

FOUNDER SUCCESSION AND FIRM PERFORMANCE IN THE LUXURY INDUSTRY

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Abstract

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Top management succession may be a real threat to the long-term profitability of companies, in particular when it involves the founder whose name also identifies their brand and their products. This is extremely important in the luxury sector where loyalty, trust and the image of brands in consumers' minds may be affected by the succession process, especially when the founder has no direct heir to ensure continuity of the family firm. Through an analysis of three case studies, as well as a questionnaire distributed to active consumers of luxury products, this study aims to understand whether and how a brand can successfully survive after the death of its founder and whether the purchasing behaviour of customers changes after a founder succession takes place. Our findings reveal that the lack of a clear and structured succession plan may significantly threaten the survival of companies. In addition, our evidence indicates that the purchasing intention of luxury consumers is linked more to the bond and the values that they share with the founder than to the quality of the goods purchased. Accordingly, our results provide insights and suggestions concerning the optimal approach to follow when companies with heirless founders are planning a succession and highlights that the success and the survival of such entities is linked to consumers' perceptions of the extent to which there are continuity and alignment between the values of the founder and those of their successors.

Keywords: Founder Succession Plan, Brand Image, Brand Trust, Brand Loyalty, Brand Performance, Luxury Firms

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1. INTRODUCTION

Extreme changes inside companies, even among the most solid and successful ones, may have serious consequences for brand image and identity due to internal disharmony (Lee, H. M., Lee, C. C., & Wu,

2011; Campa, 2018; Johansson, Koch, Varga, & Zhao, 2018). Indeed, in order to survive in the long term, preserving the stability and integrity of the brand image and identity is crucial (Craig, Dibrell, & Davis, 2008; Ramanathan, Subramanian, Yu, & Vijaygopal, 2017). However, how is it possible to achieve that

when the founder, creator and visionary inspirer of a company do not have direct heirs? How do companies effectively manage the succession of senior personnel, such as the organization's founders, without precipitating a crisis?¹

History has shown how successful firms have struggled in the absence of a succession plan (Sambrook, 2005; Behn, Dawley, Riley, & Yang, 2006; Marcel, Cowen, & Ballinger, 2017). This has occurred with Nintendo, for example, which experienced the most challenging period in its history when the CEO, Satoru Iwata, died suddenly. A similar situation happened with SurveyMonkey following the sudden departure of its founder, Dave Goldberg. Accordingly, this paper aims to investigate the extent to which a luxury brand can successfully survive after the death of its original owner and how succession issues may affect the brand loyalty of firms when the founder of a company gives her/his name to the brand and the customers associate the founder with the products they buy, the values the products deliver and the style the brand represents for them. In fact, consumers play a crucial role in the succession process (Charan, 2005). Indeed, if they start to feel that the brand is unstable, and therefore unable to deliver the same values and emotions, they may change their purchasing behaviours in relation to it (Maslowska, Malthouse, & Collinger, 2016). Accordingly, understanding consumers' behaviours towards brands that are inevitably going to face an imminent leadership succession, especially in a context such as that described above, is crucial for reducing and successfully managing the potentially negative impacts generated by such events (Tao & Zhao, 2019).

There have already been several Italian luxury brands that have undergone a founder succession and the effects on consumers' purchasing behaviours have been mixed. For instance, Moschino PLC did not experience any significantly negative effects when their founder suddenly died. Other brands, however, such as Gianfranco Ferré PLC and Krizia International Ltd, lost their market leadership and experienced a decrease in their financial health when their founders passed. Finally, there are companies, such as Armani, that, sooner or later, must encounter this situation and it is important to understand how to prevent or minimize the negative consequences that a succession process can produce. Therefore, the main research questions of this paper are as follows: *What are the main factors that may reduce financial risk and brand damage during a founder succession in luxury firms? What are the impacts of a founder succession on the luxury consumer-brand link and on the purchasing intentions of luxury customers?*

Through an analysis of the three cases of succession mentioned above, (i.e., Moschino PLC, Gianfranco Ferré PLC, and Krizia International Ltd),

as well as through a questionnaire distributed to active consumers of luxury products, we find that the lack of a clear and structured succession plan that preserves the original values of a brand may significantly threaten the future leadership and survival of companies. In addition, our evidence indicates that the purchasing intention of luxury consumers is linked more to their shared bond and the values with the founder than to the quality of the goods produced. Accordingly, our results provide insights and suggestions regarding the optimal approach to follow when planning succession in companies with heirless founders, highlighting that the success and the survival of such entities are linked with consumers' perceptions of value continuity in the transition from a founder to a successor.

The rest of the paper is structured as follows. Section 2 examines the literature on the brand-customer relationship. Section 3 discusses the post-succession performance of three Italian luxury brands that were named after an heirless founder to ascertain the key drivers of their failures and successes. Section 4 presents the results of a questionnaire designed to investigate the purchasing behaviour of customers of a luxury brand that is expected to experience a founder succession in the short- to medium-term and Section 5 concludes the paper, emphasizing its main implications and limitations.

2. BRAND-CUSTOMER RELATIONSHIPS

Brands and customers have a special bond: the former are meaningful symbols for the latter that empower them to express themselves and project the desired image onto the world (Ahearne, Bhattacharya, & Gruen, 2005). Moreover, loyalty towards a product or a brand is boosted when the relationship between the brand and the customer is deep and strong. This is, for example, the case with luxury, well-established, brands where the link between a product and its owner extends beyond the functionality of the item to include psychological benefits (Theng So, Grant Parsons, & Yap, 2013). For this reason, the branded product can be sold at a premium price with positive effects on the financial performance of companies. Accordingly, the main goal of firms supplying luxury goods is to build a strong and positive association with the brand in consumers' minds in order to gain and maintain long-term profitability. This process leads to the creation of strong branding (Elbedweihy, Jayawardhena, Elsharnouby, M. H., & Elsharnouby, T. H., 2016). Through branding, entities deliver the identity, values and features of their particular brand to customers, thereby attracting individuals that share the same values and thus creating an effective link which makes them loyal customers (Amatulli & Guido, 2012). Brand loyalty is a key feature in defining the value of a brand. Indeed, loyal customers generate predictable sales and therefore sustainable profit. Moreover, the loyalty of customers is also a barrier to the entry of new market competitors (Aaker, 1996). Established and successful brands have a consolidated and lasting relationship with their customers that is based on commitment and trust (Carranza, Díaz, & Martín-Consuegra, 2018). If customers feel betrayed or

¹ This paper focuses on the succession of the founders of a particular type of luxury firms: those entities named and branded after the founders who also are their owners, their major shareholders, their managers and the creators, or the inspirers, of the products and services offered. For such companies, the values of the firms, as well as those of the products and services provided, reflect not only the name of the founders/owners but also their values and personalities. These features create an emotional attachment in the customers who see the firms, the products offered and the founders/owners as interrelated entities (Amatulli & Guido, 2012). Accordingly, this assertion should be carefully taken into consideration every time the word "founder" occurs in the paper.

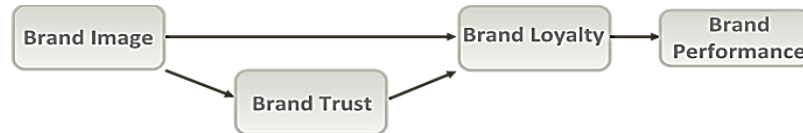
misled by the brand, they may be unwilling to repeat their purchase of the product, regardless of its quality (Ko, Phau, & Aiello, 2016).

The relationship between brand image and brand trust is fairly intuitive. If the image of a brand is affected by negative events, the trust of the consumers toward that brand decreases. This leads

eventually to a decrease in sales, negatively affecting the overall financial performance of the firm.

To summarize, a strong brand image is essential to create loyalty which, especially in the luxury sector, is based on consumers' trust (Severi & Ling, 2013; Esmaeilpour, 2015). Strong brand loyalty will positively affect brand performance (Figure 1).

Figure 1. Conceptual model



3. THE EFFECTS OF FOUNDER SUCCESSIONS: THE ANALYSIS OF THREE CASE STUDIES

The need to protect companies' reputational image, from both external and internal crises, is one of the greatest concerns of contemporary business leaders. Succession at the apex of companies is a factor that can present serious consequences in terms of an organization's standing (Barnett & Davis, 2008; Motwani, Levenburg, Schwarz, & Blankson, 2006). Indeed, new leadership can be associated with changes in decision-making procedures, risk-taking propensity and/or leadership cultures and management values (Groves, 2007). These variables can affect the way business is conducted and the image of brands in the eyes of the customers, especially in contexts such as the one examined in this study, where the brand and the company's founder are closely intertwined in the eyes of the consumer. Accordingly, appointing a new successor to a primary leadership position is a delicate task that incurs a high risk of making fatal mistakes (Bruce & Picard, 2006).

An analysis, undertaken by the *Financial Times*, of a sample of 200 companies in the UK, found that more than half had no contingency succession plan in place. In addition, very few top executives displayed the confidence to plan their succession. This is perhaps due to the fact that they are asked to find someone who can, at least, match their own capabilities (Stern, 2013). Accordingly, this process can prove even harder if a successor is required for someone who simultaneously occupies the roles of a founder and a manager, in addition to being the figurehead who gives their name to the company and seems to personify the values, the products and the very identity of the brand. In such situations, succession plans must be properly organized and implemented. The successor must have the possibility of working very closely with the current management if they are to understand and develop the same organizational style, philosophy, and culture and appreciate its strategic decision-making processes. Owing to this complexity, companies may experience long-lasting damage, in terms of both brand impairment and operational profitability, in the event that succession plans are not implemented or if there is a sudden loss of executives occupying senior roles.

Failures following a lack of succession are not rare in the field investigated by this research (Haveman & Khaire, 2004). Accordingly, we are going

to provide a brief history of entities that have already faced this situation. In particular, we focus on the cases of Krizia PLC, Gianfranco Ferré PLC, and Moschino PLC and we evaluate their performance following the succession of their founders.

Krizia PLC was founded by Maria (Mariuccia) Mandelli (known as Krizia) and her businessman husband, Aldo Pinto. Krizia's style was characterized by simplicity and class that captivated and enthralled the public immediately. Her brand encapsulated the values of perfectionism, attention to detail and absolute simplicity mixed with sophistication. Since 2005, Krizia and her husband, Aldo Pinto, had endured several health problems and there was no one capable of leading the brand after a possible succession. In 2014, after almost 60 years of trading, the brand experienced several economic problems. Krizia's precarious health forced her to accept that she was no longer able to manage the company with the same energy as before. Thus, she decided to sell her signature brand to the strong Chinese businesswoman Zhu Chong Yun. Krizia died in December 2015 and three months later her husband also passed away. A new collection was presented posthumously but failed as customers were unwilling to accept that Krizia PLC was producing lines even though the founder was deceased. The difficulties faced by the company after the death of its founder are also discernible from its annual reports. Indeed, Krizia PLC has been struggling since the financial crisis of 2008 due to competition from bigger fashion groups such as LVMH and Kering. It had been hoped that the sale of the brand to the Chinese group would restore its historic success, increasing the resources at its disposal. However, the anticipated successes have still yet to be fully realized (Zargani, 2015).

Gianfranco Ferré PLC, founded in 1978 in Milan, is another fashion company that has retained the name of its founder. In addition to running his own company, Gianfranco Ferré also worked as the artistic director for Christian Dior from 1989 to 1996. His customers criticized his dual role, believing that there was no way he could successfully manage such two important roles simultaneously. However, despite the negativity, he succeeded in maintaining the elegant Dior line in the upcoming collections and developing a more daring and innovative signature within his own label. In 2002, 90% of Gianfranco Ferré PLC was acquired by another firm - Perna PLC - that, however, retained

Ferré as its creative director. Gianfranco Ferré died unexpectedly in 2007 due to a brain haemorrhage. At that time, his company was very prestigious but had high levels of debt. The situation became even worse because of the failure to source a new stylist capable of maintaining the Gianfranco Ferré signature in the new collections. These difficulties led to the sale of the brand to a group based in Dubai that moved the entire productive cycle abroad: nothing remained of the 'made in Italy' that was central to consumers' perception of the brand. This change of ownership failed to resolve the problem. In fact, in 2013, the last Gianfranco Ferré collection was shown. After that, the Dubai group decided to stop investing in the company, sparking a progressive decline in the Italian quality values incorporated in the Gianfranco Ferré brand until its complete dissolution. The brand failed to survive the succession of its founder and another piece of 'made in Italy' sadly disappeared (D'Ascenzo, 2014).

We end this exploration with a successful case of a founder succession: Moschino PLC, a company founded by Franco Moschino in 1983. Moschino started his career as a designer for Gianni Versace in 1971. His style was very eccentric and extravagant and he was not afraid to take chances, gaining a deserved reputation as an avant-garde stylist. He believed that fashion is suitable for everyone and he worked to achieve his ideals, launching "Cheap and Chic", a new label that was accessible to everyone, onto the market in 1988. Franco Moschino died suddenly, in 1994, from intestinal AIDS-related cancer. After his death, Rossella Jardini, the second in command at the company, became the creative director. In 1999, the company was taken over by Aeffe PLC, an Italian Group which had been producing and distributing Moschino's products since the beginning of Moschino PLC. This kind of continuity was very effective for the success of the brand that continued to open boutiques all around the world. The Moschino foundation was also created to help HIV-positive born children, in accordance with the greatest wish of Franco Moschino and in line with his will. One of the reasons why Moschino maintained its success, even after the succession of its founder, was the consistency of style throughout its lines and the preservation of Franco Moschino's values. Even though the loss of the founder was a big shock for the brand and the lack of Franco Moschino's creative guidance was certainly felt, the brand succeeded in remaining solid and in staying true to itself even after the succession process (Cambriani, 2015).

3.1. Consumers' perceptions and purchasing behaviours: An empirical investigation

With reference to the case studies investigated above, we collected information on customers' perceptions in relation to their purchasing intentions after the founder succession. A questionnaire was submitted to 62 customers for Krizia, 63 customers for Gianfranco Ferré and 120 customers for Moschino.

In relation to Krizia, 95.16% of the respondents reported that they decreased their purchases when Mariuccia Mandelli died because of the decision, not viewed favourably, to sell the company to a Chinese holding. Similarly, as far as Gianfranco Ferré is

concerned, 88.89% of respondents stated that their purchases decreased after the succession of the founder. This huge percentage may, however, be one of the consequences of the fact that Gianfranco Ferré PLC disappeared a few years after the death of its founder. Finally, focusing on Moschino PLC, more than 64% of our sample indicated that their purchases from that brand decreased after the death of the founder, while only 3.33% of them asserted that their subsequent purchases increased.

A general question about their behaviour following the demise of their founder was then posed to all the respondents: more than half of the interviewees indicated that their purchases would more sharply decline if the brand was sold to another group or holding than if the ownership structure of the company remained unchanged. Combining these answers, the evidence suggests that luxury brands are very likely to experience a more or less significant decrease in sales after the death of their founder, or following a founder succession, due to the negative reactions of customers. In other words, we can state that, generally, customer loyalty decreases after a founder succession process.

4. A FOUNDER SUCCESSION: THE CASE OF ARMANI

Based on the results highlighted above, firms that anticipate a founder succession in the short- or medium-term need to be aware of the likely serious consequences. They must ensure that adequate succession plans are in place and also need to be aware of customers' existing attitudes towards their products and brands (Fournier, 1998; Hewitt, 2009).

One of the most important firms operating in the same sector of the entities discussed in the previous section that is expected to undergo a founder succession over the coming years is Armani PLC. The Armani group was founded by Giorgio Armani and his partner Sergio Galeotti in 1975 in Milan with a focus on the luxury apparel sector. After its creation, the company soon expanded into the fashion, beauty, furniture, floriculture, services, gastronomic, entertainment and artistic industries (Potvin, 2017).

The Armani brand was based on the personality Giorgio Armani and therefore its features reflect those of its founder. Accordingly, his style and his values are extremely relevant for the success of the brand. Giorgio Armani is also personally involved in all the strategic decisions made within the group, overseeing all the creative aspects of the brand and its design. He is also chairman of the company and personally involved in many decisions made by the firm. It seems that the whole company is based on the competent, strong and charming personality of Giorgio Armani which is, today, its main competitive advantage. Armani was born in 1934. He is the only company shareholder and, at the age of 85, does not have a direct heir that may become his successor (Potvin, 2017).

To assess what may happen to Armani PLC in the event of succession, we collected primary data through an online questionnaire addressed to luxury fashion consumers. The aim of the questionnaire was to observe and analyse the potential effect of the future succession at the apex of Armani PLC on customers in relation to its brand image, as well as

in terms of consumers' trust and loyalty. The answers would allow us to identify the attitudes of the respondents towards the Armani brand, to analyse the role of the founders in the minds of customers and to discover what the latter think of a possible succession. The data were collected through Qualtrics. To maximize the chance of capturing a relevant sample, the questionnaire was sent to people belonging to the "upper-class", i.e., the wealthiest members of society. The survey, presented in Appendix A, is composed of 11 questions, as well as a bonus question, related to the three case studies discussed earlier. It is divided into two distinct parts. The first part includes both introductory and demographic questions. The second part aims at understanding the bond between consumers and the luxury brands that are named after the founders who either are or originally have been, also the owners, the creative directors, the managers and the inspirers of the products and services provided by their companies. The goal is to ascertain how the role of the founders/owners is perceived by the customers and to evaluate their prospective loyalty towards a brand when a founder succession takes place.

The questionnaire was sent to a sample of 472 luxury apparel purchasers using a judgmental sampling technique.² The survey was shared on online social media platforms (such as LinkedIn, WhatsApp, Facebook, Facebook Messenger, and Instagram) by a link that redirected the participants to the Qualtrics webpage survey. In addition, the survey was completed by participants on iPads in strategic places where luxury purchasers could be found, such as luxury malls, (e.g., the Metropole Shopping Centre in the Principality of Monaco and La Rinascente in Milan), fashion streets (such as Via Montenapoleone in Milan) and exclusive clubs (including the Monte-Carlo Country Club in the Principality of Monaco and the Società del Giardino in Milan).

Out of the 472 participants, 71 replies were deleted as they were incomplete. Thus, the following analyses are based on a sample of 401 respondents. The majority of the respondents are female (57.86%). Almost half of them (48.88%) are in the 18-29-year-old age range and this percentage reaches 65.84% if we consider the 18-39-year-old range. In terms of nationality, around 37% of respondents are Italian, 18% are French and 10% are Russian followed by a group of Germans, Northern Americans, Northern Europeans and Asians, each accounting for around 8% of the respondents. The presence of such a multicultural group presents a double advantage. First of all, it improves the generalizability of our results, minimizing the charge that our evidence was driven by an ethnocentric approach. Furthermore, it allows us to explore similarities and differences in responses to our research questions among respondents from various cultures and diverse parts of the world.

Some questions in the questionnaire aim to detect whether respondents feel a bond with Giorgio Armani and therefore if, during the purchasing of a luxury brand item, they feel a personal connection with him. This would mean that, when consumers

purchase certain products or services, they are not just purchasing a brand but also signing a real contract of trust with the founder. This aspect is very important because if the evidence confirms the existence of such a bond when a founder of a successful brand leaves the company even the purchases made by loyal customers may be at risk. We found that more than 62% of our respondents feel such a bond with Armani and only 9.73% of them declared that they do not feel such an attachment. We did not find significant differences, in relation to this aspect, according to the nationality and the culture of the respondents.

In relation to the opinions that the respondents have towards Armani, more than 67% of the respondents identify themselves with the brand and only 4.24% do not experience a connection with it. In terms of trust, more than 74% of the sample trust the brand and only 2% do not trust it at all. The significant trust in the brand can be related to the quality of the products since more than 78% of the respondents believe that Armani products are carefully made. Brand trust and loyalty to Armani is indeed also achieved through the quality of its products. Indeed, most of the respondents are happy with how Armani is perceived nowadays and do not think that the company needs to change anything with respect to its current situation. In addition, more than two-thirds of them state that the quality of the products is excellent. Moreover, more than 68% of the respondents are willing to repurchase Armani products and more than half describe themselves as loyal customers. We did not find differences in relation to these questions based on the cultural background of the respondents, suggesting that the emotional attachment of people to a luxury brand is similar across different cultures and that all respondents share similar feelings about Armani's products. In general, respondents trust and identify with the brand: this leads them to repurchase these products/services and has a positive impact on both long-term brand loyalty and financial performance (Liu, Li, Mizerski, & Soh, 2012). The latter result is crucial since we know that the respondents are willing to change their habits to move to other brands that fit better with their personalities.

Following a hypothetical succession, our questionnaire reveals that, overall, almost 43% of respondents would not be willing to repurchase from Armani; only 9.23% answered that they would definitely still buy. This result is quite shocking since it indicates that, regardless of the degree of loyalty towards a brand, only approximately 10% of people would be willing to continue purchasing Armani items after the succession of the company's founder. We find some differences here according to the nationality of the respondents. For example, Russian respondents are the most attached to the founder of Armani since 70% of them reported that they are not that willing to buy Armani products after the succession of the founder and only 2% declared that they will definitely continue to buy Armani products even after Giorgio Armani is no longer at the company. Similar feelings are shared by people coming from other countries such as France, the US, China, and Germany. The only exception comes from the Italian respondents: only 8% of them declared that they will definitely not buy Armani products when Giorgio Armani leaves the

² Judgmental sampling involves a specific convenience sample where the population is selected based on the researcher's judgement. In this case, only luxury apparel purchasers were selected in order to make the results of such a questionnaire relevant to the topic and the aim of the research.

firms and, consistently, more than half of them stated that they will continue to buy Armani even after the succession of its founder. We believe that the fact that Armani is an Italian company makes Italian customers more attached to the firm and its "Italianness" than to its founder. In general, the answers to this question confirm the relevant role played by the founder in the consumers' minds, indicating that customers place an extremely high importance on the bond they feel with the founder and that this impacts their purchasing intentions (Kim, Park, Lee, & Choi, 2016; Tsai, 2005).

Putting the two parts of questionnaire together, we can conclude that, while customers declare themselves loyal to and at ease with the brand, their purchasing behaviours are related to the bond they feel with the founder of the company. This conclusion is supported by the fact that respondents react very well to Armani's products. Indeed, they are happy about the quality of the items that they label as "excellent", they feel connected with the brand, they declare that Armani's products reflect their personality. However, when it comes to purchasing intentions, the great majority of the respondents affirm that they will not be comfortable continuing to buy Armani products in the event of a founder succession. Thus, if they are happy with the products and their quality, why should the active presence of the founder be a necessary condition for purchasing those products? The most likely interpretation is that the customers see, reflected in the products they buy, the values and the personality of Armani. It is as if customers associate the tangible, physical presence of Armani with the intangible emotions that they feel when they buy an Armani product. Accordingly, a founder succession, or Giorgio Armani's departure, destroys this emotional link because customers may struggle to find Giorgio Armani's presence in an item if, at a psychological level, they are aware that Giorgio Armani is not physically there anymore. Therefore, this evidence emphasizes the importance of company succession plans that focus not merely on the quality of the products, but also on the continuity of those values that the founders have transmitted to their customers (Fionda & Moore, 2009), especially in the presence of significant international clients.

5. CONCLUSION

Top management succession may be a real threat to the long-term profitability of companies. This is

extremely important in the luxury sector where the founder of a particular brand brings her/his name to the company and customers personally associate this figurehead with the products they purchase.

This paper observed how companies in the fashion industry have handled the succession process by exploring three luxury firms (Krizia, Gianfranco Ferré, and Moschino), all of which have experienced this situation and arrived at different outcomes. Furthermore, we have emphasized that companies that are expecting to experience a succession in the short- or medium-term need to be mindful of the serious consequences that this event can have. In addition, they must ensure that adequate succession plans are in place, which take into account customers' attitudes towards their products and brands. Accordingly, we collected the opinion of customers on a firm that is anticipating a succession in the near future: Armani PLC.

Our investigation has highlighted that, even if customers are happy with the quality of Armani's products and identify as loyal Armani customers, their purchasing intention is mainly driven by the bond they feel with the founder since they cannot confidently affirm that they would continue to buy the products after his death. This evidence clearly suggests that the purchasing intention of luxury consumers is linked more closely to the bond and the values that they share with the founder than to the quality of the goods produced: this is also consistent with the findings from the other three case studies analysed (Theng So, Grant Parsons, & Yap, 2013). Indeed, the succession of Moschino PLC was successful since the new owner, Aeffe PLC already had links with the original company and managed it in close alignment with Franco Moschino's values. Accordingly, the evidence provided by this research would be useful to companies, such as those investigated in this study, that are fast approaching a succession since it would suggest that continuity of the founders' values must be the priority.

This research is not free from limitations. The research method employed is of a conclusive-descriptive type. For this reason, the 401 questionnaires were distributed using a non-probabilistic sampling technique. Future research may further analyse the structure of brands that expect to imminently experience a founder succession process through the use of interviews with employees and (if possible) managers, in order to supply insightful and practical suggestions for the development of future succession plans.

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APPENDIX A

Questionnaire

Q1. Which age bracket do you fit into?

- 18-29
- 30-39
- 40-49
- 50-59
- Over 60

Q2. What's your gender?

- Male
- Female
- Other

Q3. What's your nationality?

- Italian
- French
- Russian
- German
- American
- Others (please specify)

Q4. The sentence "I am a loyal luxury brand customer"

- Describes me extremely well;
- Describes me very well;
- Describes me moderately well;
- Describes me slightly well;
- Does not describe me.

Q5. What do you think about Armani?

1) You can easily identify with this brand.

- Strongly agree
- Somewhat agree
- Neither agree nor disagree
- Somewhat disagree
- Strongly disagree

2) You wouldn't like to change anything about the brand.

- Strongly agree
- Somewhat agree
- Neither agree nor disagree
- Somewhat disagree
- Strongly disagree

3) You trust this brand.

- Strongly agree
- Somewhat agree
- Neither agree nor disagree
- Somewhat disagree
- Strongly disagree

4) Products of this brand are carefully made.

- Strongly agree
- Somewhat agree
- Neither agree nor disagree
- Somewhat disagree
- Strongly disagree

5) You are very loyal to this brand.

- Strongly agree
- Somewhat agree
- Neither agree nor disagree
- Somewhat disagree
- Strongly disagree

6) It is likely that you will buy products from this brand again.

- Strongly agree
- Somewhat agree
- Neither agree nor disagree
- Somewhat disagree
- Strongly disagree

Q6. Why do you purchase luxury goods?

1) They give you upper social status.

- Strongly agree
- Somewhat agree
- Neither agree nor disagree
- Somewhat disagree
- Strongly disagree

2) They are of good quality.

- Strongly agree
- Somewhat agree
- Neither agree nor disagree
- Somewhat disagree
- Strongly disagree

3) You feel emotionally attached to the brand.

- Strongly agree
- Somewhat agree
- Neither agree nor disagree
- Somewhat disagree
- Strongly disagree

Q7. Do you feel a relation/emotional attachment with Giorgio Armani, while purchasing one of his services/products?

- Extremely likely
- Somewhat likely
- Neither likely nor unlikely
- Somewhat unlikely
- Extremely unlikely

Q8. Would you still buy from Armani, if Giorgio (creative director and supervisor of every aspect in the firm) happens to die?

- Definitely yes
- Probably yes
- Might or might not
- Probably not
- Definitely not

Q9. The luxury brands you buy must match what and who you really are.

- True
- False

Q10. If your brand of preference would be sold to another Group/Holding, would you continue purchasing it?

- Yes
- No

Q11. Do you believe that after the founder succession (someone else entering substituting the original creator), a brand would be able to succeed as it did in the past?

- Yes
- No