



## Analysing Conflict in Family Businesses Through SEW Framework: The Case of Gucci

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**ABSTRACT:** This study examines the role of socio-emotional wealth (SEW) in conflict processes within family businesses through a historical case analysis of the Gucci family. Drawing upon the SEW framework and Fahed-Sreih's (2018) conflict process model, the research aims to explain how non-financial considerations—such as family identity, status, control and emotional attachment— influence decision-making and intra-family conflict dynamics. The study adopts a qualitative case study methodology and relies on secondary data sources, including academic publications, historical records and documented accounts of the Gucci family's managerial trajectory.

The findings indicate that conflicts within the Gucci family were shaped less by purely economic concerns and more by perceived threats to socio-emotional wealth. Issues related to control, recognition, succession and family status intensified intergenerational tensions and gradually transformed potential oppositions into destructive behaviours. The erosion of SEW dimensions—particularly trust, cohesion and perceived fairness—contributed not only to severe intra-family ruptures but also to strategic instability and the eventual loss of family control over the firm.

The case further demonstrates that SEW does not function solely as a protective mechanism in family firms. While it may strengthen long-term orientation and brand identity, excessive emphasis on control and status preservation can generate destructive outcomes. By integrating the SEW perspective with a conflict process framework, this study contributes to the literature by illustrating the dual—protective and destabilising—nature of socio-emotional wealth in family businesses.

**Keywords:** socio-emotional wealth, family business, conflict process, case study, Gucci family, intergenerational succession.

### INTRODUCTION

Family businesses are not entities driven solely by economic objectives. In such organisations, emotional and social relationships among family members also exert a significant influence on decision-making processes. Factors such as family identity, the desire to maintain control over the firm and intergenerational continuity may likewise play a determining role in strategic choices. This indicates that decisions taken within family firms cannot always be explained exclusively by economic rationales.

This case study of the Gucci family is undertaken to enhance understanding of the relationship between socio-emotional wealth (SEW) and conflict processes in family businesses.

The study consists of three sections. Its primary objective is to evaluate the theoretical framework concerning socio-emotional wealth in family firms in conjunction with a case analysis. The first section outlines the historical development of the Gucci family and the founding process of the brand, explaining how family members became involved in the business and the nature of their participation. The second section addresses the concept of socio-emotional wealth (SEW), a central construct in the family business literature. Within this scope, SEW is defined, its principal dimensions are examined and its role in the strategic decision-making processes of family firms is discussed. Particular attention is devoted to the multidimensional structure of SEW within the framework of the FIBER model. The third and final section evaluates the SEW perspective in the context of the Gucci family and analyses intra-family conflicts by employing Fahed-Sreih's (2018) conflict process model for family businesses. In this section, the conflict process is examined through the stages of potential opposition, perception, intentions, behaviour and outcomes. The analysis demonstrates that these conflicts were shaped not primarily by economic losses but rather by socio-emotional losses.



Through the case of the Gucci family, this study explores the impact of socio-emotional wealth on conflict processes in family firms. Furthermore, the findings suggest that SEW does not invariably function as a protective factor; under certain conditions, it may also generate destructive consequences.

## II. DEFINITIONS & BACKGROUND

Across the social sciences, the concept of family has been defined in ways that reflect each discipline's theoretical priorities while converging on the idea of a socially embedded, relational and functional unit.

In sociology, the family is commonly conceptualised as a social institution that regulates reproduction, socialisation and the transmission of norms and values across generations (Parsons & Bales, 1955; Goode, 1963). Parsons and Bales (1955) emphasised the family's functional role in primary socialisation and the stabilisation of adult personalities, while later sociological scholarship has highlighted the family as a dynamic institution shaped by broader structural and cultural transformations (Cherlin, 2004).

In psychology, the family is understood as an interactive emotional system in which patterns of communication, cohesion and adaptability shape individual development and well-being (Minuchin, 1974; Olson, 2000). From a family systems perspective, the family is not merely a collection of individuals but an organised, interdependent system governed by relational structures and boundaries (Minuchin, 1974).

In economics, the family is analysed as a decision-making and resource-allocating unit in which members engage in joint utility maximisation, investment in human capital and intergenerational transfers (Becker, 1981). Economic models thus frame the family as a rational, cooperative entity central to labour supply, fertility and household production decisions. In business and family enterprise research, the family is defined in terms of ownership, governance and transgenerational intent, emphasising the interaction between kinship ties and strategic control (Chua, Chrisman, & Sharma, 1999; Astrachan & Shanker, 2003).

Collectively, these perspectives converge in viewing the family as a socially recognised, relationally structured and functionally significant unit that integrates emotional, economic and institutional dimensions. Building on broader social science conceptualisations of the family as an institutionally embedded, emotionally structured and economically coordinated unit, family business

scholarship extends this understanding to the organisational domain.

In the field of entrepreneurship and management, a family business is not defined solely by ownership concentration but by the intention to shape and pursue a vision of the firm that is controlled by a dominant family coalition and intended to be sustainable across generations (Chua, Chrisman, & Sharma, 1999). This behavioural and intentional perspective moves beyond narrow legalistic definitions and emphasises the family's strategic influence over governance and long-term orientation. Similarly, Astrachan and Shanker (2003) propose a definitional continuum based on degrees of family involvement in ownership, management and control, highlighting that "family business" represents a spectrum rather than a dichotomous category. From a governance perspective, Miller and Le Breton-Miller (2005) conceptualise family firms as organisations in which family influence shapes strategic decision-making, stewardship norms and transgenerational continuity.

Collectively, these definitions demonstrate that a family business constitutes the intersection of two systems—the family and the firm—where emotional attachment, identity and kinship-based authority interact with economic objectives and organisational structures. This dual-system character renders family firms particularly sensitive to non-financial considerations such as legacy, control and socioemotional wealth, thereby providing the conceptual bridge between general family theory and family enterprise research.

**Table 1: Gucci Family & Business**

Family Member	Position in the Family Firm	Characteristics
Guccio Gucci	Founder of the company	Observant, A visionary leader, controlling
Aldo	Guccio's son and his father's principal aide	An experienced professional with a strong commitment to the firm
Vasco	Has worked in the business throughout his career	Guccio's son and is known for his relaxed and adaptable personality
Rodolfo	He joined the business in his	Son of Guccio Gucci and worked in firm without prior experience. Father to



Family Member	Position in the Family Firm	Characteristics
	thirties	Maurizio Gucci, whose wife is Patrizia Reggiani
Grimalda	She worked in the business	She was regarded as the favorite child of Guccio Gucci
Ugo	-	The son of Guccio Gucci

In order to facilitate an understanding of the organisational structure and historical development of the Gucci family within the business context, the positions and key characteristics of family members are summarised in Table 1 above (Adapted from Fahed-Sreih (2018)).

In the enterprise established by Guccio Gucci, Aldo, Vasco, Rodolfo and Ugo Gucci assumed active roles at different periods. The personal characteristics of family members and their modes of involvement in the business influenced the formation of the managerial philosophy (Fahed-Sreih, 2018). These insights demonstrate the extent to which family members shaped decision-making processes and contributed to the firm's development. From its inception, the Gucci family played a decisive role in both ownership and governance structures and the brand operated under family control for many years. Following the founder Guccio Gucci, managerial authority was transferred to his sons Aldo, Vasco, Rodolfo and Ugo Gucci. Family members assumed responsibilities at varying levels within the organisation, clearly reflecting intergenerational continuity and differentiated role allocation.

Aldo Gucci was actively involved in the firm's development from an early age, whereas Vasco Gucci remained comparatively in the background. Rodolfo Gucci joined the business at a later stage in life. The third-generation representative, Maurizio Gucci, became involved in management through inheritance. This structure illustrates how the relationship between family members and the business evolved over the course of Gucci's historical development. Peltekoğlu (2019) notes that Gucci initially operated as a small-scale family business and that the expertise gained in leather and equestrian equipment played a decisive role in the brand's acquisition of a luxury identity.

The origins of Gucci are linked to Guccio Gucci's observations of luxury luggage and English manufacturers while working at the Savoy Hotel in

Paris and London (Armitage & Roberts, 2021). These accounts highlight the influence of family members' experiences on the formation of the brand's identity.

After opening a shop in Florence in 1921, Gucci expanded the distribution and consumption of luxury goods through its accumulated experience. During the Second World War, raw material shortages necessitated the use of alternative materials such as linen and bamboo, demonstrating the firm's capacity to adapt to changing environmental conditions (Cheng, 2024). The production philosophy developed during this period contributed to the emergence of the brand's distinctive design identity.

In the 1950s, the red-and-green stripe motif inspired by equestrian saddlery became a defining symbol of the brand, solidifying Gucci's identity. Following Guccio Gucci's death in 1953, managerial control passed to his sons, who played a significant role in the brand's expansion. In particular, Aldo Gucci's opening of the first overseas store in New York in 1953 is regarded as a pivotal step in the brand's internationalisation (Nagasawa & Fukunaga, n.d.). Subsequently, Gucci became a recognised brand across the United States, Europe and Asia. The establishment of the New York store in 1953 is considered a landmark in the brand's globalisation process. During the 1950s and 1960s, the preference for Gucci products by prominent figures such as Jackie Kennedy and Peter Sellers contributed to the brand's emergence as an international status symbol (Armitage & Roberts, 2021).

Although the family's influence over the business persisted for many years, intergenerational transitions eventually gave rise to significant challenges. Following Guccio Gucci's death, disputes among second- and third-generation family members concerning managerial authority reportedly complicated the firm's decision-making processes (Armitage & Roberts, 2021). Tensions surrounding ownership distribution and succession constituted the foundation of intra-family conflicts. With the entry of the third generation into management, these conflicts became more pronounced. Disputes in the early 1990s adversely affected the firm's economic and managerial structure. During this period, family control weakened and the need for professional management became evident (Nagasawa & Fukunaga, 2014). The appointment of professional executives in the 1990s accelerated the institutionalisation process. Domenico De Sole's role in top management and the appointment of Tom Ford to a senior executive position were instrumental in the brand's restructuring.

As the firm gained international recognition, tensions among family members gradually intensified and became increasingly visible. The 1980s



represented a turbulent period for Gucci. Intra-family tensions were no longer confined to the private sphere but had evolved into issues directly affecting the functioning of the business. During this period, Aldo Gucci's son, Paolo Gucci, sought to produce his own products using the family surname; however, other family members filed lawsuits to prevent this initiative (Britannica, 2026). Paolo's attempt proved unsuccessful, illustrating that internal disputes had reached a stage where they could no longer be concealed and had become openly manifest.

In 1982, Paolo filed a \$13.3 million lawsuit, alleging that he had been physically assaulted during a board meeting. Following these developments, Rodolfo Gucci assumed control of the brand; however, after his death in 1983, the majority share passed to his son, Maurizio Gucci (Britannica, 2026).

In 1993, Maurizio Gucci sold his remaining shares in the company to Investcorp, effectively bringing the family's influence over the business to an end. Two years later, he was shot and killed in Milan and his former wife, Patrizia Reggiani, was accused of orchestrating the murder (Britannica, 2026). These events demonstrate how intra-family relationships and inheritance disputes can directly affect business governance.

As a result of this transformation, Gucci joined PPR (now Kering) in 1999, becoming part of a global luxury conglomerate. After experiencing stagnation in the early 2000s, the brand was repositioned—particularly to appeal to younger consumers—and this strategic renewal was largely completed by 2015. Cheng (2024) emphasises that Gucci's contemporary success is attributable to its emphasis on craftsmanship and its capacity to adapt to innovation.

The impact of intra-family conflicts on brand perception has also been addressed in academic research. Fronzetti Colladon et al. (2021) argue that Gucci's family-based structure and the intergenerational tensions experienced over time constitute significant determinants of brand perception. The same study indicates that Gucci's brand image is more favourable compared to competitors such as Fendi and Prada. This perception is sustained not only by product quality but also by the brand's complex family history. In this regard, Gucci's appeal derives both from its luxury brand identity and from its distinctive narrative rooted in family heritage.

### **III. SOCIO-EMOTIONAL WEALTH FRAMEWORK**

Family businesses emerge at the intersection of two institutional spheres: the family as a socially embedded, emotionally structured and economically coordinated unit and the firm as a formal organisational entity governed by strategic and financial objectives. While sociology and psychology conceptualise the family as a system of socialisation, emotional interdependence and norm transmission (Parsons & Bales, 1955; Minuchin, 1974) and economics frames it as a cooperative decision-making and resource-allocation unit (Becker, 1981), family business research extends these insights to the organisational level.

In management and entrepreneurship scholarship, a family firm is commonly defined not merely by ownership concentration but by the intention of a dominant family coalition to shape and pursue a transgenerational vision of the business (Chua, Chrisman, & Sharma, 1999). This behavioural definition underscores that family influence is expressed through governance, strategic control and continuity intentions rather than through equity stakes alone. Similarly, Astrachan & Shanker (2003) conceptualise family firms along a continuum of family involvement in ownership and management, reinforcing the idea that the defining feature of such firms lies in the interaction between kinship structures and organisational authority.

It is precisely this dual-system configuration that gives rise to the Socioemotional Wealth (SEW) perspective. Gómez-Mejía et al. (2007) argue that family firms are distinct because decision-makers prioritise the preservation of non-financial utilities derived from family control, identity and legacy—collectively conceptualised as socioemotional wealth. Unlike purely economically rational models of the firm, SEW theory posits that family principals may accept financial risk or forego economic gains to protect family influence and continuity. Subsequent conceptual refinements (Berrone, Cruz, & Gómez-Mejía, 2012) specify SEW as encompassing dimensions such as family control and influence, identification of family members with the firm, binding social ties, emotional attachment and the renewal of family bonds through dynastic succession (the FIBER framework).

Integrating these strands of literature suggests that family firms cannot be fully understood through economic or governance-based definitions alone. Rather, they represent hybrid organisations in which institutionalised family logics and market logics coexist and often collide. The SEW framework thus



provides the conceptual bridge linking foundational definitions of family—as an emotional, social and economic system—to the strategic behaviour of family-controlled firms. It explains why issues such as succession, control retention and reputational preservation frequently supersede short-term financial optimisation and why intra-family conflict may be driven as much by perceived threats to identity and legacy as by economic disagreements. In this sense, SEW operationalises the family dimension within the family business construct, translating sociological and psychological foundations into a theory of organisational behaviour.

Table 2 below is a compilation of distinct definitions for SEW and also demonstrates the evolution of the concept over time (adapted from Martinez-Romero & Rojo-Ramirez, 2016).

**Table 2: SEW Definitions Overtime**

Authors	Definition
Gómez-Mejía vd. (2007)	SEW refers to the non-economic emotional dimensions of the family, such as identity and intergenerational continuity
Astrachan & Jaskiewicz (2008)	SEW refers to the unique and privileged benefits derived from the family business beyond its financial returns.
Zellweger & Astrachan (2008)	SEW is transfer of emotions from family to the family business.
Berrone vd. (2010)	SEW denotes the divergence between the subjective meaning that the business holds for the family and the firm's objective market value.
Zellweger & Dehlen (2011)	Suggest that the business generates emotional value for family members and contributes to the strengthening of familial ties.
Berrone vd. (2012)	Conceptualizes these elements as emotional factors influencing the business and further emphasizes their role in the decision-making process.

An examination of these definitions indicates

that socio-emotional wealth is not merely a theoretical construct in the context of family businesses. The emotional expectations of family members towards the firm may, at times, outweigh economic considerations in decision-making processes. This dynamic can increase the risk of conflict, particularly in firms where intra-family relationships are highly salient.

Family members constitute a central element in the concretisation of SEW within the business context. When family members simultaneously assume ownership and managerial roles, the bonds between the family and the firm tend to strengthen, rendering the value attributed to SEW more pronounced. This configuration facilitates the alignment of strategic plans with family values (Rehman & Hamdan, 2023). This framework suggests that conflicts in family firms emerge largely through perception and behavioural responses. Accordingly, models developed to explain conflict in family businesses complement the SEW perspective. According to the process model proposed by Fahed-Sreih (2018), conflict in family firms consists of five stages: (1) potential opposition, (2) perception, (3) intentions, (4) behaviour and (5) outcomes.

When considered alongside the SEW approach, this model demonstrates that decision-making and conflict processes in family businesses are frequently shaped by perceived socio-emotional losses. Berrone et al. (2012) proposed the FIBER model in order to systematically explain the multidimensional structure of Socioemotional Wealth (SEW). The model consists of five core dimensions, which, when considered together, help explain the emotional logic underlying family business behaviour. The FIBER model, developed to explicate SEW systematically, conceptualises the construct as comprising five core dimensions: family control and influence over the firm; identification of the family with the business; binding social ties; emotional attachment of family members to the firm and renewal of family bonds through dynastic succession. According to Berrone, P. et al. (2012), the FIBER model conceptualizes socioemotional wealth (SEW) across five distinct dimensions.

**F** – Family control and influence: The degree of family control over the firm.

**I** – Identification of the family with the firm: The extent to which the family identifies with the business.

**B** – Binding social ties: The social ties maintained by the family.

**E** – Emotional attachment: The emotional bonds of family members to the firm.

**R** – Renewal of family bonds through dynastic succession: The transgenerational transfer of the business.



**Family Control and Influence:** In family businesses, it is widely acknowledged that family members exert influence over strategic decision-making processes. This influence is not always directly visible. In some cases, it is exercised explicitly through managerial positions, while in other cases more indirect channels are preferred. Control and influence are considered core components of socioemotional wealth (SEW). Family members often seek to preserve this dimension in particular. Even when financial risks increase, the potential loss of control may be perceived as a more severe threat. Consequently, families may prioritize maintaining their influence over the firm. In some instances, such choices may appear economically questionable (Berrone et al., 2012) and decisions that seem irrational from an external perspective may therefore emerge.

**Identification of Family Members with the Firm:** In family firms, the boundaries between family identity and corporate identity are often blurred. The firm's name may carry the family surname and corporate reputation may become closely associated with the family's reputation. Differences may also be observed in the way relationships with employees are structured. Moreover, family members are often highly sensitive to the image they project to external stakeholders (Berrone et al., 2012). Damage to the firm's reputation is therefore not perceived merely as an organizational loss but may also be interpreted as harm directed toward the family's honor.

**Binding Social Ties:** Relationships with stakeholders in family firms are often long-term in nature. These relationships are not based solely on formal contracts; they also contain strong social dimensions. Trust, loyalty and reciprocity play an important role in sustaining these relationships.

**Emotional Attachment of Family Members:** The dimension of emotional attachment is considered one of the most complex aspects of family businesses. Strong emotional bonds among family members may enhance their commitment to the firm. However, the same emotional intensity can also contribute to the escalation of conflicts. Disputes may become more personal in nature, potentially producing both constructive outcomes and destructive consequences. While financial losses may be recoverable over time, the loss of socioemotional wealth is often perceived as far more difficult to restore (Berrone et al., 2012).

**Renewal of Family Bonds Through Dynastic Succession:** The transfer of the business to subsequent generations is often viewed as a continuation of the family itself. For this reason, the

business is rarely regarded as a short-term investment instrument; rather, it is perceived as a long-term legacy (Berrone et al., 2012). Consequently, selling the business is not seen merely as an economic transaction but may instead be interpreted as a rupture in family identity.

These dimensions demonstrate that SEW is not a unidimensional construct but one that generates effects at multiple levels within family firms. However, these dimensions do not manifest uniformly across all family businesses; relationships among family members may alter the influence of each dimension.

The SEW approach is predicated on the assumption that family control over the firm strengthens emotional attachment to it. Over time, the relationship between family members and the business deepens and the firm becomes increasingly associated with family identity. As a result, strategic decisions are shaped not only by economic considerations but also by socio-emotional factors (Muñoz-Bullón et al., 2024). In this sense, SEW provides an explanatory framework for the long-term survival and strategic orientation of family firms.

It is widely accepted that families perceive socio-emotional losses as more severe than financial losses; consequently, business decisions are structured to safeguard SEW (Muñoz-Bullón et al., 2024). Memili et al. (2020) argue that SEW exerts a substantial influence on family firms. Families with a strong SEW orientation may refrain from aggressively pursuing financial performance and may adopt cautious attitudes towards innovation, market expansion and capital investment. For small and medium-sized family firms, such tendencies may lead to declines in sales and overall performance.

Berrone, Cruz, and Gómez-Mejía (2012) argue that decision-making in family businesses cannot be fully explained by economic considerations alone. The preservation of socioemotional wealth operates alongside financial evaluations and in certain situations, can even become the determining factor. This suggests that decisions in family firms are inherently complex and cannot be solely rationalized through economic reasoning.

## IV. ANALYSING GUCCI FAMILY THROUGH SEW FRAMEWORK

### 4.1. Research Model & Methodology

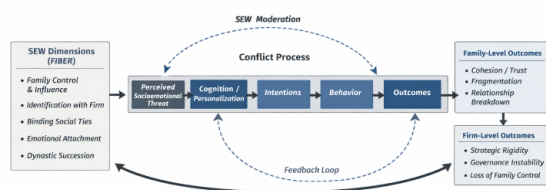
In family businesses, conflict frequently arises not solely from economic considerations but also from efforts to preserve the socio-emotional wealth (SEW) held by family members. In this context,



conflict is examined through the process model developed by Fahed-Sreih (2018) to explain conflict in family firms. According to this model, the conflict process consists of five sequential stages: (1) potential opposition, (2) perception, (3) intentions, (4) behaviour and (5) outcomes (Fahed-Sreih, 2018).

The Fahed-Sreih model assumes that conflict in family businesses does not emerge abruptly; rather, it evolves progressively through identifiable stages. Each stage establishes the conditions for the subsequent phase, thereby structuring the development of conflict over time. When considered in conjunction with the SEW perspective, this model demonstrates that family members are often more concerned with the erosion of emotional and social values associated with the family than with purely economic losses. This approach highlights that, in decision-making and conflict processes, emotional considerations may take precedence over financial expectations.

Figure 1: Research Model



This model is employed to illustrate how conflicts within the Gucci family relate to the dimensions of socioemotional wealth (SEW). It assumes that conflict unfolds as a process comprising the stages of potential opposition, perception, intentions, behavior and outcomes. The model demonstrates that family members' decisions are influenced not only by economic considerations but also by socioemotional factors such as control, status and emotional attachment.

This study adopts a qualitative case study design to examine the role of socioemotional wealth (SEW) in conflict processes within family firms, using the Gucci family business as an illustrative case. A qualitative approach is appropriate because the research aims to interpret complex social dynamics, meanings and relational processes rather than to test causal hypotheses through statistical inference. The study relies exclusively on secondary data sources, including peer-reviewed journal articles, books, biographies, reputable news reports

and archival materials related to the historical development of the Gucci family and firm. These sources were selected through purposive sampling based on relevance, credibility and contribution to understanding family relationships, governance structures and conflict episodes. Data were analyzed through a theory-driven interpretive strategy in which empirical information was coded and organized according to the analytical framework presented in Figure X, integrating the SEW dimensions (FIBER model) with the stages of the conflict-process model.

To enhance analytical rigor, triangulation was employed by comparing information across multiple independent sources, thereby reducing single-source bias and improving interpretive validity. The analysis followed an iterative procedure in which historical events were mapped onto the conceptual model to identify patterns linking socioemotional priorities, perceived threats, behavioral responses and organizational outcomes. As is typical for qualitative historical case studies, the findings are context-specific and not intended for statistical generalization; instead, they aim for analytical generalization by illustrating how established theoretical constructs operate in a real-world setting. Limitations include reliance on retrospective accounts, potential narrative bias in secondary materials and restricted access to private family communications. Nevertheless, such designs are widely accepted in family business research for theory elaboration and for uncovering mechanisms that are difficult to observe through quantitative methods.

## 4.2. Model Elements

### 1. Potential Opposition / Threats

The first stage refers to differences that create the underlying conditions for conflict. In the Gucci family, potential oppositions stemmed from differences in personality traits, levels of involvement in the business and managerial philosophies. These differences may be summarised as follows:

Guccio Gucci adopted a highly controlling management style and tended to supervise his sons strictly, which contributed to weakened intra-family communication. Although Aldo Gucci demonstrated strong commitment to the business, the rejection of his initiatives by his father led him to feel undervalued. Vasco Gucci, despite playing an active role in the firm, exhibited a more relaxed and conflict-avoidant personality. Rodolfo Gucci's entry into the business in his late thirties without prior experience and his placement in a position equivalent to Aldo's, intensified potential oppositions (Fahed-Sreih, 2018).

Although these differences did not initially produce open conflict, they laid the groundwork for weakening the status dimension of SEW within the



family. In particular, the erosion of perceived equity strengthened the emotional dimension of conflict in subsequent stages.

## **II. Perception / Cognition**

In the second stage, potential oppositions begin to be perceived by family members as injustice or threat. Guccio Gucci's equal distribution of shares among his three sons generated the perception that Aldo's contributions to the business had not been adequately recognised. Considering Vasco's more relaxed disposition and Rodolfo's lack of experience, Aldo perceived this arrangement as a clear injustice and experienced significant disappointment (Fahed-Sreih, 2018).

From an SEW perspective, this perception was shaped less by economic loss than by feelings of unrecognised merit and diminished appreciation within the family. This demonstrates that perceived fairness in family firms may function as a stronger motivational driver than material gain.

## **III. Intentions**

Following the perception stage, family members developed intentions in response to the emerging situation. At this stage, behaviour was primarily guided by the desire to preserve or regain socio-emotional wealth (Fahed-Sreih, 2018).

The authority granted to Aldo contributed to the development of a more competitive and dominant stance. Grimalda adopted a more conciliatory approach regarding equal rights with her siblings. During the divorce process, Maurizio Gucci offered financial support to Patrizia as a conciliatory gesture; however, this intention was interpreted differently by Patrizia. Maurizio's principal intention was to gain control of the company. To this end, he exploited the weak familial ties between his cousin Paolo and his father Aldo, ultimately removing his uncle and later other family members from the business. At this stage, SEW functioned as a direct determinant of decision-making. In particular, fear of losing control and status prompted increasingly aggressive strategic actions (Fahed-Sreih, 2018).

## **IV. Behaviour**

This stage represents the transformation of intentions into concrete actions. Within the Gucci family, conflicts largely culminated in destructive behaviours.

- Maurizio's alliance with his cousins to remove his uncle Aldo from the company;
- Grimalda's legal efforts to secure majority control of her shares;

- Patrizia's threatening statements regarding Maurizio and the escalation of the process into violence clearly illustrate the destructive dimension of the conflict.

At the same time, Aldo's initiatives in international expansion produced certain functional outcomes for the business despite the conflict environment (Fahed-Sreih, 2018).

In this phase, SEW played a significant role in the emergence of destructive behaviours among family members, while also influencing certain strategic decisions. The Gucci family thus provides an illustrative example demonstrating that socio-emotional wealth does not invariably generate uniform outcomes in family firms. An examination of family members' actions reveals that decisions were frequently shaped not by economic considerations but by concerns over status loss, the desire to maintain control and perceptions that family identity might be threatened.

The Gucci case further demonstrates that socio-emotional wealth is not always a value that yields protective outcomes. Under certain conditions, it may instead act as a catalyst for conflict. The case illustrates that socio-emotional factors can produce detrimental consequences both for firm performance and for intra-family relationships. Accordingly, SEW should not be regarded solely as a protective mechanism in family firms, but also as a construct capable of generating destructive outcomes when issues of control, status and emotional attachment become dominant.

## **V. Outcomes**

The ultimate effects of these conflicts resulted in severe consequences at both the family and firm levels (Fahed-Sreih, 2018). Grimalda's initiatives proved unsuccessful, while the conflict between Patrizia and Maurizio culminated in divorce, murder and imprisonment. At the managerial level, the destructive nature of intra-family conflict led to the sale of the company to investment firms in 1988. This stage constitutes a striking example of how the failure to preserve socio-emotional wealth can generate irreversible losses in family businesses (Fahed-Sreih, 2018).

The managerial trajectory of the Gucci family provides a compelling illustration of how the SEW construct evolves in family firms. From its foundation, the business was governed through intergenerational succession; however, following Guccio Gucci's death, severe conflicts emerged within the second and third generations. This process resulted not only in economic losses but also in the erosion of core SEW



dimensions such as trust, belonging and family cohesion. The transformation of intra-family conflicts into legal disputes and permanent ruptures offers tangible evidence of the deterioration of socio-emotional wealth (Fahed-Sreih, 2018).

Within the context of the Gucci family, the FIBER model of SEW may be evaluated as follows:

**(F)** Aldo's efforts to expand into international markets generated strategic opportunities while simultaneously increasing the risk of conflict.

**(I)** and **(B)** Dramatic events in the family's history strengthened the brand's public image and the incorporation of incidents such as Maurizio Gucci's murder into the brand narrative highlights the strong interconnection between the family and the business.

**(E)** The family's intense emotional attachment to the business, along with the profound impact of experienced tragedies, became increasingly evident.

**(R)** The transition to professional management and the globalisation process reflect efforts to ensure business continuity despite persistent intra-family conflict.

Overall, in the Gucci family, socio-emotional wealth functioned not merely as an emotional or social element but as a central factor shaping business strategies. Family members displayed a tendency to prioritise the preservation and enhancement of brand identity over immediate financial gains. In the long term, this orientation proved decisive for the brand's sustainability and global value. In this respect, the Gucci family constitutes one of the most illustrative cases demonstrating the concrete manifestations of the SEW concept in family businesses.

## V. CONCLUSION

Within the scope of this study, the role of socio-emotional wealth (SEW) in conflict processes has been examined through the case of the Gucci family. The findings indicate that family members' decisions and behaviours were shaped less by economic concerns than by considerations of status, belonging, control and the preservation of family identity.

The conflicts experienced within the Gucci family demonstrate that when SEW is not effectively preserved or managed, the consequences may irreversibly damage not only the business but also family relationships. In this respect, although SEW often performs a protective function in family firms, under certain conditions it may also give rise to destructive outcomes. As observed in the Gucci case, conflicts among family members gradually evolved from interpersonal disagreements into legal disputes

and ultimately culminated in the loss of family control over the firm. This trajectory illustrates that conflicts in family businesses produce not only economic consequences but also deeply affect SEW dimensions such as trust, commitment and family identity.

Based on the findings, several implications for family businesses may be proposed:

- Clearly and transparently defining the distribution of authority and ownership among family members may contribute to the early management of potential oppositions.
- Ambiguity regarding roles and authority during intergenerational transitions may intensify perceptions of injustice and lead to the erosion of SEW. Therefore, succession processes should be conducted in a planned manner within a formalized and documented framework.
- The conscious management of SEW may limit the transformation of emotionally driven decisions into destructive outcomes. The involvement of professional managers during generational transitions may mitigate the adverse effects of intra-family conflicts on firm performance.
- Professional management may help prevent power struggles among family members from directly influencing business decisions, thereby fostering a more sustainable governance structure.

The Gucci case demonstrates that the uncontrolled prioritisation of socio-emotional wealth can, in the long term, generate substantial losses for both the family and the firm. Accordingly, it is crucial for family businesses to develop governance approaches that balance socio-emotional wealth with economic sustainability.

In this research, the impact of socio-emotional wealth on conflict processes has been analysed through a historical case study. The findings are considered to provide an explanatory contribution to the SEW literature. The Gucci family case concretely illustrates that, beyond its frequently emphasised protective and integrative functions, SEW may also produce destructive consequences when issues of control, status and emotional attachment intensify. In this regard, the study demonstrates that SEW is not a unidimensional construct and that it may lead to divergent outcomes in understanding conflict in family businesses.

Finally, it can be concluded that in family firms, socio-emotional wealth is not merely an asset to



be preserved but a dimension that must be managed in a balanced and strategic manner.

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