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## The local embeddedness of lifestyle entrepreneur : an exploratory study<sup>1</sup>

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**Abstract:** The aim of this paper is to conduct an exploratory study, based on four exploratory cases, of lifestyle entrepreneurship. Our inquiry is focused on the topic of local embeddedness: Does the location chosen for self satisfaction comply with the local embeddedness theory or does it have a specific relationship with the 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: hypermodernity. The consequences of lifestyle entrepreneurship behaviours on economic development in regions where they implemented are also discussed. Further research perspectives are proposed.

**Keywords:** Lifestyle entrepreneurship, motivations, local embeddedness, hypermodernity

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## **The local embeddedness of lifestyle entrepreneur : an exploratory study**

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There is a considerable body of research examining how strategic behaviours of entrepreneurs differ according to their primary goals. The more common distinction is between economic and non-economic goals (Cooper and Artz, 1995). While economically motivated entrepreneurs have been well studied in entrepreneurship literature because of their impact on regional economic development, non-economically motivated entrepreneurs have received less attention.

Non-economic goals can be diverse: creation of his/her own job, desire for independence or desire for stability... Among these goals we can notice some lifestyle orientations: for example, to live in a resort area, to combine hobbies with job, to work at home and spend more time with family... Indeed, many entrepreneurs set up businesses primarily to generate lifestyle benefits while economic gain remains secondary. While entrepreneurship as a way of life and not only as a way to earn income is a growing phenomenon in developed countries (Henricks, 2002), "lifestyle entrepreneurs" have received little more than scarce attention in entrepreneurship literature (Buttner and Moore, 1997, Ateljevic and Doorne 2000, Burns, 2001, Henderson 2002, Johannisson 2003, Tregear 2005, Marcketti, 2006).

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

The paper is organized as follows. In the next section we define the two key concepts (lifestyle entrepreneurship and local embeddedness) of the paper. Then, the chosen methodology, the cases studied and the main results extrapolated from data collected are presented. In the following section, we propose an explanation of the phenomenon of lifestyle entrepreneurship through the social trend of hypermodernity. Finally, we offer some conclusions regarding the consequences of lifestyle entrepreneurs' behaviours on local development and examine further research perspectives.

# 1 Conceptual framework

## 1.1. Lifestyle entrepreneurship

As said by Poutziouris (2003) “the values, attitudes and motives of entrepreneurs shape the strategic goal setting and growth orientation of the business”. Considering that individual characteristics generate different strategic behaviours of entrepreneurs (Bird, 1988), we can observe different approaches. Even if the study of entrepreneurship came very late within management research we can notice numerous authors who worked on this subject and proposed typologies. In 1976 Stanworth and Curran proposed three categories of entrepreneurs one of which is categorized by the desire for personal satisfaction. They identified the “classical” who is interested by economic gains, the “manager” who looks for managing growth and the “artisan” who is oriented towards personal satisfaction. Several years later, Filley and Aldag (1978) provided their own categorization with the “promoter” (seeks achievement and pursues market niche), the “professional manager” (desire to supervise growth) and the “craft” (seeks comfort, prioritizes independence). It should be underlined that personal satisfaction and the need for achievement were not yet central to profile differentiation. In 1995, Cooper and Artz were among pioneers using the word “lifestyle” when they identified differences between the “artisan/craftsman” who are lifestyle oriented and “non growth oriented”.

Because of the recent emergence of this phenomenon, definitions and categorizations of the last decade better emphasize the lifestyle characteristic of entrepreneurs.

### Definition

Here after, we propose a brief literature review presenting the central definitions used for lifestyle entrepreneurs.

<b>Authors</b>	<b>Definition</b>	<b>Characteristics</b>
Buttner & Moore 1997	They consider the new creation venture more as a life strategy than as a career in order to achieve “self-fulfillment”	need achievement before economic gain life project
Ateljevic & Doorne 2000	“Lifestyle, non economic motives”	life strategy non growth oriented
Burns 2001	“Lifestyle firms are businesses set up primarily to undertake an activity the owner manager	Merge job and passion Collect the adequate income to sustain his/her lifestyle

	enjoys or to achieve a level of activity that provides adequate income”	project.
Henricks 2002	They are individuals (men/women) who seek enjoyment in their life more than the pursuit of money. They implement their businesses in places they like in order to manage their private (share time with family) and professional time and to merge job and hobbies.	seek achievement before economic gain location regarding the facilities for their family and their quality of life. Merge job and passion
Henderson 2002	Lifestyle entrepreneurs are looking for “independence and control”, they sometimes “sacrifice their growth for lifestyle choices”.	adequate or respectable income seek achievement through his/her own career shared time with family and friends independence
Johanisson 2004	“existential beings with irrational personal needs, such as self-realisation and enjoying life, opens up for new images of entrepreneurship with respect to for example organising and location.”	seek achievement before economic gain new behaviours : organization and location
Tregear 2005	Personal achievement objectives, non growth oriented	Personal satisfaction Non growth oriented
Marcketti 2006	“individuals who own and operated businesses closely aligned with their personal values, interest and passions”	Merge job and passion

In our study we follow the Johanisson (2004) vision who distinguished among classical, lifestyle, family business and partnerships. He defined lifestyle entrepreneurs as “existential beings with irrational personal needs, such as self-realisation and enjoying life, opens up for new images of entrepreneurship with respect to for example organising and location.” He differentiates between the classical and lifestyle entrepreneurship by the degree of calculative (economic) and social (existential) commitment of the individual. This definition highlights the importance of existential achievement over economic gain among the lifestyle entrepreneur’s objective. Furthermore, this quotation introduces the notion of business location which directly concerns our research topic: the relation between entrepreneurs and environment (or locality, location).

### **Balance between economic gain and self fulfilment**

People perceive quality of life and the importance of financial benefit procured differently (MC Gregor 1998). This often depends on one's personal goals. At the same time, lifestyle orientation can generate sufficient financial return for some individuals who strive to balance between income acquired and the quality of life achieved. They may not want to become the new Microsoft or Coca cola or to have a Rolls Royce (Treagor, 2005), but instead they seek a particular degree of satisfaction and quality of life.

Even if the pursuit of a heightened quality of life compromises profitability (for example, some geographic area can restrict market access), lifestyle orientation does not necessarily result in financial suicide or developmental stagnation. New generations of consumers offer opportunities for these entrepreneurs and permit a "niche" market positioning. Treagor (2005) argues this point in the case of artisans who, he suggests, may possess a certain commercial advantage because of their lifestyle-orientation which provides them with "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 the tourism industry, was observed by Ateljevic and Doorne (2000). The entrepreneurs offering "real and authentic" experiences appeal to self identity oriented consumers which assures them economic viability.

### **Location as a residence choice**

One of the main specificities of this category of entrepreneur is the location they choose. The choice of location is closely linked to personal motivations. It is above all a residence choice allowing a quality of life which overshadow traditional economic criteria. As the priority of these individuals is quality of life, they choose a residence location regardless of the possibilities for employment. It is one of a reason to start businesses. The lifestyle entrepreneurs do not seek out particular resources in their implementation.

## ***1.2. Local Embeddedness***

### **The theoretical basis of local embeddedness framework**

The area of establishment is often considered, in the literature, as the privileged socio-economic environment of entrepreneurs. Actually, they often set up business where they live. They rely upon local information and resources. They mobilize local networks and obtain finances from

local banks or venture capitalists. They derive ideas for new products or new sources of demand from the existing ones within their living environment (Kalantaridis and Bika, 2006). In fact, this framework is based on the idea that the creation of small businesses is highly constrained by geographical proximity (Torres, 2004).

This view acknowledges that the territory is a source of social capital (Julien and Lachance, 2005). The local social capital is a collective asset. Traditionally, two types of social capital were defined (Putman, 1995, Callois and Smith, 2005): “bonding” social capital, which is an indicator of the community’s cohesion and “bridging” social capital, which is an indicator of the community’s ability to connect among others. For entrepreneurs, this local social capital is manifested in the form of information and resources (material, human or financial) which can be potentially used.

The emergence of this local social capital is due to the combination of geographical and organisational proximities (Torre and Gilly 2000). Geographical proximity deals with the separation in space and relations in terms of distance where organizational proximity is based on two types of logic: “adherence” logic (or institutional proximity) belonging to the same space of relations as association, networks or clubs and “similarity” logic (or cognitive proximity) is the fact for actors to be quite similar, to have the same reference space and share the same knowledge or know-how. This view acknowledges that the territory is the appropriate space of relations for the creation of a social capital useful for entrepreneurs because, even if it is not at the origin of their interactions, the geographical proximity facilitates interactions of an organizational nature.

Moreover, “local embeddedness” is identified as the mechanism through which entrepreneurs can mobilize local social capital. Actually “being embedded within the social structure of the area provided the entrepreneurs with intimate knowledge, contacts, sources of advice, resources, information and support” (Jack and Anderson, 2002: 481). Three “orders” of local embeddedness can be identified: the first-order concerns interfirm networking, the second-order the firm/institution networking and the third-order the holistic networking (Johannisson and ali 2002). Local embeddedness also confers an “entrepreneurial social capital” upon the entrepreneurs. This entrepreneurial social capital is an individual asset which can be defined as “resources embedded in a social structure which are accessed/mobilised in purposive actions” (Lin, 2001), in this case the new venture creation.

## **The limits of local embeddedness framework**

Even if this conceptual framework has a sound theoretical and empirical basis to explain some phenomenon as “internationalising milieu” (Torres, 2002), “innovator milieu” (Maillat, 1998) or clusters (Porter, 1998), particular limits of this conceptual framework can nonetheless be identified.

First, this framework considers the implementation area as the more efficient source of social capital for entrepreneurs located within. However, some territories do not offer such conditions for business location even if certain ventures succeed. For example, “embeddeness in the confined and remote context of a rural locale may stifle entrepreneurial action if there are few or no external linkage” (Kalantaridis and Bika, 2006: 111).

Secondly, local embeddedness can act as a constraint for entrepreneurs. At a certain level, there is an effect of overembeddedness (Uzzi, 1997) which can routinize particular behaviours and constrain innovative capabilities, business expansion and information or resources access (Jack and Anderson 2002). Locally embedded entrepreneurs may become “ossified and out of step with the demands of its environment, ultimately leading to decline” (Uzzi, 1997: 59)

## **2. Exploratory study**

### *2.1. Methodology*

The investigation is based on an exploratory study. Lifestyle-entrepreneur characteristics as well as motivations, business activity and degree of local embeddedness were observed through four descriptive cases.

The sampling approach identified research subjects with the most relevant and interesting properties for the given aims. The primary selection criterion was quality of live as the primary motivation for location choice. All our cases are situated in South of France, in urban (Calmes) or rural areas (YL Brand, NH consult, RC Micro). They are positioned on different activity fields: craft-artisan (YL Brand), computer science (Calmes), consulting (NH consult) or “industry”(RC Micro) but each job concurrently serves as a personal passion (often a hobby before venture creation).

Data collection involved in-depth interviews of approximately 1-2 hours which were conducted following a semi-structured discussion and explanation. Each interviewee was encouraged to give a summary of his/her experience in venture creation: what were his/her motivations and



primary goals, how he/she managed his/her project, how his/her enterprise works and in which networks (locals or non) she is embedded. Interviews were tape recorded in their entirety and transcribed for analysis. These testimonies were supplemented by additional data sources such as Internet websites and newspaper articles. From this material various regularities were observed. (Miles and Hubermann 1994).

## *2.2. Cases description*

### **YL Brand**

M. YL worked for 10 years as cook on a boat. He very much enjoyed creative activities, and while cooking was a creative outlet for M. YL, his greatest passion was above all Western Movies.

In 2003, M. YL created his own business producing traditional western saddles which were distributed throughout the south of France. The local focus of his business was determined by several factors. First, he had a baby and his precedent activity didn't no longer accommodated his role as a father. "I had more and more difficulties to put up with long travelling and it's not adapted to a family life, to say the least with the conception I had." Secondly, he wanted to express himself by creating his own business which would be based on his passion.

M. YL implemented his business in a rural area within the south of France (Herauld). His choice was neither influenced by the local resources nor by the potential customers in this region. In fact, all of his raw materials originated from the US and he served a global market. At the same time, M. YL impacted the region when he created a horse riding club and became the sponsor of an association.

He was impassioned by western and creating object by his own hand. To the question "why did you choose this activity", he answered: "by passion, the western passion., I had it since I was a child, it started by the pictures, following by horses and now..." In addition to his job, M. YL spent much of his free time on activities such as drawing, painting, engraving and metal engraving. Finally, he considers that the business he created is the result of all of his activities: "the work leather is the synthesis or the quintessence of all activities I practiced". This point clearly demonstrates that YL acquired a very specific skill which is the fundamental basis of his activity.

### **OFSAD**

M. Calmes began his career as an engineer in a big international company in Paris. He decided to move towards a smaller structure and worked as a project manager. He said that he quickly understood that entrepreneurship

was a development model he adhered to. He consequently created his first project, then sold it to start a new project...

After a personal “success story”, he decided to stop working for a time and to move from Paris to Montpellier with his family. Recently he returned to work for several reasons. First their economies decreased and secondly he wanted to regain his previous social status, but he did not want to lose his current quality of life. M. Calmes “believes in the geographical virtual company, virtual but real (...). I claim my atypical life: the fact that I work at home and my quality of life.” He said also that new technologies and related low costs permit this kind of development.

This entrepreneur combines the skills he developed in his previous jobs and entrepreneurship projects in setting up his new endeavours. He explained that this structure and above all its activity results from a life of experience: “the current structure results from the knowledge and skills gained in my previous professional experience”. He created a new concept involving the invention of an electronic safe box for individuals. This concept is the result of technical capacities and a market oriented approach. In fact, his singularity results from the possibility to save what you want and whatever the form of your document (electronic informational data or paper). At the beginning of his project he was scared of the customers (which are the Marketing Manager of group as Bank, Insurance...) do not believe in the viability and reliability of his company as he works at home. Finally, he observed the contrary feeling. These managers visiting his office at home and his setting was impressed by his way of life and adhered to the concept. It’s the proof that the society is changing. He said that “it could not be possible 10 years ago”

### **NH Consult**

After completing studies in Art History, NH began her career working first for an Art-Gallery and then for the Ontario Arts Council. Following these experiences in 1989, she created a museum consulting firm with associates in Canada. She subsequently relocated to France, buying an apartment in Paris due to responsibilities she held with in an ONG located in the city. She then decided with her husband (a graphic designer) to move in 2002 to Gers, a small village in the south of France, to begin working as an independent museologist. Her primary motivations included a longstanding desire to live in the French countryside and the fact that it was now possible with new technologies to continue her business. An additional incentive was the availability of additional time to dedicate towards those projects she really loved.

Throughout her career, NH had been very active in professional associations and while also lecturing on museum and visual arts management at the university. Given this extensive experience, NH Consult offers specialized expertise in the field of cultural planning and management, with a specific focus on art museums and visual arts. In particular, she works on projects involving strategic planning, curatorial assessment of functional programs, organization and facility development. *“The product I can offer is a kind of knowledge, it’s not something material.”* NH considers herself to possess a particular type of global competence. *“I have a Canadian competitor, who also has international skills, and there are other museologists in the USA but I neither work in USA. Also it’s not really a competitor. It’s a really very small world”.* Generally she works on 10 projects at the same time. *“I’m in contact by mail and sometimes by phone and I make personal visits to be sure that all is ok and to do research”*

As when she worked with associates in the Canadian firm, NH, now as an independent museologist, continues to work primarily with Canadian customers (at 90%): museums, art galleries and state services. The remaining 10% are European customers, especially French and German. Most of her business is made through word of mouth as she is extremely well-known and because she is very active throughout international professional associations linked to the visual arts.

In addition to this, she also tries to work for local museum projects in partnership with another Canadian consultant who often works on French projects - *“I try to be part of projects here in Gers”*. Furthermore, she is member of a local Soho club which allows her to meet and exchange ideas with other independents (also often newcomers). Finally, she has a project to create a gallery and artist accommodation in the village. *“We are seeking to work together with other local residents, for example artists and architects, to create an art-village”*. She is ready to dedicate 50% of her time to this project as well as employ additional staff.

### **RC Micro**

RC has 25 years of experience working for a big, electronic firm in a city located in the south of France which included: workshop management, methods, product studies, electronic researches, product management,... In parallel, 10 years ago he began to establish an electronic studies program for a personal network of firms. Furthermore, since 1990 he has been extremely interested in modelling, not as practitioner but because his son competed in this at an international level. In 1995 RC also created a battery charger for his car which was marketed and sold quite successfully. In 2000, he decided with his wife to buy an old farm in a

remote rural area in search of space and tranquillity in order to restore it with the aim of working from home. *“We wanted to change our life, after the children left home.”* He then decided in 2004, after having hesitated between others projects (bed and breakfast, purchase of a local jam fabric, project in the field of renewable energy), to use his skills in the field of electronics and to merge his passions with income generating activities. As such, he decided to transform these two parallel activities in an enterprise.” *I stayed in the job I known but for my pleasure, well, to do what I would like to do.”*

The first activity involved the creation and manufacture of an innovative battery charger for RC’s model planes. Marketing was conducted through direct on-line sales to members of RC’s clubs, who are situated in France. The second activity is the realisation of electronic product studies: it consisted in making a technical study based on specifications. He did not want to conclude a partnership with his ex-employer. *“My pleasure is technique, not to read 50 pages before”*. So he preferred working with small firms who do not have such procedures. He has 3 or 4 customers situated in the town where he lived before he moved (personal relations). The first activity is for the moment funded by the second activity because the creation of a new battery charger is very long project, it took about two years. This product will be on the top-of-the-range, which permits him to rival Chinese competitors. *“When we achieved a certain level, there were a lot of competitors who were not able to follow. At this level, the competitors are 3 or 4 brands”*.

The location chosen does not offer inputs, suppliers, market or technological opportunities for the electronic sector. In order to cope with these handicaps, he uses networks based on his personal experience. But he really wants to conclude a partnership with two others electronic companies of the region. He is also willing to provide his skills in the field of electronics for renewable energy projects.

### **2.3. Results**

Three common themes emerged from this data: a predominance of lifestyle motivations, a new relation with territory (disembeddedness followed by local impact) and specific skills which facilitate specialization. Table 2 shows our main results.

#### **Lifestyle motivations**

Due to our sampling criteria, the fact that the cases setup businesses primarily to generate lifestyle benefit and only secondarily for economic gain is of course a logical result. But it seems important to point out that

lifestyle motivations for starting a business can be extremely varied. We propose that the implications on strategic behaviour, and especially on local embeddedness, depend on the central lifestyle motivations involved. In particular, motivations for location choice seem to play an important role and merit further examination.

### **A mixed embeddedness**

These 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 often reliant upon the industrial/market context within which they operate. The areas of establishment did not initially present privileged socioeconomic environments. As well, their sources of social capital exist elsewhere. They mobilize it by an accumulated capital of networks and contacts, which is the result of their distinct life trajectories.

But even if local embeddedness is not at the origin of their business success, the cases are extremely keen on their activities and they create their own local networks by implementing resources that did not exist before. In fact, we observe that the success of the business cases is based on a mixed embeddedness in several networks, which are in most cases not local.

These similarities not only demonstrate specific relations to territory as a result of lifestyle entrepreneurs questioning the standard theory of the local embeddedness but also the emergence of new strategic behaviours based on specific skills.

### **Developing a singularity**

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 constructing the lifestyle they desire. The specificity of their activity positions them in a niche market which permits them to work where they want and consequently to have a particular relationship to their territory.

**Table 2 - Lifestyle motivations, mixed-embeddedness and singularity: some evidence from our four exploratory cases**

Demographic profile, business, year established and location	Lifestyle motivations	Developing a singularity	Mixed-embeddedness		
			In a local context	In a non-local context	
YL Brand	Man, 40 years old Traditional western saddler + training + consulting for specialized reviews + sell of western products 2003 Hérault (rural area)	To live with his family, share time with his child, have a better quality of life, his own house and combine hobbies and job	Combination of drawing, engraving, leather work and western passion = unique know how of leather work (unique representing of cow boy mind in Europe at least.)	Creation of an horse riding club	Well known in the western horse riding networks: western horse riding enthusiast, leather-work enthusiast, specialized press and organization, horse riding club members and industrial saddler (for training period)
Ofsad	Man, 45 years old Creation of electronic safe box for individual from paper and electronic sources 2006 Montpellier (city)	To be independent To manage his time To have a high family quality life level	Capacity to be market oriented in an activity field were the actors are most business oriented = There's no competitor nowadays.	He only created the structure from six months	Well-known in the computer and communication networks
NH Consult	Woman, 52 years old planning and management expertise in visual arts 2002 Gers (rural area)	To live in French countryside and to have more time for self interest projects	Very experimented, she developed a world competence as museum consultant = Only 1 competitor in Canada	Member of a local club of Soho, she will to work for local museums and project the creation of an art-gallery and artist accommodation	Well-known in the field of museology, implicated in world professional associations, she works above all in Canada (partnership, customers)
RC Micro	Man, 50 years old Creation, manufacture and sale of a battery charger + electronic product studies 2004 Ardèche (rural area)	To live in countryside, work at home and combine hobbies and skills	25 years experimented in the field of electronic combined with a passion for RC Car = Only 3 or 4 brands can do such high-quality charger (but with less proximity with French RC club milieu)	Will to work with 2 local electronic firms or to provide his skills for renewable energy projects	Well-known in the Grenoble electronic sector and in the French RC model milieu (son competitor)

This study allowed us to underline also a new aspect of the entrepreneurial behaviours which can be explained by a new societal artefact.

### **3. DISCUSSION**

#### ***3.1. Lifestyle entrepreneurship: an impact of the new societal trend of hypermodernity***

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

Hypermodernity, defined by authors of different disciplines (Asher 2005, Lipovetsky 2004, Marchesnay 2006), can be considered as the continuity of postmodernism. This societal trend implies different changes for individuals: search for individuality, participation in network constellations, the end of spatial and temporal barriers and “singularity” (the willing of individual to be unique).

#### **From *pre* to *hypermodernity***

Consider how society entering into the hypermodernity trend reveals the existence of other types of modernity before. Tavoillot (2004), in the prelude of the Lipovetsky (2004) book on hypermodernity, described it as a modern revolution where we can underline the return to traditional values. But hypermodernity is a more complex concept, more extended and deeper than this definition.

Actually, even if authors are sometimes in disagreement on the status of hypermodernity, (Petit 2005, Lipovetsky 2004, Aubert 2005) (continuum or break of in the modernity scale), this phenomenon is another degree of modernity implying societal changes and by inference changes for entrepreneurship as observed in our study.

First, we identified a “pre-modernity” characterized by a “harmonious world” where businesses existed under a corporatism form (artisans group). Following, we abandoned the decline announced by Platon to the scientist progress apology. During “modernity”, we attended to the birth and the development of “reason” which brought autonomy to the individual: it was the entrance of the “rational individual” (Kant). Modernity gave birth to family businesses whose main objectives were the prosperity and durability of their organisation. This society

was based on the rational development of entities which corresponded to the positivist era. Concretely, it was the construction of the capitalist family businesses establishing the search for optimum profit. This businesses development resulted in huge organisations which, when confronted with ageing entrepreneurs, rapid growth and the arrival of competition, were delegated to managers. In this context “post-modernity” appeared, at which point individual autonomies seem to become both autonomy and dependence because of the development of the mercantile liberalism and technical development which produced the opposite effect. Actually, instead of labour liberalisation we observed the creation of bureaucracy and of the “enslavement” (Lipovetsky 2005) of the worker. Postmodernism generated the managerial society in which emerged organisational Theory (Ford, Taylor, Fayol) seeking the optimum management and a profitability logic in order to obtain the maximal return on investments. During this period small businesses were not the trend and the future seemed to belong to managerial firms.

If postmodernism was seeking hedonism and *carpe diem*, the “hypermodernity” is looking for security and the protection in order to face the future. Hypermodernity is to anticipate, to foresee because the uncertainties are harrowing. These changes don’t mean that the modern concepts don’t exist anymore but there are other ways to think about it. Nowadays, the structuring organisation has disappeared resulting in autonomy and more responsibilities for each. The main difficulty lies in the construction of the individual who can be considered as an atom looking for: the links with others, self-accomplishment, establishing one’s own values. Contrary to modernity, we are in a relativist era. At the same time, we observed the crisis of the managerial system and we questioned their difficulties. Are we attending to the “small is beautiful” come back?

This evolution demonstrates that the individual is at the heart of the Hypermodern society which is generating changes in consumption (Asher, 2005), competition (D’aveni 1995) and management (Marchesnay 2006) but above all in the relation between employees and companies, even the conception of labour within and individual’s life. Individuals have to satisfy both their search of equity and freedom which is very complex and sometimes paradoxical.

### **Definition and characteristics of the phenomenon**

G.Lipovetski (2004) defined hypermodernity as: a return of the past (nostalgic), a seeking of identity construction, the examination of each reference frame before adopted one (culture, religion...), gratefulness search, a mobile individual and the seeking of self-fulfilment. These criteria are also highlighted by others authors. Asher (2005), presented a « hypertext society » which results from social life rationalisation in



order to be embedded in the progress continuum, from the emergence of individualities who are looking for self-accomplishment, differentiation by uniqueness and the multi-adherence of individuals regarding their values.

These definitions present important characteristics of hypermodernity which are also developed by authors. This trend generates the appearance of free electrons (Asher 2005), functioning via interconnections and implying new behaviours such as: the singularity search of consumers, relational marketing development, home consumption and competitive cooperation. Based on these elements, we underline in our study the main criteria of hypermodernity observed in our cases: self-fulfilment, multi adherence, individuality and hyper-opening (relations with space and time).

### Observed impacts

**Table 3 – Hypermodernity impacts on strategic behaviours issued from our results**

<b>Hypermodernity</b>	<b>Entrepreneur</b>	<b>Entrepreneurial behaviours</b>
Need achievement, self-fulfilment, self-satisfaction (Aubert 2005, Lipovetsky 2004)	Hyperindividual motivations: independence (Henderson 2002), join job and passion (Marcketti 2006, Johansson 2004), manage his time (family, friend) (Henricks 2002), create his own values (Henderson 2002).	Lifestyle entrepreneurs
Multi-adherence (Asher 2005)	"Multi-cards": Construction of his own network. Imbrication of professional and private network,	Network constellation - Importance of cognitive proximity more than physical one. (Rallet & Torre 2004) (disembeddedness) - multi-activity (different network = different needs issued from one specific skill)
Hyper-opening : changes about space and time	Mobile and nomad: removal of barriers. Possibility to work around the world on quasi simultaneous way.	multi-network on a global market
Individuality : search of uniqueness (Aubert 2005)	Singular : It is not only the singularity of the product or the service but also of the entrepreneur. « the specialist marketing cachet » proposed by Tregear (2005)	Developing Singularity (Uniqueness Porter) - multi-activity (one specific skill can provide different activities)

More than the data regarding relationships with territory, our study also generated information and results about the strategic behaviours of lifestyle entrepreneurs as follows:

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

- The development possibility of their business depends on their capabilities to propose unique products which corresponds to new consumer trends. As we said before, their “singularity” (Marchesnay) positions them in “niche” markets. (The uniqueness of the western saddle)

The cases are functioning because of network constellations, instead of basing their development on local embeddedness. This means that the territory concept is no longer a priority factor in business success.

- Lifestyle entrepreneurs do not find his/her resources in a particular territory but in his/her own network which s/he creates. This fact presents a new notion of space, signalling the end of distance constraints on economic and social activities. Lifestyle entrepreneurs consider, if not the local territory, the market actors which are (due to the specificity of their activities) located throughout France and even worldwide in order to build their networks. Also, we can observe the creation of their own local networks through the implementation of clubs, galleries, etc... Impassioned by their activities, they develop their hobbies in new settings and then modify their local territory.

In order to close debates regarding the positive or negative effects of new trends in society, we can argue that individuals seek singularity towards his/her own construction and his/her own network development. Economic gain is not the priority for lifestyle entrepreneurs even when such activities generate profits. Traditional frameworks are revisited and the hyper-individual is looking for comfort, equity and a better awareness of accountability. (Development of SOHO activities, fair trade, long term development) Thus, hypermodernity is representative of « a duality composed by the mercantile exploitation and the search of humanists' values<sup>1</sup> ». The changes linked to this well balance research highlight the central questions for the entrepreneurs' strategic behaviours.

### *3.2. Impact of lifestyle entrepreneurs on local development*

We observed an atypical form of local embeddedness in lifestyle entrepreneur cases characterised by a local disembeddedness followed by a local impact. As such, what is the contribution of lifestyle entrepreneurs to

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<sup>1</sup>Marchesnay M, « L'hypo-firme, fondement de l'hyper- modernité ? », *ERFI* 2004 26 pages Présenté au CIFPME, Montpellier, octobre 2004.

processes of local economic development? Both negative and positive effects can be identified.

At first sight, it can be considered that lifestyle entrepreneurs constrain regional economies. Indeed, it can be argued that due to their rejection of business growth and their weak level of local embeddedness, they are not important agents of endogenous development. Moreover, they are very mobile: their location is above all a residential choice, so they can move easily if they wish because a change of localization does not affect their business, and furthermore this mobility can be a part of the life project. Consequently, the risk of departure is high.

On the other hand, it can be argued that, due to their non local markets and networks, they can be key actors in connecting regions. Moreover, the activities they develop on a local basis are sources of endogenous development.

With regard to the location choice, lifestyle entrepreneurs are attracted by non common factors such as climate, space, etc..... It can also be argued that this appears as a new form of economic attractivity for territories, which do not correspond to the three forms identified in the literature (Saives, 2002). Contrary to the traditional spatial model, it does not result in the accessibility of inputs (materials, energy, technology, labour, finance,...) and markets. Contrary to the transactional model, it does not result in the presence of generic or specific assets. Contrary to the industrial economy model, it does not result in a mix of geographical and organizational proximities which permits the emergence of a local social capital. In fact, this new form of attractivity results in the ability of territories to attract people (as a residential choice): it is a sort of "sociological" attractivity. People choose to move (or to stay) in this territory because of amenities (sunny climate, quality of air, tranquillity, rich cultural life, beautiful landscape,...) which improve their quality of life, even if this locality can be an obstacle to their "economic" success. Some phenomenon such as counterurbanization (Mitchell, 2004) can be well explained by this new form of territorial attractivity. This new trend can also be regarded as a potential opportunity for less economically attractive territories such as remote rural areas.

## **Conclusion**

Based on results from our exploratory study, we can argue that lifestyle entrepreneurs seek first their self-accomplishment, maintain a specific relationship to their locality and present different aspects previously overlooked in classical approaches to local embeddedness, which we identify as mixed embeddedness. These entrepreneurs create and

implement their companies in unison with their personal interests more than in relation to locally available resources or economically oriented activity. This, however, does not preclude lifestyle entrepreneurs from generating profits but rather it is simply the case that before prioritizing wealth they seek self-satisfaction. They do not want to gain the maximum from a territory in order to make a profit. Instead they expect to obtain a high quality of life in the locality and they will act within this territory in order to integrate and develop as well network even if this involves more private integration than professional. In fact, these entrepreneurs will often develop new activities, in addition to those built by their past experiences, which are based on their recent social integration in the new locality.

We highlighted that these behaviours result from both the evolution of new societal trends and the development of new technologies allowing the development of geographical virtual companies which can be nowhere and everywhere at the same time. This point generates possibility for these entrepreneurs to choose the location they prefer.

This study's results also revealed how the strategic behaviours of lifestyle entrepreneurs developed multiactivity and multinetwork from their singularity. It would be very interesting to focus on these dynamics in further research : How they build and mobilize their network constellation? or How lifestyle entrepreneurs develop their singularity and what is the impact of it on strategic behaviours?

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