


Chapter 11

Lifestyle Entrepreneurs: An Alternative Approach to the Entrepreneurial Activity

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ABSTRACT

Motivations play a critical role in setting up new organizations. Traditionally, the reasons to start a new business are mainly economic in nature. More recently, some researchers argue that some people, designated lifestyle entrepreneurs, decide to create new businesses on the grounds of personal fulfilment. This chapter aims to identify the most important motivations of lifestyle entrepreneurs and their relation with the factors that this type of entrepreneurs use to measure the success of their businesses. In order to achieve these objectives a qualitative methodology was adopted, based on the case study approach. The analysis of the cases suggests that this type of entrepreneurs are, first of all, motivated by a desire to live in a certain way and they measure their success according to the achievement of their goal, without neglecting the economic, environmental, and social sustainability of their businesses.

INTRODUCTION

Studies on entrepreneurship have continuously assumed an increasingly importance, either by their relevance and the role entrepreneurship plays in economic growth, in jobs creation and in revitalising the economies. The entrepreneur is the lead actor in this process and it is important that one understands the motivating factors that influence the beginning of the entrepreneurial activity, as well as the factors used by entrepreneurs to measure their success.

However, the studies on the entrepreneur have essentially focused on identifying the entrepreneur's psychological and personal features and on the factors, which have a major influence on the success of

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the organisations created, such as the entrepreneurial personal features and the impact of the external or environmental factors on the success of the business (Taormina & Lao, 2007).

This article aims to present a different approach, which focus on a particular type of entrepreneurs, whose way of dealing with the creation of new projects, the entrepreneurial activity and the measure of their performance differs from the one more usually described in literature and which has achieved a prominent role in the media (the so-called mainstream entrepreneurship).

Traditionally, literature points out that the reasons to begin a new business/project are mainly economic and financial. At the level of the success assessment of entrepreneurial project, literature shows several economic indicators, such as profit, growth, profitability or the turnover. (Delmar, Davidsson, & Gartner, 2003).

However, more recently, some authors (e.g. Verheul, Thurik, Hessels, & Zwan, 2010; Carsrud & Brannback, 2011) mention that some people decide to enrol the entrepreneurial activity as an end in itself, that is, for reasons of personal fulfilment and not only for financial reasons. These are called lifestyle entrepreneurs and are an integral (although quite small) part of what Welter, Baker, Audretsch, and Gartner (2017) called the everyday entrepreneurship or “the others”; their main concern is to ensure a comfortable lifestyle in an autonomous activity they like. This activity should also add to their personal and professional fulfilment, which means these entrepreneurs chose their lifestyle consciously and relentlessly pursue it.

According to Krueger and Brazeal (1994), motivations influence the decision whether or not to enrol an entrepreneurial activity, the way this activity is developed as well as its performance. Generally, it is consensual to consider that the entrepreneurs who create a new business focused on profit or on a larger turnover will probably have a different behaviour than those who create a company to better conciliate familiar and professional responsibilities (Verheul et al., 2010), or to prepare the end of their career. Furthermore, motivations play a major role in the individual’s behaviour, since they influence the direction and determination of the action towards the initial planned direction (Carsrud & Brannback, 2011).

From this diversity of visions, this paper aims to understand the lifestyle entrepreneurs’ most important motivations and their relation to the factors by which lifestyle entrepreneurs measure the success of their activity. This article aims to identify the factors that lead lifestyle entrepreneurs to achieve their projects and the indicators that allow them to consider the latter successful or not.

Following a qualitative methodology, exploratory in nature, to achieve this goal, this paper features case studies. Surveys to the promoters of three cases, which were complemented by data collected through interviews and information supplied by secondary sources, were carried out. With the collected information we tried to figure out if the assessment the entrepreneur makes of their own success is connected or not to the motivations and expectations towards the creation of a new business/project and if the reasons the entrepreneur applies to the success or failures influence their future behaviour regarding new projects..

The paper is organized in five sections. The first section consists of an introduction, in which the framework of the theme, the presentation of the addressed problem and the definition of the proposed goals and the strategy to achieve them can be found. In the second section there is a review of the literature on entrepreneurship; this review is particularly focused on the specific features of lifestyle entrepreneurship. This section is followed by the used methodology. The following section is composed of the case studies and, finally in the last section, the results are discussed, some conclusions are drawn, some limitations are presented and some suggestions are formulated regarding not only the public administration’s action but also new avenues for researchers.

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