

## **The case of lifestyle entrepreneurs in Ireland; an examination of surf tourism entrepreneurs in Bundoran and Lahinch.**

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### **Introduction**

An area of particular interest for those researching in tourism entrepreneurship has been lifestyle entrepreneurs. Thomas *et al.* (1997) examining motivations for owners of tourism businesses, found a consistent level of importance being attached to ‘lifestyle’ variables such as living in the area, being their own boss and doing interesting work. Of 1,300 small tourism businesses examined in the study, some 80% gave prominence to these non-economic motives. Similarly Dewhurst and Horobin (1998) examined small businesses in Yorkshire and discovered that owners of SMEs in tourism were twice as motivated by non-economic motivations as economic ones in starting their business. These results were corroborated by Morrison *et al.* (1999) who pointed to the importance of lifestyle motives.

In 2000 Ateljevic & Doorne’s research examined lifestyle entrepreneurs in the New Zealand tourism industry and they identified a close correspondence between socio-political ideology and the lack of interest in economic and business growth opportunities, particularly where these led to large-scale mass tourism. They identified the entrepreneurs’ desire to stay ‘within the fence’ and examined how some groups went out

of their way to maintain the business at what they felt was a level which allowed them to maintain a 'lifestyle'.

Lifestyle entrepreneurs are primarily motivated by the need to succeed at living a certain quality of life by maintaining an income which allows them to survive (Deakins & Freel, 2006). It is this survival element which marks them out from traditional entrepreneurs who desire to grow and expand their businesses, achieve growth and become a medium or large sized company. It is these non-economic motives which are highlighted in a variety of early studies (Dewhurst and Horobin 1998, Kuratko and Hodgetts 1998, Shaw & Williams 1998, Morrison *et al.* 1999, Morrison 2001, Thomas 2004).

Lifestyle proprietors were investigated by Morrison (2001) who defined them as '*an individual who has a multiple set of goals associated with their business. Profitability in their business operations will be only one of these goals*' (p.17). Kaplan (2003) defines lifestyle entrepreneurs as where individuals design the entrepreneurial activity around their preferred lifestyle and personal circumstances. This definition is direct in connecting the entrepreneurial activity as a means to sustain a lifestyle. Bolton & Thompson, (2003) further narrow this by defining lifestyle entrepreneurship as where business goals are secondary to personal ones. This shows the true allegiance of the lifestyle entrepreneur. Heelas and Morris (1992) see lifestyle entrepreneurs as seeking to shape a lifestyle, not in order to conform to social conventions but in the hope of personal happiness and improved quality of life. Note that these three definitions have removed any economic wording in favour of quality of life and personal circumstances. Kuratko

and Hodgetts (1998, pp.362) add that '*neither large sales nor profits are deemed important beyond providing a sufficient and comfortable living for the entrepreneur*'.

It is this dichotomy between entrepreneurs who develop businesses for profit and those who are motivated by lifestyle which has formed the basis of much discussion about lifestyle entrepreneurs in the literature. There has also been a recognition that not all lifestyle entrepreneurs are the same and Shaw and Williams (1998) have conceptualised the ideas of constrained and non-constrained entrepreneurs '*Non-entrepreneurs*' are usually driven primarily by a desire to live in an area rather than entrepreneurial reasons. The entrepreneurial business gives them the means to support themselves in the location. They are also motivated to be their own boss and often have little business experience. This could be considered the 'purist' lifestyle entrepreneur existence in that the entrepreneur is purely in business to sustain the lifestyle. Expansion is not of interest nor are economic motives beyond providing an income sufficient to maintain the lifestyle. This group is often characterised by ageing owners or retirees with a lack of business experience and '*entrepreneurial activity was extremely limited*' (Shaw & Williams 2004, p.102).

At the other extreme are '*constrained-entrepreneurs*'. These entrepreneurs are characterised by a majority of younger entrepreneurs who, whilst they may have little business experience, have professional backgrounds and exhibit a strong link between lifestyle and economic motives. They are different from non-entrepreneurs in that they

are willing to grow the business given the right training and support and are ‘constrained’ by their desire for a certain lifestyle as well as the business.

While the Shaw and Williams (1998) research is a welcome effort at conceptualisation of lifestyle entrepreneurs, the focus of the literature remains on the non-profit attributes of this type of entrepreneur. There are however a broad range of issues which are of interest to examine in this regard, and this paper represents an in-depth investigation into a group of lifestyle entrepreneurs in Ireland to enrich our knowledge and understanding of these types of entrepreneurs and to bring us beyond the single issue of not having profit motives.

## **Methodology**

In preparation for this study and in conducting the literature review it became apparent that lifestyle entrepreneurs operate in varied business environments with varying requirements, motivations and goals. It quickly became obvious that a quantitative study would not take into account the sheer diversity of businesses and would result in a huge amount of data. Instead, a qualitative approach was required which examined a range of different businesses to ascertain how lifestyle entrepreneurs operate. With this in mind the case study approach became the obvious choice for a more detailed examination.

An exploratory trip to the northwest of Ireland in August 2008 confirmed that there are a number of surf tourism businesses which fulfilled this brief, giving the potential for a good spread of data, whilst maintaining a similar geographic area to reduce the impact of outside variables such as support networks.

It was decided to undertake a collective (or multiple) case study (Creswell 2007, Yin 2009) in order to best understand the dynamics associated with different regions or areas. Two case study areas were selected along the west coast of Ireland based upon a regional concentration of the subject area – surf tourism entrepreneurs. These were Bundoran, County Donegal and Lahinch, County Clare. Within these two areas businesses (including lifestyle and regular) were examined both individually and collectively to ascertain firstly, how they operated and secondly, how they interacted.

Following from the field research, a with-in case analysis was conducted on each case study leading to the identification of common themes which transcend the cases (Yin, 2003). A cross-case analysis was then used to further examine the data.

Individual entrepreneurs were interviewed in the various locations. Interviews were in-depth and semi-structured. Attention was paid to the reasons for setting up the business, how it developed and on changes of scope, scale and direction. Key informants in each area were also interviewed and detailed field notes were kept which included observations from field trips and a digital photographic record.

Data was analysed from the field notes, transcriptions of interviews, photographs and observations. This allowed for easy comparison of themes identified from interviews and the sorting of data.

Each case study was treated as a separate entity and was completed in isolation from the others before comparison of themes from each study was begun. However the case study method (such as questions) was adapted as the process evolved. This allowed it to adapt to unforeseen circumstances not anticipated before entry into the field. The research methodology was flexible.

Within each case a general overview of the area is given from a tourism, business and geographic point of view to give the reader a good idea of the context. Then the various businesses are laid out as mini-studies in themselves. Pseudonyms have been used.

## **The Sample group**

### **Bundoran**

Bundoran is a tourist town on the North-West coast in the county of Donegal. It had a population of 1,968 at the last census (2006) but has a large amount of holiday homes due to government tax incentives which produced a building boom in the last two decades. The town has a strong tourism trade through its many hotels, holiday homes, facilities, events and beaches.

Bundoran benefits from a number of excellent surfing locations in its immediate vicinity guaranteeing waves suitable for beginners in almost all conditions. As a result surfing has become a strong tourism industry with a number of new businesses starting up. Bundoran hosted the European surfing championships in 1985 but the first business to exploit the surfing market did not open until 1989, later opening a full retail outlet devoted to surfing in 1994. The first lessons were offered by an adventure centre which opened in 1999.

Two businesses in the town are presented in the form of case studies, Bundoran 1 and 2.

**Bundoran 1** – In its fifth year of business this was the first surf school to open in Bundoran after the Adventure Centre and the first to be opened by lifestyle entrepreneurs. Operating year round it features a surf shop and rental centre where the students are collected from but also offers accommodation in its adjoining surf lodge in both dorm style accommodation and private rooms B&B style. It is priced at the budget end of the market and can sleep up to 24 people. They also have 2 self-catering apartments which they rent out. It is located opposite one of the biggest nightclubs in the town and is close to all facilities. Lessons are twice daily (10am and 2pm) during peak season and at weekends at other times. The price is €35 pp for a two hour lesson. The school can accommodate up to 64 students in a day and reaches capacity on busy weekends. They also run kids camps at cost for children who have been surfing before. They have 5 vehicles on the road to run students to and from the surf. The business employs 6-7 instructors, some part and some full time.

The business was originally begun by an unhappy but successful landscape gardener (Bob) who was from Northern Ireland. He had set up his gardening business in the area in order to take advantage of the surf conditions, an activity that was his main hobby. His reason for starting his own business was to allow him flexibility to travel abroad at his own discretion but he found himself at a crossroads where the business had grown to the extent that he needed to invest in equipment and grow the business or change direction. He had been working with the adventure centre at weekends giving surf lessons and spotted the opportunity to open the first dedicated surf school in the town. He had learnt from the gardening business though so decided that he needed a partner so that he would be freer to travel. The business enjoyed rapid growth and success although some it was entrepreneurship by accident.

When the premises that they were renting was put up for sale by the owners they decided to purchase the building to safeguard their location. This gave them a second floor above the shop which they converted into hostel type accommodation which they provided at reasonable rates to their clients. This was an immediate success.

Other avenues of expansion have been examined such as other surf schools or shops and they have collaborated with other surf entrepreneurs in other locations in the past to run festivals. However Bob admitted that he had curtailed all this in order to maintain the business at current levels as he felt it was more manageable.

One of the primary reasons for starting the business was to allow Bob foreign travel and he had travelled to Indonesia nine times in eight months, with another trip planned at the time of interview. He was extremely affable with an easy manner with customers and students, most of which he knew by first name. He had found the landscape gardening business lonely and revelled in the constant human interaction that was an essential part of the business. The interview took place on the shop floor and it was obvious that he took a keen interest in his students, often commenting on something that they had just achieved or offering tips as they arrived for a scheduled class, in particular a kid's club group. Bob himself no longer teaches in the peak tourist summer season.

These entrepreneurs were interesting for a number of reasons. They were intentionally constraining the business at a scale which was manageable and allowed them the flexibility to travel. The business had rapidly expanded and now included many different forms of business from accommodation to retail to education and event organisation. Bob interacted regularly with other surf tourism entrepreneurs in the town even lending them staff when they were overbooked and organising events, often at no financial benefit to his business. He was not local to the town and still did not see himself as being a local despite living in the town for almost twenty years. Finally he had closed down another more profitable business to set up this one in order to enjoy a better lifestyle.

**Bundoran 2** – Owned and operated by former surf pro (Brian) this business provides advanced tuition as well as beginner lessons to small groups with a maximum of three per

lesson (the maximum group size for a lesson in Ireland is eight). He uses video analysis and advanced techniques to teach students and is still a sponsored surfer, preferring big wave surfing to competition.

Brian was born and bred in Bundoran. His parents ran a gift shop on the town's main street and travelled extensively, often in the off season. On trips to the United States they discovered surfing and Brian's older brother purchased equipment to allow him to pursue the sport back home in Ireland. At the time surfing was a very small sport with equipment almost impossible to access. Out of necessity they family began to stock some items in a small corner of their shop in 1989 but this rapidly expanded due to good sales. Brian discovered surfing in his teens and embarked on a modestly successful career as a pro-surfer attending competitions across the globe and returning occasionally to work in the family shop in the off season. Once his competitive career as a big wave surfer was over he returned to Bundoran with his new wife (an Australian) with a view to setting up his own business. He attended college to gain a certificate in business before taking over the running of what was now a thriving surf shop along with his wife which he has recently expanded.

The surf school was started in family owned accommodation above the shop where he operates a studio, used to teach advanced surfing techniques through video technology.

He is actively constricting the surf coaching business as he prefers to teach small groups despite the opportunity to grow the business using his name. He was one of the stars of a 2008 theatrical surf film, based in Ireland, which achieved some commercial success.

Other entrepreneurs in the study commented that he would be able to considerably scale up the business by taking on staff. He regularly turns away business sending it to other competitors in the town with whom he collaborates from time to time. He enjoys the interaction with customers and in particular children. The day of the interview he had taught two young children in the morning and was revelling in the fact that they had successfully managed to surf a wave.

### **Lahinch**

Lahinch is located in county Claire on the West Coast of Ireland with a small permanent population of just over 600. It has an excellent surf break on its town beach which is perfect for beginners and a number of businesses have grown in the town focused on surfing. In 2009 during peak season the surf schools can accommodate 160 students per day with a further 100 rentals. The town was renowned for its golfing which is now in decline and the town is actively fostering surfing as a tourism generator, despite some resistance. Again two businesses have been selected for examination, one an established provider and the other a newer enterprise in the very early stages of development.

**Lahinch 1** – The oldest surf business in the town is owned and operated by a husband (Joe) and wife team who emigrated from England to Ireland with the aim of starting this type of business. Joe had worked in a variety of businesses in the UK, some connected to surfing and had surfed competitively on the UK team in his youth. He commented that at the time of moving to Ireland the UK scene had become very commercial with a number

of large multi-national surf clothing companies starting surf schools on a large scale. His reason for coming to Ireland was that it was largely untouched or un-discovered.

He had already identified Lahinch as a potential surfing spot and worked various jobs until they had amassed sufficient capital to begin trading in 2000. They initially operated a surf school, later adding a shop in 2002.

The business enjoyed good success as the first operator to open in the town. They employ extra staff in the summer including up to six surf instructors and while he admitted to back trouble constraining his ability to teach he still surfed himself. In its lifetime the business has grown and shrunk in relation to their lifestyle. When the children were young the wife had taken more of a back seat. The recent economic downturn had forced the couple to take a more hands on role to the business again and they had had to let staff go, something they described as very painful personally. Their children had recently left the family home and they were actively expanding into other areas because of this. They have recently opened a recording studio in their house.

**Lahinch 2** – Operating from a van in the car park and a mobile phone, this is business development at its most basic but most profitable. Originally from the East of the country, the operator (John) spent ten years working in an adventure centre, reaching managerial level before he decided that what he really liked doing was working directly with people rather than the management. He returned to college in his late 20's to do a

geography degree and a masters. He opened in Lahinch in 2006 in a part time capacity moving to full time in 2009. He operates an equipment rental service and a surf school catering specifically for people who want to develop beyond beginner level (although he does cater for this market too). There is a focus on small class sizes, the use of video analysis and competition development, similar to **Bundoran 2**. He mentioned that he could go down the expansion route like other Lahinch surf schools but he has decided to continue on the smaller route for the moment. He is enjoying modest business growth and holds the highest levels of qualification in surf coaching in Ireland currently and is qualified to train and assess instructors at an advanced level. He is considering taking on an instructor for the 2010 summer season. His business operates year round and he has run camps outside of Lahinch in places like Bundoran. He has a wife and small child.

## **Findings and Analysis**

These entrepreneurs are from a variety of backgrounds and are in a variety of stages of growth yet many exhibited similar characteristics and backgrounds. During profiling these similarities became extremely evident especially as they existed across the range of businesses and in multiple locations. Interviewees would often use similar language in answers and exhibited similar attitudes. As a whole the group could be said to belong to the 'Constrained' entrepreneur school of Shaw & Williams classification although some shared characteristics associated with the Non-entrepreneur school, namely a desire to live in the location.

The literature would suggest that many of these entrepreneurs are not interested in business growth but rather lifestyle but this research has shown that this is not the case. Many of the entrepreneurs were actively growing their businesses and some were coming up against problems from long established businesses who didn't wish to change. Whilst some of these could be termed non-entrepreneurs (Shaw & Williams, 1998) it was generally the more established businesses which caused the problem, namely in Lahinch. This minority within the local community (mainly B&B owners) wanted to maintain Lahinch as a seasonal resort, operating for the summer season only. They do not want a twelve month business. One entrepreneur pointed to an anti-surfing agenda which was being pushed by the golf club and a small group of mainly ageing B&B owners who wanted to promote golfing over surfing (golfing had been a major tourism generator in the past) but that this viewpoint was gradually being overcome. He was a long-time member of the golf club and commented that the golf market, in particular the American golfing market, was in serious decline and had been for some time. These B&B owners match the non-entrepreneur model.

With regard to public policy these constrained entrepreneurs represent a very interesting group as with the right encouragement they can grow and expand their business. The educated professional background is an important part of their makeup as it often includes a basic understanding of business and can be an important factor in success. The natural growth of a person and the standard trappings of a house, marriage and children

may even lead the entrepreneur to want to expand the business to meet changing lifestyle needs.

## **Conclusion**

The lifestyle entrepreneurs researched displayed an extraordinary ability to grow and develop their business in a number of different ways. They were by-en-large highly educated with previous experience in a variety of work environments. Travel seems to have been a catalyst for starting the business as it opened their eyes to new or different forms of enterprise which they often researched when they were away. Their desire to live in a certain location was often the main motivation for starting the business, often to provide them with an income to live there. They work together with competitors and ancillary industries readily. These entrepreneurs were young, dynamic risk-takers who greatly enjoyed their work and interacting with customers. They were actively involved in developing the tourism product in their local business environment.

What this research has shown is the importance of travel or previous experience in making the decision to establishing the lifestyle business. In many ways we are seeing the common features of business owners who want to run business which allow them the freedom to travel or have time to surf. But more than this we have also shown that most of these businesses have experienced rapid growth due to the rising popularity of surfing, and their businesses have expanded in response to this demand. This clearly shows the

evolution of lifestyle businesses and challenges us to think of lifestyle entrepreneurs in a more dynamic way as individuals with changing motives and desires and this is something which will provide the basis of further research.

The key contribution of this paper is to show that lifestyle entrepreneurs can be of great benefit to tourist regions by providing viable businesses which draw tourists and that the owners are willing to work actively with the local community to their mutual benefit. Gaining such knowledge is imperative for researchers and policy makers as they move forward in analysing this group. From an Irish perspective these entrepreneurs are playing a key role in resort rejuvenation and it is vital that their motivations and desires are understood. From the perspective of the literature on lifestyle entrepreneurs this research deepens our understanding of this group and exhibits routes for further research.

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