Northumbria Research Link

Fixed, Tethered or Free:
The Role of Space and Place in Online Home-Based Businesses

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Abstract

Online businesses were heralded as being 'anytime, anyplace, anywhere' businesses, allowing the entrepreneurs who run them to be free of locational constraints. In contrast, entrepreneurs who operate home-based businesses have made a conscious choice to operate their business from home. This study explores the role of space and place for entrepreneurs who have brought these two types of business together, that is, entrepreneurs who are operating online home-based businesses. Such businesses are important as the have been identified as offering a unique opportunity for experimentation and innovation are hence a source of business diversity. The also offer economic benefits both at the individual micro

level and at the macro-economic level. The study, which is exploratory in nature, is undertaken by means of key informant interviews with 42 entrepreneurs who are operating online home based businesses. The study finds that whilst certain factors allow such businesses to be location independent, other factors constrain the location of the businesses, usually to the home. The study findings suggest that there is a more subtle third alternative we term 'tethered' businesses, that lies between these two extremes of location dependent or independent, which is more appropriate for many online home-based businesses.

Introduction

Home based businesses represent a significant proportion of businesses in many economies. For example, in the US, UK and Australia, home based businesses represent between 50-60% of all businesses (Mason et al, 2011; BIS, 2012). Online home based businesses are a particularly important sub-domain of such businesses, since they have been recognised as providing a unique opportunity to undertake innovation and create business diversity (Gelderen et al, 2008). Whilst they may be extreme examples, a number of the largest firms in the IT and online domain were started in the home. For example, firms as large and successful as Microsoft, HP, Amazon, Facebook and Apple grew from modest origins in the homes and garages of their founders. Thus online home based firms may offer both advantages to individuals compared to other types of employment or venture formation, and may also offer significant macro-economic benefits.

Online businesses have often been described as 'anywhere, anyplace, anytime' businesses, or drawing from the popular advertisements using this strapline in the 1980s, as 'Martini businesses' (e.g. Timmers, 1998; Laudon and Traver, 2003). This ability of entrepreneurs to operate the online businesses from any location and at any time suggests that space and location are unimportant to such individuals or their businesses. However, prior literature suggests that location is an important element in deciding to operate a business from home (Felstead and Jewson, 2000; Felstead et al, 2001). This includes both the decision to base the business in the home, often due to cost considerations (Daniel et al, 2014) and the geographical location of the home, which will often have been influenced by the location of social networks, local infrastructure and amenities and the ability of other family members to access school or work (Kristiansen, 2004). We are unaware of any work that has explored how issues of location manifest and are balanced by those operating online home-based businesses. We therefore explore, by means of interviews with 42 entrepreneurs who are operating online home-based businesses, the following research question:

- What is the role of space and place in the operation of online home-based businesses?

We commence this paper with a discussion of the characteristics of online home-based businesses drawn from extant literature. We then describe the methods adopted for the empirical stages of the study, including data collection and analysis. We present the findings of the study, drawing extensively on the words of our informants and organised into three sections. The first section considers the role of space and the subsequent sections consider the role of place, considering firstly location independence and then location dependence of online home-based businesses. In our discussion we suggest the notion of 'tethered' businesses to describe how many of the informants interviewed operate their businesses. This

notion of tethered businesses is discussed and compared to businesses that are operated from fixed locations or those that are truly location independent. We conclude by noting the limitations to this study and suggestions for further research.

Prior Literature: Characteristics of Online Home-based Businesses

Drawing on extant studies of online home-based businesses (e.g. Deschamps et al, 1998; Sulaiman et al, 2009), we define online home-based businesses as: *a business entity operated by a self-employed person working* <u>*at*</u> *home and who is using the internet to carry out a significant proportion of business activities.* We note that an important distinction in the domain of home-based businesses is between those businesses operating <u>at</u> home and those operating <u>from</u> home (Clark and Douglas, 2009-2010). As stated in our definition, our focus is on businesses where the entrepreneur is based <u>at</u> home for the majority of their time.

Gelderen et al (2008) identify six characteristics of online home-based businesses: Speed, Multiple income, Inexpensive, LEan, and Smart. They use the term Speed to describe the short time it takes to start an online home-based business, summarised by the authors as '*all it takes to start an internet business is a computer and an idea*' (p.166). Many online home-based business owners are involved in more than one form of income generation or supported by other sources of income, resulting in such businesses being described as, Multiple income. These entrepreneurs may be operating their online business alongside other employment, operating more than one business, supported by savings from previous employment or by the income of a spouse (Bryant, 2000). Whilst it could be thought that multiple income streams mean that the entrepreneurs are not serious about their online ventures, Gelderen et al (2008) considers that these other income sources allow the entrepreneur to pursue their venture '*without the pressures of immediate financial reward*' (p.166), which allows self-learning and trial and error experimentation.

Inexpensive to operate describes the low cost to establish and operate such businesses: Bryant (2000) describes the costs of acquiring the necessary hardware and software as '*fascinatingly little*' (p.22). Services that allow use of software on a shared or rental basis, such as online shopping carts, payroll and client management systems reduce software costs further, whilst services such as cloud computing can reduce hardware costs. The modest IT costs are combined with the reduced property costs, compared to operating from commercial premises, of operating the business from home (Betts and Huzey, 2009). The low costs to establish and operate, mean that many online home-based businesses are often formed with modest investments from the founders own sources, rather than bank or venture capital funding, which in turn aids the effectual and experimental approaches associated with this type of business (Daniel et al, 2014).

In addition to the characteristics identified by Gelderen et al (2008), Anwar and Daniel (2014) find such businesses are distinct from other types of start-up according to a number of other characteristics including the degree to which they operate within a distributed network of businesses and the challenges of developing trust and credibility with trading partners. Extensive use of networking is consistent with the observation that many online home-based entrepreneurs do not wish to take on employees, since they perceive this reduces their own control, flexibility and low operating costs. Growth of such businesses therefore tends to involve increased networking rather than the employment of staff and has therefore been termed '*jobless growth*' (Mason et al, 2011). Whilst not generating jobs within the venture,

home-based businesses are recognised as making economic contribution to both local and wider economies (Jain, 2011; Sayers, 2009-2010; Vorley and Rodgers, 2014).

A final challenging characteristic of online home based businesses is the need to establish credibility and trust with stakeholders (Wynarczyk and Graham, 2013). Many home based businesses have limited visibility causing them to be referred to as '*invisible businesses*' (Mason et al, 2011). This lack of visibility and, in common with other micro-businesses, their limited financial and human resources (Oriaku, 2012; Robinson and Stubberud, 2013), results in caution from customers, suppliers and other stakeholders. A number of micro business address this caution by stakeholders by adopting impression management techniques, often seeking to appear larger or being established for a longer time (Nagy et al, 2012; Überbacher, 2014).

Method

We wished to explore the previously unresearched domain of the role of space and place in the operation of online home-based businesses. The role of these factors is likely to be diverse, complex, socially constructed and path dependent and hence we adopted a qualitative and inductive research method. Our chosen method was based on key informant interviews. This represents a well-accepted exploratory research method (Kumar et al., 1993; Homburg et al, 2012) that enables researchers to access the multi-faceted lived-experiences of a wide range of respondents (John and Reve, 1982). This method also allows for a progressive, iterative and reflexive approach to data gathering and theorising that we sought (Alvesson, 2003).

Key Informant Enrolment

The population of interest was key informants who had formed and operated online businesses at home. The online home-based businesses were consistent with the definition of these types of business provided earlier and included: online retailing, web design, digital marketing services, IT consultancy and business services. The findings reported here are derived from the combination of two groups of online home-based business entrepreneurs. The first group (denoted as EE) which we term the ethnic entrepreneur group had either moved to the UK from overseas or whose parents had moved to the UK. In the second group, the non-ethnic entrepreneurs (denoted as NE), both the informants and their parents had always lived in the UK. The identification of two groups has allowed us to consider, in a separate paper, how online home based businesses can support ethnic entrepreneurship. The responses from the two groups relating to space and place were very similar, and hence the findings from the two groups are combined in this paper. Where differences were identified, these are highlighted and discussed in the findings section of the paper.

For both groups we used three approaches to identify and recruit key informants. First, we adopted a purposive sampling strategy (Easterby-Smith et al., 2008) in which the researchers identified entrepreneurs matching the study's requirements, and known to them personally, who were approached to participate. Second, we adopted a snowballing approach (Bryman, 2004) by asking the first informants to identify others who had started home-based online businesses matching the requirements of our study. Third, we used the web, particularly social networking services such as LinkedIn, in order to identify individuals who appeared to fit our population of interest. We then approached these individuals via email and asked if

they would be willing to participate in the study. Our total combined sample consisted of 42 key informants.

We recognize the possibility that our three approaches to identifying key informants could be prone to self-selection bias (Bryman and Bell, 2007), with agreement to participate being more likely among entrepreneurs who viewed themselves or their businesses as positively framed. However, our focus was not on the success of the firm *per se* but on patterns of entrepreneurial activity.

Table 1 summarizes key descriptive data for the 42 interviews conducted, and shows for each informant: gender, type of business, the number of founders and when the business was started. All the businesses were active and viable when the interviews took place; however, we did not set limits on how long they had been in operation. Of the key informants, 24 were male and 18 were female.

Take in Table 1 about here

Data Collection

Data collection was guided by a semi-structured interview schedule (Punch, 2005), with the same questions being posed to both groups of informants. The schedule design followed the ideas of narrative interviewing in which informants are encouraged to tell their story relating to the subject of study (Larty and Hamilton, 2011; Bryman, 2004). We initially used broad questions such as "tell me the story of your business - why you started it and how you started it" to encourage respondents to describe their experiences and perspectives, rather than being led by the interviewer. If informants had not addressed the topic unprompted, they were prompted to discuss what influenced the location of their business.

Most of the interviews were conducted face-to-face, with the remaining being undertaken by telephone. Again, in the majority of cases, interviews took place in the business location of the entrepreneur's home. In five cases, the entrepreneur asked to meet in a public location such as a café. Conducting face-to-face interviews in the home-based setting of the majority of businesses enabled us to collect field notes on aspects such as use of space in the home and promotional signage outside the home. In addition to the field notes, the data were supplemented with other sources (Denzin and Lincoln, 1998), such as examination of the businesses' websites, social media pages and press coverage.

Data Analysis

All of the interviews were recorded. In some cases, interviews were conducted by two interviewers, allowing field note comparison to aid understanding and internal validity of the study. In all other cases, interviews were undertaken by the same single interviewer. The researchers followed an iterative approach to data collection (Strauss and Corbin, 1990), jointly reflecting on each interview before subsequent interviews were undertaken.

Interview transcripts and field notes were coded using NVivo software. Coding was inductive in nature (Dey, 1993; Miles and Huberman, 1994). Each interview transcript was read multiple times, and elements of text (data) that related to the location of the business were identified and given labels (codes). Once this process had been undertaken for each of the interviews individually, data was combined across the key informant interviews, with similar themes being grouped together. Codes were reviewed and refined as cross-interview analysis progressed. Analysis was stopped when eight or nine key themes had been identified across

the interview transcripts, which appeared distinct and therefore should not be combined further. To aid the structure of this paper, the themes identified have been grouped according to whether they suggest location dependence or independence. However, as it will be discussed in the findings section, it was difficult to clearly make this distinction, with some businesses having some degree of location independence even though they are mainly based in one location. We adopt the term 'tethered' for these businesses and discuss this further in the discussion section of the paper.

Internal validity of the study was increased by the researchers independently undertaking coding of the first interview transcripts. Whilst consistency was high, differences were discussed and resolved. Subsequent coding was undertaken by the lead researcher with the coding being reviewed by the other researchers.

Findings

The Role of Space

As discussed, our paper focusses on the geographical location (place), of the home-based online businesses considered. However, interviewees also reflected on the space occupied and used by their business. The reflections included comments about the demarcation of a working area within the home and an unwillingness to hold business meetings in the home.

Most of the interviewees had an area of their home that they used when working on their business, which was often a dedicated room. This had the benefit that it provided a physical demarcation to both themselves and their families between their work- and home-life. For example, NE20 explained:

The office is one room, it's upstairs. I can come downstairs and, if I'm watching television or playing the piano, or whatever, then that's something I can do away from work. I'm not constantly feeling that I'm surrounded by work; I can get away from it, turn the computer off and go to a different room.

EE14 also stressed the importance of a separate working area, noting that working at home may not only challenge the entrepreneur, but can also disrupt the dynamics of family life:

When you are working from home, you need to have space to store various items… and that restricts the movement within the house, and therefore, it changes the dynamic somewhat, because of lack of space, you know, the clutter, the perception, all that kind of stuff. Once you move that out of the way, the house becomes a home again. Unless you can dedicate a certain area that's isolated to the rest of the house, it's very difficult.

Many of the interviewees worked variable hours, dictated by the needs of their business and their other roles. The physical demarcation of space also aided the temporal division between work- and home-life, with a number of the interviewees describing how their families knew that when they were in their work space, they were working and that they should not be disturbed.

Interestingly the space associated with the business did not need to be a room, or even a desk. EE3 who sells Asian jewellery on eBay associated her business space as a box and a dedicated space on her PC:

I've just got a little box. It's all in a box...All my files. I've given myself a page on my computer, where I've done an excel document and logged everything, and so I've got it all; what I paid for, what I need to sell, and all that kind of stuff....

Consistent with other studies that have considered the permeability of spatial boundaries in home working (DiDomenico, 2008; Nansen et al, 2010), others described how, despite often having a separate working area, they often took their work into other areas of the home and undertook it whilst participating in other family activities such as looking after children, spending time with their spouse or watching television. For example, NE10 who has a young child often worked in the main family room:

It's difficult now because the baby is everywhere so everything's in the middle of the [living room] table, and the laptop's in the kitchen, because she can reach up and grab things. We have got an office upstairs which I guess I could use. I tend to stay down here just for ease.

Interestingly, the permeable spatial boundaries in the home also led to permeability about who worked for the business. A number of the informants described co-opting family members to undertake tasks within the business. This ranged from acting as a source of advice, taking deliveries and going to the Post Office to undertaking web design and development. EE14 described this associated blurring of spatial boundaries and roles:

what you're asking your family to do, especially working from home, or you're asking your wife ... oh, you take the deliveries. You're asking your daughter, can you do this little bit of paperwork, sort these papers out, you know, or you're asking your other children to do this, maybe that, if they're of that age...if you were in an office environment and you were running your own business in a site based office, you would be having somebody you would be paying for that, and that would be a cost.

Other comments about space related to the reluctance to host business meetings in the home. This related to three aspects. The first was a wish to keep the home as a private space and hence not have visitors in the home who were not friends and family. A second related to safety concerns. A number of the female informants, particularly those from the ethnic entrepreneurs group said they were concerned about being alone with people they did not know in their home. For example, EE2, who provides health treatments, observed:

...for a woman working from home, you have to think of people you don't know who come to you and it might be a threat to you, that kind of thing... therefore I feel safer when it comes from recommendation.

The third group were concerns about the perceptions of customers and suppliers about businesses operated from the home. This concern was most marked in the businesses that served large clients and reflects the difficulties in establishing credibility and trust that is particularly salient in online home-based businesses identified in extant literature (Wynarczyk and Graham, 2013). The informants addressed this challenge by adopting impression management approaches (Mohamed et al, 1999; Nagy et al, 2012; Überbacher, 2014) in order to provide the impression of having, or at least having access, to the same level of resources as larger businesses based in commercial spaces, such as having 3rd party telephone answering services, professionally designed and hosted web sites and the use of serviced offices for meetings. Two of the interviewees described using a certain club in

London since they thought this provided the right impression for their clients, as described by NE5, who runs a recruitment consultancy focussing on senior public sector appointments:

The right sort of place for a business like ours is to meet at the Royal Commonwealth Society. We joined the Royal Commonwealth Society. It's got a better image in terms of being a learned society than the Institute of Directors, which is very private sector, and not right for our client base.

Similarly, EE21 who provides accountancy services uses a serviced office, which he can hire when he needs to meet with clients:

We can just hire an office wherever …. We can ask them for a number of days and we can go there and we can work from there.

Rather than to give the impression of having premises and staff, some of the informants used impression management techniques to present a high level of expertise to potential clients, and hence gain credibility through presenting a high level of expertise. For example, EE13 described how he had written a book in order to present himself as an expert in his field:

It was the only thing that I could do to separate myself from the competition. So the more products that I... writing a book is a good way to give yourself the stamp of an expert. So if you've written a book about something, then, you know, the idea is that you're an expert or you're a credible source of information about a particular topic. So that's the reason that I wrote the book so that I could, you know, increase my credibility in those particular areas.

Some of the interviewees had moved from residential spaces to commercial spaces, not due to the geographical location of either, but in order to further manage impressions. NE19 was clear that he could continue operating his business from home, but that he thought the offices improved client perceptions of his firm:

I think I could quite happily run this business from home... the challenges it would throw up are being able to meet clients quickly and effectively. Also if you're after business services it's hard to get them at a residential address, but not impossible. But I think they're the main things, it's just creating the right level of professionalism, and again you can't really do that at home. So at the end of the day, once you've got your servers and computers set up the actual environment is the same, it's just literally a case of the actual appearance to the outside world that's different.

The Role of Place: Location Independence

IT, service or small product based businesses
The interviewees described a number of factors that allowed them to be location independent, that is, they could operate their business from any geographical location. One factor that contributed to this was if their business was based on a service or if they sold small products that did not take up a lot of storage and could easily be delivered by post or courier. EE16 described this ability to work from any location for his web design business:

The thing is, with web design, with online business, I don't think you have to work from home. You can work from anywhere because if you've got a computer or a laptop you can work in a café, you can work anywhere, as long as you've got a connection.

Similarly, NE18 described the ability to work on his business wherever he found himself was very important when he was first establishing his business, and that he worked on it wherever he found himself:

… if my wife wanted a beach holiday, for instance, I'd make sure that there was Wi-Fi in all areas. And I'd take my phone and I'd be on the emails making sure the business was OK.

EE8 described how he and his colleagues made use of the ability to work in different locations in order to stimulate their creativity:

If the weather is good, we'll go to the lake and work from there because all we need is the Internet. Like today we're working on a strategy for one of our clients in the Gulf and we were working from a café in the morning. So, we just said, instead of the office, a different environment, so work differently.

Another interviewee, NE11, described how she had wanted to set up a business selling items online. She had originally been interested in selling garden furniture but had consciously looked for items that are small as these would not require dedicated storage premises and could easily be packaged and dispatched by post. She therefore decided to sell ladies underwear. Similarly, EE3, had chosen to sell Asian jewellery as it did not take up much storage space, allowing her to describe her business space as a box that could be easily relocated.

Whilst location and temporal independence are separate phenomenon, the two are often closely linked, and the ability to be location independent and work on the business anywhere, also enabled the interviewees to work at flexible times. For example, NE14, who sold specialist books online described how the ability to work from home allowed her to work in the evening:

There are moments that I think, ah, isn't it wonderful. It's a lovely day, let's go walk the dog and we'll go out for lunch. And I'll say, okay let's do that, and I'll put books on the internet this evening.

Similarly, EE13 described how he was able to operate much of his business from his phone and this allowed him to work anywhere and at anytime, which he felt made him more efficient. It also allowed him to be frequently present in online place, something he described as 'being active' and which he felt was important when competing against larger firms that had more employees and resources:

I can do 50% of my work from my phone with all of the apps… I manage pretty much most of my emails from my phone.. downloading content, creating content, there's a lot of stuff I can do just from my mobile device on the move… I can do more things in less time and, you know, that is hugely important, you know, given that I am just a small business and to be able to compete with, you know, bigger types or businesses, or not even just that really, but to get the visibility and to get your voice heard amongst the noise in social media, you know, you

need to be quite active. And that's what technology; new media technology allows me to be very active...

Enables internationally based staff and clients

The ability to be location independent also resulted in the ability to closely work with other small organisations or to have staff that were working in different locations. In the case of the ethnic entrepreneurs, a number of them had staff working for them in other countries, often including their country of origin. These entrepreneurs seemed comfortable in working with staff of different nationalities and backgrounds, which is consistent with Jones et al's (2012) observations of internationally connected ethnic entrepreneurs *'can fruitfully exploit a mindset that is tantamount to living in two places at once, a virtual cross-border bi-location'* (p.3170). EE15 and EE12 described that the ability to work from any location allowed them to run an office in Pakistan, although they were based in the UK:

Well, I am a single owner, but I have other people who are working for me. Initially I managed like a virtual team, three contractors, and there are two in different countries, but now I have an office as well back in Pakistan, and I am here [in the UK]. So I am still managing it like virtually. EE15

XXXX is a home business, but that home business has an office with six people in Lahore, Pakistan. We have two account managers, two developers and two designers constantly working in Lahore. EE12

Similarly, EE7 who ran a web development and IT consultancy business in the UK has employees in India:

I've got two employees as well, in India… I'm paying a little bit, and they're happy.

This provided a point of contrast with the non-ethnic entrepreneur interviewees, which did not have staff based outside the UK. Whilst both sets of interviewees had international clients, the ethnic entrepreneurs seemed most driven to find and serve international clients. This appears to mirror their greater comfort with, and therefore use of, international collaborators and staff, and suggests that this group of entrepreneurs may be able to better exploit the international aspects of location independence offered by certain types of online home-based businesses due to their familiarity with working across nationalities and cultures.

Harnessing a network of suppliers

Whilst the businesses based on services and smaller products most frequently described being location independent, some businesses that sold larger products described how the process of drop shipping allowed them to avoid the difficulty of storing, packing and delivering larger products. In this process, orders are fulfilled directly from the original equipment manufacturer or a larger seller, such as a wholesaler (Chiang and Feng, 2010; Chen et al, 2011). NE18 described how the use of drop shipping allowed him to run his business remotely:

I can switch off now; I can make it look after itself. Now I've gone over a certain turnover with the supplier, I'm linked direct to that supplier, so if somebody places an order in my shop that I haven't got, it goes straight to my supplier and then that supplier ships it out.

The willingness to adopt drop shipping reflects the findings of extant literature that home-based businesses undertake significant networking arrangements, often with other small or home-based businesses, and hence expand by '*jobless growth*' (Mason et al, 2011). However, other interviewees using this process, described that it can be challenging, as you are no longer in control of order fulfilment, which is a key part of customer service. NE10, whose products included large pet coffins described how she found the use of drop shipping problematic:

[The supplier] is a joinery firm who make human coffins and they also do a range of pet coffins as well. They're drop shipped, direct to the customer. ... the margins are never that good, obviously, because someone else is doing the work and dispatching it for me. I'm quite a control freak, I suppose, and I like having control over knowing when the item has been posted and when that customer's going to get it. And, also, if a customer asks something, you've got it in front of you and you can see it. Whereas drop shipping, they want a description, and you've just got to go off a website or pictures I've seen. And, although I beg and plead, my suppliers don't let me know when they ship them.

In contrast, NE10 described the very good relationship that she had with a local supplier that produced other products that she sold in her online store. She described how she could visit his workshop to view and collect products and had struck up a good working relationship, suggesting that the local proximity of suppliers could be important.

Whilst entrepreneurs selling physical products made use of drop shipping services to allow location independence, entrepreneurs providing services also made use of the services of other firms in order to increase their location independence. For example, NE5, who operated a recruitment consultancy alongside full-time paid employment, described the use of a telephone messaging service, which would take calls to her business whilst she was at her paid employment:

We have a telephone answering service which answers the telephone on behalf of [firm name], takes a message so that it travels by email, so that it sounds and feels very professional.

As well as providing the opportunity for NE5 to be physically separated from her business, the answering service also allowed the temporal separation discussed previously.

Professional and social interactions mainly online
Home-based working has often been associated with feelings of isolation (Smith and Markham, 1998; Smith and Calasanti, 2005; Golden et al, 2008). A number of the interviewees described feelings of isolation, both professional and personal, and the strategies they developed to mitigate these feelings. The most frequently adopted location independent strategy was the use of online fora and social media in order to make contact with others. Online networks and fora were most frequently used to address the work related issues office located staff would share with peers. NE7, who provides translation services, described an online network of peers she had developed over time to help with issues that arose with her work, which also provides a personal social element:

Any other challenges? Maybe meeting other professionals, other people who do the same job as you. Sitting at a computer all day you don't have colleagues to bounce things about and say, what do you think, what if we did this and that? ...I have built up a network, an online

network of other professionals and we communicate, such as, 'what do you think of this sentence? Well, I'd have put it that way, that way or that way'. But that goes a bit further sometimes and we have a bit of fun.

She also described that whilst she did use online fora, consistent with the concerns about impressions management, she was cautious about the fora she used:

... if they're closed forums, I don't mind them. If they're the open ones where it's everybody can Google my name and see what I've said, that's very bad for your online image so I'm quite conscious of that.

EE20 described how his participation in online forums both provided new client leads and also provided a source of learning and development for himself:

I regularly participate in a few online business forums where I participate in terms of answering people's questions or providing recommendations. That helps a lot in terms of generating clients, but it also helps me, or rather forces me to keep up to date with things... I quite often get a chance to read a response from people who are in practice a lot longer than me, so that's a kind of opportunity for me to learn new tricks of the trade.

Similarly, EE13 made extensive use of social media in order to promote both himself and his business, and that these had become the main communication channel for himself and his business:

You know what nowadays it's through social media, so LinkedIn, Facebook or Twitter. That's generally how people get hold of me. It's probably the fastest way to get hold of me, or still email, yes... people might find out about me through a blog. But then from the blogs it's quite easy to get one of my social media profiles so they then find out more about me...

Others described how they used social media to provide social contact and hence address the issues of isolation extant literature has attributed to online working:

I think you could feel really lonely. I think that's where things like Facebook and Twitter have really helped. You don't get [social interaction] at home unless you've got something like Twitter going on in the background where you can just make that silly comment and just feel a bit more connected. when I'm at home. So I actually feel like I've spoken to a lot of people when in fact, I haven't even opened my mouth. NE2

The extensive use of social media for both professional and social rationales, particularly by the ethnic entrepreneur group, is consistent with the importance to entrepreneurial ventures of drawing on and utilising networks (Granovetter, 1973; 1983). The apparent great use by the ethnic entrepreneurs is also consistent with the findings of Kristiansen (2004) who notes that that developing and using such networks may vary across types of entrepreneur: "Through high-quality social networks, characterized by a high number and variety of relations, certain groups seem to be in a better position to enact their business environment and raise entrepreneurial resources such as motivation and ideas, information, capital, and trust" (p. 1149).

The Role of Place: Location Dependence

Whilst online businesses are often characterised as location independent, which is enabled by the various factors discussed above, perhaps less obviously, the interviewees described a range of factors that contributed to them being tied to a single location or place. In the case of our study, this place was their home. Certain factors discussed both leverage, and are reinforced, by being based in the home, for example the opportunity to operate the business alongside other responsibilities or the leveraging of social networks. Other factors, whilst they suggest location dependence, that dependence is not necessarily limited to the home and could arise in other locations, such as commercial premises.

Familiarity with working in a particular place
An example of factors that are not reliant on being based in the home is some of the entrepreneurs described becoming familiar in working in a particular place and that it took some effort and organisation to work in other locations. For example, NE20, a technical writer, described:

To a certain extent, I am a bit tied to my office here because most things are on my desktop, in terms of reference material and software, reference managing software and that sort of thing. So, it's not as easy as I think it should be to go and work somewhere else. If I do know that I'm going to be away, then I usually put everything that I need onto my laptop and make sure I've got everything that I could possibly need, but… So, it can be a bit of an effort to go and work elsewhere...

In this case NE20 suggests being reliant in working in two places, his PC, where all his work and files are stored and the physical location of that PC, which in his case is his home.

In contrast, others had adopted use of services such as the cloud and Dropbox in order to remove the reliance on a single PC and its physical location. For example, NE12, who operates her online business alongside paid employment, often checks her business and undertakes work on it during her lunch-break of her paid work, observed:

There are all kind of products that you can get which really help you with that [working remotely]. You have Log Me In, I think there's other ones called Go To My PC, which allow you to log in remotely to your machine at home, so I use that a lot, because my shop software is actually on my PC, it's not on the web, it's on my PC, and then you have to load it up to the web, and so I use that so I can download orders, or somebody rings up and says, this isn't working, or that's the wrong price, or you haven't done this, you've done that, or whatever, I can just do it.

Physical presence helps promote business
Whilst all of the informants saw considerable benefits of working from home, and the majority had made a conscious choice to base their business at home (pull rationale), a number noted that whilst it was easy to set up an online home-based business, it was difficult to promote the business and get it noticed. Both EE20 and EE13 independently observed that a physical business had benefits in that it could generate custom from people passing by, something they did not feel happened to the same extent in the crowded online domain:

It's fairly easy to set up …but they are very hard to promote, online business, especially if you are targeting local markets. Unless you have a high street presence, which is a different thing, but promoting online business is really, really difficult. EE20

…the thing with online business is that because you don't have immediate footfalls… It's not the same thing with an online business, with an online business if you set up a website today it's on the internet along with billions of other webpages, so you need to market, you need to get people to the website. It's not just going to have footfall or not your target audience anyway. EE13

Whilst some informants noted the benefits of offline premises for promoting businesses, NE10 noted how she thought that such premises also made the failure of such businesses highly visible, which may be challenging or damaging to some entrepreneurs who lack confidence or self-efficacy:

It's a public thing; you're putting yourself out there to show everybody…. I love seeing what new shops have opened or, equally, what's closed, and that always makes me sad, I think, "Oh, that's someone's dream shut down.

Other responsibilities that are location dependent
Whilst the majority of interviewees were operating their businesses from home due to the lower costs that this incurred, a number also operated from home as this allowed them to combine operating their business with other responsibilities, most often, caring for children, as typified in the description by NE3:

I'm quite prepared to work really, really hard but I have to take my children to school, I have to pick my children up from school and I have to be able to be able to look after them during half-term and summer holidays – I have to be able to juggle. An online presence enables there to be a [business name] web presence, 24/7, 365 days a year but I can manage the time that I commit to it.

The requirement to be able to combine operating the business with travelling to and from schools and caring for children during school holiday effectively dictates the location of the business as the home of the entrepreneur, and ensures the business is fixed in that location. Short visits outside the home are possible, for example, when the business is 'open' due to its online presence but does not need direct attention or when work can be undertaken from cafes or other temporary locations, but generally, other responsibilities mean that the business is dependent on the home location.

Geographical focus
Whilst our population of interest was businesses that undertook the majority of their business activities online 'at home', for some of the businesses it was not possible to undertake all business activities at home. As described previously, some informants needed to meet their clients face to face. Even for businesses such as web design, which could be undertaken solely online, many informants in this sector described how both their clients, and themselves, liked to meet face to face to establish trust, credibility and to ensure there was a good understanding of requirements. For others, such as those selling IT products or services, whilst they tried to carry out much of this online and via delivery companies, they were required to leave their homes. For example, EE5 described certain repairs to the IT equipment and software that he sold online required him to visit the clients' premises:

If you talk about my business, maybe it will be possible to operate from anywhere, because it's more about technically, as I say, the world is inside the laptop. ....but for example if I've got a customer who has taken a network solution from me, if some problem is physical, I cannot solve that from back home. I need to be here, or one of my engineers needs to be here, who is going to solve that problem. Maybe if it is a problem of the website that one page is not flowing, one page is not properly functioning, in that case okay, from anywhere I can access it, and from anywhere I can troubleshoot the problem.

This need to provide some 'from home' services caused some of the informants to limit the geographical focus of their business. Given that they had based their businesses at home, this geographic focus was often around their home, or particularly in the case of the ethnic entrepreneurs, around their own homes and those of their extended family. For example, Similarly, EE21, who provides business services such as accountancy with a partner, focuses his business on the location of their homes, that is London and Peterlee. EE14 focuses his business on regions where he has family so that he can reduce the cost of staying away from home, and can also combine business with family duties:

Scotland, Yorkshire and Milton Keynes/London, those are, kind of, the three hub areas, and the reason for that is, I have family there. So, my cost is cut down by staying with family, which I'm thankful for, they're always happy to see me, ... I take one of my daughters with me, and it's a father daughter time while we're travelling up and travelling down, and they can stay with their relatives.

The home as a constraint
Whilst caring responsibilities dictated that some entrepreneurs are based in the home, others indicated that being based in their home exerted constraints on their business and the only way to address these would be to move out of the home to commercial premises. As noted previously, some of the entrepreneurs believed that operating from the home did not present a professional impression to clients and customers and hence that it should be viewed as a temporary measure, rather than a permanent arrangement. For example, EE4, who runs a web development business from home observed, that whilst operating from home may be appropriate for simple product-based businesses, for more complex services that were credence goods, trust and credibility suggested that being home-based could not be a permanent arrangement:

.. for example, where you have the home business, you are selling some product. So for those businesses, okay, they have the one desk and computer, they have the order, they can collect and post it. ... But for web designing and e-commerce and software this is the difference, this is a customer interaction. Customers will come and they will ask and they have to have confidence with me and for products. There is no option to compare the quality or the price, until you finish it, until you deliver it. So, home based business it's not like a profession... it's not like a lifetime profession, it's for a certain time I think.

Similarly, EE10, EE9 and EE5, who all run web and IT consultancies, described how clients were concerned about their level of professionalism when they learnt that they were running their business from home:

I just face some problems with some professionals…. some of the clients ask, why is your office at home, an office is more professional. EE10

…when you go outside and somebody asks you where is your office, so I say my office is in my home, that's a little bit tricky. I'm sure they're thinking, am I a genuine worker… oh, you are only in the home so you are not going to provide good services. EE9

…it is one of the obstacles to reach to the customer that they ask where is your office? If I say I work from home, they do not feel like they can trust me, that I will really provide them the proper customer service, after-sales, or that they will be able to contact me. There is a trust issue sometimes. That is what my experience is completely. EE5

Others noted that for online businesses, particularly those based on providing IT services, access to broadband and increasingly high speed broadband was vital, but that such services were highly variable across the UK and were often not available to domestic customers:

At the moment they connections are rubbish to make something work. For example, I want to develop a new service based on the cloud. It will not work because we haven't got very fast connections that send stuff to the cloud. I live in an area where the connection is really just ADSL and the broadband is not cable. The only possible result is probably moving to a business premises where there is a better connection. EE16

Availability of workforce

One of the interviewees, NE11, whose business sold ladies underwear online described how the availability of staff influenced the location of her business. She started her business in her home, which is on a farm set in a rural and isolated village location. The business has grown and employs up to five or six employees. However, she described that she was planning to move the operations part of the business to a near-by city in order to be able to attract and retain staff:

… we could keep the office here and relocate the warehouse to south Sheffield or somewhere, where there's more cheap labour. There is no labour out here – and people don't want to drive to work here because of the cost of petrol. There are some new people in the village, but it is not enough.

In contrast to the IT and service based businesses, that described being able to employ staff who could be based and work in any location across the world, NE11 required staff to be based in the warehouse of her business, so that they could pick, pack and dispatch the physical products she sold. Hence, whilst focussing on selling smaller items or making use of drop shipping services could allow location independence, if businesses grow and take on employees, this may dictate the suitable locations.

Social networks and clients are location based

Whilst some interviewees suggested that they were happy with purely online interactions to address feelings of social and professional isolation, others described how they drew on face to face interactions to address such feelings. For example, NE5 described how it was important for her to meet with former colleagues. Whilst it may be possible to develop new networks, this network was important to her since her colleagues understood the business she operated in, and given she had started her business after being made redundant, the provided a form of validation for herself and her work:

We are still very heavily networked in with people that we used to work with through this business, not so much the management tier, not surprisingly, they made us redundant, we weren't very keen on them. But our colleagues who all ran similar practices in other sectors, and we're in contact with them…..August is coming up and it's time for us to get together. We'll get together semi-socially and we'll trade gossip on how business is going.

NE2 described how she found that regular face to face get-togethers with others, who over time have become friends and who also run small businesses, provided a form of self-discipline:

One way is to have a sort of group of friends who are all self-employed. And we meet up once a month and that's really helpful because you tell them one month what you're doing, what you're hoping to do and the next month, you really need to have said, I've done it, you know? So if you didn't have that sort of contact, you could just let things slip month after month and not actually get them done.

As well as providing professional and social support, some of the businesses described that situated social networks were also important sources of clients. For example, EE5 described how the majority of the clients of his web development business were either from his home town or from near-by London:

I am from Luton and I go to London. These two places, we have got a lot of immigrants from Asia …. these people, sometimes they help us. Maybe because of ethnicity, … they are referring us from one to another.

Discussion

Online businesses have been rather simplistically characterised as allowing entrepreneurs to operate anytime and anywhere. Our study has shown that reality is more complex than this. Space is an important aspect for the informants in our study. Most moved fluidly between a fixed working space and working in the family areas, a finding consistent with previous studies of home-based working (Nansen et al, 2010). At times, physical space was used to indicate the temporal arrangement of work; when the informants did not wish to be disturbed they would withdraw to dedicated work spaces. When they were happy to combine work with family commitments and family time, they would move their work to family spaces. Our focus on home-based entrepreneurs, as opposed to home-workers that do not run their own business, has allowed us to highlight that the fluid spatial arrangement in the home also leads to fluid roles in the business, with family members taking on activities and duties as they become part of routine family life. Whilst this has been identified in other types of home-based business, such as in the hospitality sector (DiDomenico, 2008), this 'role diffusion' is particularly suited to online businesses, since the customer is unaware who is undertaking various roles or activities.

There are a number of factors that support the notion of being able to work in any location, particularly for those businesses offering IT or other services or who can make use of a network of other businesses to undertake key business functions (Clark and Douglas, 2011; Mason et al, 2011), such as provide telephone answering and order fulfilment via drop shipping. The ability to address feelings of social and professional isolation via online media,

such as professional fora and social media, also mean that businesses are not constrained to be close to physical social or professional networks.

In contrast to this our interviewees also described a range of factors that either encouraged, or required, the entrepreneur to operate the business from a specific, fixed location. This location may be their home, particularly if the entrepreneur does not have the financial resources to hire commercial premises, does not want to expose themselves to such risk (Gelderen et al, 2008) or if they need to combine their business with caring responsibilities (Duberley and Carrigan, 2013). In other cases the location may be commercial premises, for example, when an entrepreneur is concerned about the impression given to clients (Mohamed et al, 1999; Nagy et al, 2012; Überbacher, 2014). In addition to impression management rationales, our study has shown that the growth of some types of online home-based businesses can require them to move to commercial premises, and considerations, such as available workforce can dictate where such businesses are based, in the same way that such considerations would influence the location choices of off-line business.

In addition to these two extremes of being able to operate from any location or being fixed in either the home or commercial premises, our results suggest that there is a more subtle third alternative that lies between these two extremes. We term this as 'tethered' businesses. In such businesses, the business is largely based in one location, but the entrepreneurs involved can work away from their primary location for certain periods, but after which the entrepreneur returns to the original location. The periods would depend upon the nature of the business and work and home arrangements of the entrepreneur. A striking example of such ability of tethered businesses was provided by those that operated their home-based online business alongside paid employment. Such interviewees described working on their businesses, which they considered as based in their home from the location of their paid employment, often during their lunch break. At the end of their employed working day, they would return to their home-based business and undertake tasks that they could not do from the employed location, such as pick, pack and dispatch orders.

Whilst this might be possible for entrepreneurs running some other types of business to operate in this 'tethered' mode, it is particularly well suited to online businesses for a number of reasons. The business does not need constant attention, rather it remains 'always open', and so the entrepreneur does not have to be physically present. Services such as the cloud and 'Go to my PC', and allow entrepreneurs to work as if they are at their home location, even if they are at another location. And finally customers are who have become familiar with online shopping and services are familiar with and accept asynchronous service and transactions.

Social and professional networks have been shown to be important resources in the entrepreneurial process. For example, networks form a key aspect of the mixed embeddedness model of ethnic entrepreneurship (Kloosterman et al, 1999; Kloosterman, 2010). Our results suggest that reliance on physical social and professional networks tends to encourage businesses to locate and remain in a fixed location. In contrast, those entrepreneurs who described their businesses as highly mobile, described making use of online and social media to answer professional queries, undertake networking and to provide social contact. Tethered businesses are likely to draw on, and combine, both physical and online networks. Since they have a primary location for their work, they can develop physical networks that are dependent on a given location. These networks can themselves be supported by online exchanges. Many of the interviewees, who were mainly located in the fixed location of their homes operated their social and professional networks via a 'tethered' model. That is they

combined physical, face to face meetings for example on a monthly basis, with multiple, rapid online exchanges with other individuals.

Table 2: Locations of home-based online businesses

	Fixed Location	Tethered	Fully mobile (anywhere and everywhere)
Location of business	Can be home, commercial or other premises (e.g. University)	Operates mainly from fixed location – but can operate from other locations for appropriate periods.	No fixed location
Key influencing factors	Home – need to combine business with caring responsibilities Move to commercial premises – for impression management and/or growth	Use of cloud other services to access software. Use of network of suppliers/service providers	Business is IT or other service based. International clients and/or employees
Nature of social and professional networks	Proximity and mainly face to face	Could be either/both face to face or online	Mainly online

Conclusions

Online businesses were heralded as being 'anytime, anyplace, anywhere' businesses, allowing the entrepreneurs who run them to be location independent. In contrast, entrepreneurs who operate home-based businesses have made an explicit choice to locate their business in the home. Our study has explored the role of space and place for entrepreneurs who combine operating an online business with being based in the home. Our interviews with over forty entrepreneurs operating such business have identified a range of factors supporting the location independence of such businesses, but also a range of factors encouraging location dependence. We suggest that each entrepreneur will find their own balance between these factors depending on their type of business and personal and family circumstances, and this may vary over time. We also suggest that many online home-based entrepreneurs operate in a middle-state between the dichotomous extremes of location dependent or independent, which we refer to as 'tethered'. In such a mode the business has a primary location, but the entrepreneur can operate from other locations for appropriate periods.

Much of the interest in the location choices of small businesses arises from consideration of their economic contribution, is this, for example, primarily at a local, national or international level? The range of location options for online home-based businesses allows them to make

contributions at all three of these levels. Those entrepreneurs who operated from the fixed location of their home described their use of local services, such as their local Post Office for the dispatch of items and their preferences for local suppliers that they could get to know. Other businesses made use of suppliers across the UK, who often carried out order fulfilment on their behalf. Finally, some of the entrepreneurs, which included a number from our ethnic entrepreneur group, described how they were comfortable both employing staff and serving customers around the world.

It is important to acknowledge the limitations of our research. We recognise that we have combined the data from a range of different online home-based entrepreneurs and business types, including gender, age, product and service types, when the business started and most notably, from ethnic and non-ethnic entrepreneurs. The significant similarities in the responses across our informants and our intention to undertake exploratory research, supports our approach of combining data. However, a finer grained analysis or a different theoretical lens, might highlight differences across entrepreneurs or businesses. We would suggest that our exploratory research is followed by larger scale, quantitative research in which the location choices of entrepreneurs can be compared across different types of entrepreneurs and their online home-based businesses.

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Table 1: Key Informants

Non-ethnic entrepreneur group

Code	Gender	Type of Business	No of Founders	When Started	Life Stage of Founders at Start of Business	Observations
NE1	Female	Online community	3 (all female)	2000	All were mothers of young children	Leased commercial premises. Has been bought by major media firm.
NE2	Female	Sale of consumer items	1	2007	Mother of young children	Has diversified products sold over time.
NE3	Female	Online lettings agency	2 (married couple)	2006	Parents of young children	Operates from home. Husband is partner and older children help.
NE4	Female	Website design	1	2007	Mid-career	Continues to operate from home.
NE5	Female	Recruitment consultancy	3 (all female)	2008	Over 50	Was made redundant from previous position.
NE6	Female	Professional network	1		Mother of young children	Was made redundant from previous position, continues to operate from home.
NE7	Female	Translator	1	2004	Mother of older children	Continues to operate from home.
NE8	Female	Online marketing consultancy	1	2009	Early career, no children	Works part-time (50%) on home-based business. Employed for other 50%.
NE9	Female	Historical costumes	1	2010	Over 50	Could not find paid employment.
NE10	Female	Sale of consumer items	1	2007	Mother of young children	Thinking of changing product focus due to high service requirement of current products.
NE11	Female	Sale of consumer items	1	1999	Mother of young children	Has developed dedicated premises on same site as home.
NE12	Female	Sale of consumer items	1	2006	Early career, no children	Started business along with full-time employment.
NE13	Female	Script writer	1	2002	Mother of young children	Continues to operate from home.
NE14	Female	Sale of consumer items	2 (married couple)	2005	Over 60	Previously a physical store, moved to online only.
NE15	Female	Web design	2 (married couple)	2004	Mid-career	Started solely working at home. Now dividing work between home and rented commercial premises.
NE16	Male	Script writer	3 (all male)	2003	Father of young children	Home-based business is in addition to full time work.

NE17	Male	Audio visual engineer	1	2004	Mid-career, no children	Continues to operate from home.
NE18	Male	Sale of business items	1	2008	Father of young children	Also developing separate online community business.
NE19	Male	Web design	1	2007	Early career, no children	Has moved to commercial premises
NE20	Male	Technical writer	1	2004	Mid-career, no children	Interested in moving to commercial premises.

Ethnic entrepreneur group

Code	Gender	Type of business	No of Founders	When Started	Life Stage of Founders at Start of Business	Observations
EE1	Female	Designer clothing	1	2013	Mid-career	At present works full-time as a medical practitioner, and part time on home-based
EE2	Female	Therapies (Beauty and wellness)	1	2009	Widow, mother of older children	Her sons developed the business web site – but she is attending college to develop her own skills
EE3	Female	eBay Asian Jewellery seller	1	2010	Mid-career, mother of young children	Family member helped her start business
EE4	Male	Software - web development (IT and consultancy)	1	2007	Father of a young child	Works from home, and planning to move to an office soon.
EE5	Male	Web development (IT and consultancy)	2	2012	Early career, no children	Has plans to move to an office but has concerns over overheads.
EE6	Male	IT Consultancy – Data Centre (IT and consultancy)	1	2013	Early career, no children	Part-time project based work.
EE7	Male	Web Development, Servers (IT and consultancy)	1	2010	Father of young children	Family help in business. Has two part-time employees in India for data entry.
EE8	Male	Digital Marketing	1	2009	Early career	Home based but has uses a serviced office for address and meetings
EE9	Male	IT Consultancy – Networks and web development	2	2014	Father of a young child	Cousin is co-founder and partner in the business.

EE10	Male	IT Consultancy – Networks and web development	1	2013	Early career	Family gave money to start his business as a gift.
EE11	Male	Digital dictation, IT Support and Laptop repairing	1	2007	About to retire, father of old children.	Ex-army. Outsources data entry work to back home in Pakistan.
EE12	Male	Digital Marketing Agency	2	2011	Mid-career, father of old children	Home based but uses serviced office. Has office in Pakistan with five full-time employees.
EE13	Male	Digital marketing Consultant	1	2010	Mid-career, father of young children	Author of three books related to digital marketing and tech start-up businesses.
EE14	Male	Electrical and security solution provider	1	2011	Mid-career, father of teenage children	Focusses on areas in UK where family live.
EE15	Male	Search engine optimisation	1	2008	Father of older children	Has office overseas, manages business and staff virtually.
EE16	Male	Web design and management	1	1999	Father of young children, main carer for children.	Attempting to develop an online website product to complement current bespoke service offering.
EE17	Male	Web hosting	1	2003	Early career, no children	Formed second online business in 2007 with a partner.
EE18	Male	Education consultancy (Coaching, education, training)	2	2011	Mid-career	Has moved to a commercial premises.
EE19	Male	Accountancy	1	2013	Early career, no children	Family give him money to start his business as a gift.
EE20	Male	Accountancy & Tax	1	2010	Mid-career, young children	No plan to move his business out of home.
EE21	Male	Accountancy & Management	2	2013	Early career, no children	Friend is a partner in his business.
EE22	Male	Home tuition	2	2013	Early career, no children	Friend is a partner in his business.