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# **Unravelling the Conceptual Framework and Dimensions of Lifestyle Entrepreneurs**

by

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*“Real success is finding your lifework in the work that you love.”*

*- David McCullough, n.d.-*

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Sincerely,

*Angela and Antonia*

## **Abstract**

This paper addresses the currently existing research gap regarding the lack of a clear definition and categorisation of lifestyle entrepreneurs. The primary objective is to examine the different core dimensions of lifestyle entrepreneurs and develop a comprehensive concept on their basis.

This study adopted an abductive approach to explore the understanding of lifestyle entrepreneurs. By utilising qualitative research methods, including ideal type analysis and thematic analysis, data from 15 lifestyle entrepreneurs were examined to uncover their core dimensions, motivations, and characteristics. The gathered empirical data was analysed with the help of predefined working definitions as well as a cross case comparison of participants' similarities and differences in order to define this type of entrepreneur more precisely, and to ultimately group them into different types of lifestyle entrepreneurs. As a result, a very clear and precise definition of lifestyle entrepreneurs and their different motivations and characteristics could be established, which evidently distinguishes this type of entrepreneur from others. Furthermore, lifestyle entrepreneurs were grouped into three different main categories: hobbypreneurs, impactpreneurs, and expertpreneurs, and four supporting motivations were established. An important additional finding was the fact that one entrepreneur can have multiple businesses with different motivations for each.

It was evident that the current definitions of lifestyle entrepreneurs as well as their subcategories were insufficient to provide a clear overview of this topic. Therefore, in order to gain a full understanding of an entrepreneur, a holistic assessment of the individual and its company is necessary. This research lays the foundation for a more precise definition and deeper understanding of lifestyle entrepreneurs and their different types.

**Keywords:** Lifestyle Entrepreneurs, Typology, Classification of Entrepreneurs, Hobbypreneur, Impactpreneur, Expertpreneu

# Table of Content

<b>List of Tables.....</b>	<b>VII</b>
<b>List of Figures.....</b>	<b>VIII</b>
<b>1 Introduction.....</b>	<b>1</b>
1.1 Unveiling the Enigma of Lifestyle Entrepreneurs.....	1
1.2 Research Question.....	3
1.3 Purpose.....	3
<b>2 Theoretical Background.....</b>	<b>4</b>
2.1 Importance of a Typology.....	4
2.2 Navigating the Entrepreneurial Understanding.....	5
2.2.1 Types of Entrepreneurs.....	6
2.3 The Concept of Lifestyle Entrepreneurs.....	8
2.3.1 Defining Lifestyle Entrepreneurs.....	8
2.3.2 Characteristics and Motivations of Lifestyle Entrepreneurs.....	10
2.3.3 Subcategories of Lifestyle Entrepreneurs.....	12
2.3.3.1 Hobby Entrepreneur.....	12
2.3.3.2 The Impact Entrepreneur.....	13
2.3.3.3 Nomadic Entrepreneur.....	13
2.3.3.4 Time Minimalist.....	14
2.4 Expanding the Scope of Lifestyle Entrepreneurs.....	14
<b>3 Methodology.....</b>	<b>16</b>
3.1 Qualitative Research Plan.....	16
3.2 Research Design.....	17
3.3 Data Collection.....	17
3.3.1 Interviewee Selection.....	18
3.3.1.1 Interview Participants.....	19
3.4 Data Analysis.....	21
3.4.1 Analysis of the Concept of Lifestyle Entrepreneurs.....	21
3.4.2 The Development of a Typology.....	22
3.5 Credibility and Transferability.....	25
3.5.1 Robustness Checks.....	25

3.6 Ethical Considerations.....	26
3.7 Limitations of Methodology.....	27
<b>4 Empirical Findings and Analysis.....</b>	<b>28</b>
4.1 Conceptualization of the Lifestyle Entrepreneur.....	28
4.1.2 Additional Findings of Lifestyle Entrepreneur Characteristics and Motivations.....	30
4.1.3 Refinement of the Concept of a Lifestyle Entrepreneur.....	31
4.1.3.1 Exclusion of Participants.....	33
4.1.4 Establishing a Definition.....	34
4.2 The Dimensions of the Lifestyle Entrepreneur.....	36
4.2.1 Confirmation of Pre-Existing Groups.....	36
4.2.2 Further Findings.....	37
4.2.3 Lifestyle Entrepreneur Traits of Participants.....	38
4.2.4 Establishing and Defining Groups.....	40
4.2.5 Fluidity of Lifestyle Entrepreneurs.....	44
<b>5 Discussion.....</b>	<b>46</b>
5.1 The Concept of Lifestyle Entrepreneurs.....	46
5.2 The Typology of Lifestyle Entrepreneurs.....	48
<b>6 Conclusion.....</b>	<b>52</b>
6.1 Limitations of Results.....	53
6.2 Practical Implications.....	54
6.3 Future Recommendations for Academia.....	55
<b>7. List of References.....</b>	<b>56</b>
<b>Appendix.....</b>	<b>64</b>
Appendix A - Interview Guide.....	64
Appendix B - Predefined Codes (Lifestyle Entrepreneur).....	66
Appendix C - Predefined Codes (Types of Lifestyle Entrepreneur).....	67
Appendix D - Colour Coding.....	69
Appendix E - Verification of Groups by External Researcher.....	70
Appendix F - Categorisation Agreement of Participants.....	72

## List of Tables

<b>Table 1:</b> Definitions of LE.....	8
<b>Table 2:</b> Variables of LE in literature.....	11
<b>Table 3:</b> Participants of the interviews.....	19
<b>Table 4:</b> LEs variables in the interviews.....	28
<b>Table 5:</b> Additional variables describing LEs.....	30
<b>Table 6:</b> New definition of LEs.....	35
<b>Table 7:</b> Predefined dimensions of the LE.....	36
<b>Table 8:</b> Additional dimensions of the LE.....	38
<b>Table 9:</b> The construction of the hobby-group.....	41
<b>Table 10:</b> The construction of the impact-group.....	42
<b>Table 11:</b> The construction of the expertise-group.....	43

## List of Figures

<b>Figure 1:</b> Distribution of variables in the interview participants.....	32
<b>Figure 2:</b> Distribution of the dimensions among the interviewees.....	39
<b>Figure 3:</b> Comparing and contrasting the different types of LEs.....	44



# **1 Introduction**

## **1.1 Unveiling the Enigma of Lifestyle Entrepreneurs**

Typologies are the catalysts to unveil the unclarity of research, and thus are of fundamental importance. They form the basis for a detailed and profound investigation and the expansion of the body of knowledge. Without a categorisation, it is arduous to generate clear and precise results as it cannot clearly be defined who is the study-objective (Porter, 2017). A Typology also provides a precise definition and positioning of various types (Schotanus & Telgen, 2007). Thus, it derives the general understanding that it is to a certain degree inevitable to have a typology to conduct research, in order to provide precise and relevant outcomes.

One ever-increasing issue from the midst of society that has not yet reached a coherent level of lucidity is that of the entrepreneur (Salmony & Kanbach, 2020). Although there is a seemingly endless amount of information, it is not clearly structured in itself and the question, what an entrepreneur is remains open. The development of a typology for entrepreneurs would provide the ability to evaluate new ventures regarding their strengths, restrictions, management practices, and likelihood of success (Woo, Cooper & Dunkelberg, 1991). There is not just one generic type of entrepreneur; according to Tamásy it “is not a homogeneous phenomenon and empirical evidence shows that there are different types of entrepreneurs associated with remarkably different outcomes of economic activities” (2006, p. 131).

Historically, various scholars attempted the identification of different entrepreneur types (Woo, Cooper & Dunkelberg, 1991). Over the decades, multiple kinds of entrepreneurs could be identified, starting from generalised types like opportunistic and craftsman entrepreneur (Smith & Miner 1983), to more specific categorizations like aspiring, lifestyle, and growth entrepreneurs (Kaplan & McGourty, 2003). A typology of entrepreneurs provides the opportunity to reveal profound differences within a larger population of entrepreneurs (Woo, Cooper & Dunkelberg, 1991).

The focus of this paper will be on the concept of the lifestyle entrepreneur, as past research has failed to produce a clear representation of this grouping (Thomas, Shaw & Page, 2011) and this fundamental research gap that must be addressed. There is no clear definition of the lifestyle entrepreneur, though, this kind of entrepreneur is evident in multiple papers. Morrison (2006) states that for lifestyle entrepreneurs the emphasis lies on fulfilment in all areas of life, while Kaplan (2003) states that they try to develop a business concept which suits their life situation best and allows them to generate enough money to provide a basic income for themselves and their dependents.

These definitions and characteristics are rather broad and not necessarily matching, which creates the perception that there is lots of confusion (Bredvold & Skalén, 2016) about this group of entrepreneurs. However, many people aspire to become a lifestyle entrepreneur through different ways (Gasparski, Ryan & Kwiatkowski, 2011). This leads to the thought that there are multiple subgroups of lifestyle entrepreneurs, without proper grouping and definition.

Therefore, developing a typology is essential for further investigation of lifestyle entrepreneurs; without a clear overview and categorization, it is difficult to get clear and precise results, as it cannot be defined who is being studied in the first place (Porter, 2017; Salmony & Kanbach, 2022). Furthermore, with the help of a typology, patterns and trends can become visible among the different groups, as well as challenges (Stapley, O’Keeffe & Midgley, 2022).

For these reasons, the research in this paper aims to develop a typology to unveil and clarify the enigma of lifestyle entrepreneurs. To ultimately close a gap in research and literature since a clearer conceptualisation of lifestyle entrepreneurs would advance the knowledge base in this field.

## 1.2 Research Question

The previous section demonstrates the existence of a large research gap in the field of lifestyle entrepreneurs due to ambiguity and lack of information (Salmony & Kanbach, 2020; Bredvold & Skalén, 2016). Therefore, the present research wants to use this entrepreneurial type as the protagonist of the research frame to break down this problem. This leads to the research question, which guides the research on developing theory that sufficiently explains what impact the typology of lifestyle entrepreneurs has.

Thus, the research question is the following:

*What are the main attributes of lifestyle entrepreneurs and how do they fit into a concept of classification?*

## 1.3 Purpose

The purpose of this study is to establish a systematic and conceptual framework of lifestyle entrepreneurs, ensuring that future research builds on a comprehensive understanding of this group and its dimensions. This would have significant practical implications, as a distinct separation of entrepreneurs can shape the improvement and development of this concept (Salmony & Kanbach, 2022).

The study builds on prevalent definitions derived from literature and research on lifestyle entrepreneurs, aiming to identify and extract the core variables that underpin this concept. Furthermore, by interpreting specific elements mentioned in these definitions, the research identifies the different dimensions that the concept can encompass. By applying this investigation the study also contextualises the identified traits within the framework of previous literature on the topic. Further, the aim of the research is to validate this conceptual foundation and to develop new theories around the framework of lifestyle entrepreneurs.

## **2 Theoretical Background**

In this chapter, the research objective is elaborated. The theoretical background first discusses the importance of a typology in business research and why it should be implemented. Subsequently, the existing classification patterns and typologies of entrepreneurship are presented as well as the existing types of entrepreneurs. Finally, the concept of lifestyle entrepreneurs (LE) is introduced with an in-depth explanation of their subcategories.

### **2.1 Importance of a Typology**

Stapley, O’Keeffe and Midgley, (2022) describe that developing a typology is a popular research choice, especially within psychology and sociology. It is a research method used to group cases with common features, according to the similarities and differences of participants. It can be used to group and uncover different types of people based on their experiences or perspectives. (Stapley, O’Keeffe & Midgley, 2021). Within entrepreneurship, these classifications are a powerful tool as they help to gain a deeper understanding of different types of entrepreneurs and in turn help to make more concrete predictions about their behaviour, responses, and ultimately their success (Woo, Cooper & Dunkelberg, 1991). Complex information can be understood and organised through establishing groups and ideal types, by highlighting their similarities and differences (Stapley, O’Keeffe & Midgley, 2022). By employing a typology, the effective evaluation of new ventures is possible and provides an advanced understanding of various entrepreneurial behaviours, strengths, and motivations (Woo, Cooper & Dunkelberg, 1991). Various actors can benefit from a clear distinction of entrepreneurial types.

This could have implications on policy, support, and educational programmes that can be tailored to specific types of entrepreneurs to align with their perspectives and goals (Massa & Testa, 2008). It is crucial for such programmes to align and modify the available resources with the needs and characteristics of their target audience to foster success (Curran & Stanworth, 1989). Furthermore, the creation of a typology holds significant practical value for the individual entrepreneur. Through the autonomy of self-identification with an entrepreneurial type, the individual gains knowledge about their identity and how others

perceive them (Koslowski & Skovgaard-Smith, 2016). Thus, it could effectively shape their journey and create an integration of their personal and professional aspirations. In addition, gaining a deeper understanding of the LEs also benefits other stakeholders, such as investors. By understanding the unique attributes of a specific type, investors can make more informed decisions when evaluating investment opportunities (Bachher & Guild, 1996). This could foster a more mutually beneficial and successful partnership, as the needs of the entrepreneur align with the investment strategy of the investor (Mishra & Zachary, 2015).

## **2.2 Navigating the Entrepreneurial Understanding**

Entrepreneurship is increasing in relevance, and today is seen as an important, almost heroic, career choice (Schøtt, Kew & Cheraghi, 2015). However, this shifted perception did not necessarily lead to a comprehensive clarity in the understanding of entrepreneurship (Zahra & Dess, 2001). Extensive research provides a multitude of definitions and various schools of thought have attempted to explain this (Cherukara & Manalel, 2011). The lack of a clear consensus became even more pressing in regards to defining the person carrying out entrepreneurship, the entrepreneur (Salmony & Kanbach, 2020).

Despite the general agreement on the purpose of entrepreneurs, there is no consistent definition of the term (Chell, 2008). A precise classification would appear to be evident, as certain attributes like goals, background, and management methods could be used to cluster them (Woo, Cooper & Dunkelberg, 1991). Still, a clear assignment of different kinds of entrepreneurs to subgroups has been tried before in past research, but the results are not cohesive (Salmony & Kanbach, 2020). One point that is often highlighted is that these characteristics need to be better defined and understood (Hisrich, Langan-Fox & Grant, 2007).

Previous publications on classification patterns of entrepreneurs recommend to build groups around their entrepreneurial character and firm traits (Smith & Miner, 1983; Elwood Williams & Tse, 1995), or to separate them into types of companies to represent the style of entrepreneurship (Aulet & Murray, 2013). However, the last one is not capable of capturing the individual differences of entrepreneurs, and often those aspects are too complex to be sorted into simple business models (Thomas, Shaw & Page, 2011).

Additionally, Salmony & Kanbach (2020) argue that an overarching description of entrepreneur classification would severely limit the field and insights would be lost. They therefore recommend a categorisation into subtypes of entrepreneurs to better understand their traits and direction of business activities. However, they could not find any existing work in their research that systematically and holistically distinguishes all types of entrepreneurs. For this reason, this paper presents only basic distinctions found in literature that further encompass and clarify the frame of this research. In the following section, the most pressing entrepreneurial types are described.

### **2.2.1 Types of Entrepreneurs**

One of the first and widespread approaches to classify entrepreneurs (Woo, Cooper & Dunkelberg, 1991) was established by Smith and Miner (1983), as a basic classification of entrepreneurs into opportunistic and craftsman, based on the former work of Smith (1967). They defined opportunistic entrepreneurs as individuals who have an extensive standard of training and education and a high level of social awareness, which helps them to adequately deal with social situations and to be forward-looking. The opportunistic entrepreneur usually develops from a middle-class background and prefers decentralised management styles (Elwood Williams & Tse, 1995). In contrast, Smith & Miner (1983) describe the craftsman entrepreneur as narrowly educated and trained, with very low social awareness and a very short-term orientation. Craftsman entrepreneurs mostly adapt autocratic and paternalistic management styles because they prefer technical work to administrative work (Elwood Williams & Tse, 1995). Woo, Cooper and Dunkelberg (1991) acknowledge that the study, with the generic two-type opportunistic-craftsman framework, laid the foundation of many further typologies of entrepreneurs. They strongly criticised the major limitations that this holds for research and emphasised the importance of alternative structures and additional categories.

At this point, it should be highlighted that Miner, Smith and Bracker (1992) added another type of entrepreneur to their framework later in their research. They describe the inventor with the motivation to start firms “as a means to an end” (Miner, Smith & Bracker, 1992, p.

105). They illustrate the motivation of the inventors to continuously invent so that the innovations can be used by the industry.

In prior studies, a significant number of authors conducted an evaluation that led to more than two types (Woo, Cooper & Dunkelberg, 1991). Filley & Aldag (1978) also identified three different types: craft, administrative, promotion. Craft is described by Filley & Aldag (1978) as a comfortable individual who places technical tasks above administrative ones. The administrative type is more product emphasised, planning-oriented, and strives for linear growth. The promotion type wants to strongly integrate innovations and the main driving force is to create unique products to gain market advantage. In literature, further classifications can be found such as Dunkelberg & Coopers (1987 as cited in Dincer et al., 2011, p. 602): “craftsman, growth-oriented and independent” or Erikson (2001, p. 12) “the ready entrepreneur, the ready reluctant, the ready feasible, the ready unconvinced.” However, two to three primary dominant types can always be derived (Dincer et al., 2011).

In contemporary papers, finer delineations of the different entrepreneurs and additional sub-types emerged (Salmony & Kanbach, 2020). Here, the LE is reappearing thinly in literature. In the research by Koster, Markantoni, and Strijker (2010), a distinction is drawn between LEs and others by highlighting their primary focus on shaping their business to align with their desired lifestyle, opposed to pursuing economic, high-growth goals. Therefore, in their study they compared the two-type approach by Smith and Miner (1983) with clustering of LEs and the ones with economic motivations.

However the different interpretations of LEs vary as research never fully clarified the understanding of LEs (Bredvold & Skålén, 2016). In studies examining the behaviours and actions of LEs, it is noticeable that several researchers have used different definitions of this type of entrepreneur (Marcketti, Niehm & Fuloria, 2009; Milanese, 2018; Popp, 2016). Consequently, the results exhibit idiosyncrasies due to the varying understandings of what constitutes a LE, as a result, it becomes problematic to compare the results of different studies (Woo, Cooper & Dunkelberg, 1991).

## 2.3 The Concept of Lifestyle Entrepreneurs

This research shall concentrate more precisely on the category of LEs and their intentions. The concept of the LE emerges from an alternative vision of success that emphasises fulfilment in life (Morrison, 2006). Some scholars describe it as a social phenomenon that is culturally complex (Thomas, Shaw & Page, 2011). This diversity and ambiguity of the LE can be found in various sources throughout research and literature. In this study the concept of the LE derives from the interpretation of the various definitions about their characteristics and motivations. The creation process is presented in the following section.

### 2.3.1 Defining Lifestyle Entrepreneurs

Regarding the concept of the LE, the literature does not showcase one single definition of this concept. There is a wide spectrum of various definitions and perceptions of this group of entrepreneurs. The varying and partially contradictory definitions are presented in table 1. Particularly striking is that the number of definitions is not very high, as it is a very unexplored topic and the understanding is constantly changing (Popp, 2016). Furthermore, there are a few non-academic sources that discuss the subject. These were chosen to confirm that this novel phenomenon is also a relevant topic in contemporary society.

**Table 1:** Definitions of LE

<b>Author &amp; Publication</b>	<b>Definition</b>
Kaplan, and McGourty. (2020) in <i>Patterns of entrepreneurship management</i> .	“Lifestyle entrepreneurs have developed an enterprise that fits their individual circumstances and style of life. Their basic intention is to earn an income for themselves and their families.” (p. 6)
Burns. (2007), in <i>Entrepreneurship and small business</i> .	“Lifestyle firms – firms that allow the founder to pursue a particular lifestyle while earning an acceptable living doing so (e.g. sports instructors, artists etc.). In many cases self-employment is the conventional and accepted way of pursuing these life options.” (p. 10)



<p>Marcketti, Niehm &amp; Fuloria. (2009) in “An exploratory study of lifestyle entrepreneurship and its relationship to Life Quality” <i>Family and Consumer Sciences Research Journal</i>.</p>	<p>“Researchers have defined lifestyle entrepreneurs as individuals who owned and operated businesses closely aligned with their personal values, beliefs, interests, and passions [...]. They provided examples of small business ventures that were intimately associated with the needs of individuals and families across the life cycle. Distinct from other types of business start-ups, these businesses are frequently formed for reasons associated with life quality.” (p. 241-242)</p>
<p>Garibay. (2022) in <i>The lifestyle entrepreneur: Creating a business to change your life</i>, ValiantCEO.</p>	<p>“A lifestyle entrepreneur is someone who creates a business for the sake of changing their life. Instead of making profits, they want to create something that will personally reward them and leave the world better than when it was before. [...] A lifestyle entrepreneur focuses on life rewards rather than monetary rewards and focuses more on freedom rather than business growth.”</p>
<p>Milanesi. (2018) in “Exploring passion in hobby-related entrepreneurship. Evidence from Italian cases” <i>Journal of Business Research</i>.</p>	<p>“Hobby-related entrepreneurship, focusing on entrepreneurs who start up a business out of a passion, cultivated in hobbies and leisure time [...]. The lifestyle entrepreneur (Henricks, 2002) is motivated by irrational personal needs, such as self-realisation and enjoying life, and considers the company as a means of supporting a certain lifestyle in which business objectives are secondary to personal goals.” (p. 424-425)</p>
<p>Gasparski, Ryan, and Kwiatkowski. (2010) in <i>Entrepreneurship: Values and responsibility</i>.</p>	<p>“Lifestyle entrepreneurs will generally base their ventures around time minimalism, or something they love, even if there are more profitable [...] options available. The goal of a lifestyle entrepreneur is not to amass a huge fortune, but instead, to achieve certain definable goals and, beyond that point, to ensure that business does not interfere too much with the enjoyment of those goals. [...] Lifestyle entrepreneurs provide themselves the opportunity to pursue [a] particular interest or passion and earn a living while doing so.</p> <p><i>Doing it for love.</i> For this kind of lifestyle entrepreneur, business revolves around a passionate hobby: something they'd still love doing, even if it did not earn a cent. The goal is not to work as little as possible. For this kind of entrepreneur, work is a passion and maintaining and operating her/his business is woven into a lifestyle, not separate from it.</p> <p><i>Time minimalists.</i> This method is all about taking much of the time commitments out of owning a business and earning an income. This is usually achieved through elimination, outsourcing, the 80/20 principle, simplicity and automation, or through focusing on “set it and forget it” products.</p> <p><i>Nomadic entrepreneurs.</i> [...] The nomad's number one aim is freedom of location: an anywhere work style. Work should enable travel, not confine it to one weekend each year.”(p. 49-50)</p>

Popp. (2016) <i>Identity Formation of the Modern Lifestyle Entrepreneur.</i>	“The complete concept of lifestyle entrepreneur is increasingly difficult to determine in the modern day business climate [...] In a greater sense, it is viewed as freedom.” (p. 11)
Constable. (2015) in <i>Lifestyle entrepreneurship is the ultimate in work-life balance</i> , Entrepreneur.	“Lifestyle entrepreneurship simply means you create a business around the kind of lifestyle you want. It's not that you work in your business and then come home and live. Your business supports your life and allows you to create freedom while making an impact in people's lives.”
Bredvold and Skålén. (2016) in <i>Lifestyle entrepreneurs and their identity construction: A study of the tourism industry.</i>	“Lifestyle entrepreneurs often initiate businesses on the basis of the goal of realizing a particular lifestyle balancing economic, family, and social needs [...]. However, some researchers suggest that lifestyle entrepreneurs are a more heterogeneous group, with some of them operating according to pure economic motives and basing their decisions on rational economic calculus.” (p. 96)

### 2.3.2 Characteristics and Motivations of Lifestyle Entrepreneurs

The previous section revealed the various definitions found in literature and research and it became evident that they cover a wide scope of the understanding of LEs. This leads to a vast amount of variables to describe the LE’s identity, characteristics, and motivations. Table 2 showcases the most common variables found in an overarching synthesis of the different definitions derived from table 1. The criterion for the variable to be considered was to be present in at least three definitions. The x-axis presents the distinct variables, which describe individual characteristics. The y-axis lists the authors and scientists, who created the definition according to table 1.

**Table 2:** Variables of LE in literature

<b>Variables</b>	<b>Pursue a desired way of living</b>	<b>Personal fulfilment to increase quality of life</b>	<b>Passion, that aligns with their values, interests, and personal goals</b>	<b>Financial gains are not primary</b>	<b>Freedom to decide what to do</b>
<b>Authors</b>					
<b>Kaplan &amp; McGourty. (2020)</b>	X			X	
<b>Burns. (2007)</b>	X			X	
<b>Marcketti, Niehm &amp; Fuloria. (2009)</b>	X	X	X		
<b>Garibay. (2022)</b>	X	X		X	X
<b>Milanesi. (2018)</b>	X	X	X	X	
<b>Gasparski &amp; Ryan &amp; Kwiatkowski. (2010)</b>	X		X	X	
<b>Popp. (2016)</b>	X				X
<b>Constable. (2015)</b>	X				X
<b>Bredvold &amp; Skälén. (2016)</b>	X				X

Table 2 touches upon the core variables on the concept of LEs found in research and literature and reveals similarities and differences of the various definitions. It is clear that some authors and researchers are very comprehensive and want to cover many variables. Others, however, only cover two aspects of the LE. This illustrates the lack of clarity in the prevailing understanding of the characteristics and motivations of LEs.

By examining the diverse interpretations and their composition more closely, a very rough picture emerges. All definitions from past research (see table 1) lay the foundation that LEs start their business with the intention of making it fit the lifestyle they want. Essentially, it is necessary to distinguish the initial traits of this entrepreneur grouping from others (Koster, Markantoni & Strijker, 2010). They fundamentally want to found a business to pursue the lifestyle that is tailored to their needs (Constable, 2015). The focus is on ensuring that the company reflects their personal beliefs, values, and characteristics (Milanesi, 2018; Marcketti, Niehm & Fuloria, 2009). To achieve this, they can align core business activities with a particular interest or passion of theirs (Gasparski, Ryan & Kwiatkowski, 2011).

These integrated personal elements enable them to achieve their individual perception of life quality and see this as fundamental to their work (Marcketti Niehm & Fuloria, 2009). Derived from this, it is evident that entrepreneurs of this type must undertake something that gives them freedom (Popp, 2016). Furthermore, another dominant commonality can be derived from the definitions: the business of LEs is not primarily founded for profit (Kaplan & McGourty, 2007; Burns, 2007; Garibay, 2022; Milanese, 2018; Gasparski, Ryan & Kwiatkowski, 2011).

Differing from all those definitions is the quotation in table 2 provided by the research of Bredvold & Skålen (2016), as they describe that a LE is in some context characterised with pure economic intentions. This picture clearly varies drastically from the other definitions. Thomas, Shaw, and Page (2011) stated for this reason that the understanding of LEs must be clarified.

### **2.3.3 Subcategories of Lifestyle Entrepreneurs**

Although the interpretations in Table 1 provide a rough classification of LEs, no clear picture is present throughout the various definitions.

Gasparski, Ryan, and Kwiatkowski (2011) already suggest subcategories of the LE in their framework. In course of that, the multiple definitions (see table 1) were investigated for indicators of subcategories of the LE. This process resulted in the observation of four subclassifications of this type. Two of them were based on interpretation, namely *Hobby Entrepreneur* (Milanese, 2018) and *Impact Entrepreneur* (Garibay, 2022), however, they can be found in other literature. The *Nomadic Entrepreneur* and the *Time Minimalist* were suggested by Gasparski, Ryan and Kwiatkowski (2011). They also mentioned the *Doing it for love* type, which is similar to the Hobby Entrepreneur. In the following sections, the four subcategories of the LE will be explained.

#### **2.3.3.1 Hobby Entrepreneur**

Hobby Entrepreneurs are individuals who have turned their hobby into a business. Their aim is to blend their intentions and interests with entrepreneurial pursuits and to turn something they love at heart into a profitable business (Garibay, 2022). By monetising their hobbies, this type can not only generate income but also get satisfaction from something they truly enjoy

(Warnick, 2018). However, Gasparski, Ryan and Kwiatkowski (2011) state that they would also pursue the business without financial gains.

They leverage their unique skills and knowledge base to create products or services that are adapted to a specific market. These domain-specific activities bring intrinsic enjoyment to Hobby Entrepreneurs (Milanesi, 2018; Stebbins, 1997). Some hobbies are classified as “casual leisure” (Stebbins, 1997, p.18). These are pleasurable activities that can be performed immediately and require little to no training (Stebbins, 1997). Others require specific skills and express an identity and purpose. For this reason, they are classified as more effortful, demanding, and challenging, and therefore require more energy (Milanesi, 2018). But overall, the common factor of Hobby Entrepreneurs is that they find fulfilment in building a business that embodies personal interests and allows them to live their hobby constantly (Byers & Slack, 2001).

### **2.3.3.2 The Impact Entrepreneur**

The Impact Entrepreneur category includes LEs who strive to make a significant impact through their business (Garibay, 2022; Popp, 2016). Markman et al. (2019) describe these entrepreneurs as driven by a desire to effect positive change in society, the environment, or specific communities through their entrepreneurial efforts. Furthermore, the researchers state that their focus goes beyond financial gains as they seek measurable social or environmental benefits. Impact entrepreneurs are motivated to address societal challenges and pursue innovative solutions that help improve the world (Decker & Meijaard, 2022). They actively look for market opportunities to bring novel innovations to a specific market, to increase wealth and growth (Acs, 2008). These entrepreneurs are characterised by a strong sense of purpose and a commitment to making a difference through their ventures (Garibay, 2022).

### **2.3.3.3 Nomadic Entrepreneur**

Nomadic entrepreneurs place a high value on freedom of location (Gasparski, Ryan & Kwiatkowski, 2011) through a remote working style. They strive to develop businesses that allow them to work from anywhere and integrate their work and travel experiences (Stumpf, Califf & Lancaster, 2022). Leveraging technology and digital tools, they are creating businesses that can be managed remotely, allowing them to break away from traditional

office spaces and explore different locations (Cook, 2023). This lifestyle offers them the freedom to choose their work environment, e.g. public co-working spaces (Cook, 2020). Nomadic entrepreneurs actively try to combine work and travel and embrace the challenges and benefits of a location-independent lifestyle (Stumpf, Califf & Lancaster, 2022).

#### **2.3.3.4 Time Minimalist**

Time minimalists are LEs who aim to take the time commitment out of owning a business (Gasparski, Ryan & Kwiatkowski, 2011). They achieve this through strategies such as elimination, outsourcing, and automation (Welsch, 2010). Their goal is to create a business structure that allows them to optimise their time and focus on high-value tasks. Through a time-minimal approach, they aim to achieve and maximise personal fulfilment (Gasparski, Ryan & Kwiatkowski, 2011).

### **2.4 Expanding the Scope of Lifestyle Entrepreneurs**

Despite the recognition of the concept of LEs (see table 1), there are several inherent problems related to this categorisation. One of the main concerns lies in the lack of a clear definition and consensus among scholars regarding the term *lifestyle entrepreneur* (Popp, 2016). As a result, there is a significant degree of ambiguity and confusion regarding the characteristics and behaviours that define this group (Popp, 2016). Some descriptions are contradictory, such as having the intention to change one's life while maintaining a comfortable lifestyle (Garibay, 2022). This has led to difficulties in accurately identifying and studying this group, as well as a lack of consistency in research findings.

Moreover, different needs and intentions are never discussed in detail, but the image of a large vague grouping is formed. This mass of different partial definitions may have occurred because “lifestyle entrepreneurship as a notion has undergone a restructuring as of late.” (Popp, 2016, p. 11). These problems with the concept of the LE highlight the need for further research and a more precise categorisation of this group to ensure that its characteristics and behaviours are accurately identified and studied.

In the course of contextualising the different definitions, it became evident that there are common variables (see table 2). However, despite this, the individual definitions vary too much in their core elements to fully capture the concept of the LE.

For this reason, the present research is providing a working definition from the variables that allow to describe the LE in general and does not include the sub-categories. The integrated variables are (compare to table 2):

- *pursue a desired way of living;*
- *personal fulfilment to increase quality of life;*
- *passion that aligns with their values, interests, and personal goals;*
- *financial gains are not primary;*
- *freedom to decide what to do;*

Thus, the working definition is the following:

*Lifestyle entrepreneurs can be defined as persons who view entrepreneurship as a means of prioritising and integrating their desired lifestyle with their work. Unlike other entrepreneurs who primarily seek financial gain, lifestyle entrepreneurs focus on personal fulfilment and aligning their business ventures with their chosen lifestyle. Profitability is not the sole or primary motivation for lifestyle entrepreneurs, as they strive to create businesses that allow them to pursue activities they are passionate about, have the freedom to decide what to do, and derive a sense of purpose and satisfaction from their work. Their entrepreneurial aspirations are driven by a desire to create and sustain a lifestyle that is aligned with their values, interests, and personal goals.*

The working definition was developed with a sufficient length, in order to address the dimensions of character that previous research has not been able to summarise in a holistic manner. Derived from this definition, the objective of this thesis is to explore the concept of the variables and dimensions of LEs, in alliance with the provided literature framework.

### **3 Methodology**

This chapter outlines the design of the study and the selection criteria of the interviewees. Furthermore, the guideline for the semi-structured interviews is evaluated and the data analysis process is discussed. Ultimately, this chapter closes by underpinning the validity and reliability of the research and reflecting on the limitations and ethical considerations. The working definition developed in chapter 2 (see section 2.4) serves as the basis for all assumptions made in this chapter about LEs.

#### **3.1 Qualitative Research Plan**

In this study, we chose a qualitative research approach as the objective of this paper is to give an in-depth clarification on the concept of LEs. Qualitative research is commonly applied for the generation of new theories by bridging the existing knowledge with research (Bell, Bryman & Harley, 2019). To contextualise this study, the ontological and epistemological patterns in connection with the qualitative research approach shall be explained to express the position of this paper.

The ontological consideration seeks to comprehend the subject matter and this should determine the epistemological reflections, which describe the methods used to investigate (Bell, Bryman & Harley, 2019). This research adopts a constructivist ontological stance, as it aims to grasp a social phenomenon “which [is] made real by the actions and understandings of humans” (Bell, Bryman & Harley, 2019, p. 27). Constructivism is concerned with how individuals interact with their surroundings (Crotty, 2003). This is relevant for our research objective to clarify the concept of LEs, and to identify their ideal types (Stapley, O’Keeffe & Midgley, 2021). To pursue this, the study’s qualitative research character is rather focused on the interpretation of human-actions and statements than on objectification. This means that this paper takes the epistemological position of interpretivism, to find an empathic explanation of human action (Bell, Bryman & Harley, 2019). In the context of this research, the approach was reflected by the individual constructed realities from our interviewees. It demanded us to interpret the various subjective standpoints of the collected data (Bell, Bryman & Harley, 2019).



## **3.2 Research Design**

In order to bring clarity to the concept of LEs, to identify sub-categories, and to develop a typology of this grouping, a specific research design was constructed. The literature analysis and the theoretical framework described in chapter 2 served as a basis for the research design. We applied an exploratory qualitative research approach, as the objective of this aimed to discover novel generalisations (Stebbins, 2001). In addition, the qualitative nature of the research was to uncover attitudes and behaviours that have not been presented in previous work (Dawson, 2009). The reason for the qualitative approach is to generate new theories around the concept of LEs. In order to gather this qualitative data, semi-structured in-person or online interviews were conducted. This was the primary source of data collection for this study.

For the analysis, an inductive approach is recommended, as the thesis should generate new insights rather than to explore existing ones (Bell, Bryman & Harley, 2019). However, deductive elements cannot be disregarded, as there are indicators in prior research that define the LE and its subcategories, and lead the underlying assumptions of this study. Due to these circumstances, abductive reasoning is applied to explain the empirical phenomenon of the LE which existing theory is unable to accommodate for (Bell, Bryman & Harley, 2019).

## **3.3 Data Collection**

Due to the exploratory research design, the study aimed to generate novel data. Therefore, as mentioned before, a semi-structured interview model was applied, whereby questions were created prior to the interview. In this structure, the interviewer can react with in-depth follow-up questions according to each individual conversation (Bell, Bryman & Harley, 2019). This research approach allowed us to adapt to every participant in detail, providing elaborated input for the theory generation.

To follow the semi-structured interview model, a formal guideline was established beforehand (see appendix A), as it is suggested by Bell, Bryman & Harley (2019). Initially, some generic information was collected through a concise and standardised section about the interviewee's personal data, such as their name, affiliation, and details about their company.

The main part was structured into six topic areas, according to prior research, to generate relevant data to answer the research question of this thesis, namely: *entrepreneurial intentions, personality traits, demographic aspects, future orientation, corporate overview, and value proposition*. These categories derived from the studies developed by Miner, Smith, and Bracker (1992), Gruffman, Ward and Biedenbach (2017), and Fatah (2021). Each topic area consisted of three to seven questions. The majority of the questions were phrased open-ended, in order to gain a deeper insight into the participants thoughts and beliefs as it is common for semi-structured interviews (Bell, Bryman & Harley, 2019).

### **3.3.1 Interviewee Selection**

The interviewee selection of the thesis targeted LEs. Hence, we distinguished them from other entrepreneurs based on the articulation highlighted in the literature, which emphasises that economic motivations serve as the fundamental differentiation (Koster, Markantoni & Strijker, 2010). Therefore, the study used criterion sampling. Based on this, the following criteria were defined for our interview selection:

1. They have an established business or are in an advanced process of starting their business. This means that they should showcase serious commitment and ownership towards their idea (Vincett & Farlow, 2008).
2. Profitability is not the sole or primary motivation for them.

We selected only these specific criteria due to two reasons. The first criterion ensured that our interviewees can be considered as entrepreneurs in general. It should reassure the credibility and seriousness of their businesses. Our second criterion defined that the primary or sole focus of the entrepreneur is not about financial gains. We aim to study the general population of LEs and for this reason we applied such broad criteria.

Based on that we conducted an in-depth analysis of participants of the incubator VentureLab by Lund University, the alumni and current students of the master program of Entrepreneurship and Innovation of Lund University, and our individual business network. After this selection, we contacted the potential participants through emails and LinkedIn

messages with an interview request. By doing this we included the two selection criteria to verify that our potential interview partners agree with our categorisation of them being LEs.

In total, we contacted 36 potential participants and received 32 reactions. In their answers, all participants clearly positioned themselves as to whether they would agree to the given criteria. Therefore, we could classify them as LEs. Based on this self-assessment, we were able to recruit 15 interview participants for our research, as shown in Table 3. The rejections of the other participants were primarily due to the fact that they prioritised monetary aspects and started their business as a means to an end. Others had time commitments or no interest in participating in the research.

### 3.3.1.1 Interview Participants

**Table 3:** Participants of the interviews

Participant	Type of company	Year established	Nr. of Employees	Country	Nr. of companies	Gender	Interview time (ca.)
Participant 1	Event and entertainment services	2015	2-10	Norway	One	Male	60 min
Participant 2	Kitesurf school & campervan rental	2022	-	Sweden	Two	Male	30 min
Participant 3	Singer and wedding & event planner	2016	-	Germany	One	Female	30 min
Participant 4	Seaweed farming	2022	2-10	Sweden	One	Male	50 min
Participant 5	Protein from fish production	2021	2-10	Sweden		Male	30 min
Participant 6	Developing microfluidic chips	-	-	Sweden	One	Male	30 min
Participant 7	Digital platform for communication in the workplace	2022	2-10	Denmark and Sweden	One	Male	40 min
Participant 8	Infrared sensors for security	2021	2-10	Sweden	One	Male	30 min

Participant 9	Non-political, non-affiliated think tank	2022	11 - 50	Sweden	One	Male	50 min
Participant 10	AI / GPT powered data visualisation platform for managers	2023	2-10	Australia	One	Male	30 min
Participant 11	Sustainable, regenerating tourism accommodation	2022	-	Sweden	One	Male	60 min
Participant 12	Developing digital IDs for clothes	2022	2-10	Denmark	One	Female	60 min
Participant 13	Stem-cells company	-	-	Sweden	One	Male	40 min
Participant 14	Developing a light technology for motorcycles / Consultancy in the wellness sector	2018 / 2020	2-10 / 2-10	Sweden / Sweden	Two	Male	60 min
Participant 15	Jerky meat company / Social platform for parents	2017 / 2020	2-10 / 2-10	Sweden / Sweden	Two, exited both	Male	60 min

### 3.3.2 Interview Process

Most of the interviews were scheduled via Google Meet but two were conducted in-person. We started by introducing ourselves and briefly explained the reason for the interview. After that, we asked for consent to record the interview. Here, we applied an AI software to transcribe the interviews. For the official part of the interview we used our predeveloped interview guideline (see appendix A) and started with questions regarding the entrepreneurial intentions of participants and their corporate overview and value proposition, before asking about their future goals and orientation. We then switched to some more personal questions, asking about their personality traits and their demographic aspects. We also always emphasised that if there were any questions our interviewees did not feel comfortable

answering, they could just skip them. With that the main interview was concluded. However, as a last task we always asked our interviewees to assign themselves into one or multiple predefined groups of LEs. We presented an overview of the categories we had developed up to that point and observed their reactions and comments to them, as well as their final answer in which group(s) they see themselves. In the end we thanked them for their time and help. An interview usually took around 30-45 min, however some interviews also lasted for an hour (table 3). Afterwards, we monitored the transcript from the AI software and corrected false statements and words to enable a proper analysis.

### **3.4 Data Analysis**

With regards to the data analysis, two processes were applied to adapt to the two research objectives of this study. Section 3.4.1 is describing the applied research evaluation to understand and conceptualise the LEs and section 3.4.2 is explaining the analysis method used to develop the dimensions of this concept.

#### **3.4.1 Analysis of the Concept of Lifestyle Entrepreneurs**

This research strategy takes the constructivist stance and is subject to interpretation methods. Therefore, the data analysis for the concept of LEs derived from the suggestion of Douglas (2017), to apply thematic analysis of the collected data. This methodology aims to discover common themes within the data set, revealed through repetitions of certain topics (Bell, Bryman & Harley, 2019). Hence, we applied a comprehensive version of the six phases of thematic analysis by Braun and Clark (2006) and adopted it to the nature of this study.

The first two phases they laid out are to gather data and become familiar with it, and to generate codes. In this process we used an initial set of predefined codes (see appendix B) from our working definition for the concept of LEs (Bell, Bryman & Harley, 2019). The coding rules referred to the five variables derived from the theoretical background: *desired way of living*, *personal fulfilment*, *passion*, *financial gains not primary objective*, and *freedom to decide what to do*. Furthermore, additional codes could be generated through novel

features derived from the data. We applied the colour coding technique to group the quotes of our interviewees according to our codes (see appendix D).

According to Braun and Clark (2006) subsequently, we collated the codes into potential themes of the general concept of LE. These were then reviewed by comparing the application of the theme in relation to the initial codes. After the accordance process the themes were named and defined by the narrative of the analysis. This led to the description of the concept of LEs.

### **3.4.2 The Development of a Typology**

The ultimate aim of this research is to provide a profound definition of LEs and to develop a typology in this regard. As typologies do not only look for cross-case comparisons, they also seek to understand the individual behaviour of a member of the group by considering individual cases (Stapley, O’Keeffe & Midgley, 2022). “The development of typologies represents a middle ground between treating each entrepreneur as unique and representing diverse populations through one set of averages.” (Woo, Cooper & Dunkelberg, 1991, p.95) and is therefore a suitable method for our research.

In order to accomplish that, we employed the ideal type analysis and adapted it to integrate the data that was found in existing research. The *ideal type analysis* was introduced by Max Weber (1904) and provides a systematic and rigorous approach for constructing typologies from qualitative data (Stapley, O’Keeffe & Midgley, 2022). Drawing on Psathas (2005) and Swedberg (2018), Stapley, O’Keeffe & Midgley (2022) state that it is especially useful as a first analysis for an under investigated empirical reality or social phenomenon, about which only little is known. Furthermore, it can be used for different types of qualitative research: “In a nutshell, it involves the systematic comparison of cases or participants within a qualitative dataset to form ‘ideal types’, or groupings of similar cases.” (Stapley, O’Keeffe & Midgley, 2022, p. 2). The ‘ideal’ in ideal type analysis hereby refers to the word ‘idea’, meaning that the “ideal types [function] as generalisations or mental representations of a social phenomenon that will never be identical with reality, but which will help to make that reality understandable” (Stapley, O’Keeffe & Midgley, 2022, p. 2).

The ideal type analysis is separated into seven different steps that are of a linear direction, however, steps often need to be revisited and revised throughout the process (Stapley, O’Keeffe & Midgley, 2022). As this thesis is applying an abductive approach of explaining existing literature through research and at the same time allowing new theory to arise, we utilised predefined codes of the subcategories of LEs: *hobby entrepreneur*, *impact entrepreneur*, *nomadic*, *time minimalist* (see appendix C). By colour coding we grouped the quotes of our interviewees according to our codes (see appendix D) and integrated the seven steps according to Stapley, O’Keeffe & Midgley (2022) to adapt them to our abductive approach. Based on this the following steps were conducted:

#### *Step 1: Understanding the dataset*

The first step is to gather data and familiarise oneself with the cases (Stapley, O’Keeffe & Midgley, 2022). This was accomplished through an analysis of the interview transcript. In this phase, we implemented the process of investigating our predefined codes to identify and analyse the underlying subcategories of the dataset.

Furthermore, we analysed the data to develop new codes and to respectively find new categories and pinpointed the selection of different categories that would be further investigated. Then we proceeded with the other steps of the ideal-type analysis, building on the established themes.

#### *Step 2: Writing the case composition*

Once we analysed and gathered the data, the next step was to present each case (interviewee) according to their specific composition of our identified themes (Stapley, O’Keeffe & Midgley, 2022). We presented this as a bar chart for each case and according to the distribution of each subcategory. Through that we could gain an overview of the distribution of our themes within each interviewee, which was relevant for the further analysis of the ideal type.

#### *Step 3: Constructing the ideal types*

Interviewees of an ideal type analysis are grouped with a certain type of people (Stapley, O’Keeffe & Midgley, 2021). In our case we expected to have different types of LEs among

our participants. Therefore, the previously created case compositions were used to form different groups of LE types. This was done through “systematically comparing and contrasting each case [composition] with each other” (Stapley, O’Keeffe & Midgley, 2022, p.3). Each group of people has some dominant similarities in terms of their thoughts, feelings, or how they behave (Stapley, O’Keeffe & Midgley, 2021). For our research these similarities would manifest through the entrepreneurs’ intentions, personality traits, demographic aspects, and their future orientations. Similarities and differences are especially important in order to identify patterns between datasets (Stapley, O’Keeffe & Midgley, 2022). The results of this cross case comparison then led to the grouping of similar participants.

#### *Step 4: Identifying the optimal cases*

Subsequently, in the next step the interviewees were divided into different groups of entrepreneurs. Within each group one ideal case was chosen. This ideal case represents the specific type of entrepreneur best, as it emphasises the key characteristics that this type of entrepreneur has (Stapley, O’Keeffe & Midgley, 2022).

#### *Step 5: Forming the ideal-type descriptions*

In this step, a name and a description was developed for each group of entrepreneurs. This was done based on the overall cases as well as the case description of the previously selected optimal case. It is important to mention that not every case fits the ideal-type description 100%, but they all have similarities to a higher or lower extent (Stapley, O’Keeffe & Midgley, 2022).

#### *Step 6: Checking quality criteria*

To enhance the reliability of the study we emphasised the trustworthiness of the process (Golafshani, 2003). To validate the previously conducted work and check the credibility, we added an additional researcher to the study. The researcher (who did not have any knowledge about the topic) tried to regroup the cases into the different established ideal types. The researcher who conducted the process was a student of the master program in Entrepreneurship and Innovation at Lund University. This ensured that the descriptions for each group are detailed and clear enough, that they can be used by someone else to group



participants (Stapley, O’Keeffe & Midgley, 2022). The result was unequivocal as all participants were accurately classified into their respective type (see appendix E).

#### *Step 7: Making comparisons*

As a very last step a comparison was made. For this comparison, a summary was created including the similarities as well as the differences across the different groups (Stapley, O’Keeffe & Midgley, 2022). These similarities and differences were furthermore illustrated and highlighted in a figure.

### **3.5 Credibility and Transferability**

Quality criteria are of utmost importance to assure a certain standard during the qualitative research process (Bell, Bryman & Harley, 2019). Therefore, we have undertaken multiple steps to provide the integrity of our outcomes for the definition of LEs and the typology of them. The ideal type analysis already integrated a process generating credibility (see section 3.4.2). However, additional steps have been undertaken to increase the trustworthiness.

Therefore, the study followed the proposed quality criteria by Lincoln and Guba (1985). As they state “there can be no validity without reliability, a demonstration of the former [validity] is sufficient to establish the latter [reliability]” (p. 316) we primarily focused on the credibility and transferability, which parallels with internal and external validity (Bell, Bryman & Harley, 2019).

#### **3.5.1 Robustness Checks**

To ensure that the quality criteria mentioned above are in place, the corresponding robustness checks were carried out and explained in this section.

Regarding the credibility, we implemented a latter technique, namely respondent validation. We showcased the results of our typology to some of our research participants and measured their corroboration (Bell, Bryman & Harley, 2019). In order to validate our findings, we contacted three participants that were randomly chosen, one from each group of LEs. We provided them with our definition of LEs, as well as the outcomes of their classification into a specific dimension. Subsequently, we inquired their feedback to confirm or refute the

accuracy of our result. Their response corresponded in agreement with our evaluation of their entrepreneurial character (see appendix F). Furthermore, we ensured the credibility of the LE dimensions by involving an additional researcher, as outlined in section 3.4.2 in step six of the ideal type analysis (see appendix E).

This is followed by the transferability of the research, which could be achieved by the thick description (Bell, Bryman & Harley, 2019). The aim was to generate a comprehensive dataset that can serve as a foundation for further analysis and to allow others to undergo their own judgement to derive additional insights (Bell, Bryman & Harley, 2019).

Lincoln and Guba (1985) introduced the concept of dependability, which was applied in this research. We hereby conducted a detailed transcription process in a digital procedure of all our theoretical and fieldwork notes and further interview and analysis documentation. This process is a parallel to reliability in quantitative research (Bell, Bryman & Harley, 2019).

### **3.6 Ethical Considerations**

Ethical issues are constantly recurring throughout the research process and thus are of utmost relevance (Bell, Bryman & Harley, 2019). The participants are exposed to a certain degree of vulnerability during the interview and are asked about sensitive topics, such as their past, childhood, and opinions on certain topics. For this reason, the interviewees must be treated accordingly in order to avoid harm, lack of informed consent, privacy concerns, and other risks (Bell, Bryman & Harley, 2019).

Due to those concerns we implemented multiple steps to assure the ethics within our research. Firstly, we sent an interview request to inquire about the availability and to inform them about the process. Furthermore, before each interview we instructed the participants about our topic of investigation and requested the allowance of recording the communication. Thus, a digital transcript of all interviews and the previous conversation is available. After the interview was conducted, the researchers clarified that the conversation will be anonymised. Meaning that the names and companies of the entrepreneurs will be anonymous as well as any other person mentioned in the interview. This is due to confidential issues and legal considerations (Bell, Bryman & Harley, 2019).

### **3.7 Limitations of Methodology**

This study was conducted as a qualitative and explorative study to provide an overview of the different types of LEs. As such, the study also has some limitations. In general, qualitative research is often subjective, difficult to replicate and generalise, as well as lacking transparency (Bell, Bryman and Harley, 2019).

The sample size of this study was smaller than the recommended amount (Stapley, O’Keeffe & Midgley, 2022), which limits the findings and generalisation of results, as the sample size is not representative for the entire population. The results are still valuable, since they can be used as an indication and a basis for further quantitative research (Stapey, O’Keeffe & Midgley, 2021). Quantitative data is commonly used to examine larger groups of people and to facilitate generalisations (Swanson & Holton, 2005), therefore the lack of quantitative data within this research may limit the comprehensive representation of various characteristics and behaviours of LEs and their different subgroups. The small sample size also restricted the diversity of the interviewees. While participants were not exclusively limited to the following criteria, most participants were male, well-educated, and from first world countries. Additionally, most of them had either studied at Lund University and/or were a member of Venture Lab. Our own bias should also be taken into account, as we might have been influenced by our own beliefs and perspectives, which could have led to an inaccurate classification of participants (Bell, Bryman & Harley, 2019). Furthermore, even though the interviews were created and structured in a way that minimises any potential biases, interviewees could have been influenced by the interviewers' reactions and comments (Galletta, 2013) or they may not have felt comfortable to talk about certain topics (Paulhus, 1991). Therefore, there is still the possibility of participants giving answers that might not represent the reality (response bias) (Paulhus, 1991).

## 4 Empirical Findings and Analysis

### 4.1 Conceptualization of the Lifestyle Entrepreneur

In order to answer the research question: ‘*What are the main attributes of lifestyle entrepreneurs and how do they fit into a concept of classification?*’, the first step was to analyse the core dimensions of a LE. Therefore, the different motivations and characteristics of interviewees were investigated with the aim to form a clear and precise definition of the concept of LEs.

#### 4.1.1 Validation of Preexisting Lifestyle Entrepreneur Groups

From the current definitions of LEs, different characteristics and motivations that are viable for this type of entrepreneur could be extracted through an in-depth literature analysis (section 2.3.1 and 2.3.2). The variables were: *pursue a desired way of living, personal fulfilment, passion, financial gains are not the main motive, and freedom to decide what to do*. Interview participants were analysed with these indicators with the help of the colour coding method. Detailed coding rules can be found in appendix B. Some example quotes of this analysis are displayed in table 4.

**Table 4:** LEs variables in the interviews

<b>Variables of characteristics / motivations</b>	<b>Quotes from interview participants</b>
Desired way of living	“Like I cannot just go and work for a job, that I'm not super interested in.”- <i>Participant 9</i>  “That sort of really defined entrepreneurship for me in a different way than just running a business. But basically, I've always wanted to become one.” - <i>Participant 11</i>  “I kind of just fantasised about travelling and bartending [...] and it's just a way to make my way around.” - <i>Participant 1</i>

<p>Personal fulfilment</p>	<p>“I think it's always very nice to know that everything you do is for yourself, for your improvement, for the improvement of the company. And it's not for another person who you're working for. So it's your, I will say it's your own little baby.” - <i>Participant 3</i></p> <p>“And I'm just, I'd also feel just equally as empty with success having built a product or service that didn't mean anything to me, or didn't have any honest representation of myself and my gifts that I have to offer the world.” - <i>Participant 1</i></p> <p>“So it was like, just like something that it felt like I was called to like, I felt like, and I still feel like this” - <i>Participant 12</i></p>
<p>Passion</p>	<p>“I realised more that I wanted to be an entrepreneur, just because I love creating things. I love working with what I love to do” - <i>Participant 2</i></p> <p>“[...]I don't have the tolerance for just like, hating my work, I don't have the tolerance for it. [...]because I just couldn't... I could not physically work on something that I wasn't passionate about.” - <i>Participant 1</i></p>
<p>Primary motive not financial</p>	<p>“I don't think I'm driven by money. To be honest, if I was driven by money, I think I would take very different actions.” - <i>Participant 9</i></p> <p>“Yes, money is important, but it is not the main driving force. I think that is important because if you're only chasing money, you are [...] off to the wrong start from the beginning.” - <i>Participant 14</i></p> <p>“But then I started to like, look out from it, because monetary value, like lost value to me.” - <i>Participant 8</i></p>
<p>Freedom to decide what to do</p>	<p>“Freedom is [the] short and very American answer. Yeah, I get to make my own days out. I get to work on everything from recruitment to strategic decisions, economics and marketing. And that's, of course, a lot of responsibility, but it brings with it a lot of freedom.” - <i>Participant 5</i></p> <p>“It's the freedom that I have the full control of organising my own life. So meaning for instance, if I want to take a week off and travel somewhere I can do that.” - <i>Participant 2</i></p>

Table 4 validates and proves the existence of the different characteristics and motivations for LEs that were extracted from literature, through the quotes of interview participants. For each category, it is visible that the motivation or characteristic was evident among the interviewees. Hereby categories like *personal fulfilment*, *passion*, and *primary motive not financial* were evident among almost all participants, while aspects like *desired way of living* and *freedom to decide what to do* were apparent within the majority of participants. Therefore, all of these categories can be considered fundamental dimensions of LEs, serving as essential elements in their characterisation. Quotes from interviewees such as participant 14: “Yes, money is important, but it is not the main driving force. [...]” furthermore highlight that their *primary motive is not financial*, yet it remains an important factor for LEs as they want to achieve financial gains through their business.

#### 4.1.2 Additional Findings of Lifestyle Entrepreneur Characteristics and Motivations

Throughout the interview process, an inductive approach revealed further motivations and characteristics of LEs that had either not been mentioned or were only briefly touched upon in previous literature. The two themes are *changing one's life* and *flexibility to decide when to work*. These motivations were repeatedly evident within interviewees as displayed in table 5.

**Table 5:** Additional variables describing LEs

Characteristics / Motivations	Quotes from interview participants
Changing one's life	<p>“I was like, I can't, I can't do it. So then I just went home and I was like, I don't know, I got to do something else.” - <i>Participant 1</i></p> <p>“I was in charge of sales [for] consultants in Sweden, for a company here but I felt like I was stuck in a box and I was too much just a cog in a huge machinery.” - <i>Participant 5</i></p> <p>“I had been in New York for like seven and a half years. So it was like I think I need to leave like it's really time for me to move on.” - <i>Participant 12</i></p>

Flexibility to decide when to work	<p>“I love working with what I love to do, and also the flexibility nowadays, being able to decide on my own time.” - <i>Participant 2</i></p> <p>“I can make my own schedule and work more freely compared to if I would have had a nine to five job at Volvo Trucks or something.” - <i>Participant 5</i></p> <p>“I love the flexible lifestyle that's linked with that, not saying you can't have that with a lot of corporations but it's very much your choosing when and where to work.” - <i>Participant 10</i></p>
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These characteristics and motivation were found in addition to the already predefined traits. By combining all traits, LEs can be defined more precisely. *Changing one's life* represents making significant adjustment or transformation across multiple aspects of one's life. Participants often reached a point in their life where they did not want to continue with their current job or lifestyle in general and decided they needed a drastic change. The *flexibility to decide when to work* refers to being able to determine one's own work schedule independently. Both categories were apparent in at least half of the participants, thus establishing them as additional dimensions that contribute to a more detailed description of LEs.

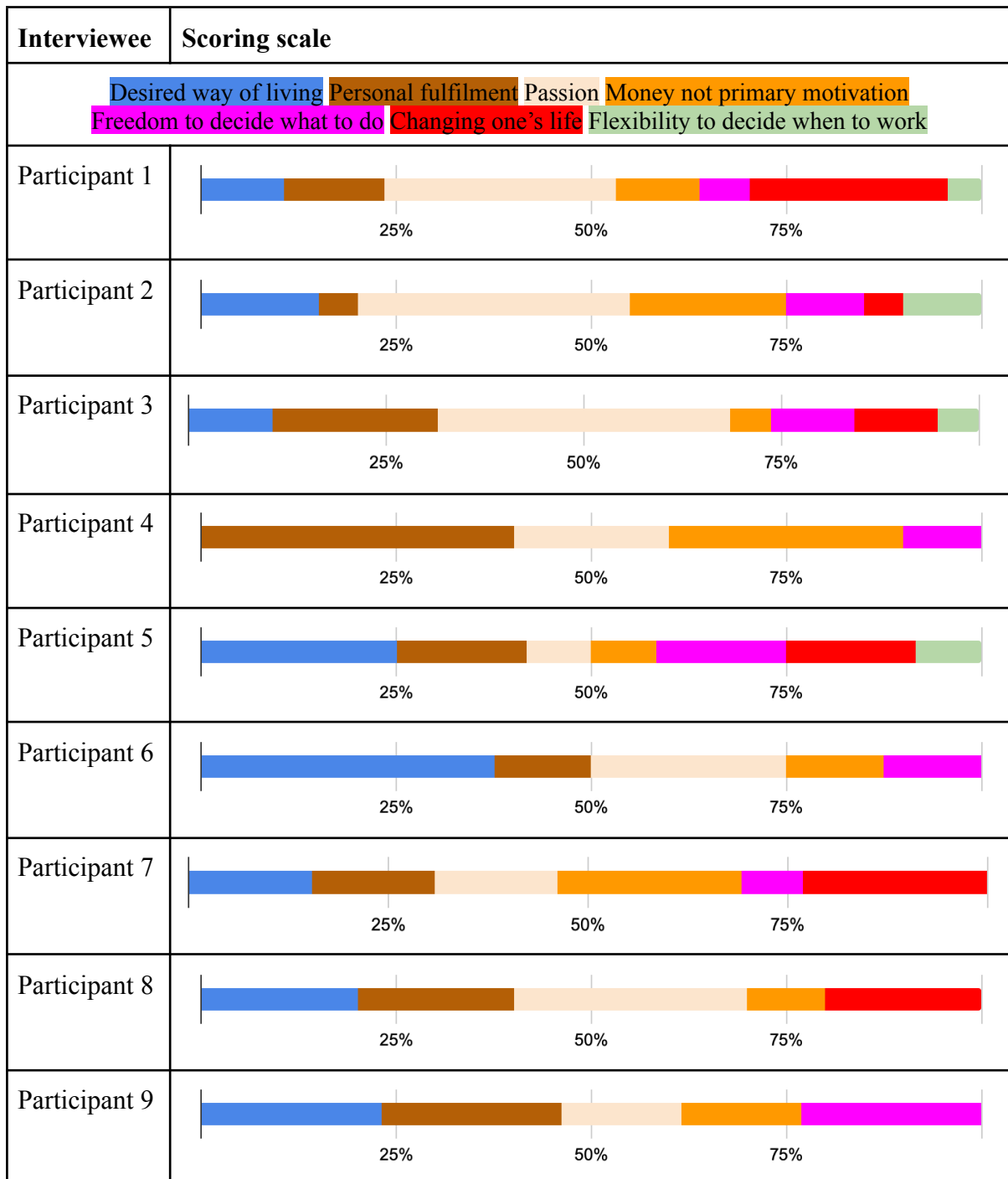
#### 4.1.3 Refinement of the Concept of a Lifestyle Entrepreneur

To gain a clearer overview of the different motivations and characteristics of LEs and their importance, a scoring scale was created for each interviewee. In order to do so, the interview transcripts of each participant were evaluated in detail and quotes were colour coded to be able to find the most important characteristics and motivations.

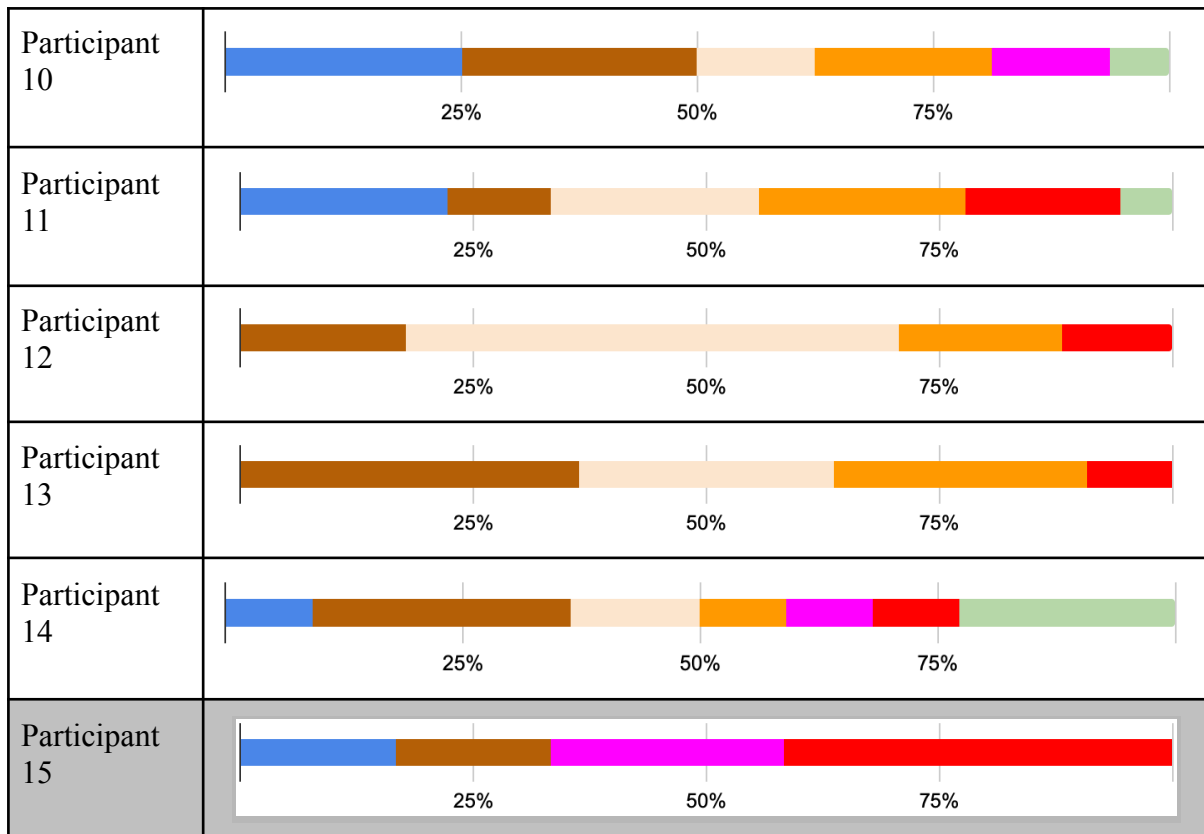
The number of quotes matching a specific motivation or characteristic as well as the detail in which each participant talked about a specific motivation or characteristics was transferred into numerical data in order to set them in comparison to each other. As participants were essentially all asked the same questions, this data can be taken as an indication of the importance of the different characteristics and motivations. Nonetheless, it is not a precise measurement.

Figure 1 displays the results with the help of a bar chart for each participant, representing the frequency with which a category was mentioned and the importance it was given. Every colour in the visualisation represents a specific motivation or characteristic, while the length of each bar represents the percentage and depth at which participants discussed the respective topic. The coding rules can be found in more detail in appendix B.

**Figure 1:** Distribution of variables in the interview participants







According to the results shown above (participants 1-14), it becomes evident that traits like: *passion, personal fulfilment, and money not being the primary motivation* are apparent within all participants. Factors like *pursuing a desired way of living, changing one's life and freedom to decide what to do* are frequently mentioned by most (more than half) of the participants, while *flexibility to decide when to work* is only mentioned by around half of the participants and usually have a lower score than other factors. Therefore, the main important motivations and characteristics of LEs are *passion, personal fulfilment and money not being the primary motive*.

#### 4.1.3.1 Exclusion of Participants

One participant within this study demonstrated different scores on the bar graphs (see figure 1) than the other interviewees. Participant 15 had no significant scores in relation to *passion* or *money was not the primary motivator*. As previously determined, these two attributes represent two out of the three most significant factors when defining LEs. Upon conducting a thorough analysis of case participant 15, it became evident that the participant does not

belong to the category of LEs due to multiple factors. Participant 15 stated that: he “built and exited two main businesses” and “the two sales [he] had were not super lucrative”. His “[...] goal right now, [...] is to try to build [a] business, until one day [he has] a more substantial exit.” In addition to that, the participant stated that his one business choice was “really random”. From these quotes it can be inferred that participant 15 is mainly an entrepreneur because he is primarily driven by financial motives rather than a genuine passion for his business venture, which contradicts the core principles and characteristics of LEs. Contrary to his initial self-assessment, which indicated a non-monetary motive in the email correspondence, participant 15 is mainly motivated by financial gains. This is in conflict with the desired criteria for this study, therefore, participant 15 is not suitable for this research.

#### **4.1.4 Establishing a Definition**

This research has empirically validated the key variables associated with the LE: *desired way of living, personal fulfilment, passion, money not primary motivation and freedom to decide what to do*. Moreover, the investigation yielded evidence of two additional attributes: *changing one's life and flexibility to decide when to work*. Consequently, this evaluation necessitated a reevaluation and refinement of the working definition of the LE to accurately capture the whole conceptualization of this type. Additionally, a special emphasis was placed on *passion, personal fulfilment, and money not being the primary motive*. This occurrence was due to the distribution of the variables among the interviewees, with the three aforementioned variables being consistently prevalent evident within the participants. The remaining variables exhibited varying degrees of visibility and only in some interviewees. Derived from this an adapted, more precise definition of LEs was created and set in comparison to the working definition in table 6.

**Table 6:** New definition of LEs

Previous working definition	Newly established definition
<p>Desired way of living Freedom to decide what to do</p>	<p>Personal fulfilment Changing one's life Passion Money not primary motivation Flexibility to decide when to work</p>
<p><i>Lifestyle entrepreneurs can be defined as persons who view entrepreneurship as a means of prioritising and integrating their desired lifestyle with their work. Unlike other entrepreneurs who primarily seek financial gain, lifestyle entrepreneurs focus on personal fulfilment and aligning their business ventures with their chosen lifestyle. Profitability is not the sole or primary motivation for lifestyle entrepreneurs, as they strive to create businesses that allow them to pursue activities they are passionate about, have the freedom to decide what to do and derive a sense of purpose and satisfaction from their work. Their entrepreneurial aspirations are driven by a desire to create and sustain a lifestyle that is aligned with their values, interests and personal goals.</i></p>	<p><i>Lifestyle entrepreneurs are individuals who view entrepreneurship as a means of prioritising and integrating their desired lifestyle, values, and interests within their work. For lifestyle entrepreneurs, monetary aspects are not the primary focus, as they strive to create businesses that enable them to engage in activities they are passionate about. They aim to attain personal fulfilment, a sense of purpose, satisfaction, and freedom to decide what to do from their work, while at the same time being flexible to decide when to work. To accomplish this, they frequently undergo a transformative journey of reshaping their lives.</i></p>

Derived from the detailed description a short, cohesive definition was developed: *Lifestyle entrepreneurs prioritise personal fulfilment, passion-driven work, flexibility, and freedom in decision-making, with monetary aspects taking a secondary role, as they undergo a transformative journey to align their desired lifestyle, values, and interests within their work.*

## 4.2 The Dimensions of the Lifestyle Entrepreneur

In order to comprehensively address the research question posed in this study, a comprehensive analysis is necessary to assess how the core dimensions of LEs integrate into a conceptual framework of lifestyle entrepreneurship. For that, participants were studied in relation to the already predefined different types of LEs, as well as with an inductive approach through the ideal type analysis.

### 4.2.1 Confirmation of Pre-Existing Groups

Four different types of LEs could be found within current literature: *Hobby Entrepreneurs*, *Time Minimalists*, *Impact Entrepreneurs*, and *Nomadic Entrepreneurs*. The descriptions based on the theoretical framework (see section 2.3.3) for each group were used and applied to our interview participants. Some example quotes we received through our interviews for each aspect can be found in table 7.

**Table 7:** Predefined dimensions of the LE

Entrepreneur Aspects	Quotes from interview participants
Hobby Entrepreneur	<p>“So I have a kitesurfing school, and I started... I mean, I've worked as a kitesurf instructor, and it's [been] my biggest hobby for a couple of years” - <i>Participant 2</i></p> <p>“I started the company because I knew I was still passionate about bartending. I knew I was passionate about writing, and I knew I was passionate about yoga. So my plan... my go to on this plan was to stitch a living together doing the three things that I love.” - <i>Participant 1</i></p>
Impact Entrepreneur	<p>“I just really want to make a difference [...] make the fashion industry a better one, that is in a way like how it used to be a very long time ago.” - <i>Participant 12</i></p> <p>“We are going towards agriculture because that's where we can have a real big impact, where there are big problems or challenges.” - <i>Participant 6</i></p>

Time Minimalist	<p>“Because if I streamline just a few things, I can free up quite a bit of my time while still being able to earn like the average income that I need to kind of to survive.” - <i>Participant 1</i></p> <p>“My goal overall is to have a stable income over the years where it's kind of going to be a bit more passive, where I don't have to actively do everything myself, do all the courses myself.” - <i>Participant 2</i></p>
Nomadic Entrepreneur	<p>“Being able to even manage it maybe from somewhere else while I am not [there].” - <i>Participant 2</i></p> <p>“Nomadic, to an extent yeah, I mean, I'm working from home, so that's freedom of location, and we do want to have the ability to go to Europe whenever [...]” - <i>Participant 10</i></p>

As a first step, the results of this table confirm the existence of the four identities of LEs that were previously mentioned in literature. The quotes show that they are apparent within participants of this study; their extent and significance will be assessed in a further step of this analysis.

#### 4.2.2 Further Findings

Additionally to the four categories previously mentioned in literature, new aspects became visible within the interviews. These aspects were discovered through an inductive approach of comparing and contrasting statements of interview participants. Similar statements of participants were grouped and three new motivations or characteristics of participants emerged. The three aspects are *expertise*, *being important*, and *being cool*. Hereby *expertise* stands for entrepreneurs that possess a deep knowledge and dedication towards a specific problem or industry and want to make an impact within that particular area. *Being important* is an aspect that describes the entrepreneur's aspiration to be acknowledged as an important person. Meaning, they want to be incorporated in making essential decisions and they aspire to be part of exclusive circles of important people. The *being cool* aspect portrays individuals with the aspiration to have a certain status and image. They want to be included in the start-up scene and seek attention with their entrepreneurial pursuits. Some example statements for each category are displayed in table 8.

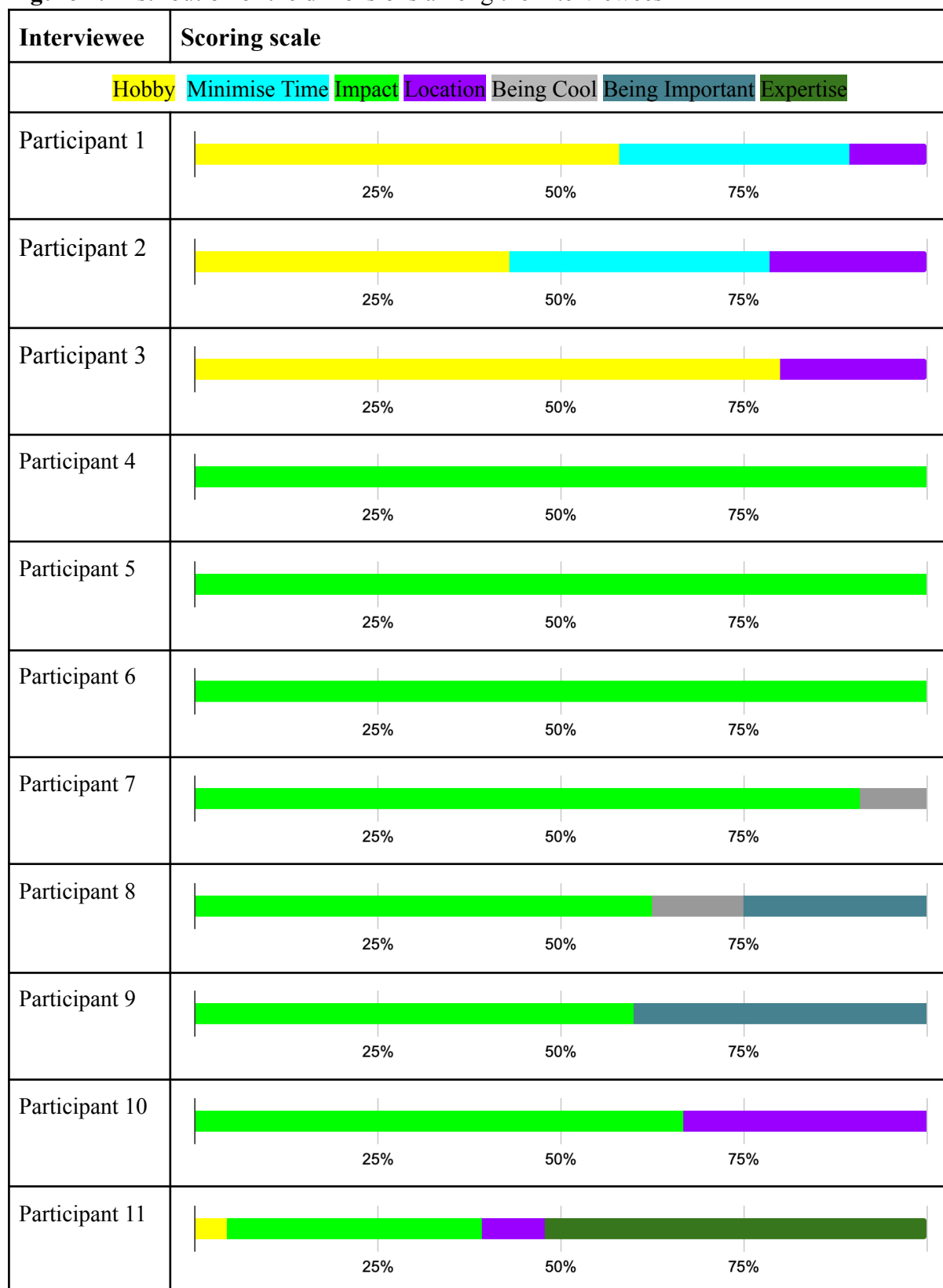
**Table 8:** Additional dimensions of the LE

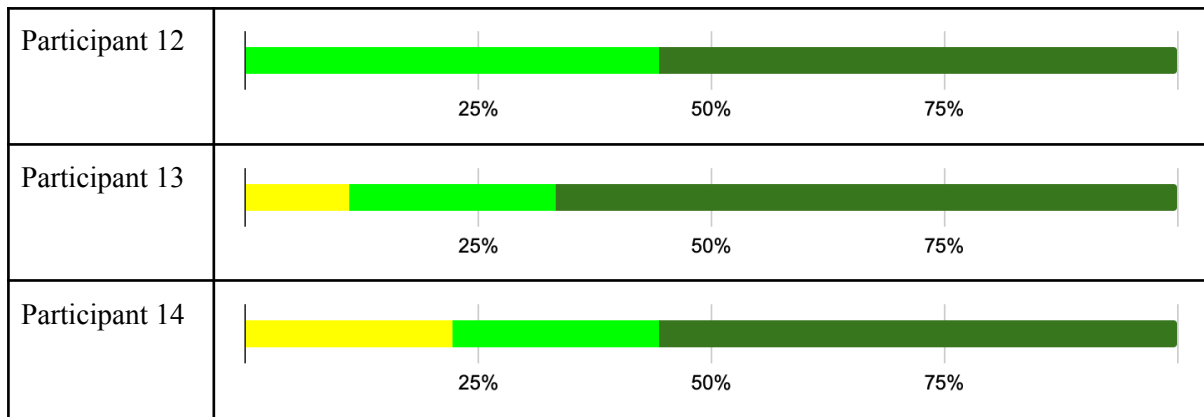
<b>Entrepreneur Aspects</b>	<b>Quotes from interview participants</b>
Category 1 (Expertise)	<p>“I’m just so obsessed with solving the problem. But like, it keeps me going. It’s my true north. And that I think... you have to love the problem.” - <i>Participant 12</i></p> <p>“I have been working in stem cells for about 20 years, [...] so I think I feel very comfortable in the area. I have a lot of knowledge about the area.” - <i>Participant 13</i></p> <p>“And then based on my background, interests and experiences, the skill set I had, and that’s where I started gathering those notes from ages ago and seeing okay, I want to start this accommodation.” - <i>Participant 11</i></p>
Category 2 (Being Important)	<p>“[...] one thing I really wanted to do is being in the circles of important people, because I just want to be part of the conversation.” - <i>Participant 9</i></p> <p>“I think the thrill of meeting people, just understanding like the market really made me very motivated [...]” - <i>Participant 8</i></p>
Category 3 (Being cool)	<p>“I think it’s not my drive to be like that everybody admires me in a way totally not. But yeah, entrepreneurship has a certain aura of being cool.” - <i>Participant 7</i></p> <p>“[...] you have continuous dialogues with the people that you work with. But at the same time that they see that you’re brave, you’re taking these steps forward.” - <i>Participant 8</i></p>

### 4.2.3 Lifestyle Entrepreneur Traits of Participants

Section 4.2.1. and 4.2.2. mentioned seven aspects of LEs that were apparent to different degrees within the interviewees. Once again, the frequency and in-depthness that the participants talked about each aspect was transferred into numerical data in order to draw a direct comparison. The results are displayed in figure 2, summarising the participants' results for each category with a bar graph. Each colour represents a category, and the bar shows how much and how in-depth each participant talked about the respective category in comparison to the other categories, yet this can not be taken as a precise measurement. The detailed coding rules are stated in appendix C.

**Figure 2:** Distribution of the dimensions among the interviewees





The results show the score each participant received within the different categories. It becomes visible that three aspects are always more represented than any other. These aspects are *hobby*, *impact*, and *expertise*. All other categories *minimise time*, *location*, *being cool*, and *being important* are apparent within some participants but less represented.

Three participants (participants 4, 5, and 6) stand out as they only scored in one category, namely *impact*. The results of this study do not show indications of the presence of any additional categories, however, when conducting a detailed analysis of participants it is likely that further motivations become evident.

#### 4.2.4 Establishing and Defining Groups

With the help of the graphical distribution of motivations and the comparison and differentiation between them, interview participants could be assigned into three different groups. Group one includes participants 1-3, as they all score highest within the *hobby* and the *location* category. Two out of the three also mention *minimise time*.

Participants 4-10 all score high in the *impact* category, while aspects like *being important*, *being cool*, and *location* are also apparent. Clear common features can be seen, which is the reason to group them together as group 2.

Lastly, participants 11-14 all show a high score on *expertise* and *impact*, while *location* is also mentioned by one participant. The similarities are evident, therefore, these participants form a third group.

Within each group, an ideal case was chosen to portray the group's distinctive characteristics, motivations, and traits most accurately. Based on the ideal case and the common traits that



were apparent within all participants of the group in the research, a description for each group has been developed. Extracted from this the motivations to start a venture, the company goals and the target market could be described. This ideal case description was compared to the working definition of the different LE groups and resulted in a final definition for each category. The results are stated in tables 9, 10, and 11.

**Table 9:** The construction of the hobby-group

<b>Name:</b>	Hobbypreneur
<b>Ideal type:</b>	Participant 2
<b>Common aspects:</b>	Seek advice from others; fantasise about turning their hobby into a business; first time being paid for their work is special to them; personal fulfilment has a high importance; focus on making use of their talents
<b>Description:</b>	<p>An entrepreneur within group one is a passionate entrepreneur who pursues entrepreneurship with the goal of combining their hobby with the aspect of earning money. They often pursue their hobby for years before deciding to transform it into work, prioritising the enjoyment and fulfilment of what they do, over monetary aspects. They usually are the sole proprietor of a company and often seek advice from others or sources like books. Their business is mostly kept local and only scalable or innovative to some extent.</p> <p>They appreciate aspects like having a flexible work schedule, being their own boss, and having a sense of freedom. People within this category prioritise attaining an enjoyable business while ensuring a manageable workload that does not overwhelm them, as they want to establish a good work-life balance. Adopting a time-minimalistic approach can be a goal for them, as it reduces the time spent managing their business and frees up more time to pursue their actual hobby. Additionally, the desire to have the ability to work from any location can be an objective. They often dream about turning their hobby into a business and to make use of their talents. The first time they succeed and get paid for doing so is a special moment for them.</p>
<b>Motivations:</b>	Gaining pure joy through their venture they are deeply passionate about and develop into a specific market with their chosen business activity.
<b>Company goals:</b>	Turning a personal hobby into a business.
<b>Initial market:</b>	Specific
<b>Definition:</b>	Hobbypreneurs are individuals who transform their hobbies or personal interests into entrepreneurial ventures driven by passion, enjoyment, fulfilment and a good work-life balance.

**Table 10:** The construction of the impact-group

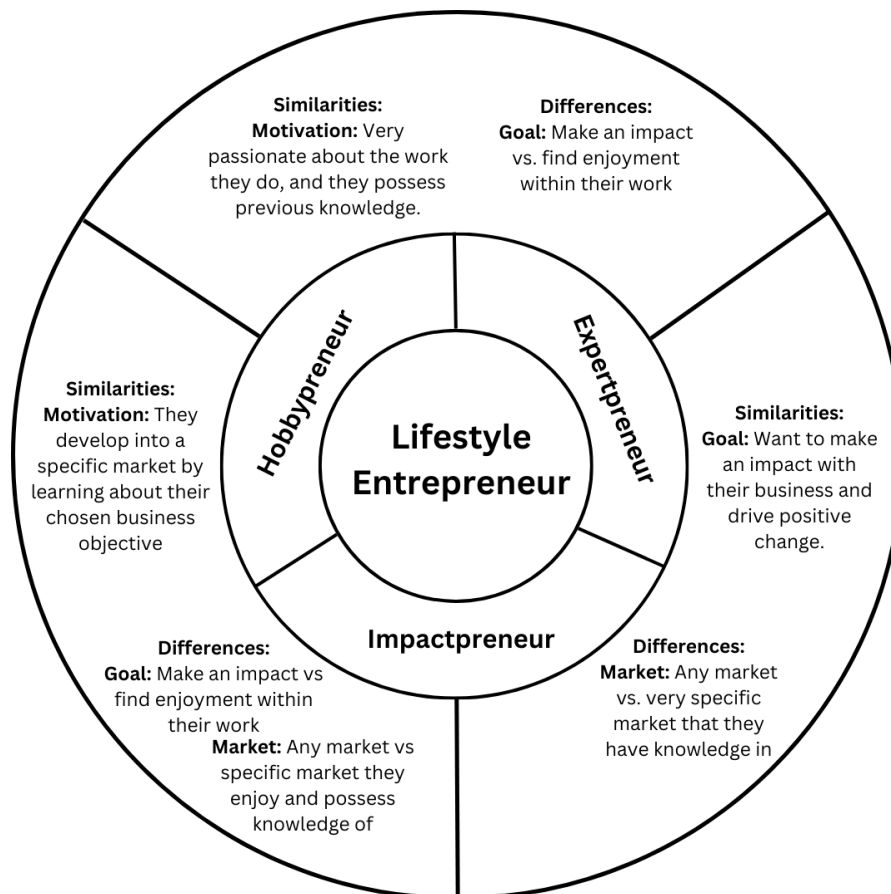
<b>Name:</b>	Impactpreneur
<b>Ideal type:</b>	Participant 8
<b>Common aspects:</b>	Often stumble across the idea that they follow up with; commonly engaged in some kind of entrepreneurial activity as a child or as kind of a hobby
<b>Description:</b>	Participants within group two are motivated by the desire to address significant problems that they encounter. They may not be the originators of the idea or groundwork, but rather individuals who aspire to actualize and apply them. Before embarking on their entrepreneurial opportunity, they may not be familiar with the specific topic or industry, nevertheless, they are driven to make a meaningful impact through their business, which resonates deeply with them. They usually found their business together with a team, and are often aspiring to sell the business after some time in order to pursue something new. They are frequently driven by motivations such as being integrated in the circles of important people, gaining a specific status, and being regarded as both cool and influential.
<b>Motivations:</b>	Finding a market opportunity in something to pursue it as a venture and develop over time into a market.
<b>Company goals:</b>	Making a positive impact and gaining prestige through their endeavours.
<b>Initial market:</b>	Any
<b>Definition:</b>	Impactpreneurs are entrepreneurs who are driven by a strong desire to create a positive social or environmental impact through their business ventures in any objective and develop into a market.

**Table 11:** The construction of the expertise-group

<b>Name:</b>	Expertpreneur
<b>Ideal type:</b>	Participant 12
<b>Common aspects:</b>	Struggle to find a good work-life balance; experienced problem themselves
<b>Description:</b>	<p>Participants within group three are driven by a deep passion and calling to make a difference and accomplish change within an industry that they have a deep connection to and knowledge about. They often started to learn about this industry from an early stage on and followed the industry for years. They understand the issue and feel very deeply about it, as they often experienced it themselves. They dedicate their life to solving this specific problem, not stopping until they have solved it. Doing so, they often forget to take breaks and find a good work-life balance. Entrepreneurs within this category become deeply engrossed in a problem and take proactive measures to resolve it, which leads them to take things into their own hands. Their scalable businesses are often founded together with others and adaptable to a broad target market. Furthermore, they often get involved with entrepreneurship programs or seminars etc. in order to learn how to create their business, which they would also be willing to sell at some point.</p>
<b>Motivations:</b>	Pursuing their deep industry expertise and solving a problem/need they personally encountered in their field of passion.
<b>Company goals:</b>	Making a change in a specific industry to address a problem.
<b>Initial market:</b>	Specific
<b>Definition:</b>	Expertpreneurs are passionate and dedicated entrepreneurs who leverage their specialised knowledge, skills, or expertise to create a positive impact in their respective field.

To show the similarities and differences between the different types of entrepreneurs figure 3 puts an emphasis on comparing and contrasting the three LE types. Through research, it became evident that they can be compared using three criteria, namely: motivations, company goals, and market.

**Figure 3:** Comparing and contrasting the different types of LEs



#### 4.2.5 Fluidity of Lifestyle Entrepreneurs

One finding that became evident within this study, was the fact that when entrepreneurs have multiple businesses, either at the same time or after each other, they can have very different goals and motivations for each. For example, participant 13, who is currently working on a stem cell focused company and grouped into the expertpreneur category, stated during the interview that: “[He] would love to open [a] yoga company as well.” While participant 12,

also from the expertpreneur category stated that in the future: “Maybe I'm gonna just like, live on a ranch and like, make whatever I don't know, like make honey or something [...]. Or maybe I will be very interested in starting another income focused business.” Also participant 8 from the impact category indicates that his business area might change: “What might happen is I might end up more leaning towards the advisory stuff.” These quotes indicate that there are different motivations for starting businesses within entrepreneurs, and that aspirations and motivations can not only change over time, but even be coexistent at the same time when entrepreneurs are running multiple unrelated businesses.

Following this topic, it becomes visible that motivations can change significantly even within the journey of one business venture. For example, participant 1 stated that his motivation changed: “Freedom of location was one that I had before. But it isn't so much.” just like participant 8 has developed a new perspective towards money: “But then I started to like, look out from it, because monetary value, like lost value to me.” These quotes show that participants' motivations can not only change when establishing another business, but also within their current venture their aspirations can change.

## 5 Discussion

### 5.1 The Concept of Lifestyle Entrepreneurs

The analysis showed that the concept of LEs exists and can be classified to a certain extent. Literature has highlighted the importance of grouping entrepreneurs (Salmony & Kanbach, 2020). Although different approaches are repeatedly presented in research to form categories for entrepreneurs, they are not capable of capturing all the individual differences (Thomas, Shaw & Page, 2011). Woo, Cooper and Dunkelberg (1991) indicate that the most common approach is the two-type description. However, they also point out that this approach was not sufficient enough, as it only has limited applicability. The LE was also weaved into this two-type model in previous literature and only compared to other entrepreneurs with economic intentions (Koster, Markantoni & Strijker, 2010). However this research demonstrated that a general view of LEs is not sufficient and is limiting the field as various dimensions exist. Literature also supports this notion, as it points out the many inconsistencies, contradictions, and ambiguities in the definitions of LEs (Bredvold & Skålén, 2016).

Nevertheless, the theoretical background and conceptual framework of this thesis made it possible to find unifying variables. Namely: *pursue a desired way of living, personal fulfilment, passion, financial gains are not the main motive, and freedom to decide what to do*. These could be fundamentally accepted through the investigations of this research. Hereby, it became clearly prominent that aspects of these are missing. These are: *changing one's life* and *flexibility to decide when to work*, which draw a crucial distinction from LEs to other entrepreneurs.

However, this leads to the assumption that past research on LEs may have been insufficient or flawed because the classification was wrong. This was due to the vague and inadequate definitions. This assumption also arises in the literature analysis, where the different descriptions have shown a great contrast (Bredvold & Skålén, 2016). Like the definition of Garibary (2022), which describes that a LE wants to make an impact while maintaining a

comfortable way of living. A particularly eruptive representation of this type described as a phenomenon by Bredvold & Skålen (2016) states that the main goals are economic reasons. Although, in our research participant 8 stated that money and market potential were the deciding factors to pursue entrepreneurship in the first place, this was only initially. He stated: “but then I started to like, look out from it, because monetary value, like lost value to me”.. This reflects an important aspect of the entrepreneur and how their motivations of founding a company can transform. Interviewee 8 has developed a deep passion for his industry and his product and, for this reason, has moved away from monetary motivation in regards to his company.

In the course of identifying the variables that constitute the definition of LEs in this research, it is important to mention the interpretive nature of these variables. For instance, the variable of passion is subjective to each individual. If we look at the distinction between LEs and other entrepreneurs given in literature, the factor is the economic and monetary orientation (Koster, Markantoni & Strijker, 2010). Here, though, it can be argued that money can also be a passion for some entrepreneurs. For this reason, it is of essential importance that the assessment of the LE is only conducted in combination with the LE variables and with the dimensions of the sub-types: *hobbypreneur*, *expertpreneur* and *impactpreneur*.

The range of interpretations that this cluster offers indicate another relevant aspect. In the current study, it became apparent that individuals may exhibit the fundamental characteristics of a LE. However, the manifestation of these characteristics could vary across the different enterprises they establish, each driven by distinct motivations. For example, this could be seen in Participant 13, who founded a stem-cell research company and aspires to start a yoga business. Based on the statements about his motivation, he could fit into two types of LE dimensions if he would pursue his second company.

For this reason, each business from the entrepreneur must be assessed individually based on their motivations to start a venture, the company goals, and the market. This fundamental connection of personal attribute of the entrepreneur and firm traits was also seen in previous literature (Smith & Miner, 1983). However, the study found that it is possible to find common motivating aspects that make an individual a LE. In order to assess future behaviours and make predictions, it is necessary to make a holistic assessment of the individual and the

company.

Nonetheless, this highly dependent character of LEs to their companies point to another heavily pertinent aspect that future research ought to consider. This is the fluidity of classifying entrepreneurs as such. Past research has attempted to group entrepreneurs using many classification methods (Smith & Miner, 1983; Elwood Williams & Tse, 1995). However, it was never addressed to a greater extent that one can potentially represent not only one type of entrepreneur, but that one fits into several groups. This would imply that an individual could be both a LE and another entrepreneur, for example, someone who starts a business for economic reasons. This research has shown that entrepreneurs with different motivations start different businesses. Therefore, it can be assumed that the classification of entrepreneurs requires a very fluid approach, using a broad spectrum in accordance with the motivation of funding a certain enterprise.

## **5.2 The Typology of Lifestyle Entrepreneurs**

After an in-depth research of current literature (section 2.3.1 and 2.3.2), some indications for four groups of LEs became apparent through a detailed comparison between the various vague definitions. The types were extracted and turned into descriptions. These were vaguely established as *hobbypreneurs*, *impactpreneurs*, *nomadic entrepreneurs*, and *time minimalists* (section 2.3.3). By analysing the participants of this study, it was possible to prove the existence of these motivations or characteristics (section 4.2.1). Additionally, new motivations or types of entrepreneurs could be found through an inductive research approach: *being cool*, *being important*, and *expertpreneurs* (section 4.2.2). These motivations and characteristics were found through a systematic comparison and contrast of the interviewees.

When participants were analysed in terms of their overlap with the respective categories and motivations (section 4.2.3) it became visible that there are three main aspects as to why entrepreneurs start their own business. The three aspects are *hobby*, *impact* and *expertise*. These three categories were overall the most mentioned and the ones with the biggest impact on each participant. Therefore the hobbypreneur, the impactpreneur and the expertpreneur were established as three ideal types of LEs. Two of them (hobbypreneur and impactpreneur)



were also evident within existing literature (Garibay, 2022, Warnick, 2018, Popp, 2016). These types were confirmed and refined within the course of this study. The ideal type, expertpreneur, is newly developed and defined within this research. It is added as a third ideal type of LEs.

The *time minimalist* and *nomadic* motivation stated as a category of entrepreneurs within previous literature (Gasparski, Ryan & Kwiatkowski, 2011) (sections 2.3.3.3 and 2.3.3.4) was apparent within some participants of this study, however, it was never mentioned as the main motivation to start a business (section 4.2.3). Similar findings could be seen within the *being cool* and *being important* categories which were developed within the study (section 4.2.2). These entrepreneurship types appeared more as additional motivations, that exist in combination, to the main categories the participants identify with. This can be taken as an indication that there are main types of entrepreneurs while other ‘types’ actually only function as additional motivations in combination with the main categories. Current literature does not differentiate these categories as motivations or types (section 2.3.1), which brings even more confusion and ambiguity into the categorisation of LEs. This study delivers an indication and a first approach to differentiate between these two aspects. Therefore, the aspects; *nomadic*, *time minimalistic*, *being cool*, and *being important* could not be established as an ideal type, but were considered as further inspirations and motivations to pursue lifestyle entrepreneurship.

The three ideal types (hobbypreneur, impactpreneur, and expertpreneur) were adapted to the results of this study or in the case of the expertpreneur newly established and defined.

### *Hobbypreneur*

As established through previous definitions (section 2.3.3.1), hobbypreneurs are entrepreneurs that turn their hobby into a business. They want to pursue something that they love doing while establishing a profitable venture. They work with their hobby and, therefore, turn their work into something enjoyable. Previous literature has summarised some key aspects of hobbypreneurs, but it has also failed with some statements. As stated by Gasparski, W.W., Ryan, L.V. and Kwiatkowski, S.M. (2010) within their definition of doing it for love: “The goal is not to work as little as possible.” (p. 49-50). This description is contradictory to the findings of this study, as participants 1 and 2 fall into the category of hobbypreneurs while stating that they also have a time minimalistic approach. It can be argued that while hobbypreneurs do enjoy working with their hobby, they also put a high emphasis on the

enjoyment of their work and general life (table 9). They, therefore, value a good work-life balance and, sequentially, the less administrative work they have, the more time they can spend enjoying their freetime. It is possible that once a hobby turns into a business, the entrepreneur drifts away from actually practising their hobby and has more work managing the venture. Therefore, running a business with less involvement, or even on the side with a time minimalistic approach, can be a motivation and important aspect for hobbypreneurs. Gasparski, W.W., Ryan, L.V. and Kwiatkowski, S.M. (2010) also state that hobbypreneurs have the mindset that they would still run their business: “[...]even if it did not earn a cent.” (p. 49-50). This is also contradictory to results found within this study, as even if LEs do not put a main focus on earning money, they do want to earn enough to make a living out of their business (section 4.1.1). Another finding from this study is the frequent tendency of hobbypreneurs to seek advice from entrepreneurs. This is a valuable input for support programs (section, 4.2.4, table 9), as it indicates an opportunity for them to provide targeted courses and assistance tailored to this specific type of entrepreneur.

### *Impactpreneur and Expertpreneur*

Both groups include aspects for which indications have been found in previous literature for impact entrepreneurs (Garibay, 2022; Popp, 2016) (section 2.3.3.2), as they both have the goal to make a difference (section 4.2.4, tables 10 and 11). However, previous literature fails to separate these two distinct types of entrepreneurs. Both groups are driven by the motivation to make an impact and facilitate positive change, but the motivation behind this drive and the degree of passion and knowledge that comes with it is very different.

### *Impactpreneurs*

Matching the definitions from Garibay (2022) and Popp (2016), impactpreneurs strive to make a significant impact with their business ventures. They are driven by a desire to make a positive change and actively search for new business opportunities. Impactpreneurs are not set on a specific problem or industry, as they are actively searching in different areas to find one where they can make an impact in. An aspect that is not highlighted within previous literature is the fact that they often choose a market opportunity without much knowledge about the specific industry. Therefore, especially in the beginning there is little to no passion about the actual problem or industry involved (section 4.2.4, table 10). This aspect is not

concretely stated in previous literature, however, there is also no further indication of a sense of passion within them (section 2.3.3.2).

### *Expertpreneur*

Expertpreneurs, on the other side, have a very deep and strong passion towards the problem or industry they operate in. As established throughout this research, they often start to develop their passion and learn about their chosen industry from an early age on, and want to achieve change and a positive impact within this specific industry. They are burning for the problem and make it their life goal to solve it (section 4.2.4, table 11). With this description, they cannot be matched within the impactpreneur group or the hobbypreneur group and instead create a new group of expertpreneurs. This type of entrepreneur has an enormous passion about a specific problem or industry. They have often spent years gaining information and insights about a specific topic and actively want to improve and achieve change within this area. Just like impactpreneurs, they also want to achieve a big impact with their business. However, unlike them, they do so with a huge amount of background knowledge, which they have often acquired from an early age on, and a passion for the problem or industry that goes way beyond a passing interest, but turned into a deep commitment (section 4.2.4, table 11).

## 6 Conclusion

This thesis had the purpose of contributing to the research of the classification of entrepreneurs by focusing on the group of LEs and establishing a precise definition and revealing the different dimensions of this type as subcategories. Building on existing literature, a qualitative study on this was performed, in which significant clarification of this entrepreneur group could be derived and a novel typology for it could be established. As outlined in the purpose of this thesis, it further contributes to literature and research, as a solid foundation for LEs could be developed. This enhances the quality of future research regarding this topic and amplifies the validity of results.

Through this research, variables have been identified that are inherent in every LE. These are namely: *pursue a desired way of living, personal fulfilment, passion, financial gains are not the main motive, freedom to decide what to do, changing one's life, and flexibility to decide when to work*. From these, a precise working definition could be developed in which this grouping is clearly distinguished from other entrepreneurs. Furthermore, it was also determined which variables unite all LEs and can always be found, and which only describe individual characteristics that are not necessarily present in all cases. Another relevant insight that was unveiled in this process, was that an entrepreneur can start different companies and be categorised into different types with their corresponding motivation. In the course of the discussion of the results of this paper, it became evident that this perspective can also be applied to the entire concept of entrepreneur classification. This means that it is a fluid concept that must always be related to the individual and to their founding.

The thesis demonstrates that the concept of lifestyle cannot be defined without the sub-categories: *Expertpreneur, Impactpreneur* and *Hobbypreneur*. These have been clearly classified by this research. The Expertpreneur can be described as ‘passionate and dedicated entrepreneurs who leverage their specialised knowledge, skills, or expertise to create a positive impact in their respective field’. The impactpreneur differs from this, as it is characterised as ‘entrepreneurs who are driven by a strong desire to create a positive social or environmental impact through their business ventures in any objective and develop into a market’. Whereas the hobbypreneur is someone ‘who transforms their hobbies or personal

interests into entrepreneurial ventures driven by passion, enjoyment, fulfilment, and a good work-life balance'. These ideal types are the only subcategories of LEs in this research.

Finally, one must also consider that the individuals who are potentially categorised into these types vary in their attributes, such as motivation and intention, and thus exhibit different behavioural patterns. Nevertheless, these findings bring a clarity to the enigma of the LE classification that has not existed in previous research. Thus, the research question: 'What are the core dimensions of a LE and how does it translate into a concept?', can be fulfilled and answered.

## **6.1 Limitations of Results**

The present research exhibits certain limitations in its scope, which will be described in the following. Primarily, the questions asked in the interview guide are potentially not open-ended enough. The questions were developed on the basis of the existing literature on this topic and other typology models. For this reason, the leeway for open-ended and follow-up questions was somewhat limited. Thus, the research design of the study was restricted and bound to the idiosyncrasies of this study and would have to be adapted in further research. This may also have led to some of the participants falling into one category 100% within the results of this study (participants 4, 5, and 6 are only categorised in group impact). This could also have been due to the given coding rules and the evaluation of this research. However, this thesis is rather explorative in nature, thus the focus was to explore general patterns.

Furthermore, although question blocks in the interview guide (see appendix A) asked for demographic aspects, they were not included in the formulation and description of the types. Age, gender, and especially origin could have an influence on entrepreneurial motivations and aspirations, but these were neglected in this study. This was done in order to create a basic universal definition of the concept of LE and its dimensions. Moreover, the disproportional distribution of gender, as only two women were interviewed, could have influenced the results.

These circumstances should be considered by future research. Furthermore, it is important to mention the limitation of the small sample size once again, as certain groups had only a limited number of participants (e.g., three for group hobbypreneurs). As a result, certain shared characteristics, even if observed in only two participants, were considered representative traits for the entire group.

## **6.2 Practical Implications**

The findings of this study have implications for both, individual LEs and the LE industry as a whole. The research resulted in the categorization of different types of LEs, enabling a better understanding of each group. Consequently, this study provides scholars with a more solid foundation for future research on LEs. However, this means that previous research that has examined LEs using broad definitions (see section 2.3) should be reconsidered in light of the findings from this work.

Furthermore, LEs can receive customised support that takes their specific needs into account. Support programs and initiatives can now customise their offerings to effectively address the unique requirements of each type of LE. Furthermore, policymakers can utilise this categorization to gather valuable insights and develop policies that promote the availability of resources and a favourable environment for the respective types of entrepreneurs. They can also adapt regulations to facilitate the establishment and continuity of businesses for specific LE types.

For entrepreneurs themselves, understanding the category they belong to allows for personal identification and self-awareness. It enables LEs to connect with like-minded individuals within their category, fostering information exchange, support, a sense of community, networking, and collaboration among peers. This ultimately facilitates mutual assistance and creates opportunities for shared learning and growth within the LE community.

### **6.3 Future Recommendations for Academia**

More in-depth studies about LE and their typology are recommended in four different areas of application, as this thesis is operating in a relatively new field of research.

One revealed aspect of the LE is the fluidity of the concept. Literature would benefit from a new investigation regarding this topic. Fluidity has not yet been researched to describe this aspect, but it has a strong impact on the behavioural patterns and outcome of the firms founded. A universal framework that gives an understanding of the nature of such a classification should be developed.

The other area in need of further investigation is the quantitative validation (Olsson & Bosch, 2015) of the developed concept of LEs. Since this study has been able to provide a basic description of LEs, the quantifiability of these results and that they are represented in the masses still needs to be confirmed.

Qualitative exploratory research (Stebbins, 2001) could be further expanded to discover new dimensions of the LE. Although the present study was able to identify the ideal types, the research was limited in participants. For this reason, other forms may still exist and should be further explored. Beyond this, there is a significant need for research to examine the individual dimensions more closely in order to better understand the impact of the types of LEs. This thesis was able to confirm and discover, on a basic level, the characterisation of the sub-categories of LE, but the question remains as to what effect this has on society and the economy. Thus, it suggests that future research looks into specific dynamics of the dimension that would have an influence on these areas.

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# Appendix

## Appendix A - Interview Guide

### Part 1: Short standardised part about the interviewee and their company

First name and surname; position in company; company; year established; headquarters; number of employees; general info about the company:

### Part 2: Interview Guideline

#### *Category 1: Entrepreneurial Intentions*

1. How and why did you become an entrepreneur? Did you study anything entrepreneurship related? Are you part of any incubators?
2. Why did you choose this business? What motivated you?
3. What is your business idea? How did you discover it? What was your inspiration?
4. Did you stick with the first idea you had or did you change your business idea?
5. Who did you found your company with / did you found it on your own? When did you hire your team?
6. Is this your first company or did you previously found another one already?
7. What is your viewpoint of entrepreneurship in general, what does it stand for?

#### *Category 2: Corporate overview and value proposition*

1. Do you have employees, if so, how many employees do you have?
2. Do you have any investors?
3. What was your starting market and why? In how many markets are you operating?

#### *Category 3: Future Orientation*

1. What are the goals for the next year(s) for your company? Do you plan to grow your business further, how big do you imagine your company to be one day?
2. Do you plan to sell your business (one day)?
3. Do you plan to start another business? On the side or as a main business / instead of the current one?



#### *Category 4: Personality Traits*

1. In your opinion, should entrepreneurs have some personal qualities? / Be a specific way to succeed as an entrepreneur?
2. What would you say are your qualities and competencies to start a business?
3. Would you implement a hierarchical or a flat organisational structure in your company? What is the reason for that?
4. What are you doing in your free time next to your business activities?
5. Would you consider yourself a leader? Why?

#### *Category 5: Demographic aspects*

1. Where did you grow up?
2. How would you describe your childhood?
3. What did your education look like?
4. Can you tell us about your parents? Were you supported with your decision to become an entrepreneur?
5. Did you have entrepreneurs around you (as a role model) when you were growing up?

#### *Task: Grouping into categories*

At the end of each interview, the following slide was presented to participants with the request to classify themselves into one or multiple groups that they find most suitable. Hereby none, one, or multiple groups could be chosen.

- *Hobbypreneur*
  - Turn a hobby into a business
- *Impact*
  - Want to make an impact with their business
- *Time minimalists*
  - Taking much of the time commitments out of owning a business
- *Nomadic entrepreneurs*
  - Freedom of location
- *Changing one's life*
  - Changing their life through work
- *Being cool*
  - Wanting the admiration by being an entrepreneur of your social circle (the Popstar of the current time)

## Appendix B - Predefined Codes (Lifestyle Entrepreneur)

### *Desired way of living:*

**Coding rules:** Identify individuals that describe or discuss their visions or preferences for their overall way of living in alignment with entrepreneurship.

**Descriptors:** Lifestyle aspirations, long-term goals, preferred lifestyle, overall life satisfaction, dream about being an entrepreneur.

### *Personal fulfilment:*

**Coding rules:** Identify individuals that highlight their pursuit of personal satisfaction and self-actualisation.

**Descriptors:** Finding purpose and meaning within their work, achieving personal goals, self-fulfilment, self-discovery, personal growth, pursuing interests and goals.

### *Passion:*

**Coding rules:** Identify individuals that express strong enthusiasm or deep interest in specific activities, pursuits, or areas of focus.

**Descriptors:** Intense enthusiasm, strong interest, deep love, genuine excitement, fervour, dedication, intrinsic motivations.

### *Money not primary motivation:*

**Coding rules:** Identify individuals that indicate their primary motivations as not solely or primarily driven by financial gain.

**Descriptors:** Non-monetary goals, intrinsic motivation, values beyond money, purpose-driven, seeking fulfilment beyond financial rewards.

### *Flexibility to decide when to work:*

**Coding rules:** Identify individuals that express a desire for autonomy and control over their work schedule.

**Descriptors:** Work-life balance, autonomy, flexible working hours, self-determination, choosing when to work.

*Changing one's life:*

**Coding rules:** Identify individuals that describe making significant changes within their life.

**Descriptors:** Transformative goals, lifestyle changes, personal reinvention, pursuing new opportunities, making a fresh start, changing their life for the better.

*Freedom to decide what to do:*

**Coding rules:** Identify individuals that indicate a desire for autonomy and the ability to make choices about their activities or pursuits.

**Descriptors:** Autonomy, self-direction, freedom of choice, independence, self-determination, decision-making authority, being their own boss.

## **Appendix C - Predefined Codes (Types of Lifestyle Entrepreneur)**

### **Part 1: Codes established from previous literature:**

*Hobby entrepreneur:*

**Coding rules:** Identify individuals who have converted or plan to convert a hobby into a business. Look for statements that refer to the reasons for this decision, e.g. passion for the hobby, economic opportunities, etc.

**Descriptors:** Passion for a particular hobby, motivation to start their own business, connection between the hobby and the business, often starting as a side project that eventually turns into a full time business, deep knowledge of their hobby.

*Impact entrepreneur:*

**Coding rules:** Identify people who start their business to have a positive impact on society or the environment. Look for statements that relate to how the business has or should have a positive impact.

**Descriptors:** Social responsibility, sustainability, common good, environmental protection, often very innovative business ideas, sustainable & scalable solutions, driven by a purpose.

*Time minimalists:*

**Coding rules:** Identify people who start or own a business but want to minimise time commitments. Look for statements that relate to the reasons for this decision, e.g. work-life balance, flexibility, etc.

**Descriptors:** Flexibility, time management, work-life balance, delegation of tasks, self-running business, run a business on the side, not or little active involvement in the business operations.

*Nomadic entrepreneur:*

**Coding rules:** Identify people who start or own a business to have the freedom to work from anywhere or to work while travelling. Look for statements that refer to the reasons for this decision, e.g. freedom, sense of adventure, etc.

**Descriptors:** Desire to travel, mobility, independence, virtual working, mainly communicate with their team and customers online, live in different locations for a longer time.

## **Part 2: Codes discovered throughout the process:**

*Being cool:*

**Coding rules:** Identify people who start or own their business to be part of the start-up scene and represent a certain way of life. Look for statements that refer to the reasons for this decision, e.g. image, status, etc.

**Descriptors:** Image, status, lifestyle, social media, having a famous entrepreneur as a role model, seeking attention.

*Being important:*

**Coding rules:** Identify people who start their business because they want to receive recognition for their work and be seen as important. The desire to be perceived as a decision-maker and part of a select group of people is paramount. This group of lifestyle entrepreneurs often looks for opportunities to demonstrate their own importance and significance. Look for statements related to them knowing important people and that they are included in the circles of important people.

**Descriptors:** Importance and recognition as primary motivation, wanting to be part of a select group of decision-makers, desire to make decisions and have an impact, desire to be perceived as important and significant, often show a tendency to emphasise their own skills and achievements to underline their importance, exclusivity.

*Expertpreneur:*

**Coding rules:** Identify people who start their business because they possess an enormous passion for and knowledge about a problem or industry, within which they want to drive positive change and make an impact. Look for statements related to how passionate they are about their business and how they want to have a positive impact.

**Descriptors:** impact, passion, innovative, scalable, driven by a deep passion, big knowledge within the area of their business, started to learn and become passionate about the industry or problem as a child, spent years following the industry.

## Appendix D - Colour Coding

Attached different sections of interview transcripts are stated to show how the coding rules were applied practically with the use of the colour coding approach.

Interviewee	Section of interview transcript
	<p>Desired way of living Personal fulfilment Passion Money not primary motivation            Freedom to decide what to do Changing one's life Flexibility to decide when to work            Hobby Minimise Time Impact Location Being Cool Being Important Expertise</p>
Participant 10	<p>The opportunity to create your own thing, to create your own impact in the world, to you know, a lot of those pretty basic things you know, to be your own boss. You know, I've got two children and I love the flexible lifestyle that's linked with that not saying you can't have that with a lot of corporations but it's very much your choosing when and where to work. You know, I think there's always a dream of the upside of the money in the future. But you know, the first couple of years, there's no money involved, really. So that's probably not always the main thing. But it's about creating something that's my own. Building something that I, in 5-10 years, can be really proud of, to you know, pass on to the next person or even to my kids in the future.</p>
Participant 14	<p>So I've always had a genuine interest in sports, meaning playing sports myself on a high level throughout my youth, organized sports, and after that I decided that I wanted to facilitate, to provide my knowledge within the well being and sports sector and the fitness sector as well. So I decided to do numerous education's as well within that space, which also led me to the path that I could start doing consultancy services. So that was mainly due to my pure interest in sports and wanting to help other people as well.</p>
Participant 9	<p>I just, I always... I just like doing bigger things, if that makes sense. Like I cannot just go and work for a job, that I'm not super interested in. So for me, I really like to work on projects that excite me. But I also like to have</p>

	the ultimate authority over them. You know, I like to make decisions, because I do believe I think in a particular way.
Participant 3	I started to train to become better and then soon it was not just my passion, It was like a dream that I would work for myself, like I'm my own boss, I can like make people happy with my voice with my talent.
Participant 12	I think you need to have passion for it. Like you need to really love the problem. You really do. And I'm just so obsessed with solving the problem, but like, it keeps me going. It's my true north. And that... I think you have to love the problem. You have to be passionate about it. Like so much that you feel like okay, I can not do anything else.

## Appendix E - Verification of Groups by External Researcher

Attached the results provided by an external researcher can be found. The external researcher grouped participants of this study into the three different categories established (impactpreneur, expertpreneur, and hobbypreneur) within this study with the help of the definition and description established, in order to confirm that the definitions and descriptions are sufficient to group entrepreneurs accordingly and correctly.

Leonie Blum  
Student of MSc in Entrepreneurship and Innovation  
Lund University, School of Economics and Management

Antonia Klug and Angela Baumeister  
Students of MSc in Entrepreneurship and Innovation  
Lund University, School of Economics and Management

**Results: Grouping of Lifestyle Entrepreneurs**

Hello Antonia and Angela,

as requested, I grouped the 14 participants with the help of the previously provided descriptions into one of the three different subcategories of lifestyle entrepreneurs (Impactpreneurs, Expertpreneurs and Hobbypreneurs)

My results are the following:

Impactpreneurs:

- Participant 10
- Participant 8
- Participant 4
- Participant 7
- Participant 6
- Participant 9
- Participant 5

Expertpreneurs:

- Participant 14
- Participant 12
- Participant 13
- Participant 11

Hobbypreneur:

- Participant 2
- Participant 1
- Participant 3

I hope this result will be helpful to you.

All the best

*L. Blum*

## Appendix F - Categorisation Agreement of Participants

*Agreement of participant 14, Expertpreneur*

**Re: Thesis interview follow up request**

[Redacted]

**An:** "Angela Baumeister"

[Redacted]

---

Hi,

I agree with this grouping.

Good luck now with the final push!

Hälsningar / Sincerely,

[Redacted]

CEO & Co-founder

*Agreement of participant 1, Hobbypreneur*

**Re: Thesis interview follow-up request**

[Redacted]

**An:** "Angela Baumeister"

[Redacted]

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Yep, the description sounds good to me 😊

*Agreement of participant 14, Impactpreneur*



## Thesis interview follow-up request

To: Angela Baumeister

Hej Angela,

I fully agree with your characterization!  
Good luck with finalising your thesis.

All the best,