

What are the real and perceived obstacles to starting up a lifestyle business?

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Summary - Crynodeb

While there is a raft of information produced regarding the development and traits of successful businesses at many levels there appears to be a dearth of information regarding the start-up of lifestyle businesses. This paper will look at the real and perceived obstacles to starting up a life style business and the opportunities to provide educational based solutions that in turn may encourage further growth of this sector, especially within South West Wales.

Er bod toreth o wybodaeth wedi ei chynhyrchu ynghylch datblygiad a theithi busnesau llwyddiannus ar lawer o lefelau, ymddengys fod prinder gwybodaeth ynghylch cychwyn busnesau ffordd o fyw. Bydd y papur hwn yn ystyried y rhwystrau go iawn a chanfyddedig rhag cychwyn busnes ffordd o fyw a'r cyfleoedd i ddarparu atebion sy'n seiliedig ar addysg a allai yn eu tro annog rhagor o dwf yn y sector hwn, yn enwedig oddi mewn i Dde-orllewin Cymru.

Key Words: Lifestyle Business, real and perceived obstacles, South West Wales, rural Businesses, Self-employment

Introduction

Following the Global Financial Crisis in 2008 and the increase of Web 2.0 applications there has been an increase of Lifestyle type businesses across the UK including South West Wales (Jakob, 2012). The intention of this paper is to examine the real and perceived obstacles to starting up this type of business and to develop a framework to support the future development of such. This will take a Grounded Theory approach including a set of interview style questionnaires to determine the obstacles faced, whether they are real or perceived and potential solutions.

The principle reasons for establishing a Lifestyle Business can also act as obstacles such as time and space, predominantly in the case of "Mumpreneurs" (Ekinsmyth, 2013), confidence and knowledge, regulations, and support. There can be a perception within mainstream media that Lifestyle Businesses are somewhat idyllic and hobby focused. Whilst this may be true of the initial incubation of the business idea, the skills, knowledge and resources required to turn this into a successful reality require significant input from the business founder. The aim of this study is to create a framework to support the development of lifestyle businesses, with the following research objectives:

- A literature review looking at the perceived obstacles into setting up a lifestyle business and the support available to them from support agencies;
- Investigate obstacles that might be in place to starting a lifestyle business;
- Investigate the perceived and actual obstacles to starting a lifestyle business.

Literature review

There exists a range of literature that examines the issues surrounding the establishment of different sectors that can fall within the definition of a Lifestyle Business; Jakob (2012) carries out in-depth interviews with Crafters in the USA and finds that some of the principle obstacles are time, finances and

space. Rouse et al. (2013) helps to challenge the idea of women running lifestyle businesses to earn pin money whilst raising their children, whilst highlighting some of the obstacles they face. There are a range of papers on tourism focused on lifestyle businesses, such as Marchant (2011).

The location of the businesses involved in the research for this paper reinforces what many perceive as "Lifestyle" in that they are rural based - village, hamlet or individual building - rather than urban. In addition, they are businesses that employ fewer than 10 people. Indeed, between 2005 and 2010 this setting saw the largest increase in new small businesses. A key driver for this type of business, namely the desire to create family focused work-life balance can also act as an obstacle (Bosworth, 2012), in terms of financial security, location, support networks and access, as does Fletcher (2010)

Research methodology

This section defines the research design and specific methodology that will be used in order to investigate the real and perceived obstacles to starting a lifestyle business.

Research design

Booth et al. (2008) specifies that research should be undertaken to answer a research question that answers a problem, in this case identifying the obstacles to starting a lifestyle business.

'Design is fundamental because everything ultimately flows from the design choice, and because this choice is the one most closely tied to the investigator's research questions and theories' (Vogt, et al., 2012, p. 3). Hence the next few paragraphs specify why the research has been designed to answer the research question in relation to Saunders research onion (Saunders et al., 2009, p. 108).

The research used an interpretivist philosophy to the research design which is appropriate to the data collection methods used of interviews and with hypotheses being developed towards the end of the study when analysis of data will make patterns emerge which will be developed into theories.

An inductive approach to this research was taken as the exact hypotheses of what the obstacles businesses felt existed before starting their lifestyle business and those that they actually witnessed having started their business' were not known at the start of the research and had to be observed and developed into theories from patterns seen across the research towards its end.

The research strategy most appropriate for this research, given that the hypotheses leading to theories will only become visible as the data collected is analysed towards the end of the research, make Grounded theory the most appropriate strategy.

The research will be looking at obstacles seen at a particular point in time that of when the interviews are carried out, so will have Cross-Sectional time horizons.

Data collection methods

Initially, secondary data collection was carried out looking at literature that had looked into the obstacles of setting up SMEs in the UK. This was then used to guide the design of open questions used to form a set of questions to ask participants to be interviewed with a wide enough remit to allow areas of likely obstacles to be identified by the participant using the semi-structured interviews.

Interviews were seen as the most appropriate way of gleaning the data needed to find the patterns of obstacles that would lead to the hypotheses of the study, as they allow areas to be explored *ad hoc* without the interviewer being restrained to specific questions.

Sample

"Sampling is a procedure that uses a small number of units of a given population as a basis for drawing conclusions for the whole population" (Zikmund et al., 2013, p. 406).

As the research is using Grounded Theory research strategy the number of interviews carried out was based on achieving theoretical saturation, which in the sense of this research meant no new obstacles to starting up a lifestyle business were being identified. Saturation point was achieved after ten interviews.

Interviews were carried out with owners of lifestyle businesses and business support agencies in the researchers local area as this was the limits of their mobility, obviously this introduces a bias to the area and obstacles identified may differ in other parts of the UK or Wales resulting in the study being more significant locally than as a national study.

Data analysis

Business owner Interviewee transcripts were analysed to find patterned themes (obstacles to lifestyle businesses) across them, these themes were then classified and coded. These themes were then used to develop hypotheses. The themes from the set of interviews were then compared and contrasted to see if the real and perceived obstacles to starting a lifestyle business are the same.

Ethical considerations

All participants taking part in this research read and signed a consent form showing they agreed with how their data was to be used in the study, as explained on the form and that their identities and the companies they represent would remain anonymous. Participants in the research were all over 18 so do not require a DBS check. The sample interview question form can be found in Appendix 1. All University regulations and guidelines on research conducted that impacts on the University to which the researcher represents have been followed.

Results

The group that were interviewed consisted of country pub owners, glamping accommodation providers, farm shop owners, cake maker, bushcraft course providers, surfboard maker, and a childminder. As Table 1 illustrates all see the base reason for establishing a lifestyle business is to create a work/life balance. This is closely followed by location or lifestyle opportunity and career crossroads. The perceived obstacles relate principally to individual confidence, knowledge and perceptions of sector related regulations or tax / accounts. There was one interviewee who encountered no obstacles and this was due to them buying a rural business in the same sector that they had previously been successful in an urban location.

The real obstacles in contrast were time as many had underestimated the amount necessary to successfully start a new business and maintain a balance of family life, the level of finances involved and how they were to obtain the physical premises required if they were to grow their business to a sustainable level and the planning regulations that this may encounter.

As many can imagine the actual amount of finances required when moving from a hobby or interest to a business was almost always significantly higher than anticipated and this is where the business support agencies and start up grants proved invaluable.

It is clear from the results above that while the underlying reasons for starting up a lifestyle business is to achieve a work / life balance that it can also be precipitated by opportunity, be it the right type of property becoming available at the right price in the case of one interviewee, necessity in terms of the end of an employment contract and increased family commitments.

Conclusions

Whilst the perceived obstacles to starting up a lifestyle business appear to be knowledge, regulations, financial and family support/confidence. The true obstacles to starting up a lifestyle business are time, finance, space, marketing and planning regulations. It would be valuable within the current economic climate to develop a module on entrepreneurship/lifestyle businesses within a Business Management Degree programme. The next steps following from this research would be to develop a toolkit containing the framework of information and advice agencies within South West Wales. There are also opportunities to run a series of workshops targeted at those looking to start up a lifestyle business in general and sector specific.

Table 1 - Qualitative questionnaire and received answers (*includes independence - self-employment rather than employment).

Question	Answer Categories	Respondent Code	Number /Answer
What were your initial reasons for starting a lifestyle business?	A - Work / Life Balance*	Q/R/S/T/U/V/W/X/Y/Z	10
	B - Necessity	T/Y/Z	3
	C - Interest	Q/R/T/Y/Z	5
	D - Career Crossroads	R/S/T/U/Y/Z	6
	E - Location / lifestyle opportunity	R/S/T/U/V/Y/Z	7
What, if any obstacles did you face when starting your business?	A – Knowledge	R/S/V/Y/Z	5
	B- Regulations	R/S/T/W/Y/Z	6
	C- Financial	S/T/U/X/Y/Z	6
	D – Family support / Confidence	T/X/Y/Z	4
	E – None	Q	1
Did you access the support of any agencies to help you overcome these barriers?	A – Business Support	R/S/V/Z	4
	B – Bank	R/S/T/U/V/W/X/Y/Z	9
	C – Professional Body	R/S/T/W/Y/Z	6
	D- Start – up Grants (Govt./ EU)	Q/S/T/W/X	5
	E-None		0
What resources did you utilize when starting your business?	A - Own knowledge / experience	Q/R/S/T/U/V/W/X/Y/Z	10
	B - Family / Friends	Q/S/U/V/W/X/Z	7
	C - Financial	Q/R/S/T/U/V/W/X/Y/Z	10
	D - Equipment	Q/R/S/T/U/V/W/X/Y/Z	10
	E - Physical space / Premises	Q/R/S/T/U/V/Y/Z	8
From your experience which of the obstacles that you were concerned about when starting out turned out to be perceived or of no real importance?	A - Regulations	S/U/X/Y/Z	5
	B - Confidence	R/T/U/V/W/X/Z	7
	C - Support / advice available	Q/R/S/T/U/V/W/X/Y/Z	10
	D - Lack of opportunity	R/T/V/W S/U/X/Z	4 4
	E - Knowledge		
In contrast which obstacles turned out to have the greatest impact on your business when starting up?	A - Time	S/Z	2
	B - Finances	S/T/U/X/Y/Z	6
	C - Space	S/T/V/Z	4
	D - Marketing	R/T/V/Z	4
	E - Planning regulations	S/U/X/Z	4

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Appendix 1

Cyfranogwr Rhif Adnabod:

Participant Identification
Number:

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CWESTIYNAU CYFWELIAD SAMPL		SAMPLE INTERVIEW QUESTIONS
TEITL Y PROSIECT: / PROJECT TITLE: A study of the real and perceived obstacles to starting a lifestyle business		
1	What were your initial reasons for starting up a lifestyle business?	
2	What, if any, were the barriers that you faced when starting your business?	
3	Did you access the support of any agencies to help you overcome these barriers?	
4	What resources did you utilize when starting your business?	
5	From your experience which of the obstacles that you were concerned about when starting out turned out to be perceived or of no real importance?	
6	In contrast which obstacles turned out to have the greatest impact on your business when starting up?	

ENW A CHYFEIRIAD YR YMCHWILYDD	NAME & ADDRESS OF RESEARCHER
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Cyfranogwr Rhif Adnabod:

Participant Identification Number:

FFURFLEN GANIATÂD CYFRANOGIAD**PARTICIPATION CONSENT FORM**

TEITL Y PROSIECT: / PROJECT TITLE: A study of the real and perceived obstacles to starting a lifestyle business

Name of Researcher:

**Please initial
box**

1. I confirm that I have read and understand the information sheet dated **1st October 2017** for the above study. I have had the opportunity to consider the information, ask questions and have had these answered satisfactorily.

2. I understand that my participation is voluntary and that I am free to withdraw at any time, without giving any reason.

3. I understand that any information given by me may be used in future reports, articles or presentations by the research team.

4. I understand that my name will not appear in any reports, articles or presentations.

5. I agree to take part in the above study.

Name of Participant

Date

Signature

Researcher

Date

Signature

You may decline to participate in this study. You may end your participation in this study at any time. If you decide to remain anonymous, maintaining your anonymity will be a priority and every practical precaution will be taken to disguise your identity. If you prefer anonymity, there will not be any identifying information on audiotapes or transcripts of this or any interview. No-one will hear any audiotapes or see any transcripts without your prior consent. All materials generated from this or any interview will remain confidential.

When completed, please return in the envelope provided (if applicable). One copy will be given to the participant and the original to be kept in the file of the research team at:

PLACE: Carmarthen Business School

ENW A CHYFEIRIAD YR YMCHWILYDD

NAME & ADDRESS OF RESEARCHER