,325	8,074	<,001

a. Dipendent Variable: Intention to Purchase

Figure 17. Linear Regression Coefficients. SPSS Software

Analysing the table, it can be observed that the independent variable *Length of Family Ownership* has a positive impact on the *Intention to Purchase,* with a beta coefficient of 0.159. It has a highly significant, as evidenced by its Pvalue (0.002).

Similarly, the independent variable *Family Reputation* also has a positive impact on the *Intention to Purchase*, with a positive beta coefficient of 0.157 and a consistent Pvalue of 0.002.

Moving forward, the independent variable *Family Involvement* also demonstrates a positive impact on the *Intention to Purchase* showing the highest beta (0.276) compared to the coefficients of the other variables. Also this result is statistical significant (Pvalue <0.001).

The last independent variable to be analysed is *Family Communication*, which represents the emphasis placed by the family business on legacy in marketing. In this case as well, there is a positive impact on *Intention to Purchase,* with a beta coefficient of 0.112. This is the lowest beta coefficient among the four variables. In this case, the Pvalue (0.053) slightly exceeds the threshold of 0.05 but can still considered as significant.

Having analysed the coefficients of the independent variables, it is possible to proceed by conducting the same analysis for the four control variables: *Age, Education, Income* and being a *Luxury Brands Consumer.*

The control variable *Age* has a negative impact on the *Intention to Purchase*, with a beta coefficient of -0.175. Nonetheless, it remains significant, as indicated by its Pvalue still below 0.05 (<0.001). This result was expected, considering the growing interest of Z-generation in the Luxury Sector. Completely different is the result obtained for the variable *Income*: the beta coefficient is non-significant (-0.002) and shows a zero predictive power (0.952). Looking at the matrix of correlations (Figures 13), it can be observed that there is a positive relationship (0.315) between *Income* and *Age*, which is consistent with the idea that an increase in age is associated with a higher salary. Analysing the regression results, while exists a negative relationship between *Age* and *Purchase Intention*, this relationship is independent for *Income*: a high level of income can correspond to both a positive purchase intention toward luxury brands and a negative one. This analysis shows that the greater economic capability to purchase luxury goods is not necessarily tied to the actual intention to purchase them. Regarding the consumer age, it results more closely tied to the perception of luxury brands rather than to actual economic means. This interpretation could make sense when considering that, in recent years, the average age of luxury brand purchasers has significantly decreased, with younger generations showing a particular interest in the luxury brands. As *Income*, the control variable *Education* also appears to have no impact on the purchase intention of consumers, recording a beta coefficient of -0.038, having a Pvalue of 0.285, still over the confidence level but more significant than *Income*. Finally, concerning the self-identification as a *Luxury Brands Consumer*, it can be observed a positive impact with a beta coefficient of 0.325 and a strong level of significance (<0.001). This finding is quite evident, as higher levels of this variable (4/5 on the Likert scale, indicating “Somewhat agree” and “Strongly Agree”) indicate that consumers already consider themselves to be consumers of luxury brands at the time of the response. Consequently, there will be a higher level of and intention to purchase.

4.4.3.2. Model II: Brand Loyalty

As previously mentioned, the purpose of this research is to study the impact of legacy on consumers behaviour in family-owned luxury businesses through the combination of the two dependent variables chosen for examination. Having now analysed the first model which focused on the dependent variable *Intention to Purchase*, it is now possible to continue by constructing a second model (Figure 18), analogous to the previous one, focus on the dependent variable *Brand Loyalty*. The independent and control variables remain the same used in the previous model.

Model	R	R-Squared	Adjusted R-Squared	Standard Error
II	,781[a]	0,611	0,6	0,69502

a. Predictors: (costant), Luxury Brands Consumer, Education, Age, Family Involvement, Income, Family Reputation, Lenght of Family Ownership, Legacy Communication

Figure 18. Model II: Brand Loyalty. SPSS Software.

In this case as well, it can be seen from the estimate of the R-Squared value, the model appears to be good. Indeed, the R-Squared is 0.611, slightly lower than the previous model where it was 0.660, but nevertheless indicating that 61% of the dependent variable *Brand loyalty* is explained by the chosen independent and control variables. The R-Squared value again indicates that the constructed model is satisfactory.

Once again, the significance of the model was tested by conducting an ANOVA test to determine the feasibility of performing a linear regression. (Figure 19)

ANOVA[a]

Model		Sum of Squares	DoF	Mean Square	F	Pvalue
II	Regression	222,049	8	27,756	57,459	<,001[b]
	Residual	141,536	293	0,483		
	Total	363,585	301			

a. Dipendent Variable: Brand Loyalty
b. Predictors: (costant), Luxury Brand Consumer, Education, Age, Family Involvement, Income, Family Reputation, Lenght of Family Ownership, Family Communication

Figure 19. ANOVA Test. SPSS Software

It can be observed from the results presented in the ANOVA test table that the variances of the population variables can be considered significant. This is evident due to the high value of the F-statistic (57.459), lower than previous model (71.458), and the associated Pvalue (<0.001), which is below the alpha of 0.05.

Having determined the significance of the model, based on these findings, the analysis will proceed with the study of the coefficients in the linear regression. These coefficients are obtained using the SPSS software, as in the previous case. (Figure 20)

Coefficients

Model		Not Standardized		Standardized	t	Pvalue
		B	Standard Error	Beta		
II	(Costant)	-0,867	0,294		-2,954	0,003
	Lenght of Family Ownership	0,097	0,071	0,074	1,368	0,172
	Family Reputation	0,181	0,088	0,112	2,065	0,04
	Family Involvement	0,323	0,087	0,22	3,712	<,001
	Family Communication	0,235	0,086	0,169	2,738	0,007
	Age	-0,14	0,042	-0,134	-3,3	0,001
	Education	-0,048	0,054	-0,035	-0,903	0,367
	Income	0,004	0,033	0,005	0,122	0,903
	Luxury Brands Consumer	0,371	0,038	0,416	9,63	<,001

a. Dipendent Variable: Brand Loyalty

Figure 20. Linear Regression Coefficients. SPSS Software

Analysing the table, it can be observed that the independent variable *Length of Family Ownership* has a positive impact (Beta 0.074), but relatively low, on *Brand Loyalty*. This coefficient appears to be the lowest among the examined independent variables. In contrast to the first model, the Pvalue is greater than the predetermined alpha, with a Pvalue of 0.172.

The variable *Family Reputation* has a positive impact on the dependent variable with a beta coefficient of 0.112 with a Pvalue of 0.040.

Moving forward, the variable *Family Involvement* positively influences consumer *Brand Loyalty* reporting a beta coefficient of 0.220. This coefficient is the highest among the four analysed independent variables. Similarly, this data remains significant with a Pvalue below 0.001.

Finally, the emphasis placed on *Family Communication* also has a consistently positive impact on *Brand Loyalty* (Beta 0.169), with greater significance compared to the previous model, where a Pvalue was 0.053, whereas in the current model Pvalue is 0.007. This outcome seems to be a coherent result, as increased investment in communication by the company leads to a higher likelihood of establishing an emotional connection with consumers and thereby fostering brand loyalty.

Having analysed the coefficients of the independent variables, the same analysis can be conducted for the four control variables.

The control variable *Age*, as observed in the previous model, continues to exhibit a negative effect, albeit slightly more positive than in model I, on *Brand Loyalty,* with a beta coefficient of -0.134. The data remains statistically significant, with a recorded Pvalue of 0.001. The reason for this relationship is still assumed to be related to the idea that younger generations tend to have a greater interest in luxury brands and are more easily engaged in brand loyalty.

Similar to the previous model, the control variables *Education* and *Income* do not have a significant impact on *Brand Loyalty*. *Education* yields a negative beta coefficient of -0.035 and a Pvalue well above 0.05 (Pvalue 0.367), while *Income* records a neutral beta coefficient of 0.005. The Pvalue remains non-significant (0.903).

Finally, talking about the last control variable, *Luxury Brands Consumer,* which indicates whether the respondents to the questionnaire consider themselves consumers of luxury goods, it can be seen that this variable register the highest beta coefficient compared to the other control variables (Beta 0.416), maintaining a strong level of significance (Pvalue <0.001). It is possible that if a consumer identify himself as a luxury consumer, it is also more likely that he may also be regular customer of the same brand.

4.4.4 Hypothesis Testing

After the analysis of both models, I and II, the linear regressions showed that all four independent variables generally have a positive impact on both consumers *Intention to Purchase* and the *Brand Loyalty*. A summary of the obtained results can be seen in the table below. (Figure 21)

Specifically, the *Length of Family Ownership* has a positive impact in both models, but for Brand Loyalty it loses half of its predicting power (Beta I model 0.159; Beta II model 0.074). This analysis is also confirmed by the loss in significance obtained by the Pvalue of the Betas (Pvalue I Model 0.002; Pvalue Model II 0.172). The first research hypothesis (H1), which stated that *"The length of family ownership has a positive impact on the attitude consumers develop towards family-owned luxury brands"*, can be considered verified.

The *Family Reputation* variable has a positive and significant impact in both analysed models. Therefore, the second research hypothesis (H2), *Family reputation has a positive impact on the attitude consumers develop towards family-owned luxury brands,* can also be considered confirmed.

Regarding *Family Involvement,* this variable is one among the four that consistently shows the highest beta and the most significant result in both models. This confirms the third formulated hypotheses (H3): *Family involvement has a positive impact on the attitude that consumers develop towards family-owned luxury brands.*

Finally, *Family Communication* also register a positive impact in both models but in the first model has less predicting power and less significance of that value (Beta I 0.112; Pvalue 0.053) compared to the second (Beta II 0.169; Pvalue 0.007), making it the weakest variable among the four in the first model. Nevertheless, the fourth hypothesis (H4), *Family communication has a positive impact on the attitude consumers develop towards family-owned luxury brands*, can also be considered verified.

It can be concluded, observing the results obtained from the two regression models, that all four hypotheses formulated can be considered verified. Thus, the four variables have a real impact on consumer behaviour during the phases that characterize pre- and post-purchase. From this, it can be deduced that the family legacy, as an entity constituted by the dimensions analysed, plays a real role in influencing consumer behaviour towards family-owned luxury brands.

	Independent Variable	Dependent Variable	Beta	Pvalue
FAMILY LEGACY	**Lenght of Family Ownership (H1)**	Intention to Purchase	0.159	0.002
		Brand Loyalty	0.074	0.172
	Family Reputation (H2)	Intention to Purchase	0.157	0.002
		Brand Loyalty	0.112	0.04
	Family Involvement (H3)	Intention to Purchase	0.276	<.001
		Brand Loyalty	0.22	<.001
	Family Communication (H4)	Intention to Purchase	0.112	0.053
		Brand Loyalty	0.169	0.007

Figure 21. Results Summary. Personal Elaboration.

Regarding the control variables, the results between the two models are quite similar. *Age* has a significant negative impact, *Income* and *Education* do not appear to be relevant, and *Luxury Brand Consumer* consistently maintains a positive impact in both models.

4.5. Discussion and Conclusions

R.Q. What is the role of family legacy in the consumer behaviour towards family-owned luxury brands?

The research (R.Q.) intended to investigate the role of the family legacy in the consumer behaviour towards family-owned luxury brands. This role was studied through the analysis of four crucial characteristics typical of family-owned business: the length of family ownership, the reputation that the family built over the years, the family involvement in the business, and the emphasis that these types of companies place on their legacy in marketing communication. The research hypotheses were formulated to understand whether each of these features has a positive impact on the attitude that consumers develop towards family-owned luxury brands. Thus, length of family ownership, family reputation, family involvement and the communication were chosen as independent variables for the study. Each of these variables was studied in turn through their impact on two aspects of consumer behaviour, the intention to purchase and the brand loyalty, the dependent variables of the analysis. As seen, the analysis has revealed positive relationships among the different variables. From these results, it is possible to conclude that legacy is able to play a significant role in the purchasing decisions of consumers towards family-owned luxury brands. Consequently, legacy can be considered as one of the factors that luxury consumer considers when faced with the choice between a product from a family-owned firm and a non-family-owned firm. Legacy becomes part of their decision-making pattern.

From a theoretical perspective, as observed in the previous chapters, there is an extensive body of literature discussing the meaning of family firms, their specific distinguishing features from non-family firms, and the concept of "familiness". Similarly numerous are the studies on the concept of legacy, highlighting its particularly important role within the context of family firms and its transmission across generations. Equally, there are many studies, especially in marketing field, aimed to analyse consumer behaviour in the luxury market. These studies want to highlight the elements that can influence the decision-making pattern of consumers, with specific focus on intention to purchase and the development of brand loyalty. Before proceeding with the formulation of the research question, it was conducted an in-depth analysis of the relevant literature to establish a clear context where the research would take place and to provide it with a solid theoretical foundation. Therefore, the conducted research has its theoretical basis in the existing scientific literature, which is particularly rich and comprehensive. However, the literature largely neglects to focus on how legacy actually impacts the behaviour of luxury consumers and what mechanisms allow legacy to cross corporate boundaries and reach the consumer. The scientific contribution of this study aims to enhance the specificity of what has previously been said in the literature. To do so, it seemed appropriate to deconstruct the study of family legacy into an analysis of four aspects that are deemed most distinctive and influential in shaping consumer behaviour: the length of family ownership, the family reputation, the family involvement in the business, and the emphasis of family legacy in the marketing communication of the brand. Studying these aspects in the framework to family legacy, it is possible to analyse the topic going beyond the general concept of legacy. On one hand, it specified which features of family legacy hold greater relevance consumers purchasing decisions. On the other hand, it clarifies on what areas family businesses should focus on to effectively transfer their legacy beyond the organizational boundaries. Thus, dissecting family legacy through these four dimensions permit the study to add specificity to the topic in comparison to what had a been previously documented in the literature.

From a practical perspective, the research findings highlight several areas that companies should focus on to ensure that legacy plays an increasingly relevant role in consumer purchasing behaviour. The four studied dimensions impact intention to purchase and brand loyalty with varying degrees of strength. The research results indicate that there are certain dimensions of the legacy that are more beneficial for a company to focus on during the pre-purchase stage. These dimensions can be employed by the company to increase consumer intention to purchase. On the other hand, there are other aspects that the company should pay more attention to during the post-purchase stage to foster strong customer brand loyalty among costumers, encouraging them to repurchase the brand in the future and recommend it to friends and family. The company might be motivated to concentrate on the pre-purchase phase to boost the intention to purchase, thereby achieving a larger customers base and higher customer turnover. If this is the goal, it implies that the company must successfully incorporate legacy as one of the factors that consumers evaluate when collecting information to decide whether to buy a specific product or brand. According to the research findings, the legacy dimensions that most significantly influence consumer purchase intention within the context of family-owned luxury firms are the length of family ownership and the family reputation. The company must be able to convey these two characteristic dimensions of the family legacy to consumers. To emphasize its length of family ownership, the company can implement several strategies aimed at authentically and coherently communicating the long history behind the brand. An important factor could involve sharing anecdotes and family stories, emphasizing key events and challenges faced over the years by different generations. This approach humanizes the company and creates an image with which consumers might identify, because just like the company, each consumer has a family and a history that play an important role in shaping them into the person they are today. Such effort could be intensified by collecting testimonies not only from family members but also from past employees, providing thoughts that testify the history, growth and changes that the company undergone over the years.
A marketing strategy could involve incorporating historical elements into the company logos to immediately communicate the length of family ownership, such as the founding date. Alternatively, the company could decide to emphasize its history by organizing special events to commemorate significant company anniversaries. In the luxury sector, this could be manifested in the creation of special capsule collections[116] and reproductions of vintage models that have shaped the history of the brand. All these initiatives could serve

[116] A capsule collection is a limited-edition collection, typically made of fewer pieces compared to a regular collection, that draws inspiration from a specific theme.

as effective means to exploit the family legacy, capturing the attention of consumers and increasing the chances that they will decide to buy the brand.

In order to boost the intention to purchase of the costumers, the companies must nurture and convey their family reputation to the public. Reputation is a highly important factor for a company, as it shapes the judgements that consumers form about the company even before they actually come into contact with it. Thus, during the pre-purchase and information-gathering stage, reputation is an element that, even at an unconscious level, influences consumer choice. In family-owned businesses, as discussed in the previous chapters, the reputation is even more crucial, as it pertains not only to the company but also to the name of the family guiding it. Therefore, incorporating the "familiness" into the reputational aspect means trying to convey to consumers the transversal underlying values that currently guide both the spirit of the family and the company. This convergence increases an aura of familiarity around the company, engaging consumers on a more personal relationship and instilling trust in both consumers and stakeholders. Luxury family-owned enterprises can work to emphasize their reputation as multi-generational family-run companies, while simultaneously focusing on what this has entailed in terms of expertise. An approach could involve focusing on conveying the craftsmanship and product quality, emphasizing the idea that the brand concept stems from an idea born in the past, nurtured and carried forward across generations to culminate in what the consumer finds today on the store shelves. This approach contributes to build a reputation made of history, dedication, and enduring quality, becoming a factor that can play a significant role in the mind of the consumer during the pre-purchase phase, potentially motivating them to prefer the products of a family brand over a non-familial one. This intangible asset has the potential to impact the performance of the company and obtain a competitive advantage in the market.

In conclusion, the length of family firms and family reputation are two factors that companies should pay greater attention to if they want to significantly influence the intention to purchase of consumers. The goal is to position the legacy among the factors that consumers take into consideration and evaluate when determining whether to make a purchase from a family-owned luxury brand. This outcome holds significant relevance for luxury brands, especially considering that the purchasing behaviour of luxury consumers is more guided by emotions then on a rational search for information. Consequently, it can be said that the family legacy can be among the elements that contribute to evoke an emotional response in the consumer, leading them towards the purchase of the family-owned luxury brand.

Continuing with the analysis, the research findings show that the aspect that mostly impacts the post-purchase stage for consumers is family communication. Therefore, placing the emphasis of family legacy in the marketing communication of the brand is a factor that the company should emphasize during the post-purchase stage. The customer purchasing journey does not conclude with the product purchase: even after the actual purchase, the company must maintain contact with consumers. In the luxury sector, this is even more crucial, as the purchase of a luxury product is not driven by utility but by the emotion the brand is able to evoke in the consumer. Luxury consumers want to be cuddled and reassured even after the purchase, partly because they need to feel that the investment they made was good. In this sense, the presence of a strong family legacy behind that product can enhance the degree of security of the purchaser, providing a higher level of credibility and authenticity of the brand. Emphasizing the legacy in marketing communication also generates a greater degree of reliability in the brand, serving as a guarantee to consumers. Indeed, when the roots of a company are firmly established in a dedicated and passionate history, there is a high probability of continuity in the future as well. This can encourage a satisfied customer to repurchase the brand. Highlighting the family legacy through post-purchase marketing communication for a luxury company means trying to maintain contact with the customer even after the purchase has been made, in order to make the customers feel as unique as the product they acquired. This can be achieved by sending newsletters and personalized communications containing special insights about the brand and its values. Furthermore, the firm should consider inviting customers to participate in real or virtual events aimed at providing an in-depth overview of the brand, the family, and the product. Thus, by increasing the relevance of its family legacy through the marketing communication of the brand, the company wants to establish a bridge between itself and the consumers, fostering an enduring and high-quality relationship over time. Such strategy is aimed at increasing the customer retention of the company by cultivating customer loyalty and maintaining a high level of their satisfaction. This approach encourages consumers not only to make future purchases from the brand but also to recommend it to friends and relatives, attracting new customers to the brand. This also contributes to increase the Intentions to purchase among consumers who were previously unfamiliar with the brand.

The last factor to consider is the involvement of the family in the business. According to the results, this aspect impacts both the pre-purchase and post-purchase phases. This result is not surprising since this dimension can be considered as the most distinctive feature that distinguishes a family firm from a non-family one. Therefore, it is logic to believe that family involvement can be a significant element that plays a crucial role throughout the entire consumer decision-making process, from intention to purchase to the development of brand loyalty. Family members should take care to be actively engaged in the business and try to convey the added value of their presence to consumers. This aspect humanizes the company and contributes to the impression that consumers create in their minds. Family involvement can create a positive perception of the company, aiming to promote an image of continuity, tradition, intimacy, and familiarity leading the consumer to develop an attachment not only to the brand and product, but also to the individuals behind the brand. As previously mentioned, instilling successfully in the minds of consumers a positive and intimate perception of the company is fundamental to influence consumer purchasing behaviour, especially in the luxury sector, where emotions play an important role. Family involvement in the business plays a strategically significant role, as it can serve as a guarantee of continuity and quality. This happen because family members are much more motivated compared to mangers of non-family firms to keep high quality of their products and safeguard family reputation. This perception leads consumers to consider family involvement in the business as a reassuring factor that increases brand trust. Family involvement is an element that, on the one hand, becomes part of the reason for buying the product and, on the other hand, contributes to humanizing the company. This prompts consumers to create an emotional bond, which nurtures a sense of loyalty towards the brand.

In conclusion, the research findings show how the different dimensions through which legacy is analysed have differing impacts on luxury consumer purchase intention and brand loyalty. It can be observed that there is not a single dimension of legacy that predominates over the others, rather, it is the combined effect of these different dimensions that ensures the legacy plays an important role in purchasing decisions of luxury consumers. This becomes one of the factors consumers take into account when forming judgements about the company, subsequently serving as a catalyst in their decision to purchase the product. Legacy holds a very important position as an intangible asset within the context of family luxury businesses and it is a resource that necessitates a careful management for the company to extract a real benefit from it. The family legacy is a composite asset, as observed previously, and as such, the company must work to ensure that all its facets reach the consumer. If this happens the company will craft a unique image that is able to persist over time in the minds and hearts of consumers.

CONCLUSIONS

The research work addressed the issue of family legacy by analysing how it plays a relevant role in the context of family-owned luxury brands and how it can influence the behaviour of consumers.

Family businesses constitute the oldest type of company and, even today, they are highly prevalent and form a significant part of the global economy. These companies represent a unique fusion of business world and personal relationships typical of a family context. They possess peculiar characteristics, which can be summarized in the concept of "familiness", but these characteristics have been further explicated in the study through the family involvement, family reputation and the length of family ownership. These features define family firms as a distinct phenomenon in the industrial landscape, clearly distinguishing them from non-family firms. At the core of family firms lies a history of passion and tradition, a legacy carried forward from generation to generation by family members who commit themselves to preserve and transmit the values and objects set by the founder. However, the world of family businesses is not without its challenges. Issues related to succession can arise, which in the most extreme cases can lead to the extinction of the business. Furthermore, each generation finds itself facing the struggle of finding a delicate balance between preserving ties with the traditions of the past and at the same time keeping up with innovation and the challenges presented by the times. Frequently, the ability to respond to contemporary challenges lies in the balance between the wisdom of the past and the entrepreneurial vision of present-day heirs. Perhaps the most significant challenge for any family business is precisely the task of building a harmony between the present and the past that each generation must strive to preserve if the survival of the company is to be ensured.

Family-owned and managed businesses are widespread, but there are certain sectors in which they are particularly numerous, and this is notably the case within the luxury sector. This phenomenon occurs because the peculiar characteristics of family-owned and managed businesses align perfectly with the competitive dynamics of this industry. Specifically, the study analysed four key features that establish a point of convergence between luxury and family businesses: Continuity, Connection, Community and Command. The union of family tradition and the production of luxury goods creates an environment in which history, savoir-faire, and originality come together to craft a truly unique experience, offering consumers something more. This union gives the luxury brand an aura of intimacy and prestige that captivates the mind of the consumers. The acquisition of luxury products, as previously mentioned, is particularly driven by the emotions the brand can arouse rather than by the rationality and utility of the product. This connection pushes the consumer to seek an emotional connection with the brand, and in this context, the bond between family legacy and luxury production serves as an effective conduit.

In this context, legacy plays a fundamental role: it embodies the essence of family businesses, incorporates values, traditions, stories, best practices and principles that have guided generations over the years. Family legacy is an intangible and inimitable asset intrinsic to every activity and product of the company. Family luxury firms are not simply economic entities: they represent a history of dedication and passion, perpetually enriched and transmitted through generations. In many cases, this history is closely tied to the territory in which the company is located, becoming a reference point for the community in which it operates. The deep connection between family luxury firms and the territory is a fundamental component of the family legacy. This connection leads companies of this type to prefer the use of tools such as corporate foundations and corporate museums to convey their legacy. Moreover, this bond is closely linked to the strong commitment these firms demonstrate toward CSR activities, strengthening their presence within territory. In this context, legacy imparts originality to the company and its products, elevates the prestige of the brand linked to a family name with a well-established reputation, and foster a profound emotional bond cultivated over the years with clients and the community in which it operates. Consumers of luxury brands are influenced by the image of the company and what it represents, often guided in their purchasing decisions more by the idea and the emotions evoked by the brand than by rationality. In this context, family legacy can act as a shaping power behind the consumers purchasing choices.

These premises were the starting point for the research work that aimed to examine the role that legacy plays in the consumers purchasing decisions. A questionnaire was distributed to study the impact of legacy by breaking down family legacy into four dimensions: length of family ownership, family reputation, family involvement and family communication. Subsequently, the study proceeded to assess the influence of these four dimensions on consumers intention to purchase and brand loyalty. The findings demonstrates that the various aspects of legacy taken into consideration have a tangible impact on consumers. It is the combined effect of these dimensions that makes legacy a significant factor within the entire consumer decision-making process, from purchase intention to brand loyalty. If a company succeeds in conveying its legacy to consumers as an intrinsic element of the brand, it creates an intimate and deep bond. In this context, consumers, whose purchasing decisions are driven by their feelings, perceive the product as an authentic reflection of the history of the company itself. This process gives the consumer the sensation of not merely purchasing a material object, but rather acquiring a precious fragment of the unique legacy of the company, making the consumer feel as if themselves are a part of the history of the brand. The costumer will tend to cultivate a sense of pride and loyalty toward the family-owned luxury brand. This mechanism can lead the consumer to perceive that through their purchases they are actively contributing to preserve and enhance the legacy of the company, as if themselves were also part and extension of the family.

APPENDIX

QUESTIONNAIRE QUESTIONS

Introductive Questions

- Gender
- Age
- Level of instruction
- Income
- I consider myself as a consumer of luxury brands products.

Family Legacy

Length of family ownership

- The length of time that a family has owned a luxury brand is important to me when considering purchasing their products.
- Knowing that a luxury brand has been in the same family for multiple generations makes me develop a stronger connection with the brand.
- The fact that a luxury brand has been family-owned for a long time increases my trust in the brand.
- The length of family ownership is an important aspect of a luxury brand's heritage.
- The length of family ownership has an impact on the quality perception of its products.

Family reputation in the luxury market

- A family with a strong reputation in the luxury market is more likely to produce high-quality products.
- A luxury brand's family reputation is an important aspect of its heritage.
- I am more likely to trust and recommend luxury brands with a reputable family behind them.

Family involvement in the business

- I feel more connected to a luxury brand when I know that a family member is involved in the business.
- The family's involvement in the business makes me trust the brand more.
- The family's involvement in the business is an important aspect of the luxury brand's heritage.
- The family's involvement in the business ensures that the brand stays true to its values and traditions.

Emphasis of family legacy in the brand's marketing communication

- Seeing the family legacy emphasized in a luxury brand's marketing communication makes me feel more connected to the brand.
- I am more likely to trust a luxury brand that emphasizes its family legacy in its marketing communication.
- Seeing a luxury brand's family legacy emphasized in its marketing communication makes me more likely to recommend the brand to others.
- The emphasis on a family legacy in a luxury brand's marketing communication shows that the brand is committed to its traditions and values.

Consumer Behaviour Towards Family-Owned Luxury Brands

Intention to purchase or repurchase

- I am willing to pay a premium price for products from family-owned luxury brands.
- I am likely to repurchase products family-owned luxury brands in the future.
- I am convinced that products from family-owned luxury brands are worth the investment.
- I feel a sense of loyalty to family-owned luxury brands and their legacy.

Loyalty to the brand

- I consider myself a loyal customer of family-owned luxury brands.
- I always choose products from family-owned luxury brands over other luxury brands.
- I would be willing to defend family-owned luxury brands against criticism or negative reviews.
- I am proud to use or wear products from family-owned luxury brands and to be associated with their legacy.

BIBLIOGRAPHY

Acharya A.S., Prakash A., Saxena P., Nigam A. (2013). Sampling: why and how of it? Indian journal of medical specialities, Vol. 4(2), pp. 330-333.

Ahmad S., Omar R., Quoquab F. (2019). Corporate Sustainable Longevity: Scale Development and Validation. SAGE Open, Vol. 9 No. 1, pp. 1-19.

Ahmed S., Omar S., Quoquab F. (2021). Family firms' sustainable longevity: the role of family involvement in business and innovation capability. Journal of Family Business Management. Vol. 1, No. 1, pp. 86-106

Albert, S., & Whetten, D. A. (1985). Organizational identity. Research in Organizational Behavior, JAI Press, Vol. 7, pp. 263–295.

Allérès D. (1996). Luxe, stratégies-marketing. Economica. Paris.

Antonelli C. (1997). The economics of path-dependence in industrial organization. International Journal of Industrial Organization Vol. 15, pp. 643-675

Arnould E., Commuri S. (2006). Living Legacies: Exploring Influences on Family Consumption Behavior. Advances in Consumer Research Vol. 33, pp. 82-86.

Astrachan C.B., Botero I., Astrachan J.H., Prügl R. (2018). Branding the family firm: A review, integrative framework proposal, and research agenda, Journal of Family Business Strategy, Vol. 9, Issue 1, pp. 3-15.

Balmer J., Greyser S., Urde M. (2007). Corporate brands with a heritage. Bradford University School of Management Working Paper Series. Vol. 07.

Bannò M., Pisano V. (2017). Le strategie d'internazionalizzazione delle imprese familiari italiane. G. Giappichelli Editore, cap. 1, pp. 1-20.

Bannò M., Pisano V. (2017). Le strategie d'internazionalizzazione delle imprese familiari italiane. G.Giappichelli Editore. Chap. 1, pp. 1-20.

Banyan Global Advisory. (2021). Family Business Pulse and Response to the Pandemic.

Bargoni A., Kliestik T., Jabeen F., Santoro G. (2023) Family firms' characteristics and consumer behaviour: An enquiry into millennials' purchase intention in the online channel, Journal of Business Research, Vol.156.

Baron J., Lachenauer R, (2021). Do Most Family Businesses Really Fail by the Third Generation? Family business, Harvard Business Review.

Bergfeld A.F., Bergfeld M.M. (2022). Next-generation entrepreneurial identity in family business systems: The influence of role changing events on the understanding of legacy, individual identity, and transgenerational entrepreneurship of next-generation family business principals. Thunderbird international Business review, pp. 1-10

Besanko D.A., Braeutigam R.R., Cipriani G.P., Coccorese P., Ottone S. (2016). Microeconomia. McGraw-Hill Education.

Binz Astrachan C., Prügl R., Hair J.F., Babin B.J. (2019). Marketing and branding in family business: Assessing the landscape and charting a path forward, Journal of Family Business Strategy, Vol. 10, Issue 1, pp. 3-7.

Binz C., Hair J.F., Pieper T.M., Baldauf A. (2013). Exploring the effect of distinct family firm reputation on consumers' preferences, Journal of Family Business Strategy, Vol. 4, Issue 1, pp. 3-11.

Block J.H, Wagner M. (2014). The Effect of Family Ownership on Different Dimensions of Corporate Social Responsibility: Evidence from Large US Firms. Business strategy and environment. Vol. 23, issue 7, pp. 475-492.

Blombäck, A. and Brunninge, O. (2013), "The dual opening to brand heritage in family businesses", Corporate Communications: An International Journal, Vol. 18 No. 3, pp. 327-346.

Bonti M. (2014). The corporate museums and their social function: some evidence from Italy. European Scientific Journal November, special edition Vol.1

Botero I.C, Litchfield-Moore S.R. (2021). Customer perceptions about family firms and their effects on customer behaviors. Journal of Small Business Strategy, Vol. 31, N. 02, p. 19-35.

Botero I.C., Astrachan C.B., Calabrò A. (2018). A receiver's approach to family business brands: Exploring individual associations with the term "family firm", Journal of Family Business Management, 8 (2), pp. 94-112.

Burghausen M, Balmer J. (2015). Corporate heritage identity stewardship: A corporate marketing perspective, European Journal Of Marketing, Vol. 49. pp. 22-61.

Cabigiosu A. (2020) An Overview of the Luxury Fashion Industry. Digitalization in the Luxury Fashion Industry.

Carcano L., Ceppi C. (2010). Time to change. 1st edition, Egea. Milan.

Carcano L., Corbetta., Minichilli A. (2011). Why luxury firms are often family firms? Family identity, symbolic capital and value creation in luxury-related industries. Universia Business Review, pp. 41-43.

Chirico F., Bau' M. (2014). Is the Family an "Asset" or "Liability" for Firm Performance? The Moderating Role of Environmental Dynamism, Journal of Small Business Management, 52:2, pp. 210-225.

Chua J.H., Chrisman J.J., Sharma P. (1999). Defining the family business by behaviour. Enterpreneurship theory and practice, Vol. 23, Issue 4, pp. 19-39

Cucinelli B. (2018). Il sogno di Solomeo: la mia vita e l'idea del capitalismo umanistico. Feltrinelli editore.

D' Arpezio C., Levato F. (2022). Leap of Luxury Renaissance in Uncertainty Figures, trends and actions. Bain - Altagamma Luxury Goods Worldwide Market Study.

D' Arpizio C., Levato F., Prete F. (2023). Renaissance in Uncertainty: Luxury Builds on Its Rebound. Bain - Altagamma Luxury Goods Worldwide Market Study.

Daneshvary, R. and Schwer, R.K. (2000), "The association endorsement and consumers' intention to purchase", Journal of Consumer Marketing, Vol. 17 No. 3, pp. 203-213.

Davis J.H. (2022). Wrestling with Legacy in a Family Business. Harvard business review

De Leaniz P., del Bosque Rodríguez I. (2016). Corporate Image and Reputation as Drivers of Customer Loyalty. Corp Reputation Rev 19, pp. 166–178.

Debicki B.J., Kellermanns F.W., Chrisman J.J., Pearson A.W., Spencer B.A. (2016) Development of a socioemotional wealth importance (SEWi) scale for family firm research,Journal of Family Business Strategy, Vol. 7, Issue 1, pp. 47-57.

Donnelley R.G. (1988). The family Business. Family Business Review. Vol. I, No. 4, pp. 427- 445

Dubois B., Laurent G., Czellar S. (2001). Consumer rapport to luxury: Analyzing complex and ambivalent attitudes. Consumer research working paper no. 736, HEC, Jouy-en-Josas, France.

Edelman Trust Institute. (2023). Edelman trust barometer: Global report.
Edelman Trust Institute. (2023). Edelman trust barometer: Italy report.

Faccioli G., Martin K. (2022) Global Powers of Luxury Goods 2022. A new wave of enthusiasm in luxury. Report by Deloitte.

Faccioli G., Martin K. (2022). Global powers of the luxury Goods 2022: a new wave of enthusiasm in luxury. Report by Deloitte

Fombrun, C. and Shanley, M. (1990) 'What's in a name? Reputation building and corporate strategy', Academy of Management Journal, Vol. 33 (2), pp. 233–258.

Fox M., Tost L.P., Wade-Benzoni K.A. (2010). The legacy motive: a catalyst for sustainable decision making in organizations". Business Ethics Quarterly, pp. 153-185.

Garcia-Castro R., Aguilera R. V. (2014). Family involvement in business and financial performance: A set-theoretic cross-national inquiry, Journal of Family Business Strategy, Vol. 5, Issue 1, pp. 85-96

Ghadoliya M.K. (2020). Family Business.

Gómez-Mejía L. R., Haynes K.T., Núñez-Nickel M., Jacobson K. J. L., Moyano-Fuentes J. (2007). Socioemotional Wealth and Business Risks in Family-controlled Firms: Evidence from Spanish Olive Oil Mills. Administrative Science Quarterly, 52(1), pp. 106–137.

Habbershon T.G., Williams M.L. (1999). A Resource-Based Framework for Assessing the Strategic Advantages of Family Firms. Family business review, vol. XII, no. 1.

Halwani L. (2019), Making sense of heritage luxury brands: consumer perceptions across different age groups, Qualitative Market Research, Vol. 22 No. 3, pp. 301-324.

Hammond N.L., Pearson A.W., Holt D.T. (2016). The Quagmire of Legacy in Family Firms: Definition and Implications of Family and Family Firm Legacy Orientations. Entrepreneurship Theory and Practice. Vol. 40, pp. 1209-1231.

Han Y.J., Nunes J.C., Drèze X. (2010) Signalling Status with Luxury Goods: The Role of Brand Prominence. Journal Of marketing, Vol. 74, July 2010, pp. 15-30.

Hazan J., Willersdorf S., Bianchi F., Fassenot B. (2022). Luxury Outlook 2022 Report. Advancing as a responsible pioneer Rarity, sustainability, exclusivity, new experiences, and new territories. BCG and Comitè Colbert.

Holl E.H., Jooh L. (2014). Assessing the Impact of Firm Reputation on Performance: An International Point of View. International Business Research. Vol. 7.

Husain R., Ahmad A., Khan B.N. (2022). The impact of brand equity, status consumption, and brand trust on purchase intention of luxury brands. Cogent Business & Management.Vol.9.

Iannone F., Izzo F. (2016). Salvatore Ferragamo: an Italian heritage brand and its museum. Place branding and public diplomacy, vol. 13, 2, p.163-175.

James A., Samara G., Calabrò A., McGinness T., Coelho J., Rimoldi S. (2021). The enduring legacy of business family. Uniting business purpose and family business. KPMG January report.

Kasuya E. (2018). On the use of r and r squared in correlation and regression. Ecological Research, Vol. 34, Issue 1, pp. 235-236.

Keller K., Kotler P. (2016) Marketing Management. Pearson, 15th edition, pp. 398-400.

Keller, K. (2009) Managing the growth trade-off: Challenges and opportunities in luxury branding. J Brand Manag 16, pp. 290–301.

Kenyon-Rouvinez D., Ward J. L. (2014). Family Business: Key Issues. Palgrave Macmillan Editor.

Konjkav Monfared, A., Mansouri, A. and Jalilian, N. (2021), "The influence of personality and social traits on the importance of brand design of luxury brands and brand loyalty", American Journal of Business, Vol. 36 No. 2, pp. 128-149.

Lakhdar K., Lindblad F. (2022). Translating trust into business reality. Strategy + Business, PWC publication

Manelli L., Magrelli V., Kotler J., Petruzzelli A.M., Frattini F. (2023). Building an outward- orientated social family legacy: Rethorical History in family business foundation. Family Business Review, pp. 1-26.

Menard S. (2001) Applied Logistic Regression Analysis. 2nd edition. SAGE Publications, Inc.

Menyah, K. (2013). Stewardship Theory. In: Idowu, S.O., Capaldi, N., Zu, L., Gupta, A.D. (eds) Encyclopaedia of Corporate Social Responsibility. Springer, Berlin, Heidelberg.

Miller D., Le Breton- Miller I. (2005). Managing for the long run. Lessons in Competitive advantage from great family business. Harvard Business School Press, Boston.

Miller D., Steier L., Le Breton-Miller I. (2003) Lost in time: intergenerational succession, change, and failure in family business. Journal of Business Venturing. Vol. 18, Issue 4, pp. 513-531.

Motoc A. (2019). Family business image and reputation. A model of the influencing factors, actions and effects. Management dynamics in the knowledge economy. Vol.7, no.4, pp. 503-519.

Nahapiet J., Ghoshal S. (1998). Social Capital, Intellectual Capital, and the Organizational Advantage. The Academy of Management Review, 23(2), pp.242–266.

O'Hara W.T., Mandel P., Gunasti J. (2003). The world's oldest family companies: One hundred lessons in endurance from 17 countries. Family business, The guide for family companies.

Orth U.R., Green M.T. (2009). Consumer loyalty to family versus non-family business: The roles of store image, trust and satisfaction. Journal of Retailing and Consumer Services, vol. 16, pp. 248–259.

Pearson A.W., Carr J.C., Shaw J.C. (2008). Toward a Theory of Familiness: A Social Capital Perspective. Entrepreneurship Theory and Practice, 32(6), pp. 949–969.

Poza J.P. (2010). Family business. South-Western, Cengage Learning. Third edition.

Pozzo M.I., Borgobello A., Pierella M.P. (2019). Using questionnaires in research on universities: analysis of experiences from a situated perspective. REIRE Revista d'Innovació i Recerca en Educació, 12(2), pp. 1–16.

PWC. (2023). Transform to build trust. PwC's 11th Global Family Business Survey.

Sageder M., Mitter C., Feldbauer-Durstmüller B. (2018). Image and reputation of family firms: a systematic literature review of the state of research. Rev Manag Sci 12, pp. 335–377.

Sivanathan N., Pettit N.C. (2010). Protecting the self through consumption: Status goods as affirmation commodities. Journal of Experimental Social Psychology, 43(3) pp. 564-570.

Snyder C.R., Fromkin H. (1977). Abnormality as a positive characteristic: development of a scale measuring need for uniqueness. Journal of Abnormal Psychology, 86(5), pp. 518-527.

Stinchcombe A.L. (1965) Social Structure and Organizations. Ed. Handbook of Organizations, Rand McNally, Chicago, pp. 142-193.

Stock C., Pütz L., Schell S., Werner A. (2023). Corporate Social Responsibility in Family Firms: Status and Future Directions of a Research Field. J Bus Ethics.

Suddaby R., Foster W.M., Trank C.Q. (2010). Rhetorical history as a source of competitive advantage. Advances in Strategic Management. Vol. 27, pp. 147-173.

Suddaby R., Israelsen T., Mitchell J.R., Lim D.S.K. (2023). Entrepreneurial Visions as Rhetorical History: A Diegetic Narrative Model of Stakeholder Enrolment. Academy of Management Review. Vol. 48 Issue 2, pp. 220-243.

Suzanne Amaro, Paulo Duarte. (2015). An integrative model of consumers' intentions to purchase travel online, Tourism Management, Vol. 46, pp. 64-79.

Tan Q., Liu Z., Geng P. (2021) Family involvement, family member composition and firm innovation. China journal of accounting research, Vol.14, pp. 43-61.

Truong Y. (2010) Personal aspirations and the consumption of luxury goods. International Journal of Market Research. Vol. 52 No. 5, pp.655-673.

Tunali S. (2016) Study on the effect of luxury brand during the social identity projection of individuals. The Turkish Online Journal of Design, Art and Communication. Vol. 6, Issue 3

Veblen, T.B. (1899), The Theory of the Leisure Class: An Economic Study in the Evolution of Institutions, New York, NY, USA: Macmillan

Vigneron F., Johnson L.W. (1999). "A Review and a Conceptual Framework of Prestige-Seeking Consumer Behavior ", Academy of Marketing Science Review, 1999 (1), pp. 1-15.

Vittinghoff E. (2005). Regression Methods in Biostatistics: Linear, Logistic, Survival, and Repeated Measures Models. Springer.

Ward J.L. (2011). Keeping the family business healthy: How to plan for continuing growth, profitability, and family leadership. A family business publication.

Whetten D.A., Dyer W.G. (2006). Family Firms and Social Responsibility: Preliminary Evidence from the S&P 500. Entrepreneurship Theory and Practice. Vol.30, pp. 785 - 802.

Wintermeir N., Fonteijin J., Oberstadt P. (2022) The state of luxury: Luxury consumer trends, segments, and the psychology behind their decisions. Crobox Report.

Zaharia, R. (2015). Psychology of Luxury Goods Consumer. International Conference on Marketing and Business Development Journal (I)1, pp. 200-208.

WEBOGRAPHY

Brunello e Federica Cucinelli Foundation.
URL: https://www.brunellocucinelli.com/it/the-cucinelli-foundation.html

Corporate Heritage Awards.
URL: https://www.corporateheritageawards.it/

Edelman S.r.l. Edelman Trust Barometer.
URL: https://www.edelman.com/trust/trust-barometer

European Commission. Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs. Family business.
URL: https://single-market-economy.ec.europa.eu/smes/supporting-entrepreneurship/family-business_en

Family Business Network.
URL: https://www.fbn-i.org/about-us

Ferragamo Foundation.
URL: https://fondazione.ferragamo.com/

Ferragamo Museum.
URL: https://museo.ferragamo.com/en/museum-s-story

KPMG. Family business: l'approccio di KPMG ai business familiari.
URL: https://kpmg.com/it/it/home/insights/2021/03/family-business.html

KPMG. Global Family Business Report: Il potere rigenerativo delle imprese familiari.
URL: https://kpmg.com/it/it/home/insights/2022/05/global-family-business-report.html

Tod's Group.
URL: https://www.todsgroup.com/it

Zegna Foundation.
URL: https://www.fondazionezegna.org/en/about-us/

Zegna Group.
URL: https://www.zegnagroup.com/it/