

**THE LOCAL EMBEDDEDNESS OF LIFESTYLE ENTREPRENEUR:
AN EXPLORATIVE STUDY**

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SUMMARY

The aim of this paper is to conduct an explorative study, based on four explorative cases, of lifestyle entrepreneurship. Our considerations are focused on the topic of local embeddedness: Does the location chosen for self satisfaction comply with the local embeddedness theory or do they have specific relations with territory concept? It appears that the cases are integrated in a context that is not manifested in territorial but functional terms. This mixed embeddedness can be explained by a new social trend: the hypermodernity. Consequences of lifestyle entrepreneurship behaviours on the economic development of the region where they implement are also discussed. Further research perspectives are proposed.

KEY WORD

Lifestyle entrepreneurship, motivations, local embeddedness, hypermodernity

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INTRODUCTION

Some entrepreneurs set up business primarily to generate lifestyle benefit and only secondary for economic gain. These lifestyle entrepreneurs, who have received little interest in the entrepreneurship literature, are “individuals who operated business closely aligned with their personal value, interest and passions” (Marcketti and ali 2006). The motivations for becoming a lifestyle entrepreneur are as varied as their business.

Even if pursuing quality of life can compromise profitability (for example, some geographic area can restrict market access), the lifestyle orientation does not necessarily result in financial suicide or developmental stagnation. New generations of consumer offer opportunities for these entrepreneurs and permit a “niche” market positioning. Tregear (2005) argues toward the case of artisans that being lifestyle-oriented could give a commercial advantage because it makes them “specialist marketing cachet”. There is a growing segment of consumers ready to pay a premium for these attributes. A similar phenomenon, in the case of tourism industry, was observed by Ateljevic and Doorne (2000). The entrepreneurs offering “real and authentic” experiences comply with self identity oriented consumers which assure them economic viability.

One of the main specificity of this category of entrepreneur is the implementing location they choose. The choice of the location is linked with the personal motivations (it is above all a residence choice allowing a quality of life instead of the traditional economic criteria.).

In the literature the area of establishment is often considered as the privileged socio-economic environment of the entrepreneur (Torres 2004). Moreover, this territory is a source of social capital (material and financial resources, business opportunities and local governance) allowed by the combination of geographical and organisational proximities (Torre and Gilly 2000). The entrepreneur can mobilize this local social capital (collective) by three “orders” of local embeddedness (Johannisson and ali 2002): interfirm networking, firm/institution networking and holistic networking. We can underline the limits of this conceptual framework. First, the entrepreneur has to find the resources he needs on this territory. We can ask us, what is happening when there are not. Secondly, there is an effect of overembeddedness which can implement routines and constraint innovative capabilities, business expansion and information or resources access (Jack and Anderson 2002).

In this context, we propose to examine if the location chosen for the lifestyle-entrepreneurs self-satisfaction is an opportunity or an obstacle for their business success. Toward the traditional framework of embeddedness, the purpose of the current study is to conduct an explorative examination of the lifestyle entrepreneur behaviours in order to identify if their chosen location they choose comply with the local embeddedness theory or if they have specific relations with territory concept.

METHODOLOGY

The investigation is based on an explorative study. Lifestyle-entrepreneurs characteristics like their motivations, their business activity and their degree of local embededdness, were observed through four descriptive cases. The sampling approach was to identify research subjects with the most relevant and interesting properties for the given aims. Cases in urban and rural areas and in different activity fields were selected. The primary selection criterion was the quality of life motivation as the predominant characteristic of the location choice. Data collection involved in-depth interviews which were conducted following a semi-structured discussion guide. From this material some regularity were observed. (Miles and Hubermann, 1994)

Table 1 – Profile of the interviewees in empirical study

Background/skills	Motivations	Activity field	Market
<ul style="list-style-type: none"> • Man, 40 years old • Cook on boat • Western horse riding enthusiast, practises drawing and saddler for pleasure. • USA training with a local western traditional saddler 	<ul style="list-style-type: none"> • To live with his family, share time with his child • To have a better quality of life, his own house • To combine hobbies and job 	<ul style="list-style-type: none"> • Traditional western saddler • Leader of western saddler training • Consultant for specialized review • Seller of western image, toward the sell of western products and magazine. 	<ul style="list-style-type: none"> • western horse riding enthusiast • leather-work enthusiast • specialized press and organization • horse riding club members • industrial saddler for training period
<ul style="list-style-type: none"> • Man, 45 years old • computer scientist • Always looking for innovation 	<ul style="list-style-type: none"> • To realize his own professional project • To manage his own creation himself 	<ul style="list-style-type: none"> • Creation of specific computing tool • Creation of a company for each new concept 	<ul style="list-style-type: none"> • Bank • Humanitarian organization • B to C directly via internet
<ul style="list-style-type: none"> • Canadian woman, 52 years old • Experiment in museum, ministry and museology consulting. • Very active in world professional associations 	<ul style="list-style-type: none"> • To live in French countryside • To have more time for self interest projects 	<ul style="list-style-type: none"> • Museology consultant (only competitor in USA) • Will to develop local projects. (artist accommodations) 	<ul style="list-style-type: none"> • Museums • Art galleries • State services • Canada (90%) and Europe
<ul style="list-style-type: none"> • Man, 50 years old • Worked for an electronic sector company • Model Auto Racing (french federation vice-president) 	<ul style="list-style-type: none"> • To live in countryside • To work at home • To combine hobbies and skills 	<ul style="list-style-type: none"> • Electronic product studies • Creation, manufacture and on-line direct sale of an innovative battery charger 	<ul style="list-style-type: none"> • SME • Model Racing club members

RESULTS

Three common themes emerged from the data.

1- These entrepreneurs possess and control very specific skills which result both from their past experiences and their hobbies. Creating their companies, they look for a combination of job and hobbies setting the lifestyle they wish. The specificity of their activity position them on a niche market which allow them to work where they want and consequently to have a particular relation to their territory.

2 - The cases appear to be integrated in a context that is not manifested in territorial but functional terms. In fact, they can be relatively disembedded from the local but they are embedded upon the industrial/market context within which they operate. The cases area of establishment did not present at first sight privileged socioeconomic environment. Their sources of social capital are somewhere else. For example, the electronic engineer is implemented in peripheral rural area even though this location does not offer inputs, suppliers and market or technological opportunities for the electronic sector. In fact he creates his own network based on his personal experience whatever the localization.

But even if local embeddedness is not at the origin of their business success, the cases extremely keen on their activity create their own local network by implementing resources that did not exist before. For example, the saddler creates a horse riding club and the museology consultant develops artists' accommodations. In fact, we observe that the success of the business cases is based on a mixed embeddedness in several networks, which are mainly non local.

3 - These cases point out the behavioural changes of the individuals and the impact of them on the entrepreneurship scene. The lifestyle entrepreneurship seems to be very close to the « hypermodernity ». These new societal artefacts can explain the growing phenomena of lifestyle entrepreneurs, their “success” and their atypical relation with territory.

The hypermodernity, defined by authors of different discipline (Asher, 2005 Lipovetsky, 2004), can be considered as the continuity of the postmodernism. This societal trend implies different changes for individuals: research of its own individuality, participation in network constellation, the end of spatial and temporal barriers and the “singularity” (the willing of individual to be unique).

- Individual, looking for their self-accomplishment creating their own business with varied lifestyle motivations. (table 1)

- The development possibility of their business depends on their capabilities to propose uniqueness product which is corresponding to the new consumers’ attempt. As we said before, their “singularity” position them on “niche” market (the uniqueness of the western saddle)

The cases are functioning because of a network constellation, instead of basing their development on local embeddedness. This means that the territory concept is not anymore a priority factor in the business success.

- The lifestyle entrepreneur does not find his resources in a particular territory but in his own network which created himself. This fact presents a new conception of space, the end of constraints of distance on economic and social activities. The lifestyle entrepreneurs consider if not the local territory, the market actors which are (due to the specificity of their activities) located in all France and even around the world in order to build their network. Also, we can observe the creation of their own local network by implementing, club, gallery...Impassioned by their activities they develop in new living setting their hobbies and modify their local territory.

DISCUSSION

As we observed an atypical form of local embeddedness in lifestyle entrepreneur cases, we can discuss the consequences of these behaviours on the economic development of the region where they implement.

At first sight, it can be considered that lifestyle entrepreneurs constrain regional economies because of their rejection of business growth and their weak level of local embeddedness. Moreover, they are very mobile and the risk of departure is high. On the other hand, it can be argue that, due to their non local markets and networks, they can be key actors in connecting regions among each others. Moreover, even if the local embeddedness reasons are atypical, the activities they develop on a local base are source of endogenous development.

Based on this explorative study, we propose two further researchs

→ The lifestyle entrepreneurs networking activities: How they build and mobilize their network constellation?

→ The strategic behaviour of the lifestyle entrepreneurship: impact on the internalisation strategy

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