Keeping it in the Family: Firm Ownership in the Luxury Sector

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Abstract

This dissertation explores how ownership structure shapes long-term success in the luxury sector at a time of growing consolidation. As global luxury conglomerates expand through acquisitions and scale, a smaller number of family-owned maisons continue to operate independently, relying on heritage, identity, and long-term governance. While consolidation offers clear advantages in terms of resources and operational resilience, it also raises concerns about creative autonomy, cultural authenticity, and strategic independence.

The study employed a mixed-methods approach, combining twelve semi-structured interviews with experts from the luxury, investment, creative, and consulting sectors with a consumer perception survey. Rather than assessing success through short-term financial performance, the research examined long-term success linked with the ability to preserve symbolic legitimacy, strategic autonomy, and adaptive capacity across economic cycles. Quantitative analyses were used illustratively to identify perceptual patterns rather than to establish causal relationships.

The findings suggested that family ownership supports strong cultural coherence, long-term orientation, and stewardship of symbolic capital, but is constrained by limited scale and capability gaps. In contrast, conglomerate ownership provides professionalization, infrastructural strength, and crisis resilience, while potentially weakening creative continuity and cultural depth.

Overall, the study highlighted ownership as a strategic governance mechanism that influences how luxury firms balance identity, capability development, and resilience. It offers practical insights for owners, managers, and policymakers evaluating whether independence can remain a sustainable strategic asset in an increasingly consolidated luxury industry.

Keywords: Luxury sector, Family Ownership, Symbolic Capital, Corporate Governance, Industry Consolidation, Long-term Success

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Resumo

Esta dissertação analisa de que forma a estrutura de propriedade influencia o sucesso de longo prazo no setor do luxo num contexto de crescente consolidação. À medida que conglomerados globais expandem a sua presença através de aquisições e economias de escala, um número reduzido de maisons familiares mantém-se independente, apoiando-se na herança, na identidade e numa governação orientada para o longo prazo. Embora a consolidação ofereça vantagens claras em termos de recursos e resiliência operacional, levanta também desafios relacionados com a autonomia criativa, a autenticidade cultural e a independência estratégica.

O estudo adota uma abordagem de métodos mistos, combinando entrevistas semiestruturadas com especialistas do setor do luxo com um inquérito sobre perceções dos consumidores. Em vez de avaliar o sucesso com base no desempenho financeiro de curto prazo, a investigação assume uma perspetiva interpretativa, definindo o sucesso de longo prazo como a capacidade de preservar legitimidade simbólica, autonomia estratégica e capacidade de adaptação ao longo do tempo. A análise quantitativa é utilizada de forma ilustrativa, com o objetivo de identificar padrões de perceção, e não relações causais.

Os resultados indicam que a propriedade familiar favorece a coerência cultural, a orientação de longo prazo e a gestão do capital simbólico, embora seja limitada por menor escala e lacunas de capacidades. Em contraste, a propriedade por conglomerados proporciona profissionalização, robustez infraestrutural e maior resiliência em períodos de crise, podendo comprometer a continuidade criativa e a profundidade cultural.

Palavras-chave: Setor do luxo; Propriedade familiar; Capital simbólico; Governação corporativa; Consolidação industrial; Sucesso de longo prazo

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List of Abbreviations

AI	Artificial Intelligence
AT	Agency Theory
BoF	*The Business of Fashion*
BCG	Boston Consulting Group
CRM	Customer Relationship Management
CSR	Corporate Social Responsibility
DC	Dynamic Capabilities
ESG	Environmental, Social, and Governance
EU	European Union
F-PEC	Family–Power, Experience, Culture Scale
GDP	Gross Domestic Product
IO	Industrial Organization
KPI	Key Performance Indicator
M&A	Mergers and Acquisitions
OLS	Ordinary Least Squares
PCA	Perceived Competitive Advantage
RBV / RBT	Resource-Based View / Resource-Based Theory
R&D	Research and Development
SC	Symbolic Capital
SEW	Socioemotional Wealth
SME	Small and Medium-sized Enterprise
UHNWI	Ultra High Net Worth Individual
VRIO	Valuable, Rare, Inimitable, Organized

1. Introduction

Beyond simply products, luxury signals status, wealth, and culture. The personal luxury segment generated €369 billion in 2024 (Bain & Company, 2025), and was resilient during recent economic downturns (Bain & Company, 2025). But, for the first time since the outbreak of COVID-19 (and in fifteen years), structural problems in the sector have become evident.

While major corporate entities (LVMH, Kering, Richemont) continue increasing global market share through large-scale acquisitions (Deloitte, 2023), a smaller number of family-owned companies (Hermès, Chanel, Puig) have managed to maintain financial independence by remaining tightly controlled (Deloitte, 2023). Thus, conglomerates thrive from reliance upon scale whereas family-owned companies resist consolidation.

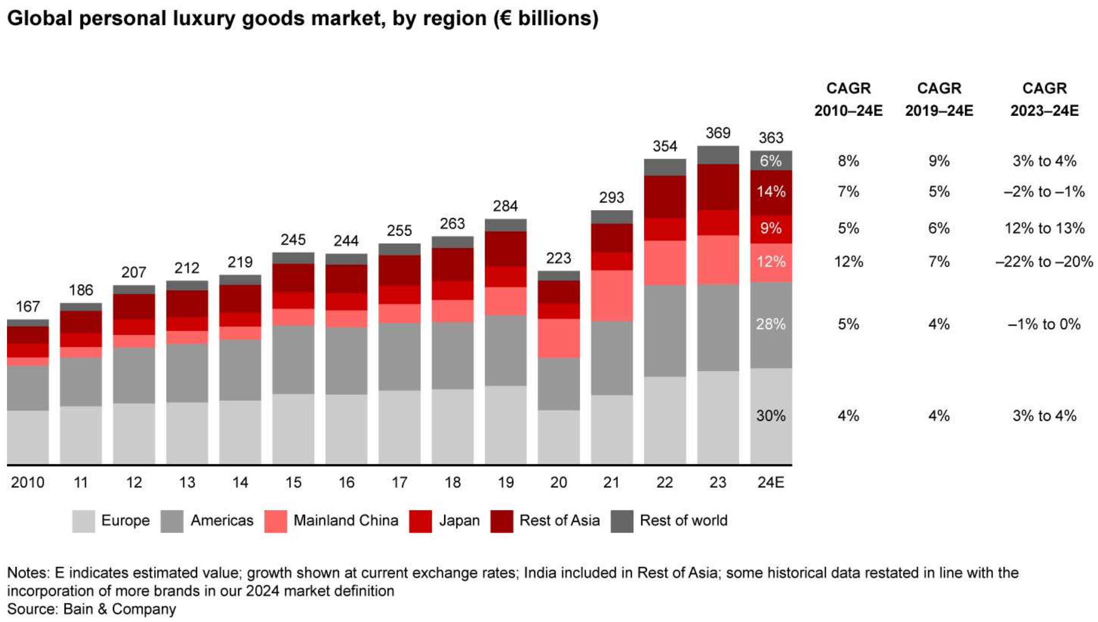

Figure 1: Global Personal Luxury Goods Market, by Region (Bain-Altagamma Luxury Goods Worldwide Market Study, 2024)

Ownership structures of luxury firms create different risks and vulnerabilities for each type of firm. Large corporations usually have more resources. However, while size creates opportunities it also risks over-expansion, brand devaluation, and excessive reliance on acquisitions for growth (Deloitte, 2023; Boccia & Sarnacchiaro, 2020). In addition, cultural trends and consumer expectations tend to change faster than large corporations can react (Kapferer & Valette-Florence, 2018).

Alternatively, despite their independence, family firms face limited access to capital markets, succession issues, and may be hesitant to incorporate professional practices which reduces the ability to act strategically (Camisón-Zornoza, 2020; Rana, 2023). Additionally, reliance on heritage as an asset may impede their ability to innovate (De Massis, Frattini, & Quilico, 2016; Miller & Le Breton-Miller, 2005). Consequently, neither of the two ownership models provides a guarantee of success; each has structural limitations that may hamper long-term viability if not addressed.

The future of luxury may depend upon allowing independence within a consolidating industry. If large corporate entities continue to swallow up smaller firms, market concentration may transform luxury from cultural and artistic products to financialized revenue models based solely on scale (McKinsey & Company & The Business of Fashion, 2024; Bochańczyk-Kupka, 2022). However, if family-owned companies can continue to achieve success, this would point to how authentic legacy brands can compete with large luxury conglomerates (Campa, 2018; Pierni, Montagna, & Maggi, 2022). Ultimately, these dilemmas may determine the direction and future of luxury.

The research question of this thesis is: **How does family ownership affect the long-term luxury firm success in a period of consolidation?**

Long-term success is defined as sustained ability to preserve symbolic legitimacy, strategic autonomy, and adaptive capacity across economic cycles, rather than short-term financial outperformance.

This study utilized a comparative case method to evaluate ownership effects of ownership structures. Secondary data (market studies, industry analyses) were used to examine differences and interpretative frameworks from the disciplines of governance and strategic management were employed to understand the long-term viability.

This research has two major implications. From an academic perspective, it adds to the strategy literature by conceptualizing ownership not simply as a structural attribute, but as a tool for shaping risk, resilience, and competitiveness within a symbolically intense environment. The findings are useful for managers, investors, and policy makers seeking to determine if independence can function as a strategic asset in luxury or whether the logic of scale and consolidation determines long-term viability.

2. Literature Review

2.1 Conceptual Framework of Competitive Advantage

To frame family ownership in luxury implicates five conceptual lenses appear relevant: Industrial Organization (IO), Resource-Based Theory (RBT), Dynamic Capabilities (DC), Socioemotional Wealth (SEW), and Symbolic Capital (SC). Together, they help unpack how family ownership may lead to a form of resilience through a mix of structural positioning, adaptability, emotional logic, and cultural legitimacy.

2.1.1 Industrial Organization and External Positioning

Porter (1980, 1985) explains firm performance in terms of a firm’s ability to manage exogenous forces, such as industry structure, competitive positioning, entry barriers, and supplier power. This traditional IO logic provides insight into how large-scale conglomerates use size to manage exogeneities, but offers limited insight into cultural aspects of the luxury market. Luxury does not function like rational, price-based markets; rather it depends upon symbolism, scarcity, and identity (Kapferer & Bastien, 2009; Vigneron & Johnson, 1999).

This departure from classical demand theory is often described as "Veblen Goods" (Veblen, 1899), in which perceived desirability positively correlates with higher prices, and price indicates status, difference, and social positioning. Thus, luxury consumption is driven by factors other than maximizing utility.

While IO Theory identifies structural barriers to entry (E.g., scale and distribution), it fails to account for how the supply of high-priced products creates demand in luxury markets. Cultural and symbolic frameworks explain market dynamics, in addition to supply, demand, pricing, and market power. Hermès or Chanel remain well-positioned relative to larger luxury conglomerates.

2.1.2 Resource-Based Theory and the Question of Familiness

Resource-Based Theory (RBT) posits that a firm's competitiveness derive from unique resources that are valuable, rare, hard to replicate, and hard to substitute (Barney, 1991). Sharma (2005) extended RBT to family firms’ resources as “familiness,” including tacit knowledge, common values, intergenerational relationships and authentic identity that contribute to the firm’s luxury brand value.

The expanded RBT framework (Barney, Ketchen & Wright, 2021) which includes value creation and dynamic capabilities may help solve some of the issues mentioned above. However, it fails to explain how heritage produces cultural legitimacy. The competitive resources of rare skills or lineage will generate value only if they successfully convert into credible stories and experiences (Peteraf & Barney, 2003). Therefore, RBT cannot fully capture how some family resources create strategic advantages while other family resources do not.

2.1.3 Dynamic Capabilities: Adaptation and Continuity

Dynamic Capabilities (Teece et al., 1997, Barreto, 2010) concerns how businesses respond to exogenous market factors. Firms solve problems by sensing opportunities and threats, making timely decisions, and changing their resource base (Barreto, 2010). This is relevant to the luxury industry because firms need to balance market demands for innovative products with preserving the heritage and traditions associated with their luxury brands.

Family-owned businesses are often able to achieve "Dynamic Stability" (Eddleston et al., 2012), which means they incrementally innovate to support continuity. However, it also preserves long-standing artisanal traditions.

2.1.4 Socioemotional Wealth and Agency Theory: entity as Strategic Logic

Socioemotional Wealth (SEW) theory (Gómez-Mejía et al., 2007) demonstrates that family firms give priority to preserving identity, controlling, and legacy, regardless of whether this limits the pursuit of profit maximization. In the context of luxury, this logic explains why family-owned maisons continue to exist and retain strong positioning, in spite of being significantly smaller than their conglomerate counterparts.

SEW also shows the paradox of family ownership:

- The emotional relationship that protects the authenticity of the firm can also encourage bifurcation bias, limiting innovation and taking risks (Kammerlander & Ganter, 2015);
- SEW explains how families make decisions differently but fails to demonstrate how those decisions result in competitive advantage (Chrisman & Patel, 2012).

Perhaps the largest contribution of SEW to understanding luxury is in demonstrating that value creation is directly related to the meaning of the product or service, not just financial results (Zellweger et al., 2013 and Berrone et al., 2012).

Agency Theory enhances SEW by providing focus on how structural mechanisms transform preferences for ownership into behavior in terms of strategy. Since family firms do not have the same level of conflict between principals and agents, this conduces long term decision making across generations (Gómez-Mejía et al., 2007; Jensen & Meckling, 1976). As such, in the luxury segment, governance structures are relevant regarding creating barriers to acquisitions, which protect brand equity through consolidation processes (Carcano, Corbetta & Minichilli, 2011).

2.1.5 Symbolic and Cultural Capital: The Meaning of Advantage

Symbolic capital frames strategy as a cultural process (Bourdieu, 1986; Holt, 2004), showing how legitimacy, distinction, heritage, and narrative authenticity are a form of capital. In luxury, physical goods derive value from the transformation of those goods into vehicles for cultural meaning. A family name linked to craftsmanship is a symbolic credential that conglomerates cannot easily emulate.

Yet symbolic capital is fragile. Its power depends upon the credibility and cohesiveness of the narrative. As conglomerates increasingly build "curated myths" of authenticity (Beverland, 2004; Alexander, 2003), they may confuse the distinction between genuine lineage and manufactured heritage. This creates a fundamental strategic challenge: Can meaning be institutionalized without degrading its aura? Scholars such as Benjamin (1968), Arsel & Thompson (2011), and Kapferer (2015) propose that symbolic capital is both a differentiator and a contested space.

Together, the five frameworks above point us towards a composite view of competitive dimensions in luxury. IO explains structural forces; RBT identifies unique resources; DC explains adaptive capacity; SEW articulates emotional and identity-related motivations; and symbolic capital indicates how cultural meaning becomes a strategic value. This synthesized framework sets the analytical basis for the next section which discusses aspects of the luxury sector.

2.2 Current Trends in the Luxury Sector

Luxury encompasses craftsmanship, history, heritage, and symbolic value, which tend to remain consistent, even when the environment within which luxury is delivered changes (Kapferer, 2015). The trends below illustrate ways in which symbolic capital is created, managed, and legitimized for varying forms of ownership.

2.2.1 Consolidation and the Rise of Conglomerates

The biggest change within the luxury industry sector is concentration. In the past, most luxury brands were “maisons” operated by family members. Today, the luxury market is controlled by a handful of large multinationals (Kering, Richemont, LVMH). According to Deloitte (2023), the five largest players in the luxury industry currently capture almost 40% of the world's total luxury sales. Between 2019 and 2022, the average price increase of luxury products was an astonishing 54%. The upward trend in luxury pricing demonstrates Veblen dynamics whereby higher prices create perceptions of exclusivity, rather than decreasing demand in accordance with economic conceptions of demand/supply elasticity and equilibria.

Global luxury conglomerates are acquiring heritage brands, and the reputation associated with them. These acquisitions enable luxury multinationals to convert symbolic capital into economic capital (2020; Donzé, 2021). The acquisition of Tiffany by LVMH is a recent example of how the cultural prestige of a luxury brand can be transformed into a scalable business asset (Chailan, 2018; Donzé & Fujioka, 2020).

Clearly, operational size has benefits such as greater economies of scale, global distribution capabilities, and access to new technology (Kapferer, 2015; Deloitte, 2023). However, consolidation also has potential cultural risks. Standardizing management practices can weaken the uniqueness of individual brands, undermining aesthetic cohesion that once defined the maison (Kapferer & Bastien, 2012).

2.2.2 Digitalisation and the Reinvention of Luxury Experience

Digitalization has changed from a necessary function to the key strategy for every industry. In luxury it is transforming the traditionally bespoke luxury experience.

2.2.2.1 AI and the New Logic of Discovery

AI-based discovery methods have changed how consumers experience luxury brands. Algorithmically curated, personally tailored recommendations and search results now prevail; these are largely generated without consumer direct input. Brand search is less deliberately initiated by customers with increased reliance on "discovery." Tools such as Google's AI-based overview are examples of brand visibility becoming part of a larger, conversational and automated interface (Search Engine Journal, 2024).

This presents strategic challenges for luxury firms beyond maximizing marketing effectiveness. To influence algorithmic visibility, luxury brands require access to data, technological infrastructure and a unified brand strategy (Deloitte, 2024). These resources vary by ownership structure and thus digital discovery is increasingly influenced by factors related to organizational size and governance model and less by the quality of the product or service offered.

2.2.2.2 Social Commerce and the Integration of Culture

Many social media applications such as TikTok and Pinterest are evolving into “retail ecosystems.” These allow users to move from finding to purchasing through the app. The US is seeing a similar trend with over thirty-three million users using TikTok Shop (Statista, 2024). Lastly, the most recent feature of TikTok Shop is the use of Generative AI (TechCrunch, 2024), allowing the app to create highly personalized content.

2.2.3 Sustainability and the Moral Economy of Luxury

Sustainable practices are becoming more important as high-end consumers demand more “ethically coherent” products. Boccia et al.'s (2021) study indicates that internal CSR (I.e. employee well-being, supply chain transparency, responsible sourcing) has a stronger link to long-term performance compared to external philanthropy. That said, only 37 percent of luxury executives expect to meet their 2030 carbon targets. Currently, only 18 percent of luxury fashion brand executives consider sustainability one of their top three priorities, which was 29 percent in 2024. (McKinsey & BoF, 2025).

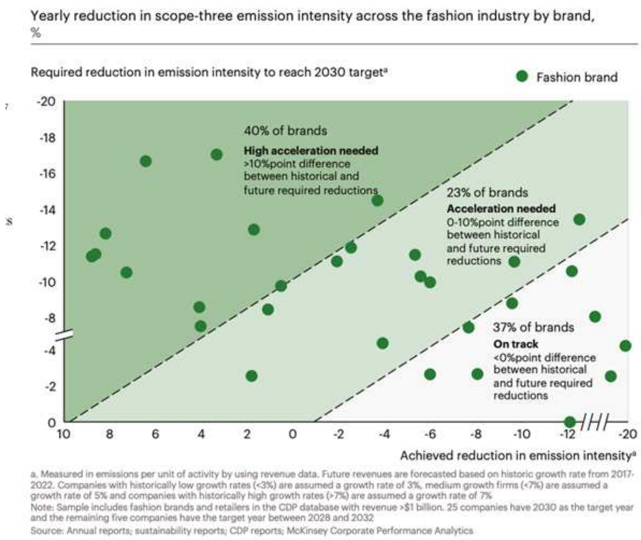

Figure 2 Progress toward 2030 emission targets in the fashion industry (McKinsey & Company & The Business of Fashion, 2025)

As shown in Figure 2, luxury brands have chosen to approach sustainability in different ways. Some treat sustainability as part of their business models while others prioritize profit or aesthetics over sustainability. In response, regulatory bodies are taking action. For example, the EU established Ecodesign Regulation (2024) which requires disclosure of information about unsold clothing and prohibits destruction of unsold items by 2026.

For maisons, the logic of heritage and stewardship is commonly used to frame the concept of sustainability. For example, Hermès' *Petit h* program repurposes excess materials into new products demonstrating creative capacity beyond simply complying with regulations.

2.2.4 Circularity and Resale

Once seen as the opposite of exclusivity, younger consumers today desire sustainability, individuality, and community (McKinsey & BoF, 2024; BCG x Vestiaire Collective, 2023). Sustainable luxury could be a double-digit percentage of all luxury transaction by 2030, according to Bain & Co (2021). Luxury's shift toward circularity includes forming partnerships with luxury resale platforms like Vestiaire Collective and The RealReal to help them collect data to authenticate products and provide direction for telling brand stories (Financial Times, 2023; BoF, 2022).

Circularity presents a paradox. Consumers prefer items that are durable so brands must find ways to balance this preference with business models based upon newness.

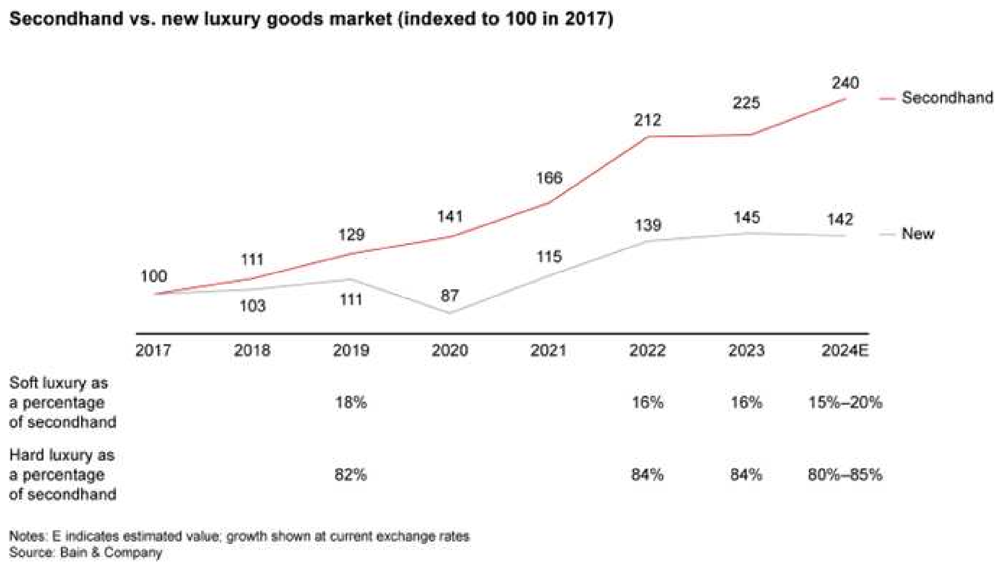

Figure 3: Secondhand vs. New Luxury Goods Market (Bain, 2024)

2.2.5 Generational Shifts and the Reconfiguration of Legitimacy

The cultural meaning of luxury is changing because of generational shift. Legitimacy for Gen Z reduces to values and action. Values such as sustainability, diversity, and transparency are now seen as moral requirements, not mere marketing (Bain & Altagamma, 2024). A recent study reported that 70% of Gen Z view sustainability as a major factor when making a purchase, and this will drive more than half of fashion industry growth by 2030 (Bain & Altagamma, 2024).

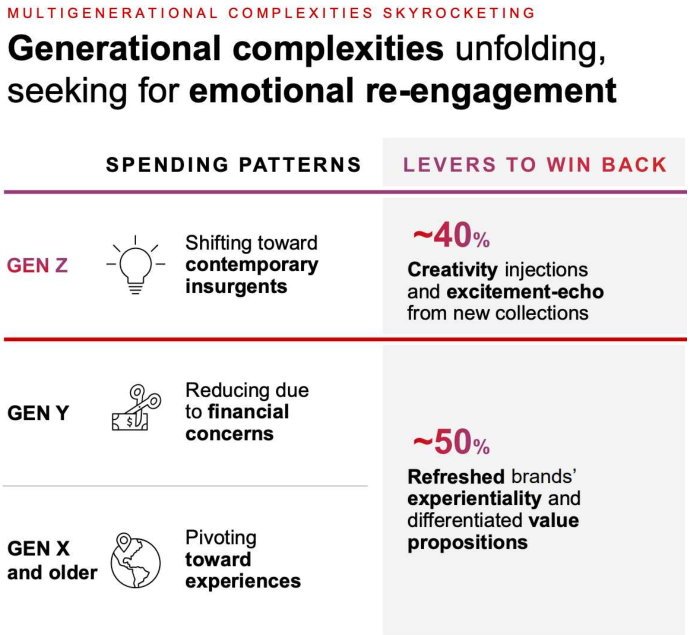

Figure 4: Generational complexities in luxury (Bain & Company and Fondazione Altagamma, 2025)

Gen Z also tend to be price sensitive and distrustful of corporate claims. They have a "trust gap," rewarding authenticity and punishing performative virtue. Luxury heritage alone no longer supports legitimacy (McKinsey, 2025).

2.3 Ownership Structures in Luxury

Ownership structures influence firm performance. Each model contours governance, financial results (Anderson & Reeb, 2003) and symbolic meanings associated with the concept of luxury (Beckert, 2011).

2.3.1 Family Ownership as a Governance Model

Family-owned luxury houses tend to emphasize identity, continuity and sustainability. Miller & Le Breton-Miller (2005) defined four pillars of resilience (command, continuity, community, and connection) which combine into the concept of familiness – integration of human, social, and patient capital, based on intergenerational transmission of craft and tacit design knowledge. Transaction Cost Theory explains how higher levels of coordination in family maisons lower the cost of cooperation based on trust and common norms (Williamson, 1985). Luxury houses also demonstrate Carney's (2005) – parsimony, personalism, and particularism – which support long-term value creation.

The degree of family involvement varies greatly from house to house. Klein & Smyrnios' (2005) F-PEC scale, based upon power, experience and culture, indicates that luxury houses with greater family involvement have higher potential for establishing a robust brand identity and consequently longer-term resilience. As demonstrated by De Palma (2019), Max Mara was able to keep its artisanal network intact thanks to family governance. Dinh (2023) showed that visible family values positively affect perceptions of authenticity in watch making. Preserving a brand's central identity is crucial for international markets such as China (Chevalier & Lu, 2015).

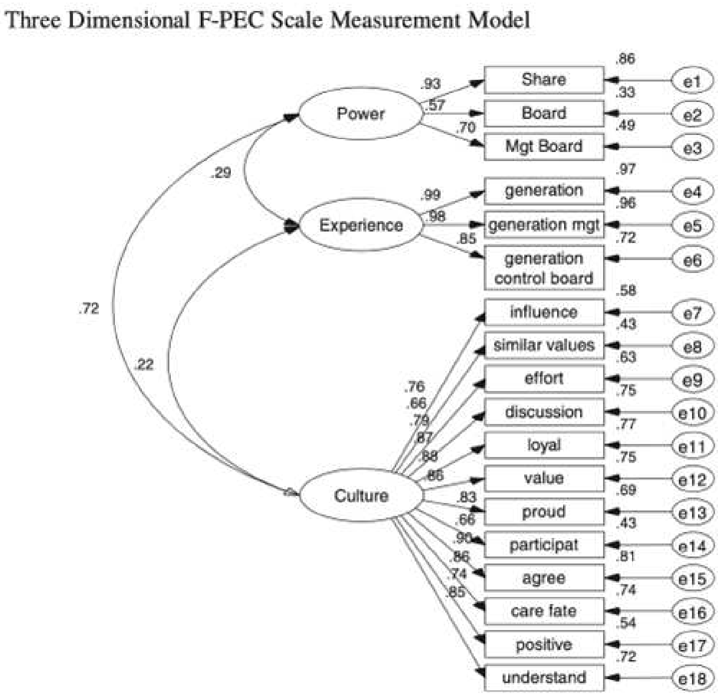

Figure 5: Three-Dimensional F-PEC Scale Measurement Model (Astrachan, Klein & Smyrnios, 2005)

2.3.1.1 Strategic Role of Stewardship and Familiness

Stewardship and familiness represent the core strategic foundation for heritage brands. A definition of stewardship by Davis, Schoorman, and Donaldson (1997) states that this derives from internal characteristics or identity of family members that connect them with the vision of founding family member(s). It provides the basis for long-term, continuity-oriented decision-making typical of familial luxury craftsmanship.

Familiness describes a resource-based uniqueness of these firms, representing the development of human and social capital (Habbershon & Williams, 1999). It is something built upon over generations and includes the mastery of artisans, loyalty with suppliers, and alignment of core family values. Rarity of these resources provides the basis for long-term differentiation of the firm (Barney, 1991).

2.3.2 Conglomerates in the Luxury Sector

Conglomerates in many ways are the antithesis of a family firm. Based on managerial capitalism, they are characterized by centralized finance, diversified portfolios, and corporate governance that tracks financial performance rather than legacy (Li et al., 2023).

Growth is mostly achieved via acquisition, which improves competitive positioning by cost efficiencies (Rodrigues & Júnior, 2015; Lewis et al., 2025). Wu (2025) states that integration creates balance between creative autonomy and operational discipline. An example is LVMH's multi-brand approach: they utilize an identical infrastructure for each brand but provide each with elements of autonomy (Lai, 2023; Kexin, 2024).

2.4 Geographical Rebalancing in the Luxury Industry

Luxury is evolving in a multi-polar world (McKinsey, 2024; Bain & Altagamma, 2023). It is more diversified across different geographical regions with distinctive consumer profiles, and technological infrastructure (Hoffmann & Coste-Manière, 2013; Wang & Hao, 2022).

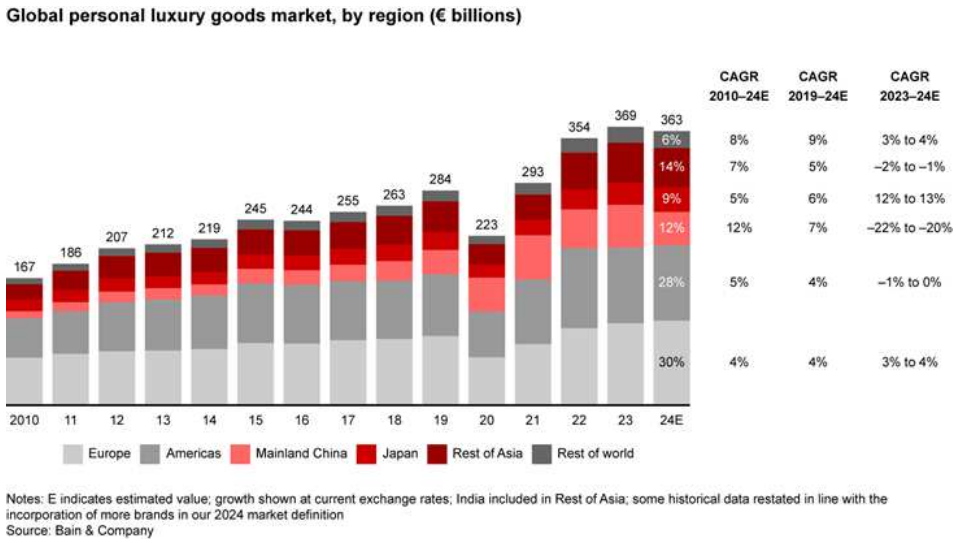

Figure 6: Global Personal Luxury Goods Market by Region (€ billions) – (Bain & Company and Fondazione Altagamma, Spring 2025)

2.4.1 Asia as the New Growth Engine

Asia is now the epicenter of global luxury. Although the Chinese economy is slowing, it is still projected to grow faster than the West. Nevertheless, consumer confidence is currently lower in China than before the pandemic (McKinsey 2025). Another market gaining attention is India, growing at 7 percent, with an estimated middle class of 1 billion by 2050. This is expected to be the world's largest and fastest-growing luxury market (McKinsey 2025).

Japan and Korea are showing resilience; the weak yen in Japan, along with a surge in international tourism, resulted in record high duty-free sales in 2023. The country also has Asia's second largest cohort of Ultra High Net Worth Individuals (UHNWI) and is expected to grow by 12 percent in 2028 (McKinsey 2025).

2.4.2 Emerging Global Map

Bain (2024) believes that the Personal Luxury Goods Market will grow from a current estimated €340 billion to a forecasted €540–€580 billion by 2030 due to growth primarily from the Asia-Pacific region and the Middle East. Cities like Dubai, Mumbai, and Seoul are augmenting rather than replacing European Capitals. The next decade will be both about geographic rebalancing and developing an authentic Global Economy of Luxury.

2.5 Crisis and Resilience

The luxury industry has always evolved through cycles of disruption. Financial crises, pandemics, and shifts in consumer behavior repeatedly test firms' capacity to sustain profitability and legitimacy (Bain & Altagamma, 2020–2024; McKinsey & BoF, 2021–2024).

2.5.1 Family Firms and Stewardship in Crisis

The long-standing relationship between family-owned firms and their clients, along with wise behavior in times of economic hardship, typically enables these businesses to withstand economic challenges. The governance style is usually defensive, designed to protect the brand and ensure continuity for years to come. Savelli's (2011) study of Aeffe during the 2008 financial crisis explained this model; whereas other maisons would have sought out new customers to create new revenue streams, Aeffe chose to focus on building and maintaining relationships with loyal clients.

SEW theory (Werner, 2015), provides a framework for understanding how the emphasis on heritage and reputation will likely lead to a number of resource-based advantages, including the preservation of a firm's intangible resources. However, there are a number of trade-offs associated with relying on heritage. Overly cautious decision-making may prevent firms from adopting innovative technologies or digital platforms, which could leave them vulnerable to increasing competition or declining demand.

2.5.2 Conglomerates and Diversification Strategies

Data collected by Bain-Altagamma (2023, 2024) indicates that luxury based on experiences (travel, hospitality, customized experiences) recovered more rapidly than luxury products. Conglomerates were able to allocate resources among their brands, take advantage of cross-brand synergies, and to accelerate digital transformations to support each of their separate business lines (McKinsey, 2023; Deloitte, 2024).

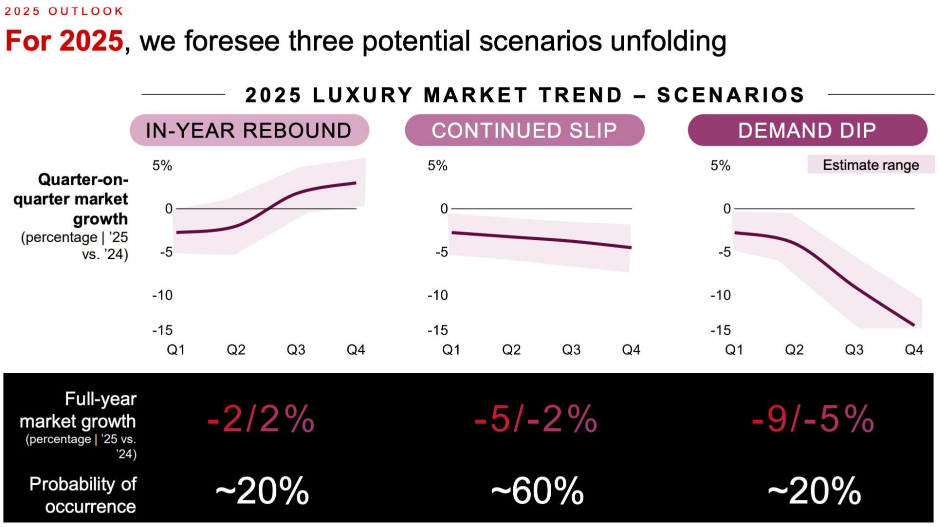

Figure 7: 2025 Luxury Market Trend Scenarios (Bain & Company and Fondazione Altagamma, 2025)

2.5.3 Comparative Resilience and the Logic of Recovery

Comparative evidence indicates that ownership structure influences not just how luxury responds to crises but also how they recover after the event. Mohan (2021) shows that family-owned luxury brands had less severe margin reductions than conglomerate-owned luxury brands during the two most recent crises (2008 and 2020). But conglomerate brands returned to their pre-crisis levels of performance faster than family-owned brands.

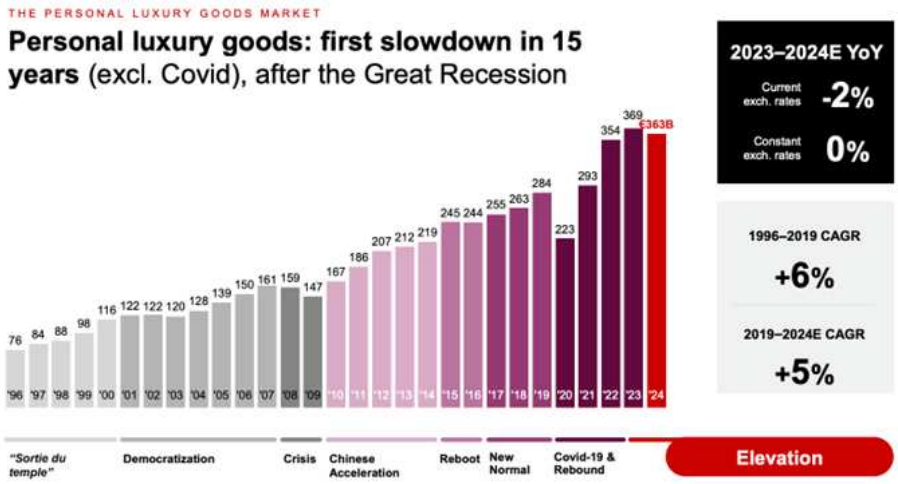

Figure 8: Personal Luxury Goods Market (Bain & Company and Fondazione Altagamma, Spring 2025)

2.6 Gaps in the Literature and Research Contribution

Studies of firm behavior provide various explanation as to how the ownership structures create long-term advantages (De Massis et al., 2018). Many scholars treat the economic, emotional and cultural elements as separate components rather than as part of an integrated conceptual framework (Berrone, Cruz & Gómez-Mejía, 2012).

2.6.1 Fragmentation and Lack of Integration and Limited Comparative Evidence

Firm-based theories (Resource-Based Theory and Dynamic Capabilities) used to describe family businesses tend not to be combined with cultural theories (Symbolic Capital and Socioemotional Wealth) (De Massis & Foss, 2018). In many cases, scholars treat consolidation as a neutral process and ignore the fact that it presents new sets of values (Kapferer, 2015). Some researchers argue that family ownership is a source of resilience (Miller & Le Breton-Miller, 2005), while others favor the stronger financial positioning associated with diversified conglomerates (Bochańczyk-Kupka, 2022).

2.6.2 Overuse of Binary Thinking

Ownership is normally viewed by researchers as a simple dichotomy between family and conglomerate, which ignores the variety of hybrid structures that are typically combinations of both (Chua, Chrisman & Sharma, 2005). The simplification does not consider varieties of strategies or the combination of both emotional and financial imperatives that govern decision-making (Berrone, Cruz & Gomez-Meija, 2012).

2.6.3 Research Contribution

This dissertation makes three principal contributions to the literature on luxury strategy and family ownership.

First, it reconceptualizes ownership structure as a strategic governance mechanism that shapes how luxury firms create, sustain, and allocate symbolic capital. By integrating the previously mentioned frameworks, the study shows how ownership influences long-term success through resilience rather than short-term financial performance.

Second, it moves beyond binary comparisons of family and conglomerate ownership, demonstrating that competitive advantage in luxury arises from the interaction between governance logic and capability development, rather than ownership form alone.

Third, using a mixed-methods approach combining expert interviews and consumer perception data, the study provides comparative, interpretive evidence on how ownership structures shape perceptions of authenticity, resilience, and long-term viability, offering a governance-based alternative to financially oriented analyses of luxury consolidation.

3. Methodology

3.1 Research Design

We evaluated whether family ownership provides luxury brands with specific strategic, financial and cultural advantages which contribute to their resilience and brand continuity. As luxury brands are primarily symbolic, culturally driven businesses, our data gathering relied upon interpretive research methodology which examined meanings, perceptions of legitimacy, and governance logic to make sense of the way luxury brands create value, instead of measuring the objective success.

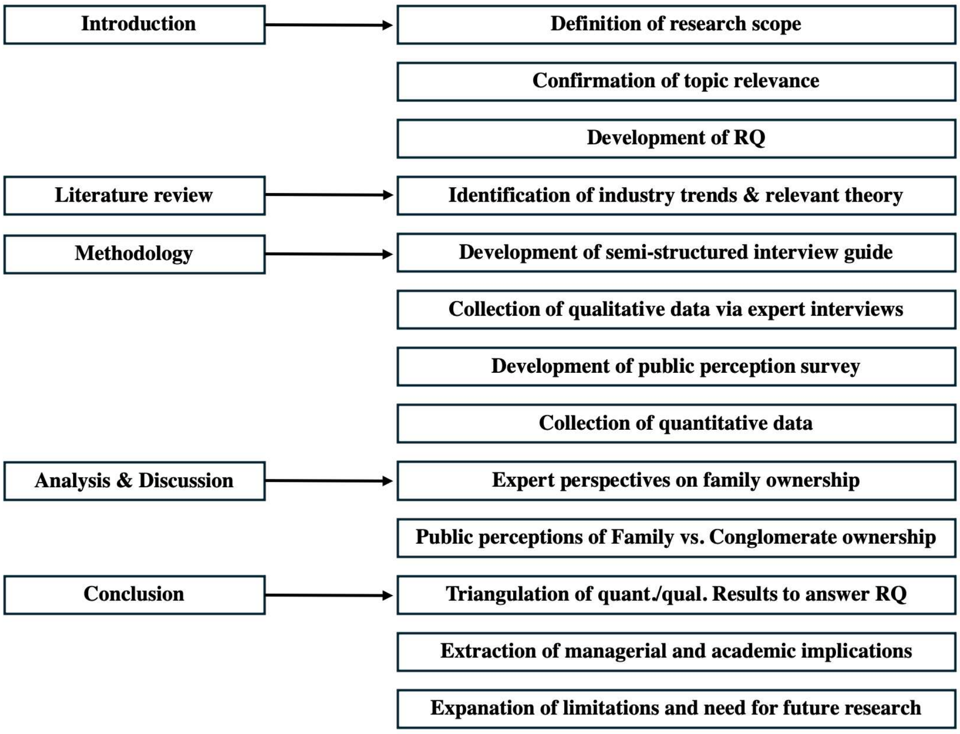

Figure 9: Research Design

Qualitative, interview-based exploratory design relied upon perspectives of industry experts. We explored the complexities of mechanisms involved in ownership, including governance, decision horizon, cultural capital etc., as these cannot be effectively captured using only quantitative measures.

The research design implicated inductive and deductive reasoning (Sekaran & Bougie, 2016), the latter to draw upon theoretical constructs, to create the analytical framework. Inductive reasoning was used to discuss the empirical findings of the interviews.

The overall research process consisted of three major stages:

1. Literature Synthesis: reviewing prior literature related to ownership structures and luxury brand management;
2. Empirical Exploration: conducting semi-structured interviews and a survey to explore how family ownership affects the strategies, governance, and long-term focus of leading luxury brands.
3. Cross Case Analysis and Triangulation: comparing and contrasting patterns identified between the family-owned luxury brands and conglomerates to find common mechanisms and contextual differences.

3.2 Data Collection

The following sections describe the data collection process for both the qualitative and survey components of the study.

3.2.1 Primary Data Collection – Expert Interviews

Semi-structured interviews with industry professionals allowed us to examine rationales for managerial decisions, philosophical positions of ownership, and long-term strategic orientation of family businesses and conglomerates (Bansal et al., 2018; Barriball & While, 1994).

A semi-structured interview guide was developed based on literature from three areas: family business governance, luxury strategy, and consolidation dynamics. These represented the following topics which were used to develop the interview guide:

- Horizon of strategic decision-making for the family firm vs. horizon of strategic decision-making for the conglomerate;
- Role of family values and legacy in preserving brand identity;
- Structures of ownership and their impact on innovative and creative risk taking and cultural authenticity;
- Perspectives on consolidation and how it impacts independence, creativity and competitive advantage.

The interview guide contained approximately 12 questions listed in the Appendix. Each of the interviews lasted approximately 35 minutes. A small number of modifications were also made during the interviews based on the specific areas of expertise of each interviewee, while ensuring that a common group of questions were asked of each of the interviewees.

The 12 experts came from a variety of sectors in the luxury industry, including family-owned businesses, multi-national luxury conglomerates, consulting firms specializing in luxury strategy, creative leaders, investment and finance professionals, hoteliers, and media representatives. More than fifty individuals were invited to participate in this study, and invitations were distributed through numerous channels, including but not limited to, email, LinkedIn, professional networking, and direct referral. The total number of interviews collected for the purpose of this study (n = 12) is consistent with the recommended number of interviews required to reach thematic saturation in qualitative research studies (Guest et al., 2006).

Each interview transcript was analyzed using a standardized thematic coding process. Qualitative research methods provided a framework for analyzing data in a manner that is transparent, objective, and thorough (Saldaña, 2021; Braun & Clarke, 2006).

An Excel based coding template was created to record a theme (corresponding to one of the sub-sections of Section 4.1), a sub-theme and an interpretation of the coding. As per qualitative research guidelines, utilizing an Excel-based coding tool is a viable option for medium sized datasets since it maintains a clear paper trail of analytical decisions (Namey et al., 2008; O'Connor & Joffe, 2020). Through this method of coding, it was possible to maintain analytical transparency by linking specific excerpts from the data to specific thematic categories and interpretative conclusions.

Table 1 shows the 12 experts including areas of expertise and years of experience.

Code	Current position and expertise
PA	Senior executive in a family-owned luxury retail and lifestyle group, expertise in experiential brand building and long-term strategic development, with 15+ years of experience.
AB	Managing director in a family-owned luxury real estate and lifestyle firm, with expertise in high-end residential development and client experience, focusing on architectural quality, and lifestyle-driven investment strategies.
BC	Luxury strategy consultant in a MBB, specializing in brand competitiveness and organizational performance, with expertise in advising both family-owned maisons and global groups.
LB	Senior executive within a global luxury conglomerate, with expertise in international retail operations and supply chain, focusing on capability development and global performance optimization.

CD	Creative director and cultural strategist in the luxury sector, with expertise in artistic identity and brand storytelling, focusing on sustaining creative coherence across evolving markets.
IP	Private equity and investment professional specializing in luxury and consumer brands, with expertise in valuation, governance models, and growth strategy, focusing on long-term value, brand equity protection, and scalable structures.
LJ	Luxury and culture journalist with expertise in editorial storytelling and industry analysis, with 10+ years of experience.
RD	Luxury retail director with hands-on experience in boutique operations and clienteling, with expertise in personalized service, in-store customer experience, and stock control.
HE	Director in luxury hospitality with expertise in guest experience, wellness, and high-end service culture, focusing on emotional immersion, and lifestyle integration across hotel and hospitality environments.
CS	Creative strategist in luxury marketing and communication, with expertise in campaign development, focusing on shaping emotional narratives with long-term impact.
EC	Digital experience and CRM specialist in the luxury industry, with expertise in omnichannel client journeys, personalization tools, and digital service innovation.
VC	Communication and brand reputation consultant specializing in luxury and lifestyle, expertise in narrative authenticity and local cultural relevance, with over 25 years of experience.

Table 1: Overview of interviewees

3.2.2 Primary Data Collection - Public insights survey

An online survey tool (Qualtrics) was used to develop a survey instrument for quantitative data gathering. This allowed for a wide range of question types (E.g., multiple-choice; Likert-type scales; matrix assessments; etc.) while facilitating the organized collection of structured data for future statistical analyses (Fowler Jr., 2013). The survey instrument (Appendix A) included the following topic areas with their respective question types:

- Luxury Brands: General Perceptions
- Family-Owned vs. Conglomerate-Owned Firms: Awareness and Associations
- Family-Owned vs. Conglomerate-Owned Firms: Authenticity, Emotional Connection, Trust
- Family-Owned vs. Conglomerate-Owned Firms: Quality, Creativity, Innovation
- Consolidation and Brand Expansion
- Demographics: Background Information

Generally speaking, the larger the population size of the sample being studied, the larger the number of participants required to maintain a margin of error within 5-10% at a 95% confidence level (Bartlett et al., 2001). Additionally, sampling bias and self-selection will be discussed further in Chapter 5.2.2.

While the survey sample is heavily comprised of young, highly educated consumers with financial constraints, this demographic is more analytical than it is limited. The primary mechanism for creating luxury value is based on cultural, symbolic, and cultural mechanisms; these mechanisms require a level of cognitive and cultural literacy as opposed to an immediate need to purchase. Thus, due to 95.8% of respondents holding higher degrees of education, the sample is well-suited for evaluating symbolic capital, perceived heritage narratives and the concept of perceived authenticity, all core concepts in the development of luxury strategies.

3.2.3 Quantitative Data Analysis

Quantitative analysis is used illustratively, not inferentially. Following the removal of invalid, incomplete, or non-substantive survey responses, R was used to analyze valid Likert scale responses from which perceptual differences related to the ownership types of luxury firms were assessed. Since this was a paired comparison study, the focus was on comparing perceived differences between the two ownership types rather than comparing respondents.

Given that the Likert scale is an ordinal measure and that no normality assumptions are required, the Wilcoxon signed-rank tests were employed to determine if there were statistically significant differences in how consumers perceive the two different types of luxury firms based on ownership.

Additionally, to provide further evidence of the robustness of these results, supplemental Ordinary Least Squares (OLS) regression analyses were performed where perception difference scores were the dependent variables. These perception difference scores were then regressed against respondent level control variables such as demographics and other measures of luxury familiarity. The regression analysis employed a robustness check to assess whether observed perceptual differences persist after controlling for respondent-level characteristics, rather than as an explanatory or predictive model.

4. Analysis and Discussion

Expert views were evaluated using keyword analysis of the interviews (Chapter 4.1) and public perceptions surveys (Chapter 4.2). These were then compared to secondary data discussed in Chapter 2.

4.1 Expert Views on Family Ownership and Competitive Advantage

Some interviewee responses were organized around the most common reasons using keyword analysis.

4.1.1 Structural Forces Shaping the Luxury Sector

The major key terms and phrases provided by the interviewees can be seen in Table 2.

Structural Force	Operational Drivers and Market Implications (from Interview Evidence)
Generational Shift & New Client Values	Changes in consumer preferences; increased importance of non-product attributes; transparency; growth of secondary markets
Lifestyle Convergence	Expansion of business models across complementary sectors; integrated lifestyle offerings
Digital Transformation & Omnichannel Integration	Integration of online and offline channels; increased use of customer data and CRM systems; real-time personalization; reliance on digital platforms
Sustainability, Ethics & Transparency Pressure	Regulatory and consumer-driven requirements; increased scrutiny of sourcing and production processes; environmental and governance standards
Cultural Acceleration & Hyper-Reactivity	Shortened product and communication cycles; faster transmission of consumer trends; increased need for organizational responsiveness
Market Consolidation & Capability Concentration	Increased market concentration; scale economies in logistics, technology, and sourcing; M&As; widening capability gap
Globalization of Luxury Demand	Geographic rebalancing; growth of cross-border consumption; importance of tourism-related retail
Experience Dominance Over Product-Centric Luxury	Shift from product-based competition to service and experience-based differentiation; integration of retail with hospitality and experiential formats
Brand Authenticity & Storytelling Imperative	Increased importance of brand consistency and credibility; need for coherent long-term positioning; monitoring of brand communication

Innovation in Strategy & Cultural Partnerships	Strategic use of collaborations and partnerships; innovation in brand communication; alignment of creative initiatives
Rising Infrastructure Expectations	Investment requirements in IT systems, logistics integration, and data analytics; demand for standardized and scalable infrastructure
Macroeconomic Volatility & Resilience Requirements	Exposure to economic shocks; financial discipline; emphasis on liquidity management, risk diversification, and long-term planning

Table 2: Categorized Structural Forces Reshaping the Luxury Industry

Regardless of their area of expertise, hospitality, property, creative direction or consulting, all interviewees identified four structural forces driving the changes outlined in the literature (Kapferer, 2015; McKinsey & BoF, 2025; Bain & Altagamma, 2024): changing values of Generation Z, lifestyle convergence, greater digitalization, and increasing sustainability expectations. Collectively, the four factors determine the new cultural, technological and institutional logic of luxury.

The first factor concerns the changing values of Generation Z, who increasingly reject traditional status symbols and instead seek authenticity, transparency, and emotional connections with brands. CD and CS stressed that luxury brands must establish emotional connections through consistent messaging and LJ emphasized the importance of humanizing brand storytelling. This echoes with McKinsey & BoF's (2025) concept of the “trust gap”. In addition, changing values represents a change in symbolic capital (Bourdieu, 1986; Holt, 2004).

A second factor identified by the interviewees, specifically hospitality and property professionals, was increasing convergence of luxury with hospitality, wellness, food and property. PA and AB discussed how companies are transitioning to selling experiences, rather than individual products, and HE stated that hospitality is an “emotionally charged extension” of the brand, reflecting Dion & Arnould’s (2011) argument that cultural immersion and experiential rituals now anchor luxury meaning.

Third, participants pointed to an acceleration of digitalization. EC and RD noted rising expectations for seamless omnichannel experiences, personalized interactions, and real time communication, aligning with DC (Teece, 2007, Barreto, 2010) which emphasizes the importance for organizations to recognize and respond to exogenous (technological) changes.

Fourth, expectations for sustainable and ethically responsible behavior have increased. AB and VC described the increasing scrutiny placed on the use of materials and environmental impact, while PA and BC stated that sustainability is now viewed as a baseline expectation for younger consumers. Both these viewpoints support Boccia et al. (2021), where internal CSR, labor practices, transparency, and environmental stewardship are stronger indicators of long-term success than external philanthropy.

Drivers of change also include the accelerating rate of change in culture and the increasing fragility of prestige. Participants (CD, CS, LJ) agreed that the relevance of a product or service can rapidly increase or decrease based on the viral nature of content created on platforms like TikTok and Instagram. These viewpoints reinforce Holt’s (2004) and Arsel & Thompson’s (2011) argument that consumer meaning-making is now participatory, fractured, and unpredictable.

Finally, participants (BC, LB, IP) identified consolidation as a structural driver of change. They explained how conglomerates leverage control over supply chains, digital ecosystems, and global distribution networks, to transform symbolic capital into economic power. The interviewee insights supported the scale-based advantages identified by Deloitte (2023), Donzé (2021), and Festa et al. (2020).

4.1.2 Ownership Structures and Logics of Competitive Advantage for Family-Owned Maisons and Conglomerate-Owned Groups

The governance logics and strategies of family-owned luxury maisons and conglomerates reflect their underlying ownership structures, enabling effective competition through different ways.

Respondent AB indicated that every strategic decision must be evaluated as being “true to the maison” before it could be implemented, indicating that familiness frames decisions around long-term legacy and reputation rather than short-term outcomes. Respondents LJ and CD noted that creative decisions, often draw on memory, intuition, and inherited company storied, supporting Holt’s (2004) position that long-term storytelling is essential for authentic and relevant brand narratives. The connection between ownership and identity underpins symbolic capital, which becomes a central axis for differentiation in luxury markets where history and meaning are core sources of value.

Additionally, experts indicated that concentrated authority in family governance can create allows "dynamic stability", as described by EC, RD and CD, allowing for continuous incremental changes to occur while preserving the firm's core identity. At the same time, participants (PA, AB, IP) highlighted structural limitations in family-owned maisons, including limited access to capital, technological capability gaps, and the challenges of recruiting specialized labor as continuing challenges. These are well established in the literature on independent family firms (Cámison-Zornoza, 2020; Miller & Le-Breton Miller, 2005), and illustrate that emotional authenticity cannot be the sole basis of competitive positioning without complementary resources and professional systems in place.

Concerning conglomerate-ownership, experts highlighted many resource and capability-based advantages. Respondents (LB, IP) mentioned the benefits of formalized planning cycles, KPIs, and standardized decision-making processes. These are supported by Transaction Cost Economics (Williamson, 1985), Resource-Based Theory (Barney, 1991), and Dynamic Capabilities Theory (Teece, 2007, Barreto, 2010). Investments in technology, global talent pools, sustainability infrastructure, and international expansion generate economies of scale and scope advantages through consolidation (Donze, 2021; Deloitte, 2023).

However, experts also observed trade-offs: conglomerates often sacrifice speed and adaptability to achieve consistency and control, with multi-level approval processes slowing down response times.

Finally, expert accounts of crisis management further suggested that ownership structure influences not just how firms respond to crises, but also how they maintain legitimacy during crises. Family-owned firms tend to develop strategic decisions that have long-term horizons (frequently longer than 50 years) and emphasize continuity and reputation over short-term financial metrics, aligned with SEW logic (Gómez-Mejía et al., 2007). Conversely, conglomerates use diversification, scale, and resource allocation to absorb shocks and provide resilience through systemic flexibility, rather than maintaining identity.

In general, results showed that there is no inherent superiority to any type of ownership structure. Family ownership provides advantages of symbolic value, trust, and long-term orientation, whereas conglomerate ownership offers scale-based capabilities, professionalization, and infrastructural resilience. Consequently, the competitive success in luxury will derive from how governance structures enable firms to balance the development of identity, the development of capabilities, and the adaptive resilience of the firm over time.

4.1.3. Governance Models and Long-Term Strategic Decision-Making

The interviews indicated that corporate governance is a key factor in defining how long-term strategic choices are made within luxury companies. The results support theoretical views on the significance of trust, identity, and long-term commitment in family firms (Davis et al., 1997; Gómez-Mejía et al., 2007).

Experts reported three main advantages of family governance for making strategic decision-making: it enables long-term decisions consistent with their family values, it increases symbolic capital by directly engaging the family members, and it reduces transaction and monitoring costs through trust-based coordination mechanisms (Bourdieu, 1986; Williamson, 1985). At the same time, they identified structural disadvantages, including concentrated power and slow decision-making driven by the desire to preserve legacy, which limits the ability to make strategic changes. PA and AB noted this limitation as well as Chrisman & Patel (2012) and Miller & Le Breton-Miller (2014), who found similar evidence of governance rigidity in Family Firms.

In comparison, experts stated that Conglomerate Governance is formalized and managed in a large-scale manner which enables organizations to coordinate operations over a global marketplace. The experts also stated that this provides organizations with the opportunity to be consistent and manage risks but may limit a company's creativity and speed to respond to market conditions, which reflects the trade-offs of Managerial Capitalism (Li et al., 2023; Williamson, 1985).

4.1.4 Culture, Identity, and Creative Integrity

Experts cited creative identity and organizational culture as most differentiating family-owned and conglomerate-owned luxury groups. Both are able to produce strong creative work, but ownership determines the way this occurs. Family-owned maisons were characterized by their ability to maintain a high level of creative cultural integrity and continuity based on the perpetuation of tradition. On the other hand, conglomerates were characterized by their structured approach to creating innovative ideas to help provide global scale and consistency.

Experts stated that ownership type sets the reference point for the creative culture and impacts how creative decisions are made. CD termed this reference point “creative integrity,” an instinctive, memorable, and culturally unique collection of stories passed down through generations, in line with Holt's (2004) cultural resonance which depends upon an ongoing and authentic story.

Two experts (CS, CD) were also critical of the governance of conglomerate-owned companies. CS stated that the approval processes of corporations can “refine away creative spontaneity” of an employee, while CD stated that conglomerates often have difficulty expressing the “soul of a brand.” The criticisms echo concerns that relying too heavily on data and standardization results in creative uniformity and the commodification of symbolic value (Holt, 2004; Kapferer, 2015). Ultimately, experts agreed that achieving long-term creative success in luxury requires balancing the preservation of heritage with the ongoing renewal of creative content.

4.1.5 Scale Advantages, Capability Gaps, and Strategic Constraints

Experts consistently highlighted conglomerates scale-related advantages, including their size, capital, and infrastructure, which accords with the Literature. LB explained that a company's scale enables massive investments in logistics, supply chain management, CRM systems, sustainability reporting, and omnichannel infrastructure. EC detailed the digital ecosystems that allow sophisticated forms of personalization, while BC and IP noted that economies of scale fund strategic investments, such as global expansion, that would be financially unfeasible for independent maisons.

By contrast, PA, AB, and IP mentioned that financial constraints can limit family maisons from upgrading technology, expanding operations, and investing in sustainability, consistent with Camisón-Zornoza's (2020) findings regarding the limited financial flexibility of family-owned businesses. These restrictions create a form of strategic path dependency: family firms develop slowly, prioritizing legacy preservation over aggressive expansion (AB and BC). Competitiveness of family firms can thus be compromised as digital scale, global reach, and omnichannel consistency define the modern marketplace.

Experts also identified talent acquisition challenges. LB and BC noted that top executive candidates elect to work for conglomerates for their clear career paths, mobility, and formal performance evaluations, a pattern documented in research stating that family firms struggle to attract top talent due to governance ambiguity and perceived limited opportunities (Astrachan et al., 2005). Talent deficiencies, especially in digital, sustainability, finance, and global retail, further restrict the development of capabilities.

These behaviors are reflective of Teece's (2007) perspective that scale is advantageous in developing dynamic capabilities.

If anything, family firms focus on strategic coherence, craftsmanship, and customer intimacy (AB, PA), with a preference for depth over breadth (BC) and innovation generally occurs through creative identity rather than through infrastructure (CD). This is consistent with Miller & Le Breton-Miller (2005), who state that family firms excel in domains that require culturally based meaning and relational depth, though they often under-invest in scalable systems.

4.1.6 Strategic Responses and the Future Role of Family Ownership

PA emphasized the need for greater discipline and coordination regarding finances, governance, merchandise and digital operations, whereas BC and IP stressed that the role of the founder's intuition has been historically valuable, but currently constrains scale. These views support Habbershon & Williams (1999) and Miller & Le Breton-Miller (2005).

Digitization was identified as the greatest threat. EC advocated selective investments in digital technologies (E.g. personalized CRM and client management tools that increase closeness to the client, without undermining their identity).

Creative Continuity was seen as a significant advantage of family governance. CD and LJ indicated that preserving artistic vision and narrative coherence across generations is necessary for the long-term brand value. Additionally, RD, EC, and HE emphasized relational capital, trust-based, long-term relationships between clients and employees, which align with growing consumer trens (Bain & Altagamma, 2024). These perspectives are consistent with SEW theory (Gómez-Mejía et al., 2007) and familiness research (Habbershon & Williams, 1999).

Interviewees asserted that long-term viability is dependent upon three interrelated factors: adoption of a hybrid governance model that combines the formal roles of professionalized management with family identity (PA, IP, BC); maisons must build or acquire capabilities in areas of sustainability, technology, and operational effectiveness to address rising market expectations (LB, EC); and they need to strengthen storytelling, cultural presence and creative continuity to differentiate themselves from increasingly homogenous corporate competitors (CD, LJ, VC).

Collectively, these components represent a balanced strategy that rejects a nostalgic response to changing circumstances while not simply imitating corporate models. The extent to which family ownership remains relevant will depend on preserving essential qualities, while simultaneously adapting strategically. As participants stated, if the maisons do not adapt to evolving circumstances, the “soul of the brand” will disappear.

4.2 Public Perceptions of Family vs. Conglomerate Ownership in the Luxury Sector

The survey results (n = 108) were used to generalize consumer trends, with these findings. Final conclusions on consumer acceptance are presented in Chapter 5.1.

4.2.1 General Familiarity and Understanding of Ownership Models

We assessed respondents' familiarity with ownership models of luxury firms (questions 1-3) before interrogating perceptions. The vast majority of respondents had never worked in luxury (87%), indicating a primarily consumer perspective with limited insider knowledge of organisational structures; only 12% reported industry experience.

Respondents were then asked to assess their familiarity with family-owned luxury companies (question 2). Familiarity was defined as follows: "low" for responses of 1-2; "moderate" for responses of 3; and "high" for responses of 4-5. Most respondents (53%) reported having very little familiarity with family-owned luxury companies, while 31% reported moderate familiarity, and only 16% reported high familiarity. The literature indicated that even though the symbolic value of luxury brands includes family heritage and craftsmanship, the governance structures associated with these characteristics are largely invisible to most consumers.

Respondents were then asked to report their familiarity with conglomerate-owned luxury companies such as LVMH or Kering (question 3). Similar to question two, 52.5% of respondents reported low familiarity; 26.3% reported moderate familiarity; and 21.2% reported high familiarity. While conglomerate-owned luxury companies play a major role in influencing global expansion and investment capacity, they appeared opaque to consumers, who are generally focused on products and stories rather than corporate structures.

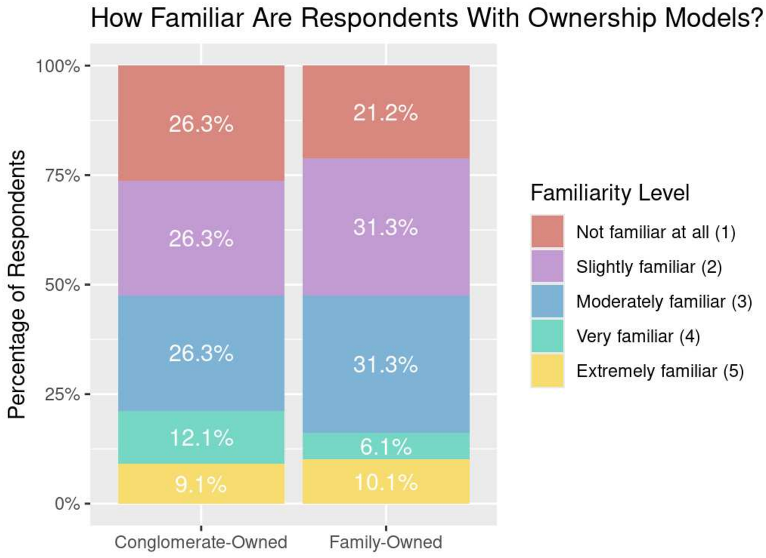

Figure 10: Answer distribution of question 1

Taken together, limited familiarity with both models suggests that perceptions of competitiveness (sections 4.2.2–4.2.3) likely derive from intuitive and symbolic interpretations rather than detailed organizational dynamics. It also supported the use of familiarity as a predictor variable in later regression analyses (section 4.2.8), where it reveals how familiarity affects respondents' assessments of strategic capability and long-term brand value.

4.2.2 Perceptions of Competitive Advantage of Family-Owned Luxury Firms

Respondents rated the positive and negative aspects of family-owned luxury firms via: Agreement statements (Q4); Association between family-owned firms and certain personality traits (Q5); Forced choice statements regarding the pros (Q6) and cons (Q7) of family-owned luxury firms.

Respondents agreed overwhelmingly that conglomerate ownership provides better financial stability than family-owned firms (49.5% strongly agree; 26.9% agree).

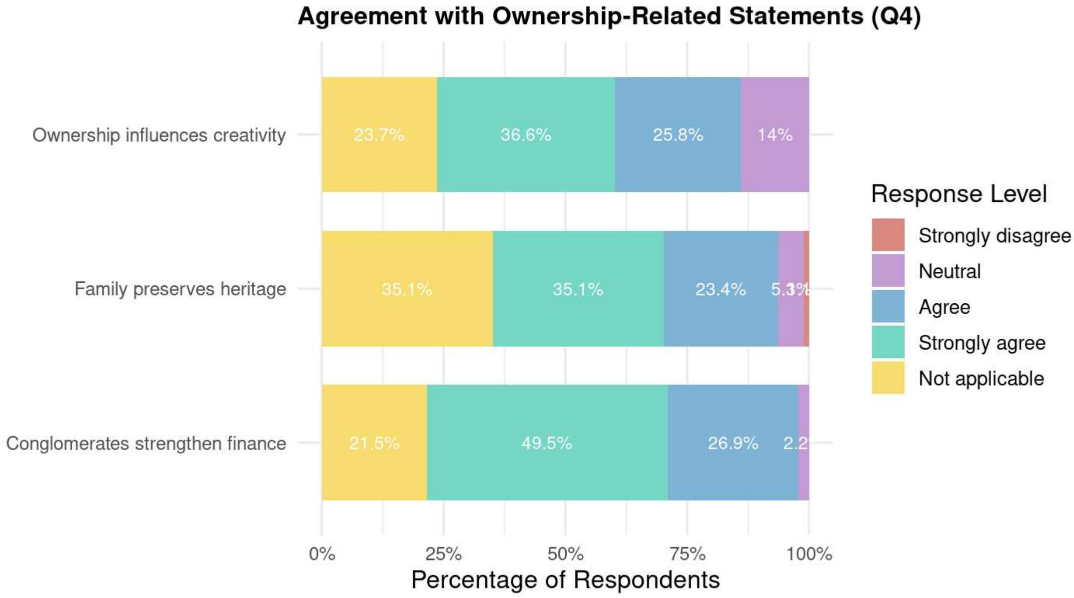

Figure 11: Answer distribution of question 4

On the other hand, opinions were much more split when it came to whether family ownership preserved a firm's heritage. While 58.5% agreed that family ownership did preserve heritage; 35.1% chose "Not Applicable" which indicated that many of the respondents were uncertain about this aspect.

A similar split occurred when it came to how ownership influenced the direction of creativity at a company. While 62.4% agreed that family ownership does influence creativity; 23.7% of the respondents indicated that they were uncertain.

There was a strong association with personality traits related to preserving an identity or maintaining continuity. The strongest associations were made between family ownership and the following characteristics:

- Long-term vision (86.8% had a strong association)
- Brand authenticity (53.8%)
- Emotional attachment (61.3%)

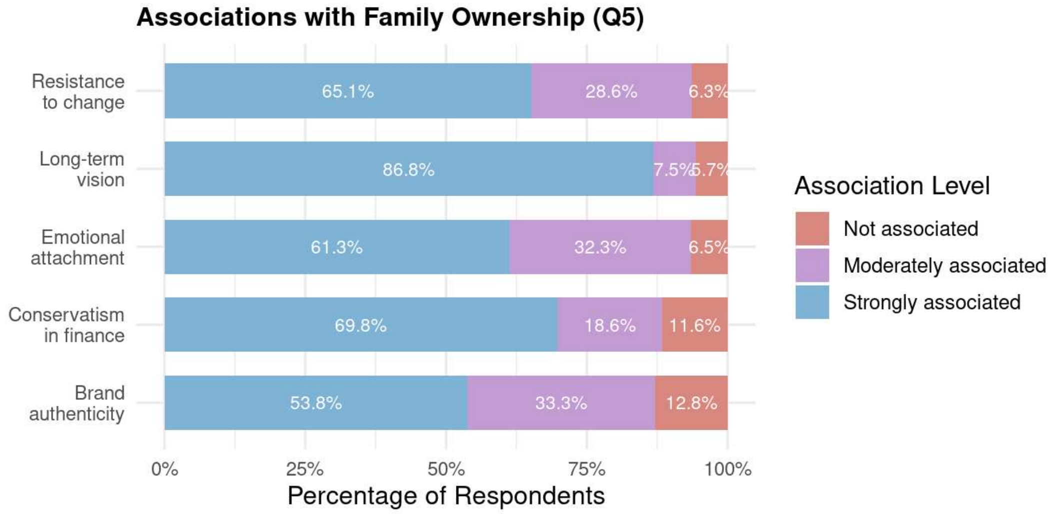

Figure 12: Answer distribution of question 5

Family ownership was also associated with being resistant to change (65.1%) and conservative when it comes to finances (69.8%), showing that respondents recognized both the advantages and disadvantages of family ownership.

Overwhelmingly, respondents' answers showed that nearly half of them (46.9%) believed that the greatest advantage of family-owned luxury firms is heritage, followed by financial discipline (22.9%) and long-term commitment (17.7%). As such, respondents believed that family ownership adds the most to the cultural and symbolic value of a luxury firm.

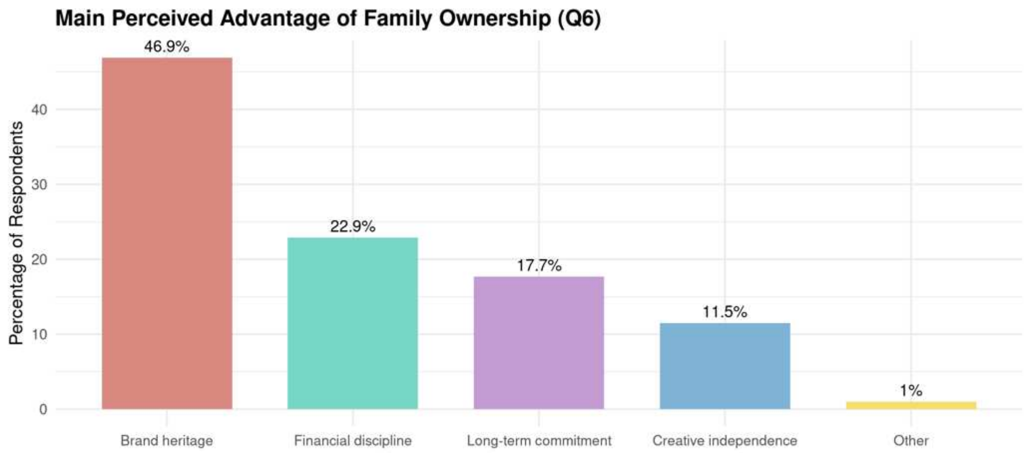

Figure 13: Answer distribution of question 6

By a large margin, respondents stated that the greatest disadvantage of family-owned luxury firms is succession planning issues (54.2%), significantly outpacing resistance to innovation

(21.9%) and limited professionalism (15.6%). Limited access to capital (8.3%) was mentioned least often.

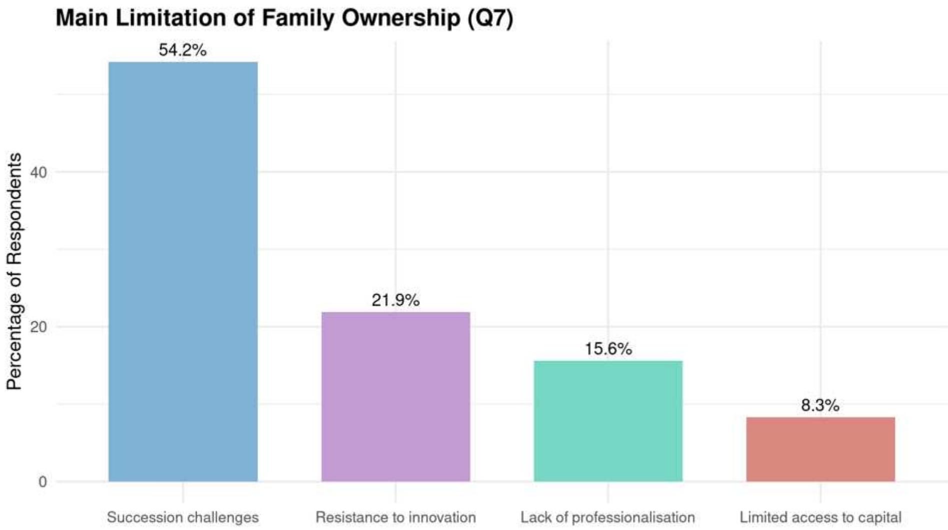

Figure 14: Answer distribution of question 7

In general, respondents attributed strong cultural and identity-based advantages to family-owned luxury firms, while recognizing structural vulnerabilities in succession and adaptability issues. These perceptions suggested that family-owned luxury firms have great cultural and identity-based strength, however, they have organizational constraints, thereby establishing a basis for comparison to conglomerate-owned firms in the next section.

4.2.3 Perceptions of Competitive Advantage of Conglomerate-Owned Luxury Groups

Q8-Q11 investigated how respondents viewed competitive advantages and strategic implications of conglomerate ownership through the lens of consolidation and competition, and capabilities of operations.

Most respondents (52.1%) saw the trend of industry consolidation as a major threat to the independence of family-owned luxury brands, whereas 9.3% did not agree, and approximately 38.5% were neutral about the issue which could be due to limited knowledge of ownership structures, or ambiguity about meaning.

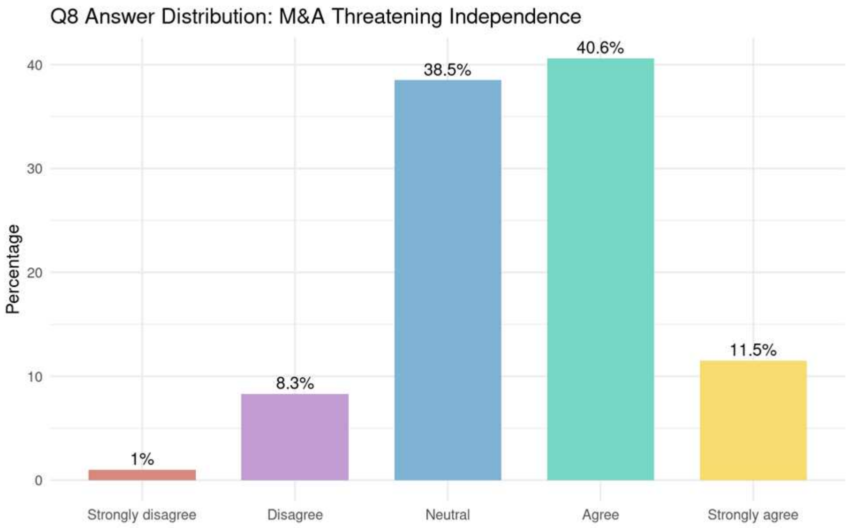

Figure 15: Answer distribution of question 8

In general, the data suggested that conglomerate growth was seen as an inhibitor of strategic independence of non-conglomerate luxury companies.

Respondents were then asked how they thought family-owned companies would be able to compete with growing pressures from consolidation. Respondents most commonly indicated (36.8%) brand differentiation as the first way to stay competitive, followed by (27.1%) renewal of succession, then strategic alliances (22.2%) and finally controlled capital partnerships (12.5%). The types of competitive strategies cited reflected preference for preservation of company culture.

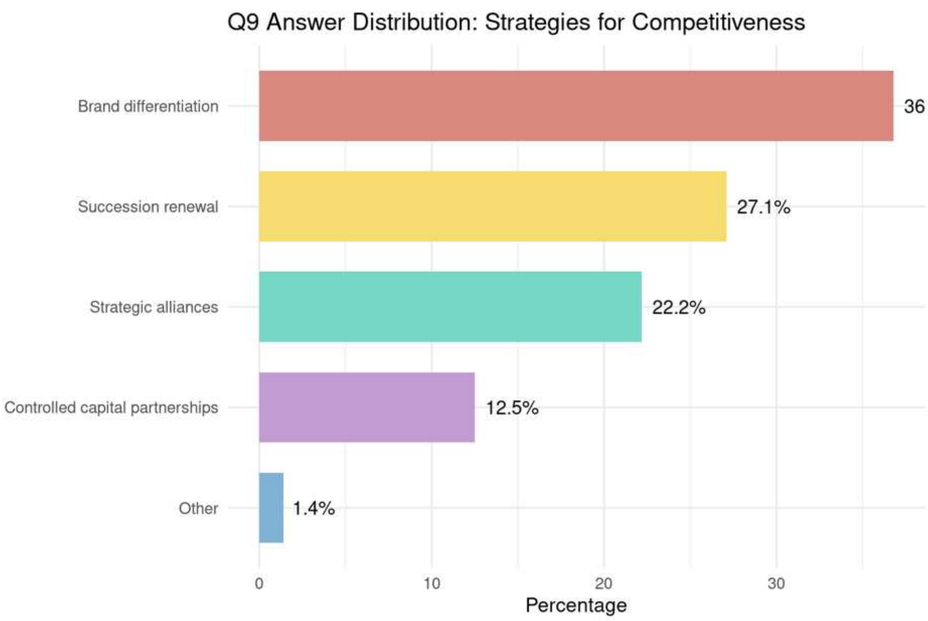

Figure 16: Answer distribution of question 9

Clearly, respondents recognized the operational benefits of conglomerates. An overwhelming number (81.6%) agreed that conglomerates have a much better chance of expanding internationally.

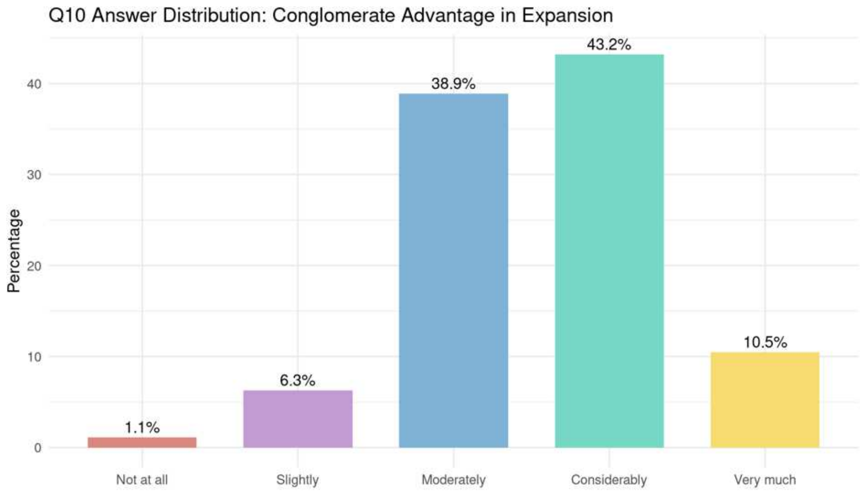

Figure 17: Answer distribution of question 10

Ownership by a conglomerate was also linked to greater emphasis on meeting short-term financial objectives. Overall, 57.9% of respondents believed that this was likely or extremely likely, and 33.7% of respondents remained neutral. As discussed previously, the managerial approach of large corporate groups tends to emphasize short-term financial goals based on investor expectations and portfolio optimization.

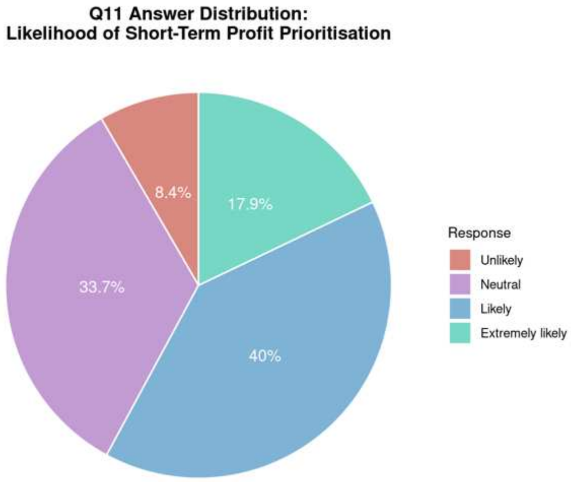

Figure 18: Answer distribution of question 11

Taken together, responses to Q8-11 suggested that respondents viewed conglomerate-owned luxury groups as having the financial power and operational efficiency, at the cost of limiting the independence of brands and longer-term focus. These results contrasted with the cultural and identity-based advantages of family ownership found in section 4.2.2, and provided evidence two distinct competitive logics in the current luxury market.

4.2.4 Crisis Resilience and Strategic Stability of Family Firms

Respondents had very positive views about the family firm's crisis management (Q12), with a mean score of 5.73 on a 0 – 10 scale with a median of 6. Thus, respondents viewed family-owned firms as moderately to highly effective in managing disruptions caused by the pandemic or recent inflationary pressures.

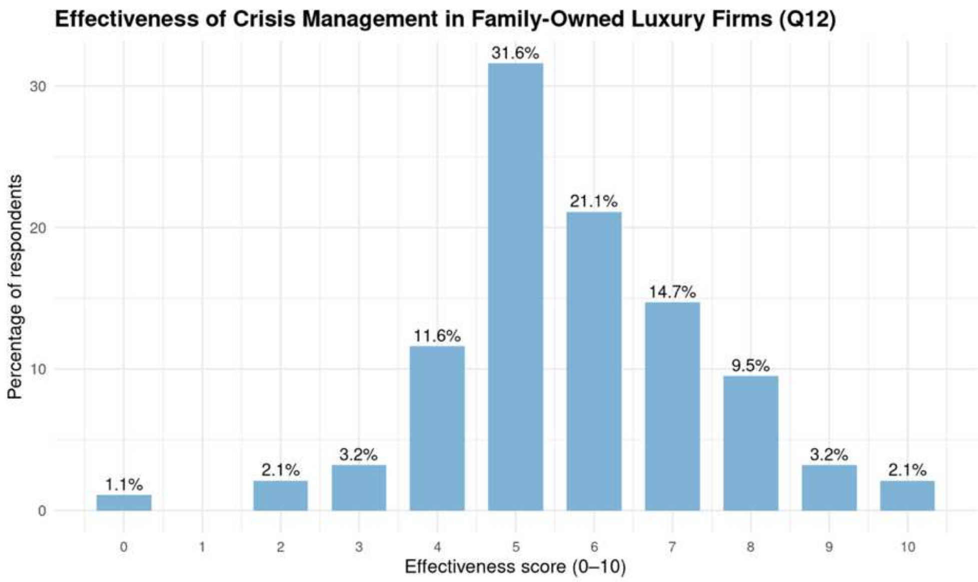

Figure 19: Answer distribution of question 12

Identifying the principal contributors to resilience (Q13) 29.9% cited brand heritage. Thus, the established brand identity and reputation of maisons serve as buffers during times of disruption. Leadership Stability (24.7%) and Governance Continuity (23.7%) followed closely. Finally, conservative financial management (19.6%) was cited as one of the mechanisms supporting resilience. As such, cautious use of leverage and long-term financial planning enable family-owned firms to absorb disruptions.

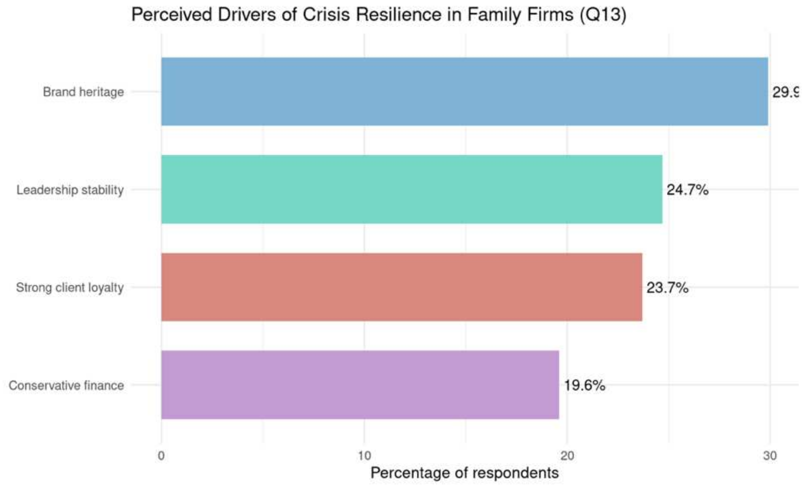

Figure 20: Answer distribution of question 13

Overall, the findings indicated that respondents attributed the crisis resilience more to structural and cultural foundations developed over time, rather than short-term tactical responses. As such, crisis management was viewed as an extension of long-term orientation and governance continuity rather than a function of rapid strategic reconfiguration.

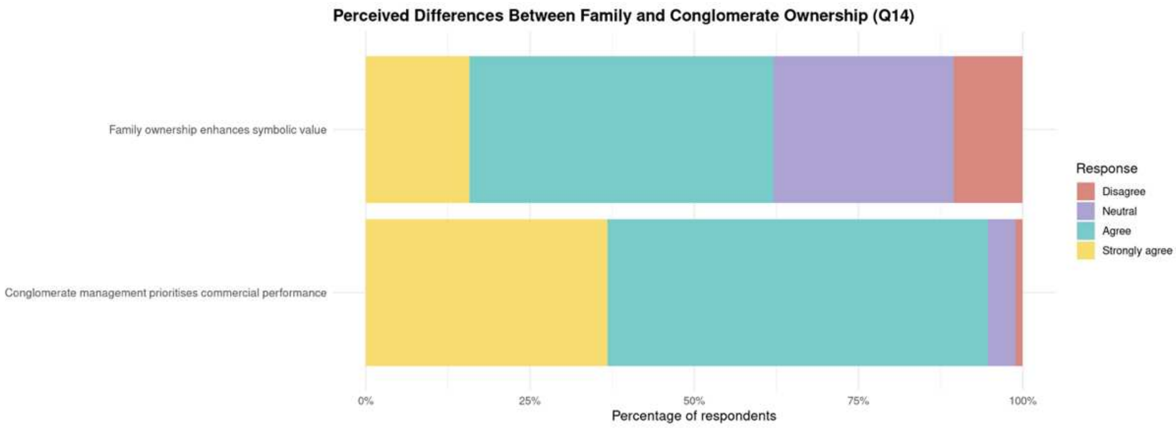

Figure 21: Answer distribution of question 14

Respondents consistently viewed conglomerate ownership as linked to prioritizing commercial success over cultural relevance – 94.7% either agreed or strongly agreed that conglomerate-owned luxury brands will seek commercial success to the detriment of cultural relevance.

Perceptions of family ownership were more complex. While 62.1% either agreed or strongly agreed that family ownership adds to symbolic value, 27.4% remained neutral, suggesting recognition of path-dependent, intangible resources such as heritage and authenticity rooted in RBT. This variability reflects that symbolic capital, central to luxury value creation through meaning and cultural legitimacy, depends on how effectively firms mobilize such resources.

Regarding which type of ownership structure was most likely to preserve the cultural values of luxury (Q15), 30.9% preferred family-owned luxury brands, 11.3% favored conglomerates, and 49.5% saw no difference. This shows that while family ownership may have some relative advantages in terms of symbolic and cultural value, respondents view such values as strategically created or preserved regardless of either structure. This belief was consistent with the growing professionalization of cultural storytelling among conglomerate-owned brands.

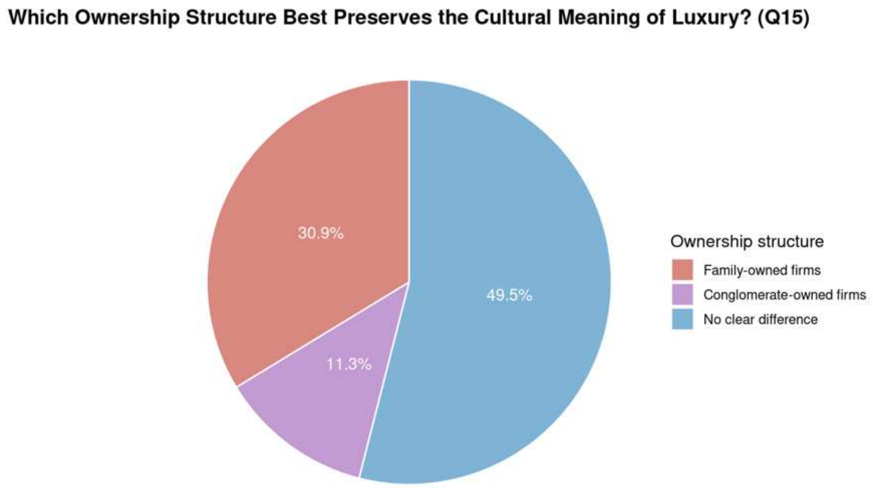

Figure 22: Answer distribution of question 15

When viewed through the lens of SEW, the results indicated a critical distinction. The respondent believed that family-owned companies had a greater likelihood of prioritizing non-monetary objectives, that support long-term commitments to generating symbolic value. However, the fact that nearly a third of respondents were neutral indicated that these socio-emotional motivations do not automatically translate into perceived competitive advantage unless they are clearly visible in the company's practices and narratives.

In summary, the results provided strong evidence that perceptions of ownership structure were linked to differentiated and conditional sources of competitive advantage.

4.2.5 Demographics and Background of Respondents

Demographics and backgrounds of the participants provided information about how to interpret the perception-based results presented in sections 4.2.1 through 4.2.5.

For Q16 most respondents identified as students (40.6%), or having another professional background (29.2%), followed by professionals working in industries (15.6%), employees working for luxury brands (10.4%), and finally academia (3.1%). This makes clear that the study primarily captured the views of consumers at an early stage in their careers.

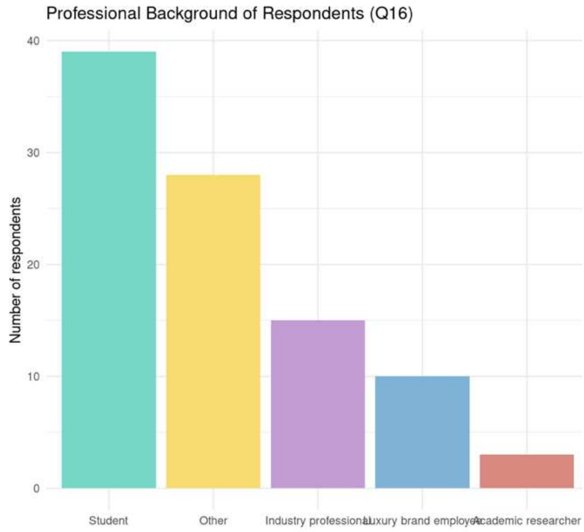

Figure 23: Answer distribution of question 16

As shown in Q17, participants who were between the ages of 18-24 made up 30.5%, and 37.9% were between 25-34. All of the older age groups had fewer participants, and participants 35 years old and above made up roughly one third of all participants.

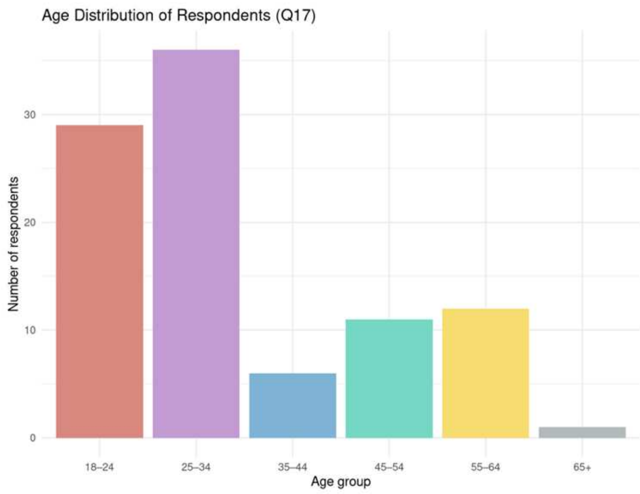

Figure 24: Answer distribution of question 17

From a geographic standpoint (Q18), participants were mostly from Europe (88.4%), and there were few participants from Asia (5.3%), North America (4.2%), and other parts of the world. Therefore, the findings reflect the views of Europeans.

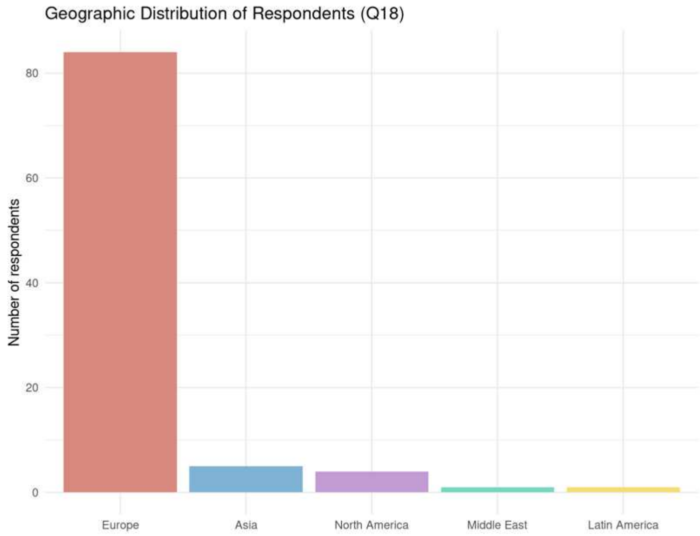

Figure 25: Answer distribution of question 18

Q19 showed that the participants were highly educated. A large majority held at least a university degree. More specifically, 66.3% held master's degrees, and 29.5% held bachelor's degrees. Only 1.1% of the participants held doctoral degrees. The high level of education of the participants suggested understanding of abstract concepts, such as ownership models and strategic governance.

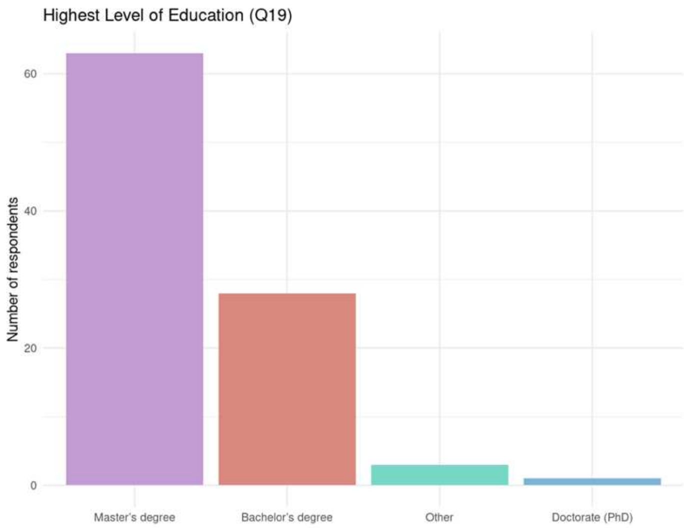

Figure 26: Answer distribution of question 19

As reported in Q20, most participants did not have work experience directly related to luxury firms. Many participants (68.4%) indicated that they did not have any experience working for a luxury brand. However, some participants (15.8%) had experience working for both family-owned and conglomerate-owned luxury firms. Fewer participants had experience working only for family-owned (8.4%) or only for conglomerate-owned (7.4%) luxury firms.

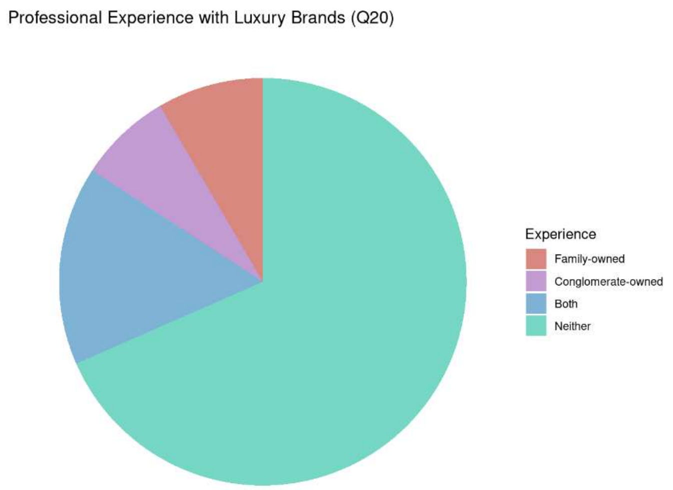

Figure 27: Answer distribution of question 20

Question 21 reported the gender of the participants, which was predominantly female (83.2%), and male (16.8%).

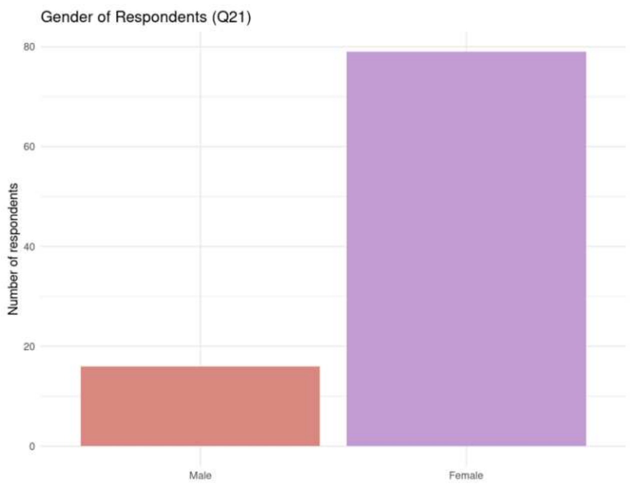

Figure 28: Answer distribution of question 21

Over 90% of respondents reported being financially constrained or very constrained (Q22–25), with infrequent contact with luxury brands (Q24). Employment status (Q25) showed 51.1% as students and 36.2% employed. Household incomes (Q26) clustered in middle to upper-middle ranges, though a notable portion chose not to respond.

Consumption patterns (Q27) favoured beauty and fragrances, followed by fashion and leather goods, watches and jewellery, and hospitality.

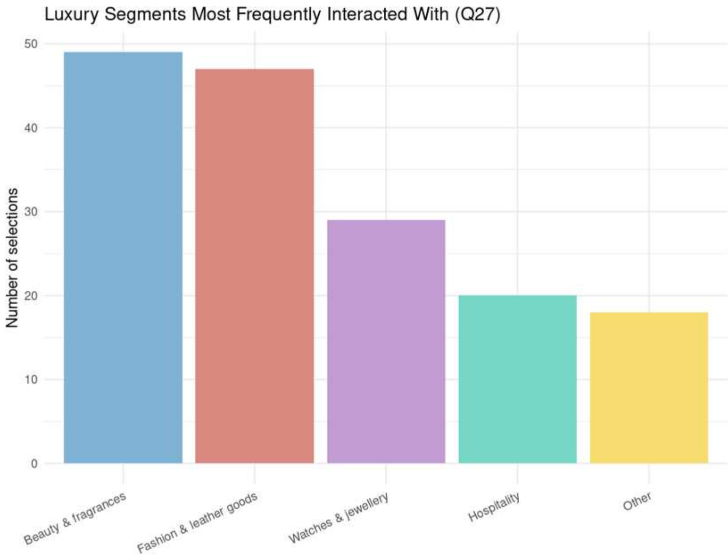

Figure 29: Answer distribution of question 27

The overall demographics suggested that the study captured a sample of young people, who are highly educated, mostly from Europe, and consumer oriented, with little to no direct professional experience with luxury firms. While the demographics supported the analysis of consumer perceptions and the cultural interpretations of ownership structures, the demographics also implied that the results should be interpreted cautiously.

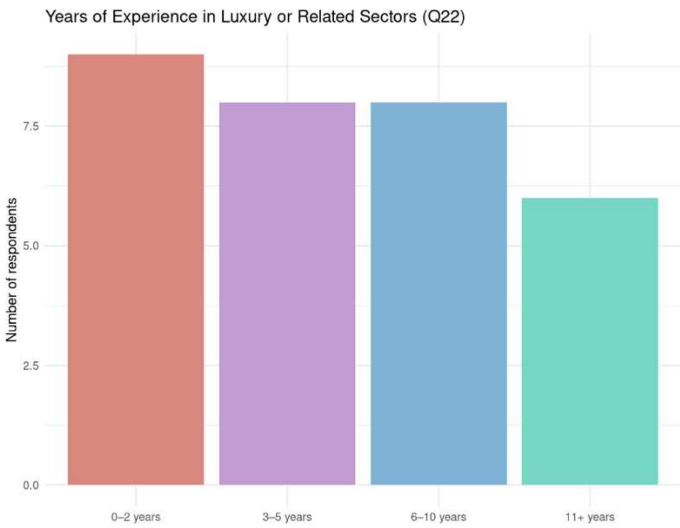

Figure 30: Answer distribution of question 22

Figure 31: Answer distribution of question 23

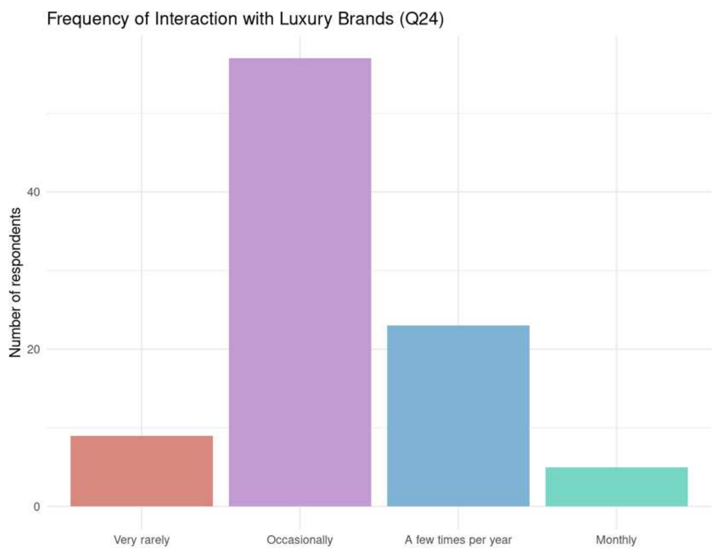

Figure 32: Answer distribution of question 24

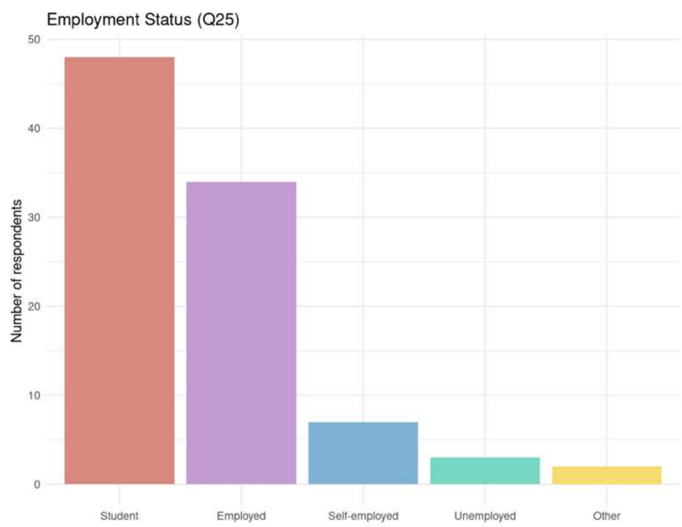

Figure 33: Answer distribution of question 25

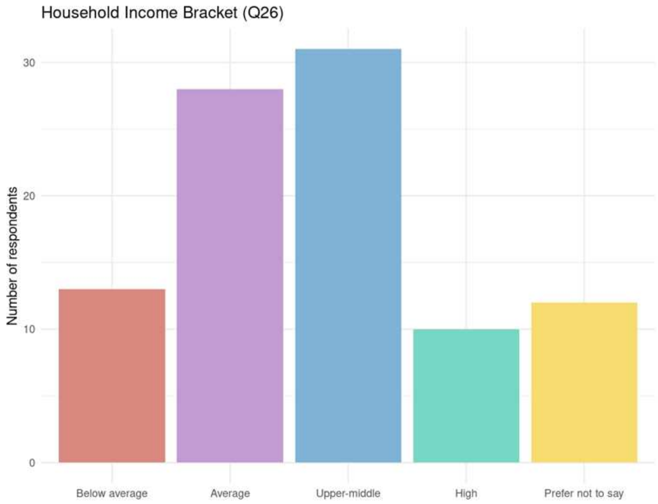

Figure 34: Answer distribution of question 26

4.2.6 Differences in Consumer Perceptions of Family and Conglomerate Ownership in Luxury Firms

To analyze the same variables in each group, non-numeric responses to the surveys were eliminated and only numeric data from the Likert-type scales were used to measure consumer attitudes towards ownership. The Wilcoxon signed-rank test was conducted to identify whether there were statistical differences in the perceptions of various attributes of family-owned luxury firms versus conglomerate-owned luxury firms among participants.

Set One Hypotheses: Brand Heritage Preservation vs. Financial Performance

Null Hypothesis (H_{01}): Respondents will not be able to distinguish in their assessment of the degree to which family-owned luxury firms will preserve the heritage of their brand(s) versus generate financial results compared to conglomerate-owned luxury firms.

Alternative Hypothesis (H_{11}): Respondents will assess that family-owned luxury firms will be better at preserving the heritage of their brand(s) compared to the financial results of conglomerate-owned luxury firms.

The Wilcoxon signed-rank Test indicated a statistically significant difference between the ratings of the ability of family-owned firms to maintain their brand heritage and the financial performance of conglomerate-owned firms (Mean Difference = 1.365; SD = 1.038; $p < .001$); thus, the null hypothesis (H_{01}) was rejected, and the alternative hypothesis (H_{11}) was accepted.

As such, the findings revealed that respondents perceived family ownership as connected to the long-term maintenance of a company's history, customs and stewardship of its assets; and that respondents believed that conglomerate ownership is associated with the profit and performance-oriented objectives of larger corporations.

Hypothesis Set Two: Symbolic Orientation vs. Commercial Orientation

Null Hypothesis (H_{02}): There will be no statistically significant difference in the assessments made by the respondents of the symbolic orientation of family-owned luxury firms and the commercial orientation of conglomerate-owned luxury firms.

Alternative Hypothesis (H_{12}): Respondents will evaluate family-owned luxury firms as being more oriented toward symbolic dimensions than conglomerate-owned luxury firms will be toward commercial dimensions.

Statistical analysis revealed that the Wilcoxon signed-rank Test found a statistically significant difference in the assessments made by the respondents (Mean Difference = 1.411; SD = 1.143; $p < .001$) and therefore the null hypothesis (H_{02}) was rejected and the alternative hypothesis (H_{12}) accepted.

These findings provided evidence that consumers continue to equate family ownership with symbolic meanings such as authenticity, cultural richness and historical significance, all of which are key components of luxury value (Kapferer & Bastien, 2012). Research concerning cultural consumption and luxury branding also demonstrates that consumers are capable of linking symbolic values to stories about origin, continuity and authenticity, attributes that are easier to apply to family-controlled firms (Dion & Arnould, 2011).

However, it is worth noting that this study does not impute that conglomerate-owned firms are incapable of possessing symbolic capabilities. However, previous literature does indicate that large luxury groups continue to develop institutional symbolic production mechanisms through branding systems, heritage storytelling and cultural partnerships, even as they pursue commercial objectives (Bain & Company & Fondazione Altagamma, 2020–2024; Kapferer, 2015).

These findings are consistent with prior descriptive and theoretical research and further emphasize the notion that the luxury industry currently operates under a dual logic. Specifically, family-owned firms will benefit from symbolic and heritage-related aspects of the luxury market, whereas conglomerate-owned firms will use financial resources and institutionalized symbolic production as alternatives to symbolic heritage (Miller et al., 2015; Deloitte, 2023–2024).

Table: Paired Wilcoxon Signed-Rank Test Results by Hypothesis

Hypothesis	Mean Difference	Standard Deviation	p-value	Result
H1: Family Heritage vs Conglomerate Financial Performance	1.365	1.038	< 0.001	H_0 rejected
H2: Family Symbolic vs Conglomerate Commercial Orientation	1.411	1.143	< 0.001	H_0 rejected

Table 3: Paired Wilcoxon Signed-Rank Test Results by Hypothesis

Note: Statistical significance indicated systematic differences in respondent evaluations but did not imply theoretical support for Hypothesis H_2, which concerns ownership-based symbolic exclusivity rather than absolute differences between symbolic and commercial dimensions.

The substantial statistical evidence for "family-owned company" preferences ($p < 0.01$), which are influenced by an "intergenerational discount," were supported by respondant's beliefs that family owners have a desire to maintain the symbolic or emotional value of their company's name and branding, as compared to the desire to maximize profits (Gómez-Mejía et al., 2007). The evidence supporting these preferences was based upon the expectation that family-owned companies will be more effective stewards of their company's brand over time than will conglomerates. A focus on long term investments (versus quarterly financial results) is a hallmark of patient capital (Miller & Le Breton-Miller, 2005).

4.2.7 Determinants of Perceived Competitive Advantage of Family-Owned Firms

Ordinary least squares (OLS) regression examined predictors of perceived competitive advantage (PCA) for family-owned luxury firms, using five independent variables: symbolic value of family ownership, crisis management capability, familiarity with family firms, perceived consolidation threat, and industry experience.

The model accounts for a large percentage of the variation in how respondents perceive their competitive advantages ($R^2 \approx 0.86$) of family-owned luxury firms. Therefore, this suggests that there are strong conceptual linkages between the perception-based constructs in the model and suggests that respondents' assessment processes are highly coherent. Although the total model is statistically valid as evidenced by the F-statistic ($F = 37.69$; $p < 0.001$), it is necessary to interpret these findings as a descriptive of respondents' evaluative models and not as evidence of causation or prediction.

Among the independent variables, the symbolic value of family ownership clearly was the strongest correlate within respondents' evaluative frameworks ($\beta = 0.4698$; $p < 0.001$). Symbolic value of family ownership describes respondents' perceptions of heritage, authenticity, identity continuity and cultural meaning resulting from family ownership. The result showed that respondents considered family-owned luxury companies to be predominantly better positioned in the market due to the fact that family ownership provides a longer lasting history for the company, authenticates the experiences provided and ensures a clear brand identity over time. The result underlined the dominant role of symbolic capital in luxury markets, where the value was not just created through product quality but also through meaning, legitimacy and cultural relevance (Bourdieu, 1986; Kapferer & Bastien, 2012). This suggests that family ownership offers a very effective method to create the stories of lineage, continuity and stewardship inside luxury brands (Holt, 2004).

Crisis management capability also was a statistically significant and positively correlated factor for PCA ($\beta = 0.3181$; $p < 0.001$). Crisis management capability is a measure of respondents' perceptions of how well family-owned firms can respond strategically and in unison to disruptions in the market. The results confirmed the notion that family-owned luxury firms are considered to be more stable and reliable during times of crisis, which corresponds with Socioemotional Wealth Theory (Gomez-Meija et al., 2007). Research prior to this study indicated that family-firms' use of patient capital, conservative financing and flexible decision-making during crisis contributed to perceptions of reliability and stability (Chrisman, Chua, & Steier, 2003).

The foregoing showed that PCA for family-owned luxury firms was mainly based on symbolic meaning and governance-based resilience, and not only on the operational and structural characteristics of the firm.

Familiarity with family-owned firms did not have a statistically significant correlation to PCA ($\beta = 0.0150$; $p = 0.767$). The lack of a statistically significant relationship between familiarity and PCA indicated that respondents' assessments of competitive advantage were not influenced by individual exposure or experience with family-owned firms. Rather, perceptions of PCA seem to be shaped by broader cultural associations and common narratives around family ownership.

Moreover, perceived consolidation threats did not have a statistically significant correlation to PCA ($\beta = 0.0989$; $p = 0.311$). While mergers and acquisitions represented potential structural problems for family-owned firms, respondents did not integrate these external pressures into assessments of competitive positioning. The finding indicated that PCA was perceived to arise from internal generated meanings and strategic coherence and not from direct competition with conglomerates or scale advantages. This finding therefore challenges the sharp distinction between family-owned and conglomerate-owned firms and emphasized the independence of symbolic differentiation as a basis of competitive advantage in luxury markets (Kapferer, 2015).

Industry experience did not have a statistically significant correlation to PCA (β = -0.0445; p = 0.522). The lack of a statistically significant relationship between PCA and experience indicated that respondents' assessments of the competitive advantage of family-owned firms were generally consistent across the different respondent groups, regardless of respondents' level of experience in the luxury industry. The lack of a correlation between experience and PCA supported generalizability of the results and suggested that symbolic and governance-based interpretations of PCA apply equally well both inside and outside of the professional or insider domains.

A graphic representation of the results is presented in Figure 35, which illustrates the standardized coefficient estimates for each of the independent variables with corresponding 95 % confidence intervals. As depicted in the Figure, the only two coefficients with confidence intervals that do not contain zero were for the symbolic value of family ownership and crisis management capability. The confidence intervals for the remaining three variables contained zero, which indicated that the relationships of the variables with PCA were statistically insignificant.

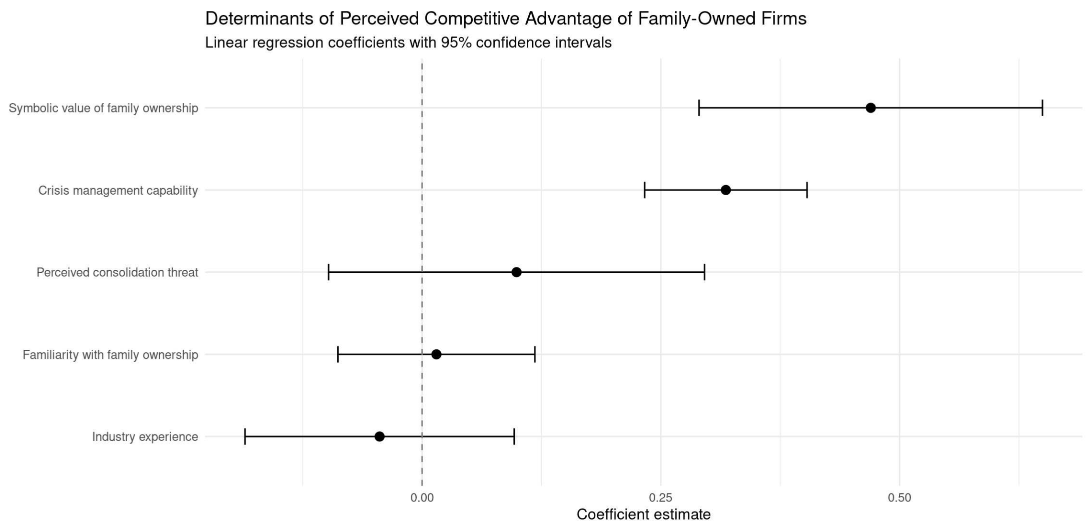

Figure 35: Linear Regression Coefficients with 95% Confidence Intervals

All in all, PCA for family-owned luxury firms are primarily based on symbolic capital and governance-based crisis resilience and not on familiarity industry experience. Furthermore, the results supported the theoretical assumption that competitive advantage in luxury markets is not solely based on scale and efficiency but also on legitimacy, continuity and culturally embedded governance systems (Bourdieu, 1986; Holt, 2004; Gomez-Meza et al., 2007).

```
Residuals:
     Min       1Q   Median       3Q      Max
-0.71378 -0.09231  0.01414  0.15068  0.79522

Coefficients:
                     Estimate Std. Error t value Pr(>|t|)
(Intercept)           1.04411    0.37236   2.804  0.00962 **
familiarity_family    0.01503    0.05006   0.300  0.76655
family_symbolic       0.46980    0.08729   5.382 1.39e-05 ***
crisis_management     0.31807    0.04127   7.707 4.61e-08 ***
consolidation_threat  0.09893    0.09557   1.035  0.31050
experience_years     -0.04446    0.06842  -0.650  0.52175
---
Signif. codes:  0 ‘***’ 0.001 ‘**’ 0.01 ‘*’ 0.05 ‘.’ 0.1 ‘ ’ 1

Residual standard error: 0.3349 on 25 degrees of freedom
Multiple R-squared:  0.8829,    Adjusted R-squared:  0.8595
F-statistic: 37.69 on 5 and 25 DF,  p-value: 7.357e-11
```

Table 4: OLS Regression Results (Dependent Variable: Perceived Competitive Advantage)

5. Conclusions

5.1 Main Findings - Triangulation

This study shows that ownership affects competitive advantage in the luxury industry not as a binary choice between family-owned versus conglomerate-owned firms, but by supplying a means through which symbolic value may be generated, maintained, and grown. By triangulating existing theory, expert interviews, and consumer survey data, this research has found that contemporary competitive rivalry in the luxury industry is driven by the interplay between cultural legitimacy and financial capability, rather than by the type of ownership structure.

Family-owned luxury firms were found across all three data collection methods to be most commonly associated with a long-term strategic orientation, identity stability, emotional authenticity, and resilience when experiencing disruption. These perceived advantages arise from managing intangible, meaning-based assets such as heritage, reputation, and stewardship that both experts and consumers identified as critical elements of luxury firm differentiation. In particular, respondents link family ownership to symbolic value in times of crisis, reinforcing the role of legacy-driven decision-making, that contributes to sustaining brand legitimacy over time.

Conversely, conglomerate-owned luxury firms were perceived as having a number of structural advantages related to scale, capital availability, professionalization, and organizational infrastructure. The expert interviews highlighted how large luxury conglomerates utilize formal systems and governance to institutionalize their creative processes, heritage storytelling and cultural production. Survey results further indicated that conglomerate-owned firms are increasingly viewed as capable of generating and managing symbolic value, thus contradicting the assumption that cultural legitimacy can only be derived from family ownership.

Overall, the findings reject a zero-sum view of family and conglomerate ownership models. Instead, they reveal a dual logic of competition where symbolic value must be preserved to maintain legitimacy while simultaneously being scaled through capital-intensive and organizationally complex systems. Quantitative analysis supports this interpretation, showing that perceptions of symbolic value and crisis management remain significant predictors of perceived competitive advantage.

Taken together, these findings reframe the role of ownership, from a static categorization to a dynamic governance framework which luxury firms must balance with respect to meaning, scale, and resilience over time. Family ownership remains strategically relevant due to its capacity to protect and cultivate symbolic resources across generations, while conglomerate ownership provides the structures and capital necessary to institutionalize and globalize symbolic value.

5.1.1 Theoretical Implications

This study demonstrated support for prior theoretical work, in particular, Resource-Based Theory (RBT), Socioemotional Wealth (SEW) theory, Dynamic Capabilities, and Symbolic Capital theory, while extending these frameworks into the luxury setting. The study also addressed calls in the literature for deeper understanding of how luxury companies succeed by creating symbolic and financial value.

Family-owned luxury companies possess social and historical accumulation of resources which cannot be duplicated by capital investment. Heritage, authenticity, identity and long-term stewardship are path dependent resources, consistent with RBT's assumptions of inimitability. This research extended RBT, in that luxury companies' meaning-based resources, not size, efficiency, etc., are the primary differentiation factors.

In addition, regarding Symbolic Capital theory, symbolic value is not based solely on family lineage. Although family ownership remains strongly associated to symbolic depth and cultural legitimacy, conglomerate-owned luxury companies can also develop symbolic capital through professionalization, coordination, and the institutionalization of cultural production. This challenges dichotomous representations of conglomerates as inherently culturally diluted, and reframes symbolic capital as an organizational capability shaped by governance structures rather than ownership origin alone.

Agency Theory further explains differences in strategic orientation between ownership models. While conglomerates face 'short term pressures' of quarterly reports and external shareholders, family firms adopt a 'dynastic view' that enables intergenerational discounting (Carcano, Corbetta & Minichilli, 2011; Martiello, 2023). That is, they are willing to forego immediate profits or allow the company to lose money in the short run to preserve the 'symbolic density' of the brand for generations to come.

Further, this research established that resilience for family-owned luxury companies occurs through continuity of ownership, preservation of identity, and long-term strategic orientation. On the other hand, conglomerate-owned luxury companies establish resilience through their ability to access and utilize available resources, and leverage the scale of their organization. Importantly, our findings suggested a boundary condition for Dynamic Capabilities in cultural industries: adaptability must remain congruent with symbolic value, as flexibility alone will be insufficient if it undermines the cultural significance.

Lastly, this research extends SEW theory by providing empirical evidence to support the claim that legacy, reputation, and long-term continuity enhance perceptions of crisis management and cultural stewardship. These advantages operate primarily at symbolic and interpretive levels and may not be fully captured by conventional performance metrics, reinforcing the relevance of SEW in meaning-intensive industries such as luxury.

Overall, our study integrates governance, symbolic capital and capability development to address gaps in the fragmented literature on ownership, culture and competitive advantage. Rather than positioning family ownership as inherently superior or inferior, the findings demonstrate that ownership functions as a contingency-based governance mechanism whose effectiveness depends on strategic context and organizational capabilities.

5.1.2 Practical Implications

This study provides actionable insights for managers of both family-owned and conglomerate-owned luxury firms on how symbolic value can be created, sustained, and leveraged as a source of resilience, particularly when facing crises. Rather than prescribing an ideal ownership form, the findings show how different governance structures enable luxury firms to thrive through distinct pathways.

For family-owned luxury firms, symbolic value and crisis resilience do not arise from historical legacy alone. While heritage provides a foundation for authenticity and long-term orientation, family owners/managers must continuously generate and disseminate symbolic value through authentic stories, consistent practices and governance structures that remain stable across generations.

For conglomerate-owned luxury firms, scale and access to capital do not inherently detract from symbolic value. The primary challenge for managers is to preserve brand autonomy, cultural consistency, and creative freedom across portfolios and global markets. Conglomerates can establish legitimacy through systems designed to promote long-term brand stewardship, protect creative independence, and sustain credible brand narratives. By demonstrating an ongoing commitment to heritage, creative leadership and continuity, they can reduce perceptions of excessive commercialism and increase cultural legitimacy.

Finally, the findings of this research demonstrate that symbolic value creation remains possible in the luxury goods sector, which is experiencing ongoing consolidation; however, the manner in which symbolic value is created has evolved. Consequently, managers would benefit from shifting their focus away from resisting consolidation in general, and toward designing ownership and governance structures that facilitate creating of symbolic value while enabling scale. Consolidation can coexist with cultural and symbolic differentiation.

5.2 Limitations

While contributing to the body of knowledge regarding ownership structure and competitiveness in the luxury industry, generalizability of this research is limited by data collection methods, sample characteristics, and measurement limitations.

5.2.1 Expert Interviews

Data was gathered from 12 expert interviews which were conducted using semi-structured questions and a method of "purposeful sampling." The participants were selected based on their level of experience and knowledge, and their opinions may have been biased as well as their views on the governance and/or ownership structure. The participants' background may also affect how they perceive ownership and therefore highlight some aspects of ownership more than others. This potential source of bias was mitigated through the use of thematic triangulation across all the interviews and through the cross-referencing of the experts' viewpoints with the survey results and secondary sources of information.

Interpretation of interview data was influenced by the researcher's analytical perspective. While systematic coding procedures were used to increase transparency and objectivity, it is impossible to eliminate interpretive bias entirely. Therefore, the qualitative results add an explanatory depth but are not statistically significant.

5.2.2 Survey

Survey data was based upon subjective perceptions reported by respondents. Instances of response biases (Likert scale type), such as acquiescence bias and social desirability bias, and subjectivity cannot be obviated. The survey sample was also rather homogenous (in terms of age, geographic region, and educational background). These factors limit the external validity of the findings and applicability of the results to other luxury consumer groups.

One other restriction is the predominately European based sample which had a high number of respondents living in Europe. This has specific relevance to this study because Asia has been identified as the major driver of growth, where consumers may have a stronger interest in the size of a company's operation globally and the level of institutional credibility, alongside heritage and the quality of craftsmanship (Chevalier & Lu, 2015; Kapferer, 2015; Bain & Altagamma, 2024). The results therefore should be viewed through a European cultural lens rather than globally.

A non-trivial percentage of respondents chose “prefer not to answer” for demographic items, therefore limiting the control variables available for multivariate analysis. Therefore, we must be cautious about causal statements and the quantitative results are most appropriately viewed associationally rather than causally.

An important limitation is that the student population in the survey is an affluent demographic at 40.6%. They likely adopt an aspirational, "Next-Gen" lens, focusing on symbolic value and heritage over practical high frequency consumerism of existing UHNWIs. Therefore, the findings provide theoretically meaningful insight into how symbolic legitimacy and ownership cues are interpreted by the next generation of cultural capital holders, who will shape future luxury demand even if they are not yet the sector’s primary revenue contributors.

5.3 Future research

There are factors limiting generalizability of the current study. Future research should use a longitudinal design allowing the researcher to follow the development of symbolic value and legitimacy and how these factors impact competitiveness over an extended period of time. A longitudinal approach would also capture the effects of major organizational changes (I.e. acquisitions, succession, etc.) and whether symbolic advantages associated with heritage and legitimacy are maintained, lost or changed.

Future research can further explore the influence of ownership on consumer perceptions of luxury products within sub-segments of the luxury market by differentiating between capital intensive luxury product categories (E.g. hospitality and automotive) and craft/cultural driven luxury product categories (E.g. clothing, jewelry, etc.). This will help to refine the researcher's understanding of the interplay of ownership and its effects on production intensity, reliance on creativity and symbolic density.

Cross-cultural comparative studies would provide insight into how consumers view family-owned and conglomerate-owned luxury products differently across various luxury markets. Cultural differences concerning family, traditions, company size, and globalization will likely produce varying views of symbolic value and legitimacy across regional boundaries and between mature and developing luxury markets.

Finally, researchers will benefit from using both perceptual and objective measures to assess symbolic and heritage-based strategies to better understand the relationship between symbolic value creation and sustained financial success. Integrating perceptual and objective data will enable researchers to test the relationship more robustly between symbolic value creation and sustained financial success, and thereby add nuance to the interplay between ownership, culture and competitive strategic positioning in luxury industries.

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Appendix A: Outline of survey questions

Q. No	Question	Question Type	Answer Options
General Familiarity and Perception of Luxury Ownership Structures			
Basic information regarding the concept of luxury ownership was provided.			
1	Have you ever worked for or directly collaborated with a family-owned luxury company?	Multiple choice	Yes; No; Prefer not to say
2	How familiar are you with the concept of family ownership in luxury firms?	5-point Likert scale	Not familiar at all (1) – Extremely familiar (5)
3	How familiar are you with conglomerate ownership structures (e.g., LVMH, Kering, Richemont)?	5-point Likert scale	Not familiar at all (1) – Extremely familiar (5)
4	Rate your agreement with these statements: – "Family ownership preserves brand heritage and identity." – "Conglomerate ownership strengthens financial resilience." – "Ownership structure influences creative direction."	5-point Likert scale	Strongly disagree (1) – Strongly agree (5); Not applicable/Don't know
Perceived Strengths and Weaknesses of Family Ownership			
5	How strongly do you associate family ownership with the following traits? – Long-term vision – Conservatism in finance – Emotional attachment – Brand authenticity – Resistance to change	Matrix question	1 (Not at all associated) – 5 (Strongly associated)
6	In your view, which of these is the main advantage of family ownership in luxury?	Multiple choice	Brand heritage; Long-term commitment; Creative independence; Financial discipline; Other
7	Which of these is the main limitation of family ownership?	Multiple choice	Limited access to capital; Resistance to innovation; Succession challenges; Lack of professionalization; Other
Industry Trends and Consolidation			
Basic information regarding what consolidation is and other terms provided.			
8	How much do you agree with the statement: "Industry consolidation (via M&A) threatens the independence of family-owned brands."	5-point Likert scale	Strongly disagree (1) – Strongly agree (5)
9	How do you think family firms can remain competitive in an era of consolidation?	Multiple choice (multiple selections possible)	Strategic alliances; Controlled capital partnerships; Brand differentiation; Succession renewal; Other
10	To what extent do you think conglomerate ownership provides an advantage in global expansion?	5-point Likert scale	Not at all (1) – Very much (5)

Resilience and Long-Term Orientation			
11	How likely is a family-owned brand to prioritize long-term brand equity over short-term profit compared to conglomerate brands?	5-point Likert scale	Extremely unlikely (1) – Extremely likely (5)
12	How effectively do family firms manage during crises (e.g., COVID-19, inflation)?	Rating scale question	0 (Very poorly) – 100 (Extremely well)
13	Which factor most contributes to family firms' crisis resilience?	Multiple choice	Strong client loyalty; Conservative finance; Brand heritage; Leadership stability; Other
Brand and Cultural Capital			
14	How much do you agree with: – "Family ownership enhances the symbolic value of luxury brands." – " I am carefully reading this survey". – "Conglomerate management prioritizes commercial performance over culture."	5-point Likert scale	Strongly disagree (1) – Strongly agree (5)
15	Which ownership structure better maintains the cultural meaning of luxury?	Multiple choice	Family ownership; Conglomerate ownership; Both equally; Unsure
Demographics and Background			
16	What is your professional background?	Multiple choice	Academic researcher; Industry professional; Luxury brand employee; Student; Other
17	What is your age group?	Multiple choice	18–24; 25–34; 35–44; 45–54; 55–64; 65+
18	Which region are you based in?	Multiple choice	Europe; North America; Asia; Middle East; Latin America; Other
19	What is your highest level of education?	Multiple choice	Bachelor's; Master's; Doctorate; Other
20	Have you ever directly worked for a family-owned or conglomerate-owned luxury brand?	Multiple choice	Family-owned; Conglomerate-owned; Both; Neither
21	What is your gender?	Multiple choice	Male; Female; Non-binary; Prefer not to say
22	How many years of experience do you have in the luxury industry or related sectors?	Multiple choice	3-5 years; 6-10 years; +11 years; Not applicable
23	How would you describe your purchasing power regarding luxury goods?	Multiple choice	Low; Moderate; High
24	How often do you buy or interact with luxury brands?	Multiple choice	Never; Occasionally; Regularly; Professionaly
25	What is your current employment status?	Multiple choice	Employed; Student; Freelance; Unemployed; Prefer not to say.
26	What is your annual household income bracket?	Multiple choice	Below €30,000; €30,000–€60,000; €60,000–€100,000;

			Above €100,000; Prefer not to say
27	What type of luxury segment do you interact with most?	Multiple choice (multiple selections possible)	Fashion; Jewelry; Cosmetics; Automotive; Hospitality; Other

Table 5: Survey Questions Outline

Appendix B: Expert Interviews

Interview scripts

Below is the set of guiding questions used in the interviews. Given the semi-structured nature of the conversations, some questions were adjusted to better align with each expert's knowledge and experience.

1. What do you believe are the most important forces reshaping the luxury industry today?
2. How would you rank these forces in terms of their impact on long-term competitiveness?
3. In your view, what distinguishes family-owned luxury firms from conglomerate-owned brands?
4. Which of these differences matter most for building long-term competitive advantage?
5. How do family-owned luxury firms tend to respond to crises compared with large groups?
6. How does governance, the way decisions are made, shape agility and adaptability?
7. Are there cultural strengths or modes of working in family-owned firms that are hard for conglomerates to replicate?
8. On the other hand, what risks or limitations do you associate with family governance?
9. What are the main challenges family-owned firms face when competing with global conglomerates?
10. In your experience, where do conglomerates have scale advantages that family firms struggle to match?
11. What strategies do you believe are most important for family-owned luxury firms to remain competitive today?

12. Are there practices from large groups that family firms should adopt, and others they should avoid?
13. Do you believe family ownership will continue to be a competitive advantage in the luxury sector?
14. What would need to change or develop for family ownership to remain a source of long-term strength?

Interview Summary 1: PA

What do you believe are the most important forces reshaping the luxury industry today?

PA: One of the biggest changes is the new generation of clients. They're not just looking for luxury products, they want some meaning, curated experiences, and personalization. A beautiful handbag or dress isn't enough anymore. People want a lifestyle, a story, and a feeling of connection, for example, we're using a lot of influencers that portray a certain lifestyle to adapt to this new generation of clients. Another shift is the expansion of luxury into new areas. It's no longer just about fashion. Luxury brands are blending with hospitality, wellness, and lifestyle. As a family-owned company, we see real value in creating this kind of holistic luxury, bringing retail, hotels, and experiences together under one brand. As you may know, we have a sort of slogan in our brand that we try to encompass in every single venture we have, every hotel, restaurant, club, retail store follows that. And of course, digital transformation is crucial. The way we handle data, manage client relationships, and follow up with customers helps us scale without losing the personal touch. Plus, with growing expectations around ethics and sustainability, being transparent and values-driven isn't optional anymore, it's expected. That's maybe what a lot of companies struggle with.

How would you rank these forces in terms of their impact on long-term competitiveness?

PA:

1. The changing mindset and values of consumers, this drives everything in this industry.
2. The integration of luxury, lifestyle, hospitality, and retail, creating full-spectrum experiences.
3. Personalization through digital tools and data, this is essential for meeting client expectations.
4. Sustainability and ethical practices, especially important for heritage-driven brands.

5. Market consolidation and global competition, we don't lead this trend, but we must respond to it.

How do family-owned luxury firms compare to conglomerates in terms of agility and long-term thinking? PA: In a family business, there's a deep emotional investment. Of course, profit matters, but we're here to preserve legacy. When we take on a new project, we ask ourselves, "Will this still make sense 20 or 30 years from now?" We care deeply about our brand's identity, consistency, and values. Decisions are made based on trust and relationships, not just numbers. I founded this group very much due to my family's name, of course, we had capital, but we feel like people and consumers trust us more because of our long and deep history. Conglomerates bring scale and structure. Their decisions often prioritize short-term results, which can dilute the brand's soul.

How do you see these differences affecting competitiveness? PA: The biggest advantage for family-owned maisons is authenticity. Customers can tell when a brand is genuine, when it has a history and a soul. That kind of consistency really matters in today's market, like I mentioned before. But authenticity alone isn't enough. We've combined our heritage with professional governance, lifestyle investments, and a strong brand strategy. That mix gives us both resilience and uniqueness. Conglomerates have the upper hand when it comes to infrastructure and global logistics. So, our focus is on being agile in the areas we control, client experience, brand identity, storytelling, and scaling only where it makes sense. We know we fail in this aspect… I wouldn't say "fail" necessarily, but we do struggle with those big power dynamics.

How do family-owned firms respond to crises compared with larger groups? PA: We tend to move quickly because our leadership is hands-on. In a crisis, we can pivot fast, change sales strategies, renegotiate with partners, or protect our teams, without the red tape. At the same time, because the decisions are personal, we take time to consider the impact. That can slow things down slightly, but once we decide, the execution is focused and unified. Covid was extremely personal for us, we felt like the only option we had was to replicate the closeness we had with our clients before, and people were craving that.

How does governance shape agility and adaptability? PA: Our governance model blends professionalism with personal commitment. We've built systems for reporting, quality control, and accountability, but we keep decision-making close to leadership. Because the people in charge are involved in day-to-day operations, decisions move quickly from insight to action. That's critical in a fast-moving industry.

Are there cultural strengths in family-owned firms that are hard for conglomerates to replicate? PA: Absolutely. The first is continuity, our partners and clients know we're here for the long term. That builds trust, and that's part of the idea that we had when creating our club, make our top customers feel important and that we're also investing in them. Second is cultural consistency. When you operate with family values, it shapes every part of the business, from retail to hospitality and that creates a more unified brand world. Third is thoughtful innovation. We don't have to chase trends necessarily, we have more creative liberty, and we can take creative risks and develop new ideas without the pressure to deliver instant results.

What risks or limitations do you associate with family governance? PA: One risk is being too conservative. Legacy can make people hesitant to change or take bold steps, which can slow progress. Another challenge is limited resources. We can't match the massive budgets of global groups, so we have to be very strategic about where we invest, we need to be sure if it makes sense a few years from now. And there's always the balancing act, how to evolve while still staying true to your heritage. It's a constant negotiation.

What strategies do you believe are most important for family-owned luxury firms to remain competitive today? PA:

1. Professionalize every aspect of the business, finance, governance, brand management, people management.
2. Grow selectively, focus on areas where your value really stands out, like experience-driven retail or hospitality.
3. Invest in digital tools to build stronger client relationships.
4. Protect your identity, that's what sets you apart from global conglomerates.

Do you believe family ownership will continue to be a competitive advantage in the luxury sector? PA: Yes, if it's paired with openness and professionalism. Family ownership can offer authenticity, stability, and trust, all qualities that clients value deeply. But it can't stand still, you need to evolve to stay relevant. The real strength lies in combining tradition with a forward-looking approach. In terms of professionalism, both my children went to school with this objective in mind, they will succeed me, and I need them to be as prepared as possible.

Interview Summary 2: AB

What do you believe are the most important forces reshaping the luxury industry today? AB: In luxury real estate, the biggest shift is that clients no longer just want "a property." They're seeking a full lifestyle. Things like wellness, safety, great design, connection to nature, and a sense of community now carry more weight than square footage or materials. In Portugal this is a new major trend, especially in Comporta. Another major trend is the rise of international demand. Many of our clients are relocating or choosing to live in multiple places, and Portugal stands out because of its quality of life and stability. We're also seeing luxury merge with lifestyle. Wellness, culture, food, and sports aren't just extras anymore, they're part of what defines a luxury experience. And of course, sustainability has become a serious priority. People want to know how buildings are constructed, what materials are used, and how they'll perform in the long run.

In your view, what distinguishes family-owned luxury firms from conglomerate-owned brands? AB: The biggest difference is how we view time. Family businesses are thinking in decades, not quarters. Our decisions aren't about the next earnings call, they're about what we're passing on to the next generation. There's also a personal level of care. When the family name is on the door, you don't take shortcuts. You stay close to the work. In contrast, conglomerates operate at scale, but they don't always have that emotional connection to the final outcome, and we do see this in real estate, there's this strong need to just "push out" buildings, and even more buildings. Where's the fun in that?

Which of these differences matter most for building long-term competitive advantage? AB: Trust. In luxury real estate, you're dealing with one of the most important purchases someone will make. When clients know the owners are personally involved, it builds a credibility that's hard for large corporations to replicate. And there's consistency. Family businesses can hold a steady vision over time because leadership doesn't change every few years.

How do family-owned luxury firms tend to respond to crises compared with large groups? AB: We can respond quickly and instinctively. In volatile situations, economic, political, or otherwise, we don't need ten layers of approval. We meet, evaluate, and act. And we stay true to our values. Even in a crisis, we protect our team, our product quality, and the long-term brand image. That's a key difference.

How does governance shape agility and adaptability? AB: Family governance is a balance; we blend professional systems with hands-on leadership. This lets us make decisions fast while still staying in control. Because we're present and involved in our projects, we can spot issues early and respond in real time.

Are there cultural strengths or modes of working in family-owned firms that are hard for conglomerates to replicate? AB: Yes, coherence and emotional investment. The company's culture is consistent, and you can feel it in every part of the business. Clients tell us they trust our brand because it feels authentic and stable. In Portugal unfortunately, it's typical to see many companies going bankrupt, mainly conglomerates. I mean, there's a lot of capital, but they lack stability. That kind of cultural depth is hard to manufacture in a large group with rotating leadership.

What risks or limitations do you associate with family governance? AB: One risk is being too reliant on the founder. When a vision is heavily tied to one person, the rest of the company can lag behind structurally. Another is the limit on capital. We don't have the same financial firepower as large groups, so we can't grow as broadly or quickly. And tradition can become a barrier. It's a strength, but it can also prevent change if you're not careful. Complicated line indeed.

What are the main challenges family-owned firms face when competing with global conglomerates? AB: Capital is the biggest one. Conglomerates can fund multiple projects and negotiate better deals. They also invest heavily in tech, branding, and international reach. But their size can be a drawback, too. Clients often prefer the personal approach and emotional connection that a family firm can offer, and we feel that's especially true when we talk real estate. That's how we differentiate, not with scale, but with experience. We try to collaborate with specific architects that have vast experience, not only with us, but in the market.

What strategies do you believe are most important for family-owned luxury firms to remain competitive today?

AB:

- Professionalize operations but keep family values intact.
- Invest in quality, architecture, design, and execution.
- Focus on creating lifestyle ecosystems, not just individual properties.

- Be selective with growth, go for fewer, but better projects.
- Build trust through transparency, especially with international clients.
- Commit to real sustainability, not just marketing.

Are there practices from large groups that family firms should adopt, and others they should avoid? AB: We should absolutely adopt financial discipline, strong governance, compliance, and digital infrastructure. What we should avoid is treating projects like templates or rushing things for the sake of speed. Identity should always come first.

Do you believe family ownership will continue to be a competitive advantage in the luxury sector? AB: Yes, but only if we keep evolving. Family ownership is powerful when paired with professionalism, innovation, and a long-term mindset. Today's clients care about authenticity and values, but we have to be realistic and be aware that we may need to adapt to structural shifts in our industry. I feel like the rest of your interviewees might say the same or at least a very similar concept.

Interview Summary 3: BC

What do you believe are the most important forces reshaping the luxury industry today? BC: The customer journey has completely changed. Luxury clients now expect a fully integrated experience across digital and physical platforms. Stores aren't just for transactions anymore, they're experiential spaces. People go to Paris or Milan and part of their trip is spent going to luxury retail stores, they've become exhibitions almost. Another big factor is consolidation. Large groups are capturing more of the value chain and setting the pace when it comes to pricing, innovation, and supply chain sophistication. We're also seeing a convergence of lifestyle elements, hospitality, wellness, food, culture, and design are now inseparable from the luxury ecosystem. And finally, sustainability is no longer a "nice to have." For younger generations, a brand's transparency and ethical governance are major factors in whether they buy. Even if this younger generation doesn't buy based on the materials, they now invest in 2nd hand clothing and leather goods.

In your view, what distinguishes family-owned luxury firms from conglomerate-owned brands? BC: Family firms usually have stronger, more coherent brand identities. Their leadership is stable and deeply connected to the brand's meaning. Conglomerates bring structure, scale, and investment power. They optimize globally, implement systems, and build capabilities that are often too expensive for smaller firms.

Which of these differences matter most for building long-term competitive advantage? BC: Consistent brand identity over time is huge. One of the best predictors of luxury brand success is whether it can maintain its vision through leadership changes, and family firms do this better. But consistency isn't enough. You need capability too. The top-performing family firms combine their heritage with professional governance, data-driven strategies, and disciplined operations. Versace couldn't, and they've just been bought out by the Prada Group.

How do family-owned luxury firms tend to respond to crises compared with large groups? BC: They're usually faster because there's less bureaucracy. With shorter decision chains, they can move from insight to action quickly. During COVID, many independent luxury brands pivoted to new clienteling models in days, something larger groups couldn't do as quickly. That said, big groups are more shock-resistant. Their diversified portfolios give them a financial cushion that smaller players often lack.

How does governance shape agility and adaptability? BC: Governance can help or hurt. If it's too informal, decisions may be quick but inconsistent. If it's too rigid, the brand can become slow and overly bureaucratic. The best family firms strike a balance: they have a strong family vision, but they also rely on a professional executive team to deliver results. That hybrid model tends to outperform both extremes.

Are there cultural strengths in family-owned firms that are hard for conglomerates to replicate? BC: Definitely. Family firms are often more authentic. Their values are lived, not just written down. Employees tend to feel more connected, and clients sense that emotional continuity. That emotional equity builds trust, and in luxury, trust is everything.

From a consultant's perspective, what structural disadvantages do you typically observe when family-owned luxury firms compete with global conglomerates? BC: The biggest disadvantage is in capability depth. Conglomerates invest heavily in CRM, logistics, sustainability, and global real estate. Family firms usually operate leaner and have to be very strategic about where they allocate resources. Capital is another challenge; international growth demands upfront investment and patience. Big groups can handle that better. And attracting top executive talent can be difficult. Many professionals prefer the career paths and scale of larger organizations. Family firms need to offer compelling reasons for talent to join and stay.

What strategies are most important for family-owned luxury firms to remain competitive today? BC:

- Professionalize core functions, finance, digital, CRM.
- Focus on what makes you different; don't try to match conglomerates in scale.
- Invest in your brand identity and creative edge.
- Use hybrid leadership models, protect your brand's soul, but allow room for innovation.
- Prioritize client intimacy, something big groups often struggle to replicate.

Are there practices from large groups that family firms should adopt, and others they should avoid? BC: Adopt: Strong governance, financial discipline, supply chain expertise, digital infrastructure, and data-driven decision-making. Avoid: Over-standardization, complex approval cycles, portfolio thinking that waters down brand identity, and short-term margin obsession that sacrifices long-term value.

Do you believe family ownership will continue to be a competitive advantage in the luxury sector? BC: Yes, if it evolves. Family ownership can build incredibly strong, authentic brands. But to stay competitive, it has to be paired with world-class capabilities. The magic formula is heritage + professionalism. That combination is very powerful.

Interview Summary 4: LB

What do you believe are the most important forces reshaping the luxury industry today? LB: The biggest shift is in the customer base itself. Luxury is now global and much younger. Gen Z and younger millennials already drive a large share of growth. These clients expect speed, cultural relevance, and full transparency from the brands they support. Digital is another major force. The client journey is now omnichannel. Whether someone shops online or visits a boutique, the experience has to feel seamless and emotionally connected. CRM and data are at the center of that strategy. We're also seeing luxury expand into broader lifestyle categories. Clients want more than products; they want an entire universe that includes wellness, hospitality, gastronomy, and cultural experiences.

In your view, what distinguishes family-owned luxury firms from conglomerate-owned brands? LB: It comes down to pace and structure. Family-owned firms tend to have strong brand identities and long-term continuity, which is valuable. But groups like ours operate at a completely different scale. We have the logistics, supply chain capabilities, and investment power to innovate and grow globally. There’s also a difference in how we operate culturally. Family firms are guided more by heritage and instinct. We are guided by performance, process, and strategic planning.

Which of these differences matter most for building long-term competitive advantage? LB: Depth of capability is essential. Brand equity is critical, of course, but it must be supported by infrastructure. To maintain excellence in product, innovation, sustainability, and client experience, you need serious investment. Conglomerates are built to support that level of complexity. That doesn’t mean family firms can’t compete, but they need to be extremely focused and clearly differentiated.

How do family-owned luxury firms tend to respond to crises compared with large groups? LB: Family firms can usually act faster. They have centralized decision-making and fewer approval layers. Large groups like ours have coordinated systems and protocols that allow for consistency and cross-market alignment, but that structure can slow us down in urgent situations. Agility does gives speed. Structure gives resilience. Each has strengths depending on the situation, and that’s the norm with everything in life.

How does governance shape agility and adaptability? LB: Governance provides discipline and clarity. In a group setting, we follow specific approval flows, financial frameworks, and brand protection guidelines. This ensures we manage risk effectively, but it also limits flexibility. The challenge is finding a balance between being responsive and staying consistent. Our advantage is the ability to execute large-scale campaigns or product rollouts efficiently and with global consistency.

Are there cultural strengths in family-owned firms that are hard for conglomerates to replicate? LB: Yes. Family brands often have a natural emotional tone that comes through across generations. Their authenticity feels very organic. In a corporate context, we express authenticity through structured storytelling, creative leadership, and disciplined brand strategy. Family firms achieve it intuitively. We achieve it through process.

From your perspective inside a conglomerate, where do family-owned luxury firms struggle most when competing with global groups? LB: The biggest challenge is the scale of investment. Everything from digital transformation to retail expansion to sustainability requires huge capital. We can spread those costs across multiple maisons. Independent firms have to pick their battles carefully. There’s also a talent gap. Many executives are drawn to the global exposure and career growth that a group like ours can offer. Family firms need to work harder to attract and retain top talent. We’re always scouting, and we feel like we have more to offer, that’s why so many come to our side.

What strategies are most important for family-owned luxury firms to remain competitive today? LB: If they want to stand out, they need a point of view that feels unmistakably theirs, something that reflects how they actually think and operate, not something anyone else could easily replicate. When certain capabilities fall outside their wheelhouse, it just makes sense to look outward and build smart partnerships rather than try to do everything alone. They’ll also need to stay sharp on the digital front. Even if they focus on just a few core areas, the experience still needs to feel thoughtful, personal, and intentionally designed. Internally, stronger governance and more streamlined operations will play a bigger role. And it’s worth balancing the steady hand of family leadership with fresh perspectives from the outside, people who bring in different skills, challenge assumptions, and help the business grow in new directions.

Are there practices from large groups that family firms should adopt and others they should avoid? LB: Adopt operational discipline, integrated digital and CRM systems, sustainability reporting, and strong talent development frameworks. Avoid excessive standardization, losing their unique identity by mimicking global players, and expanding too fast without the necessary support systems… I would say these are the top ones.

Do you believe family ownership will continue to be a competitive advantage in the luxury sector? LB: Yes, but not automatically. It depends on how the family leads. If they bring a clear vision, strong creative direction, and invest strategically, then family ownership can be a real strength. Clients are drawn to brands that feel genuine and enduring, as I’m sure you know. But expectations are rising. The future will belong to companies that can combine emotional authenticity with operational excellence, whether they are family-owned or part of a global group, and most of the family-owned companies are being bought by the “big groups”.

Interview Summary 5: CD

What do you believe are the most important forces reshaping the luxury industry today? CD: The focus on culture has grown exponentially. The luxury industry is now as much about cultural relevance and emotional connection as it was about craftsmanship or being exclusive. A younger client will now expect a brand to be able to connect with his/her identity (not just social status) and therefore, for the first time, creativity is becoming a key strategic tool, rather than simply an ornamental element. As an example, when a younger client identifies with an actor/model representing a particular brand, this creates a significant influence on the way the client consumes and perceives the brand. Digital transformation is also a major factor. Ideas spread at lightning speed. One collection, one partnership, or one cultural moment can change how a brand is perceived globally almost overnight. And there's a clear shift toward experiential luxury. People want to step into a universe, not just buy a product. That changes how we design and communicate.

In your view, what distinguishes family-owned luxury firms from conglomerate-owned brands? CD: Family brands tend to protect creativity more naturally. The people leading them often have a deep emotional investment in the artistic vision. It's not just business, it's personal. That allows them to back bold, long-term ideas. Conglomerates, by contrast, work within structured frameworks. Their creative teams are strong, but the approval process is more risk-averse. There's a need to justify creative decisions with data or strategic alignment.

Which of these differences matter most for building long-term competitive advantage? CD: Creative integrity. When a brand stays true to a consistent artistic universe, clients feel it. That kind of authenticity can't be faked. It takes long-term commitment to build, and family firms are usually better positioned to maintain that continuity because leadership doesn't change so often.

How do family-owned luxury firms tend to respond to crises compared with large groups? CD: Family firms usually act on instinct. If something doesn't feel right, they'll change course quickly. And they'll do everything they can to protect the creative essence of the brand, even in difficult times. Groups respond in a more structured way. They run forecasts, consult multiple markets, and move only when all the data supports the decision. Both approaches have their strengths, but family firms often move faster.

How does governance shape agility and adaptability? CD: Governance determines who gets to weigh in on creative decisions. In a family house, that group is usually small and close to the brand. If something needs to change, it can happen in one conversation, with few executive members. In a conglomerate, the process involves more stakeholders. Marketing, legal, regional leadership, they all need to align. That adds layers, which can slow down response times.

Are there cultural strengths in family-owned firms that are difficult for conglomerates to replicate? CD: Definitely. There's a sense of belonging that's hard to reproduce. The teams working in these houses often feel connected to the brand on a personal level. It's a shared story. Clients pick up on that energy too. The brand feels more human, more grounded.

In your experience, what creative disadvantages do family-owned brands face when competing with conglomerates? CD: Resources are the biggest hurdle. Large groups can fund creative departments, global campaigns, and high-production storytelling at a level that's hard for smaller brands to match. Family firms have to choose their moments carefully. They can still do incredible things, just not everything at once.

What strategies are important for family-owned luxury firms to remain competitive today? CD: They need to fiercely protect their creative identity. That means investing in strong artistic direction and collaborating with cultural figures who amplify the brand's story. At the same time, the operational side needs to be solid so that creativity has room to thrive. Collaborations are key here, and we know they usually sell out.

Are there practices from large groups that family firms should adopt and others they should avoid? CD: They should adopt professional operations, merchandising discipline, and strong execution. But they need to avoid excessive standardization. If they start making decisions just to fit templates or dashboards, they risk their creative power.

Do you believe family ownership will continue to be a competitive advantage in the luxury sector? CD: Yes, especially from a creative perspective. People want real stories. They want to feel something. When a family brand stands behind its vision, it builds trust and emotional resonance that can't be manufactured. That's a major edge in today's market.

Interview Summary 6: IP

What are you seeing as the top factors changing the luxury space right now? IP: From an investor's standpoint, I am seeing five major drivers shaping the luxury market today. Number one is the young, digitally savvy consumer who is increasingly looking for value in their purchases. The second driver is the growing wealth of the affluent class in Asia. The third is the rapid shift toward digital transformation in all aspects of the sales and marketing processes. The fourth is the increasing expectation by consumers for companies to be sustainable and transparent in their business practices. Finally, there is the current state of macroeconomics that is creating economic uncertainty for all brands and testing the resiliency of each luxury brand.

Brands that win in this environment will be those that successfully marry heritage with innovation, purpose with performance.

How do you distinguish between family-owned luxury brands and conglomerate-owned luxury brands? IP: It begins with the way each type of organization thinks about governance. Generally speaking, family firms are long term thinkers and are committed to protecting intangible assets such as brand equity and identity. Conversely, conglomerates are built on the concept of scale and performance. They are designed to operate efficiently, follow a structured approach, and execute on a global level. By contrast, family firms are generally more authentic and cohesively aligned with each other and their values, and therefore generally produce a more consistent message.

Of these two factors, how do you believe they contribute to a long-term competitive advantage in the luxury space? IP: Protecting brand equity is the single most important factor for luxury brands. Your brand is your largest asset in luxury. While family firms are generally better equipped to protect brand equity due to their lack of pressure to meet quarterly earnings expectations, they also require professional leadership in order to grow and adapt to change.

How do family-owned luxury firms react to crisis situations versus conglomerate-owned firms? IP: Family-owned firms are often quicker to respond to crises because the decision-making process is more centralized and therefore faster. Additionally, family-owned firms are more protective of not only the brand, but also of their employees. Therefore, they take a longer-term view during difficult times. On the other hand, conglomerate owned firms are more systemic and therefore generally more resilient to crisis situations due to their diversification across multiple brands and geographies.

How does governance influence a firm's ability to be agile and adaptable? IP: Governance influences a company's ability to be agile and adaptable based on its structure. A well-governed company is able to strike a balance between intuition and discipline. In fact, the best performing family firms have formal structures in place for accountability while still allowing for the leadership team to make decisions quickly. This combination of speed and control is a unique position to be in.

Are there any cultural advantages of family-owned firms that are difficult for conglomerates to replicate? IP: Yes, particularly cultural loyalty. Employees of family-owned firms often stay longer and are more invested in the mission of the company. There is a sense of purpose and identity among employees of family-owned firms that is difficult for conglomerates to create through manufacturing.

From an investment standpoint, what are some common weaknesses or risks associated with family-owned luxury firms? IP: There are three common weaknesses or risks that investors see with family-owned luxury firms. First, there is a risk of relying too heavily on a specific individual or family member. If that individual or family member were to step away or make a poor decision, the entire company could suffer. Secondly, there is a risk of under-investing in certain areas of the business, such as technology, sustainability, or international expansion. Under-investment in these areas limits a company's potential to compete against larger firms. Lastly, there is a risk of emotional decision making. Some family-owned firms may be overly attached to legacy ideas and are resistant to change when it is necessary.

What strategies are important for family-owned luxury firms to remain competitive in today's market? IP: Professionalizing operations and adding senior talent with international experience are important first steps for family-owned firms. Building strong governance structures that can scale is equally important. Selective expansion into new markets and opportunities is also key. Investors look for evidence of clear direction, discipline and vision rather than just passion.

What practices from large conglomerate-owned firms would family-owned firms benefit from adopting, and conversely what practices would they be best to avoid? IP: Practices that family-owned firms would benefit from adopting include structured planning, financial controls and performance metrics. These types of controls provide accountability for actions taken by the leadership team without stifling the firm's ability to be agile. Conversely, family-owned firms should avoid mimicking large conglomerate-owned firms' "scale first" mentality. Expanding too rapidly without sufficient infrastructure in place to support it can ultimately lead to failure. One of the greatest strengths of a family-owned firm is its focus and cohesiveness, and therefore they should not seek to replicate the scale of large conglomerate-owned firms.

Do you believe that family ownership will continue to be a competitive advantage in the luxury space going forward? IP: I do believe that family ownership will be a competitive advantage for luxury firms, provided that family members evolve and modernize. The best family firms are those that are willing to evolve and improve, yet still maintain their authenticity, long term focus and professional execution. When these elements come together, the resulting luxury firm is not only competitive, but often offers a more compelling proposition to customers than large conglomerate-owned firms.

Interview Summary 7: LJ

What do you believe are the most important forces reshaping the luxury industry today? LJ: From a media perspective, the biggest shift is the speed of cultural movement. A story, a design detail, or even a quiet collaboration can suddenly dominate global attention within hours. I've seen a small capsule collection go viral on TikTok purely because of its craftsmanship. It wasn't even promoted commercially; the cultural resonance just took off. Transparency is another big change. Ten years ago, the family behind a luxury brand was a side note. Today, they're often the main story. Readers want to know who's behind the brand, how the products are made, and what the company stands for. Luxury is also expanding beyond fashion. We now cover luxury architecture, wellness retreats, fine dining, and real estate with the same seriousness as fashion shows. The category is broader and more culturally integrated than ever.

In your view, what distinguishes family-owned luxury firms from conglomerate-owned brands? LJ: The tone is different. Family-owned brands tend to speak from lived experience. When you interview a founder or family member, there's an emotional layer, a sense of personal responsibility, that comes through clearly. Conglomerates are incredibly polished and consistent in their communication. But they can feel more institutional. Both approaches have strengths, but they resonate differently with audiences.

Which of these differences matter most for building long-term competitive advantage? LJ: Emotional continuity. A family-owned brand can maintain a consistent tone and identity across decades. When leadership doesn't shift frequently, the brand's voice becomes more recognizable and enduring. From an editorial point of view, that consistency makes storytelling easier and more compelling. Some of the most enduring brand narratives in Europe come from family-led houses that still hold the pen.

How do family-owned luxury firms tend to respond to crises compared with large groups? LJ: Family firms usually respond quickly and more personally. I remember during a supply chain disruption, one family-owned brand sent a heartfelt letter directly to their clients explaining the delay. It was human, honest, and appreciated. A conglomerate would have handled that through formal communication and brand guidelines. It would have been strategic, and effective, but less intimate.

How does governance shape agility and adaptability? LJ: It determines who has the authority to speak. In family firms, leadership is close to the voice of the brand and can approve communication almost instantly. In a corporate structure, messaging goes through marketing, and often international review. That adds consistency but slows response time, especially when reacting to cultural moments.

Are there cultural strengths in family-owned firms that are difficult for conglomerates to replicate? LJ: Yes, especially lineage. When a brand talks about its heritage and it's coming directly from the family, it feels genuine. I once interviewed someone whose grandparents had started a maison. The way they described the brand's values had real weight. That kind of intimacy is hard to recreate in a corporate setting.

In your work, how do audiences perceive family-owned luxury brands compared with conglomerate-owned ones? LJ: Audiences feel more emotionally aligned with family brands. They see them as more sincere and grounded and associate them to "old money" which has become a new social media trend. Conglomerates are admired for their global impact and creativity, but readers often assume decisions there are more commercial. It's not a criticism, it's just a different type of relationship.

Which strategies are important for family-owned luxury companies to have a competitive edge today? LJ: Family-owned luxury brands must also use modern storytelling methods as well as communicate transparently. People react positively when they see a brand's creative process, meet the people behind the brand or learn about the craftsmanship. This form of communication helps create a level of trust and creates an opportunity to engage with customers.

Are there best practices from larger corporations that family-owned firms should utilize, while avoiding other best practices? LJ: They should certainly invest in a professional public relations and digital marketing plan, but I do think they should be cautious of losing their original voice through corporate processes. Over polished messaging can eliminate the personal aspects of the brand that make it special.

Do you believe family ownership will be a competitive advantage for the luxury industry moving forward? LJ: Yes, if the family remains culturally relevant and does not become isolated. The family connection/ownership provides a significant emotional connection with its clientele. However, to maintain this competitive edge, the family needs to remain engaged on how culture and communications evolve.

Summary of Interview 8: RD

What do you believe are the top factors that are changing the luxury industry as we speak? RD: The client's expectations have changed greatly...today's luxury client is looking for a seamless experience whether shopping on-line or in their local store...if a client sees something on social media first thing in the morning, they want to be able to go to their local store and either try it on or buy it that afternoon...they also want personalized service. More and more, clients are asking about the origin of a product, how it was crafted, and the products sustainability before making a purchase. Clients are using information to make a more informed and emotional purchasing decision than ever before. A second major trend is the increasing number of young clients (20-somethings) who are globally aware and know their luxury goods...I see this in Paris, where I am based, every week. This younger generation views luxury as an experience and not just a purchase.

In your opinion, what is the difference between a family-owned luxury company versus a conglomerate owned luxury company? RD: There is a totally different atmosphere at a family-owned company. Family companies typically create a warmer, more personal environment. Store personnel are often allowed to develop long term relationships with customers. It's not uncommon for a store manager of a family-owned company to contact a client personally after a purchase has been made. While many conglomerates may do the same, it is generally done through a company wide protocol and/or through a CRM system verses through a personal relationship.

Which of the two differences discussed above are the most important to creating a sustainable competitive advantage? RD: The personal relationship. When clients feel seen and remembered they become loyal to that store and will continue to shop there. I've had clients return to the same store for over a decade due to the relationship they built with the store team.

How do family-owned luxury companies generally react to crises compared to larger groups? RD: Family companies tend to act faster during a crisis. During the beginning of the pandemic, I saw several independent boutiques act immediately. Many of them started doing private appointments, video previewing of new merchandise, and in some cases, even going into client homes to show new items. All of these actions were taken within days. Larger groups reacted to the crisis as well, but they had to get approval from various levels (regional directors, merchandising teams, etc.) and then implement the plan phase by phase. While this approach provides consistency, it cannot provide the same level of rapid response as a smaller family operated company.

How does governance impact the ability of a company to be agile and adaptable? RD: Governance determines how decisions are made and how quickly decisions can be put into action. At a family company, if a change is needed, such as a change to a store layout or a client event, it can be determined in a single meeting. In a global group, the same type of change would likely require approval from multiple stakeholders, including regional directors, merchandising teams, and brand stewards. While governance helps ensure consistency, it slows down the decision-making process.

Are there any cultural advantages that exist within family-owned companies that make it difficult for conglomerates to replicate? RD: Yes. Employees at a family company often feel as though they are part of a family, not just a workforce. This feeling of belonging carries over to how employees interact with clients. The interaction feels less transactional and more natural.

Based on your experience operating stores, what operational challenges do family-owned companies encounter when competing against larger conglomerates? RD: One of the biggest infrastructural challenges that family-owned companies face is related to technology. Global conglomerates invest heavily in state-of-the-art retail technology, which includes tools such as CRM systems, real-time inventory management, and global client databases. Independent boutiques often have to utilize outdated or local technology to manage their businesses. I have even seen some boutiques use handwritten notes for client records. It is surprising how effective it can be, but it clearly shows the technological disparity between family-owned companies and global conglomerates.

What are some strategic approaches that family-owned luxury companies should take to maintain competitiveness in today's marketplace? RD: They must train their sales associates. They must create distinctively engaging in-store experiences for their clientele. They must find ways to reward client loyalty that are personal and meaningful to each client. Above all else, they must professionalize their operations while maintaining the warmth and personal nature that defines them.

Do you believe that family ownership will continue to be a competitive advantage in the luxury market? RD: Yes, as long as they continue to evolve enough to meet modern client expectations. Luxury companies that build an emotional bond with their clients and create a true sense of being truly taken care of by their team, will always be a challenge for the largest global companies to compete with.

Summary of Interview 9: HE

What do you think are some of the largest drivers of the changes we're seeing in the luxury hospitality space today? HE: Emotional immersion. We used to book a room, now we're booking an experience, a memory, and a connection. Guests are looking for places that fit who they are, what they value, and where they want to go. Younger travelers in particular are expecting authenticity and personalized experiences. They want local culture, intuitive service, and to feel something. The hotels that succeed are the ones that become a person's "second home" versus just another beautiful building. There's so many crossovers taking place today. Luxury hotels are becoming full-scale lifestyle destinations. Sustainability is no longer a choice, it's expected. Travelers are asking about the source of all materials, the way a hotel uses energy, and what the hotel is doing for the community.

In your opinion, what separates family-owned luxury hospitality companies from large conglomerate owned brands? HE: Service delivery is different between the two. The pride, and sense of ownership is evident. I've watched the owner(s) physically walk the property, greet guests personally, and take the time to interact with the employees. That kind of engagement cannot be taught, or bought, or outsourced. Large conglomerates provide systems, standards of excellence on a global basis, and operational consistency. However, the atmosphere and service delivery is different.

Of the two options above, which do you think is more important in establishing long term sustainable competitive advantage? HE: Thinking long term. Family run businesses are often willing to make investments in creating quality and memorable experiences without requiring short-term ROI. Many of the world's most iconic luxury hotels were created by family run businesses because the owners were able to develop them over generations. When someone cares this much about their business, it shows in every detail; from the design of the building, to how the guests are greeted upon arrival.

How do family-owned luxury hospitality companies respond to crisis vs. larger conglomerate groups? HE: They tend to react quickly, and with compassion. During major disruptions such as the COVID-19 pandemic, I witnessed many family-owned hotels chose to retain their employees despite having close to zero occupancy. They invested in maintaining the guest experience, not solely based on profitability, but rather due to a sense of responsibility.

Larger conglomerate groups have a more systematic approach, and therefore, they are able to respond consistently and strategically, however, they often miss the personal touch that family run companies are able to demonstrate during difficult times.

How does governance influence an organization's ability to be agile and adaptable? HE: Governance determines how quickly decisions can be made. In a family-run hotel, if something needs to be changed, such as redesigning a space or changing a service offering, it can happen within a week. Leaders are present, and decision-making occurs rapidly. In contrast, larger conglomerate groups require approvals from numerous departments, and possibly external consultants prior to implementing any change. This ensures consistency across locations, however, it limits the company's ability to be responsive.

Are there certain cultural attributes of family-owned hospitality firms that are difficult for large conglomerate companies to duplicate? HE: Yes. The sense of home. Guests return year-after-year because they feel recognized, not simply served. The emotional loyalty that family-owned hotels create is extremely high, and very personal. Replicating this type of loyalty at scale is difficult to accomplish.

Based on your experience, what operational or guest experience challenges do family-owned hospitality firms encounter while competing against global conglomerates? HE: Technology is one area that creates significant challenges. Global conglomerates are investing millions into reservation platforms, loyalty programs, data analytics, and operational software. Family-owned hotels typically operate using smaller or less-integrated systems. While they are able to compensate through superior human service, they may struggle to achieve the same level of operational efficiency or reach as their global counterparts. Additionally, distribution is a challenge for family-owned hotels. Global brands have significantly higher levels of awareness, and visibility among major travel platforms.

What strategies are most important for family-owned luxury hospitality firms to remain competitive today? HE: They must invest in technology that enhances the guest experience, not replaces it. They must maintain what makes them unique and emotionally connected, individuality. Partnering with local creators, wellness brands, cultural institutions, etc. can help them expand their offerings, while remaining true to their core values.

Do you believe that family ownership will continue to serve as a competitive advantage in the luxury sector? HE: Yes, particularly in hospitality. Guests return to places where they are seen and appreciated. Family ownership inherently provides that type of environment. As long as family-owned hospitality firms modernize wisely, particularly in terms of digital tools and sustainability, they will continue to differentiate themselves in a crowded marketplace.

Interview Summary 10: CS

What do you believe are the most important forces reshaping the luxury industry today? **CS:** The pace of culture is completely changing how brands work. A decade ago, a campaign could last an entire season. Today, it has to live across social media, in physical spaces, through collaborations, and in unexpected cultural moments. Brands that succeed are the ones building a universe, not just pushing a message. Another major shift is emotional expectation. Clients aren't just looking for visually impressive campaigns. They want to feel something. I've seen technically flawless campaigns fall flat because they lacked sincerity, while simple, heartfelt ideas resonate deeply.

In your view, what distinguishes family-owned luxury firms from conglomerate-owned brands? CS: The energy in decision-making is very different. In a family brand, creative conversations are more personal. You're often talking to someone who has grown up with the brand story and carries that history with them. There's instinct and emotional memory in those conversations. In a conglomerate, decisions are informed by data, research, and strategic alignment. That creates structure, but often removes the spontaneity.

Which of these differences matter most for building long-term competitive advantage? **CS:** Creative coherence. Family firms often stay truer to their aesthetic world. The leadership is stable, so the visual language, everything from colors to product styling, remains consistent over time. That helps build long-term recognition and emotional loyalty.

How do family-owned luxury firms tend to respond to crises compared with large groups? **CS**: They rely on instinct and relationships. I remember a family brand that shifted the tone of an entire campaign overnight in response to a sensitive global moment. There was no debate, just a shared understanding that it was the right thing to do. Large groups respond more cautiously. They need alignment from multiple departments, so they move with stability but not necessarily speed.

How does governance shape agility and adaptability? CS: In a family brand, a bold creative idea can be approved in a single meeting. The person who makes the final call is often present in the room and emotionally connected to the brand's vision. In a group, the same idea would need to go through merchandising, regional teams, and global branding. That system keeps things consistent, but it slows down innovation and reaction.

Are there cultural strengths in family-owned firms that are difficult for conglomerates to replicate? CS: Absolutely. Families have an intuitive grasp of their brand's identity. If something feels off, they know instantly. That's not something you can train, it's lived experience.

In your experience, how do family-owned brands handle creative risk compared with conglomerates? CS: They're often more willing to take risks if they believe in the idea. I once saw a family owner greenlight a concept simply because it reminded them of the brand's early days. There was no market research, just a gut feeling. And it worked. Conglomerates take risks too, but those ideas usually require strong justification and alignment with long-term strategy.

What strategies are important for family-owned luxury firms to remain competitive today? CS: Protect the emotional core of the brand, don't dilute it with trends. Bring creative discipline into execution, good ideas need strong delivery. Spend time in the cultural spaces where your future clients are, whether that's art, niche communities, or digital platforms.

Are there practices from large groups that family firms should adopt and others they should avoid? CS: They should adopt structures that help creative ideas scale consistently, timelines, workflows, and cross-functional coordination. But they should avoid adding so much structure that it kills spontaneity. Family brands are special because they can move with emotion. That's what makes their creativity stand out.

Do you believe family ownership will continue to be a competitive advantage in the luxury sector? CS: Yes. Creative worlds stay stronger when they're shaped by people who think in decades, not fiscal years. Families naturally take that long-term view, and that creates depth and emotional authenticity that can't be replicated by fast-moving corporate machines.

Interview Summary 11: EC

What do you believe are the most important forces reshaping the luxury industry today? EC: The integration of digital and physical experiences is changing everything. Clients expect their preferences and history to follow them seamlessly. If they explore a product online in the morning, they expect the store associate to already know that when they walk in later. Immediacy is another key factor. Luxury clients no longer tolerate slow digital processes. They want the same level of attention online that they get in-store. That includes personalization, speed, and emotional engagement.

In your view, what distinguishes family-owned luxury firms from conglomerate-owned brands? EC: The digital tone is different. Family-owned brands often communicate in a simpler but more personal way. Their emails or messages might not be flashy, but they feel close and human. Conglomerates have advanced global CRM systems and digital platforms. Their communication is sophisticated and efficient, but it can feel more standardized. They both work, they just offer different kinds of experience.

Which of these differences matter most for building long-term competitive advantage? EC: Knowing the client deeply. Conglomerates use powerful data-driven tools to learn about client behavior and preferences. Family firms rely more on memory, personal relationships, and instinct. Ideally, the most competitive model would combine both approaches, human intuition supported by data.

How do family-owned luxury firms tend to respond to crises compared with large groups? EC: They react faster because they're not bound by layers of global protocols. During the early days of the pandemic, I saw family-run boutiques organize private online previews within hours of closing their physical doors. Groups also responded, but in more phased, structured waves. That ensures alignment, but it slows down the personal, emotional side of service.

How does governance shape agility and adaptability? EC: Governance determines how quickly digital improvements get implemented. For example, updating an online checkout flow in a large group can take weeks because it needs sign-off from multiple teams. In a family firm, a single decision-maker can approve it in a day. That flexibility makes them more agile in responding to customer needs.

Are there cultural strengths in family-owned firms that are difficult for conglomerates to replicate? EC: Yes. The sense of genuine relationship. In family businesses, clients often feel recognized and remembered without a system tracking it. That creates a stronger emotional bond. Clients don't just feel like entries in a CRM, they feel known.

What digital barriers do family-owned luxury firms face when competing with groups? EC: Infrastructure costs are a major issue. Global groups can invest in omnichannel systems, AI tools, and advanced CRMs. For smaller family firms, even building a basic unified inventory system across countries can be a big project. They need to be very strategic about what tech they adopt, since they can't always afford everything at once.

What strategies are important for family-owned luxury firms to remain competitive today? EC: Use digital tools to support, not replace, human service. Start with small improvements that have big client impact, even a modest CRM can go a long way if used well. Focus on intuitive use and training. The goal should be to enhance client relationships, not just add systems.

Are there practices from large groups that family firms should adopt and others they should avoid? EC: They should adopt clear digital processes, better data practices, and well-structured digital communication workflows. They should avoid adopting overly rigid templates that don't suit their scale or personality. The charm of a family firm lies in its flexibility and human voice.

Do you believe family ownership will continue to be a competitive advantage in the luxury sector? EC: Absolutely. As long as they modernize thoughtfully, family firms will continue to stand out. Clients deeply value the human touch, and if digital tools are used to support, no to replace that, the result can be both effective and emotionally resonant.

Interview Summary 12: VC

What do you believe are the most important forces reshaping the luxury industry today? VC: Authenticity is at the heart of the shift. Luxury brands used to speak in a very elevated, almost distant tone. Now, audiences expect sincerity and warmth. In Portugal especially, people want transparency. I've seen engagement skyrocket just because a brand decided to share parts of its creative process that were usually hidden. Local cultural relevance is also critical. A global campaign might be beautifully crafted, but if it doesn't reflect how local audiences perceive luxury, it won't land. Brands need to be more sensitive to regional nuances.

In your view, what distinguishes family-owned luxury firms from conglomerate-owned brands? VC: The voice is more personal. When a family member is involved in shaping the brand message, it often reflects their own values. It feels real. Conglomerates are incredibly professional and polished. Their communication is consistent and well-executed, but it can sound more generic. Family brands bring a kind of intimacy that's hard to replicate.

Which of these differences matter most for building long-term competitive advantage? VC: Emotional connection. Portuguese consumers in particular value sincerity. They want to feel that a brand's message comes from real people, not just a corporate strategy. That's why family-owned brands have an edge. Their stories often come from lived experiences, and that gives them credibility.

How do family-owned luxury firms tend to respond to crises compared with large groups? VC: They respond quickly and directly. I've had clients personally call journalists to clarify a misunderstanding or address an issue. That kind of immediate, human contact is extremely effective. In contrast, a group response might take longer, but it will be thoroughly aligned and well-structured. Both approaches have strengths, but family firms often feel more transparent.

How does governance shape agility and adaptability? VC: It affects how many layers there are between a problem and a response. In family firms, two or three people can make a decision quickly. In global companies, you might need alignment across multiple departments and markets. That slows things down but provides consistency. Family firms trade a bit of polish for speed and personality.

Are there cultural strengths in family-owned firms that are difficult for conglomerates to replicate? VC: Yes. The feeling of sincerity. In Portugal, that's incredibly important. Clients respond positively when they sense that a brand truly reflects the values of the people behind it.

What communication mistakes do family-owned brands tend to make that conglomerates avoid? VC: Sometimes they rely too much on intuition. I've seen messages sent out quickly without testing or review, and occasionally that backfires. Conglomerates rarely make that mistake because every message goes through a structured review process. That protects against missteps but can also remove some of the human warmth.

What strategies are important for family-owned luxury firms to remain competitive today? VC: They need a clear communication identity, a voice that feels genuine and consistent. They should mix heritage storytelling with modern formats like short videos, behind-the-scenes clips, and cultural collaborations. Clients want to understand who's behind the brand, and that kind of storytelling builds loyalty.

Are there practices from large groups that family firms should adopt and others they should avoid? VC: They should adopt structured planning and stronger content review processes to maintain consistency and quality. But they should avoid becoming too corporate in tone. That would erase the authenticity that makes them special.

Do you believe family ownership will continue to be a competitive advantage in the luxury sector? VC: Yes, especially in Portugal. Clients here value closeness, honesty, and personality. If family-owned brands can modernize their communication while staying true to who they are, they'll continue to stand out and build deep, lasting relationships.