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Lifestyle entrepreneurs and spheres of inter-firm relations: The case of Westport
Co. Mayo, Ireland

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There is a relatively small body of literature in tourism which concentrates on the issues of small firms and entrepreneurs and ‘this area of inquiry is vastly under-researched’ (Thomas, 2004, p.1). A key piece of research (Rimmington et al, 1999) classifies entrepreneurs in the tourism sector and one category which has received research attention has been that of lifestyle entrepreneurs. This article outlines the literature on lifestyle entrepreneurs and concludes that much of the focus to date has been on the individual entrepreneur. This current paper investigates how lifestyle entrepreneurs interact with other entrepreneurs in the destination in which they operate, and their involvement in the local dynamics of the place. The area studied in this regard is Westport, Co. Mayo, Ireland.

Rather than focussing within the boundaries of the firm, the attention here is on the interaction between firms and within the destination. As such, the research makes a significant contribution to the debate on lifestyle entrepreneurs. Section one discusses the literature on lifestyle entrepreneurs and the nature of inter-firm relations, section two outlines the research objectives and the methodology, while section three describes the place of study, Westport, Ireland. This is followed by section four which outlines and analyzes the findings of the research, and finally the conclusion questions what contribution this research makes to the literature and our understanding of lifestyle entrepreneurs.
Section One –Lifestyle entrepreneurs and inter firm relations

Lifestyle Entrepreneurs are classified as those ‘who are likely to be concerned with survival and maintaining sufficient income to ensure that the business provides them and their family with a satisfactory level of funds to enable enjoyment of their chosen lifestyle’ (Rimmington et al, 1999, p.13). Examples of such entrepreneurs have been identified as surfers in Cornwall (Shaw and Williams, 2004), adventure tour operators in New Zealand (Ateljevic and Doorne, 2001) and arts and crafts producers/retailers in Bornholm, Denmark and bed and breakfast owners in Canmore, Canada (Getz and Peterson, 2005). The key common characteristic of this group of entrepreneurs is that their primary motivation is not profits but lifestyle. As motives are the distinguishing feature of this group it is not surprising that it is this issue which has been a key area of research. Shaw and Williams (1998) observe two different models of small-business entrepreneurship within tourism, the first are owners who moved to a tourism destination, very often for non-economic reasons and the second who were motivated by lifestyle issues but in addition they have economic motives. Furthermore Komppula (2004) notes that the lifestyle nature of entrepreneurs can be identified not only in motives for establishing a business but also in terms of how these entrepreneurs measure success, with only two of his sample declaring growth and profits to be measures of success. Getz and Petersen (2005) note that lifestyle entrepreneurship can be related to particular business types, finding that in one of their sample areas ‘sole proprietors and owners of arts and crafts establishments were significantly more lifestyle oriented’ (p.234).
The consequences of this lifestyle motivation have also been evaluated as it has implications for the destination as a whole. There can be impacts on local economic development as such firms may contribute relatively little to the destination as they choose not to grow beyond a certain size (Andrew, Baum and Morrison, 2001). Dewhurst and Horobin (1998, p. 33) go further stating that lifestyle entrepreneurs ‘may not be capable of long-term survival: this in turn could serve to jeopardize seriously both the economic health and social fabric of those communities, resorts and regions which are becoming increasingly reliant upon tourism and hospitality related activities’. There are of course also policy implications of entrepreneurs having lifestyle motives as government cannot necessarily use traditional policy instruments to influence their operations (Thomas, 2003). However Ateljevic and Doorne (2001) argue that lifestyle entrepreneurs can play a critical role in the economic development of an area. The example they cite is Waitomo region, in New Zealand, where the ‘initial success of lifestyle entrepreneurs led to its replication by a second wave of entrepreneurs drawn to the region and primarily motivated by the desire to exploit an already identified market opportunity’ (Ateljevic and Doorne, 2001, p.384). This combination of lifestyle entrepreneurs and the more profit motivated entrepreneurs has created clear positive benefits for the local economy and the development of the destination.

So the literature shows a focus on the motives of these entrepreneurs and the implications of this on the destination or local economy. An omitted area of study is in terms of inter-firm relations and interaction and that is the focus of this research. Inter-firm relations, and in particular the study of networks, is well documented in the small business and
entrepreneurship literature (see for example Curran et al 1995, Johannisson, 1986, 1994, 1997) although some have argued that the extent of networking has been overstated as a result of overuse of the term (Curran and Blackburn, 1994). Key areas of interest have been the competitive advantage that networking can create (Chell and Baines, 2000), the strength of network ties (Granovetter, 1973) and the importance of social capital in the successful development and operation of networks (Anderson and Jack, 2002). More recently attention has been paid to the importance of external relationships to encourage growth and competitiveness (for example Christian and Dowling, 2003 and Fletcher, 2004). Interestingly for this research Chell and Baines (2000) conducted an interesting piece of research part of which asked whether owner type affected the likelihood of engaging in networks. Similarly Johannisson and Monsted note that *craftsperson owner-managers* usually build networks based on shared norms (According to tradition) and values, while *genuine opportunistic entrepreneurs* are assumed to combine calculative as well as the more individually oriented affective strands (e.g. friendship) in their personal-network ties. This implies that the type of owner or firm influences the type of inter-firm relations, or networks they engage in. This thus justifies the investigation of this specific type of lifestyle owner in the tourism context.

In the tourism literature the whole issue of inter-firm relations has been the topic of much discussion. as in every destination tourism firms compete and co-operate with each other in order to supply the final tourism product (Pavlovich, 2003). There has also been much discussion of the importance of networks (for example Tinsley and Lynch, 2001; Lynch 2000, Morrison, 1998; Morrisson et al 2004). An important source of competitive
advantage for small firms is co-operation with other firms and the personal and professional networks in which they participate as this allows them to maximize their limited resources. An example of this is Morrison’s (1998) research which shows how co-operative marketing significantly aided a group of small hotels in Scotland.

Others have taken a broader approach looking at agglomerations - primarily clusters and industrial districts - and investigating both informal and formal co-operation between firms and the way in which these firms and owners blend into the professional and social milieux that exists in the destination. A case in point is Hall’s (2004) work in New Zealand which shows how a cluster of wine and food producers has benefited all participants. Taking an industrial district approach Mottiar and Ryan (forthcoming) show how the co-operation between firms and the existence of a social and professional milieu has significantly aided the development of Killarney, Ireland.

Chart one pictorially represents tiers of inter-firm co-operative relations. It shows the most basic tier of inter-firm relations is within the business community. This is simply the community of entrepreneurs who are in business in that area. Once you set up business in an area you are part of the business community in terms of being part of the physical space. However being part of the community in terms of knowing other business owners and perhaps being involved or supporting local events such as local festivals may
or may not follow. Having attained a place in the business community an entrepreneur may then move into the co-operation and milieu spheres.

Chart 1: Tiers of inter-firm co-operative relations in a destination

Co-operation between firms can be formal whereby there is a formal arrangement, often legally binding, for the firms to co-operate in a particular activity. This may include for example a joint marketing campaign, jointly developing a new product or being a member of the local business association. Informal co-operation has been identified in many tourism destinations and it is co-operation which has no formal structure, it may include referring visitors to other accommodation if your premises are full, helping a new businesses by giving some advice, or providing a firm with inputs if they are awaiting a delivery.
The concepts of a professional or social milieu are discussed primarily in the industrial district literature which is within the economic geography discipline. Social milieu looks at how firms and communities can be bound together by a common identity (Mottiar, 1998). This is usually created by a connection between people: they know each other from living in the same village or town, they belong to the same sports club, or have the same political beliefs or attend the same church. Schmitz (1993) describes how the relationships between the actors in the economy are not purely economic – the relationship constitutes more than the exchange of labour for wages. What this comprises of in summary is a strong community of individuals, families and firms which is bound together by a ‘socio-cultural identity and trust’ (p.26). This common identity makes these individuals more likely to trust each other and thus more likely to co-operate. According to Boschima and Lambooy (2002, p.291) ‘trust means easier access to knowledge, primarily from similar firms. Short distances not only facilitate the co-ordination of individual actors, they also play a role in institutionalization of behavioural rules and transfer of knowledge and learning’.

Social milieux were first recognised in the ‘third Italy’ as researchers tried to explain why it was that these regions were growing much faster than other parts of the country. This social milieu, which in regions in Italy often revolved around common political beliefs, meant that small firms could become very productive as all of the firms who produced the same good, and upstream and downstream firms, were located close to each other and they were able to co-operate. Such co-operation and stability allowed them to compete with much larger firms.
A professional milieu has the same unifying effect as a social milieu but its sources lie more in the individuals’ professional life rather than their personal and social history. These individuals know each other because they trained together, or worked in the same firm, or they are in the same trade association. This type of milieu was identified primarily in Silicon valley where high marriage rate failure, continual fluctuation in terms of people living here, and the focus on work, prevented the existence of a social milieu. However what was evident was a professional milieu whereby engineers used to meet after work at local restaurants and share ideas and if they needed any help they would ring colleagues in other firms (Saxenian, 1985, Castells and Hall, 1994). The professional milieu identified in the Monaghan furniture industry was based on people working for a furniture firm in the town before establishing their own firm, in this way a genealogical tree showed that 80 percent of firms were directly or indirectly related. This created a network of professionals who knew each other and ‘contact between owners of furniture firms … occurs at church, socially, during occasional visits to one another’s firms and at exhibitions and fairs’ (Mottiar, 1998, p.206).

This section has ascertained that the lifestyle literature has not yet considered the issue of inter-firm relations. Having identified spheres of inter-firm relations, section 4 will seek to analyze whether lifestyle firms engage in all spheres of inter-firm relations or does their lifestyle status appear to in any way impede such activity.
Section Two – Research questions and methods

The key research questions posed are: do lifestyle entrepreneurs engage in formal and informal co-operation? Are they part of the business community? Are they part of the professional or social milieu? How embedded are they in the destination?

In order to address these questions empirical research work was undertaken in Westport, Co. Mayo, Ireland. No research work has been conducted on the issue of lifestyle entrepreneurs in tourism in Ireland but Westport has a reputation as not only an attractive place to holiday in but also one which attracts many people to move there to live.

Research conducted by Shaw and Williams (1998) reports that lifestyle entrepreneurs are often ‘owners who have moved into resorts very often for non-economic reasons. Many of these people came with the aid of personal savings, some in semi-retirement’ (p.251). At the outset thus it was anticipated that Westport would be an area in which lifestyle entrepreneurs would be identified and so it was selected as an appropriate area for study. The area is described in more detail in section three.

This is very clearly exploratory research and as such the objective is to ‘gain insights and familiarity with the subject area for more rigorous investigation at a later stage’ (Collis and Hussey, 2003, p.11). The empirical study involved in-depth interviews with lifestyle owners and key industry and local tourism representatives. In total ten interviews took place. The research instrument used was a semi-structured questionnaire as this was deemed to be the most suitable way of attaining as much information from this sample and as Collis and Hussey (2003, p.168) comment ‘this process of open discovery is the
strength of such interviews’. While ensuring continuity in terms of the topics that were dealt with, the semi-structured nature of the tool allowed flexibility for the researcher to gain more in-depth information from particular participants as probing further was facilitated. This unstructured As no research has been conducted on lifestyle entrepreneurs in the area we do not have a population size and it is unclear what proportion of the total lifestyle entrepreneurs in Westport are represented in this sample. However the sample was selected using a snowball approach and all lines of enquiry were exhausted. Thus it is reasonable to assume that the majority of lifestyle entrepreneurs were contacted. No one refused to speak to the interviewer and just two people who were identified as lifestyle owners were not spoken to as they were out of Westport at the time of study and did not respond to subsequent repeated calls and e-mails.

The characteristics of the sample were varied in terms of the types of businesses, the length of time that they had been in existence and while in two cases there were no employees the others were creating some local employment. The firms in the sample included a coffee shop, a restaurant, a potter and retail and accommodation sectors. None of the lifestyle entrepreneurs interviewed in this research were originally from Westport, all had chosen to move there either for personal reasons and then set up their business, or had chosen Westport in order to set up their business and live here. This may create additional difficulties when it comes to inter-firm relations as these entrepreneurs may be different to most other business owners not only because they are more lifestyle than profit motivated but also because they aren’t originally from the town. One firm in the
sample has been in business for more than 20 years, three more than ten years and the rest are much more recently open – one had actually been in business for less than a year.

Section Three – The study area

Located in the far west of Ireland, Co. Mayo is described as boasting ‘a stunningly beautiful unspoilt environment with a magical attraction for visitors. Cosmopolitan towns such as Westport positively burst with charm and personality’ (www.irelandwest.ie/?id=29). Westport’s location at the end of the train line, and its relative remoteness and beauty makes it an extremely attractive place for tourists. It is a working town with a population of 4,253 (www.irelandwest.ie/content.asp?id=148) and its business origins lie in the trading of goods through the port. It is. This region is a growing tourism area in Ireland. It attracts many artists and craft businesses and is quite a cosmopolitan type of place with people of many nationalities living here. A feature of this town is the number of people who have moved here to live, and in some cases set up business, from other places both in Ireland and abroad.

The primary attractions in the area are beaches, Croagh Patrick, a famous pilgrimage mountain, angling, a reputation for good food, crafts and sports and leisure facilities. These characteristics make Westport quite a distinctive tourist destination in the West of Ireland. Consequently this area was selected as an area that was likely to have a relatively high number of lifestyle entrepreneurs.
Section Four – Findings and Analysis

Why did these entrepreneurs choose to set up their business in Westport?

In most cases the key reason for choosing Westport was personal – Entrepreneur G said ‘the minute we drove down the hill we thought, we want to live here’, entrepreneur C said ‘my wife is from Co. Mayo’. While the lifestyle issue was clearly an influencing factor, business reasons were also considered by most, Entrepreneur S said ‘I knew how popular it was with all kinds of people and really that was why when I started looking at statistics of bed nights it seemed to be viable’, Entrepreneur Y said ‘we thought Westport because it was fairly busy’. It is evident that these entrepreneurs have made lifestyle choices but they have also paid heed to business reality and this mirrors findings in other studies such as Shaw and Williams (1998).

Are they motivated by profits?

Each entrepreneur was asked how they would judge their business success and interestingly in all cases it was non-profit issues which they mentioned first, factors such as ‘customer service’ (Entrepreneur P) and ‘at this stage it is the fact that I am still here’ (Entrepreneur S). In some cases it was clear that lifestyle and personal satisfaction motives were important at one level but at another profits were considered as a way of measuring success: Entrepreneur C said he judged business success on the basis of ‘how much baking I sell …I like baking ..that’s where I make most money’, also entrepreneur G said ‘a good night is measured by good service, and a good month is measured
financially’. Thus we can see that lifestyle and personal satisfaction motives are tempered by profit motives.

Are they members of the business community?

All of the interviewees thought that Westport was an easy place to set up and do business in even if you were not originally from here - ‘There are so many blow-ins that it’s not a big deal you know’ (entrepreneur Y). Entrepreneur C said ‘Westport people are very proud of Westport so anybody who comes in and can get anything off the ground at all is accepted’. Entrepreneur Y even noted the help from other businesses in terms of moral support when setting up. All of the entrepreneurs said that they knew most other firm owners in the town, this reflects the fact that this is a relatively small town and as one entrepreneur said ‘if you go to the pub you get to know everyone’(Y). Thus it appears that these lifestyle owners are part of the business community of Westport not only in a physical sense of being located in the town but also in that they know the other business owners. This mirrors Johannisson and Monsted’s (1997, p.120) description of how when there is a geographical concentration of small firms ‘business and social concerns combine, providing a natural seedbed for personalized small-business networks’.

This acceptance of such entrepreneurs into the business community may reflect Entrepreneur P’s belief that the significant importance of entrepreneurs who were not from the area was recognised by the business community – ‘Westport is a cosmopolitan town so outsiders are accepted very, very well, older families, business people, would say quietly, not publicly, one of the reasons it is succeeding so well is because it has so many
outsiders’. So these lifestyle entrepreneurs appear to be part of the business community and their importance for local economic development appears to be recognised by local entrepreneurs.

Do these lifestyle entrepreneurs engage in formal and informal co-operation?

All of the firms favoured co-operation and some gave small examples such as referring guests when they were full, or working together on joint marketing materials. This co-operation appeared to be with any firms in the area and most usually with firms in the same sector rather than being more likely to occur with other lifestyle entrepreneurs.

In terms of formal co-operation there are three main local bodies which tourism firms are members of: the local Chamber of Commerce of which all firms in Westport can be a member, Westport Tourist Organisation which was established 30 years ago to promote Westport as a holiday destination, and Destination Westport which was established by a number of the big hotels in the town to encourage visitors from the UK to Westport. Only one lifestyle entrepreneur was involved in any of these groups. When asked why they weren’t involved the answers were telling: ‘I suppose really I just wouldn’t be into that side of things’ (entrepreneur P), another (L) said ‘I know what’s going on but it wouldn’t be a big thing for me. It’s political, I’ve got enough stuff to do’.

In trying to analyze the lack of involvement in these formal organisations it should be noted first of all that this lack of involvement may not be particular to this type of firm; Curran et al (2000, p.128) show how small businesses in general ‘tend to be detached
from the locality and from local economic initiatives’. In the case of analyzing the lifestyle firms in Westport it is interesting to note that the formal organisations are dominated by ‘very much established people’ (interviewee R). This may be the reason why lifestyle entrepreneurs are not then part of such groups. It appears though that involvement of lifestyle entrepreneurs with such organisations may change with time.

One lifestyle owner, whose business is now running for twenty years and has just moved her premises to the main street said that she wasn’t involved in the organisations ‘but I will get more involved definitely now that we are on Bridge street because it is more serious retail, it will be in my vested interest’ (C). This move in location reflects a marked change in this entrepreneur’s business aspirations. She began the business in her house when her children were small to ‘retain her independence’ but as they grew up ‘the less time I was needed for the children and the more time I had to put into the business’.

The lifestyle nature of her business has lessened in recent years.

Thus it seems that as a lifestyle entrepreneur gets more established, and perhaps becomes more profit and business focussed over time, that they are then more likely to engage in the formal co-operation and association arrangements in the destination. This argument is corroborated by the fact that the one lifestyle owner who is involved in these associations is the one who has the most substantial business of the sample with a wide variety of holiday accommodation and has been in business in Westport for fourteen years.

Interestingly by his own admission what started out as a lifestyle business has grown and ‘I am working harder now than I ever was…I’m too busy’ (P). Thus in the two cases of actual and potential lifestyle entrepreneur involvement in formal co-operation both of
these businesses are now operating less as lifestyle ventures and more like regular profit motivated businesses.

So the research shows that lifestyle entrepreneurs engage in informal co-operation with any firms in the destination when it is in their interest to do so. In terms of formal co-operation lifestyle owners seem reluctant to get involved in any formal organisations but over time if they become more established and more profit motivated this may change. This lack of engagement has clear policy and destination development implications which will be discussed later.

**Are the lifestyle owners part of the social or professional milieu?**

As discussed above the social or professional milieu is created when there is a strong tie between the entrepreneurs. This is usually created by a historical connection as they worked or trained together, or they know each other from living in the same village or they socialise together, or go to church together. In the case of lifestyle entrepreneurs it is difficult, if not impossible, for them to have this connection with other entrepreneurs. The historical connection can’t exist for those who move to a new place to set up a business. So while all of these entrepreneurs felt welcome in Westport and believed that they knew many people, the fundamental relationship that they have with other owners is not grounded in a historical connection. Furthermore there was no reference to social or religious links in the form of church or social or sporting groups. In terms of a
professional milieu as all of these entrepreneurs were engaged in slightly different activities none of them had the professional connection as described in Silicon Valley.

When asked about becoming part of Westport business and social community Entrepreneur L who ran a fine dining restaurant with her husband said ‘people said that the two of us broke in quickly… To do a good job we had to fit in’. She noted that other restaurant owners ‘are quite friendly, but on the surface’. In discussing being part of the community Entrepreneur C noted that she felt very much part of the Westport business and social community but she added ‘now I’m married to a very well known local so it might be different for me’. Thus it seems that while lifestyle entrepreneurs who move to a destination in order to establish their business do become part of the business community they do not become part of the social or professional milieu.

**Are these entrepreneurs embedded in the area?**

All of these owners see their future as in Westport, Entrepreneur P said ‘[I’ll] be buried here hopefully’ while entrepreneur L said ‘I’d have to be dug out’. As a consequence of their anticipated long term connection with Westport a number of them mentioned concerns about the development of the town (in terms of large department stores setting up in the town and changing the character of Westport) but it is interesting to note that these concerns don’t translate into activity. Thus they feel embedded enough in the place to have a view on how they would like to see it develop but they do not take a formal role
in these discussions or decisions by being part of any of the three organisations in the town.

Implications for the destination

It has been observed that these lifestyle owners are recognised as having contributed to the development of Westport as a destination. As such they have had a role in the growth of the destination and this mirrors the findings of Atljevec and Doorne (2001). In terms of spheres of interaction it is clear that these owners are disposed towards informal co-operation and engage in it where appropriate, they plan to stay in Westport long term and so are embedded in the area and see themselves as part of the business community. However as we move to look at more formal structures of co-operation it is clear that the majority of lifestyle entrepreneurs do not play a role in these types of interaction.

This may be due to the fact that they are not part of the professional or social milieu or it may be related to the size of the firm or the fact that the entrepreneur is motivated by lifestyle. Lifestyle entrepreneurs are not going to have the most profitable or largest firms and so are not seen as part of the established business community. More importantly they don’t see themselves as part of this establishment, as being a business person and making profits is not their primary, or sole, objective. Furthermore, as they don’t have a historical connection with other business owners in the area they don’t necessarily know anyone who is actively involved and they have a feeling that this sphere of activity is for the
larger more established firms and so they either choose not to be involved or feel that it is not appropriate for them to do so.

Section Five Conclusions

While this study is exploratory in nature and undeniably is a very small sample in just one area, nonetheless it highlights some extremely interesting findings for academics and policy makers concerned with lifestyle entrepreneurs. As Getz and Petersen (2005) outline ‘several researchers have identified the predominance of lifestyle motives among tourism and hospitality business owners’ (p.223) thus this type of entrepreneur warrants serious discussion and research. The findings presented here indicate that while lifestyle entrepreneurs become members of the local business community in the town in which they locate, their involvement is constrained as they most often do not participate in formal co-operation. Whether this constraint is due to the fact that they are not profit or growth motivated or whether it is as a result of them not having a history in the area is not clear. However the effect is that their influence in the destination is limited and their voice is not heard when important decisions are being made. It is particularly interesting to note that involvement in formal co-operation in the destination is usually as a result of the entrepreneur shifting from being a lifestyle entrepreneur to being more focussed on growth and profits.

This paper adds to the debate about whether lifestyle entrepreneurs are beneficial to the development of a destination by focussing on the role these entrepreneurs play in the planning and decision making processes within the destination. It also serves to broaden
the debate on lifestyle entrepreneurs by looking at inter-firm relations. The findings are interesting but they are exploratory, studies in other areas will have to be undertaken to investigate whether similar trends can be identified. The importance of this article is to identify this path of analysis. With increasing numbers of lifestyle entrepreneurs it is imperative that we find out more not only about these entrepreneurs as individuals, but also in terms of how they impact on the destination, inter-relate with other local businesses and engage with the professional and social milieux that exist within the fabric of the destination. Further research similar to this article will significantly enhance our knowledge about this extremely important type of tourism entrepreneur.

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