

Student Involvement as a Tool for Nurturing Business Model Development in Tourism Businesses in the Stockholm Archipelago

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Tourism consumption in Sweden is booming, but it seems to be at a standstill in the Stockholm archipelago, and most businesses of all kinds in it are small. Therefore, an EU-Interreg-financed educational community engagement project aiming at business model development in the archipelagos of Turku, Åland (both in Finland), and Stockholm was launched, as Finland has a similar situation. In this paper, the foundations of the project, the literature on the issues of being rural and in the archipelago, and business models are reviewed and put in perspective through preliminary empirical results of the project, in while municipality and some business representatives have been interviewed. The rationale is that there is a weak scientific understanding of business models in use in the archipelagos. Methodologically, action research is being used in addition to document studies, with unstructured interviews and observations as the primary empirical methods. The primary results for which the empirical findings put light on the intersection of the above mentioned literature bodies are the impact of infrastructural and access problems due to isolation, as well as indications of a community split between second homes and permanent residents. The lifestyle-entrepreneurship jeopardises the economic well-being but enriches the social well-being of the population. The primary conclusions are that seasonality and second homers provide entrepreneurs with large output markets in season, but small ones in the off-season. The business equation cannot omit place since it is part of the social well-being of the lifestyle-entrepreneurs, which calls for further research into configurational approaches to strategy in an archipelago context.

Keywords: archipelago business, second homes, lifestyle entrepreneurship, business model development, educational community engagement

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Introduction

The previous decade of tourism development in Sweden was astonishing in economic terms, especially because it essentially bypassed the 2008 financial crisis. At the same time, it seems that the situation in the Stockholm archipelago has been at a standstill, as will

be discussed in the next section. This is despite it being a potent tourist resource, which is being used to market Stockholm. The situation seems to be similar in the archipelagos of Turku and Åland in Finland.

To understand and alleviate this situation, a three-year EU Interreg-project was initiated on October 1st,

2016, in which two Finnish universities and one Swedish university, together with a foundation that provides innovation related services to students and researchers connected to universities, catering to both countries, set out to survey and give aid to the development of the business models of the companies in the archipelagos of Stockholm, Turku, and Åland. A first issue to settle is analyse the current situation of businesses active in the archipelago. After that comes the assessment of their business models, in which businesses are to be linked to students, in which the former obtain access to up-to-date tools for business model assessment in collaboration with the project partners. The project is not in itself a research project, but a project in interregional development. Hence, the research part becomes split: one part is concerned with how to improve conditions for the permanent residents in the archipelagos; the other focuses on how educational community engagement can benefit both the students and the community.

This paper discusses the foundations of that project, which are three: the rurality issue, the business models and strategy issue, and the pedagogic issues of educational community engagement. Geographically, the paper deals foremost with the situation of the Stockholm archipelago. Some preliminary project results from pilot activities are available, but the findings are not due until the project is finished.

Archipelagos have been studied in numerous ways. Many texts deal with sustainability issues, foremost in the ecological sphere, for example, the study by Mäkinen, Salmi, Salmi, and Kettunen (2008) on fish farms in the archipelago Sea in Finland, or from a planning perspective, such as the study of Bodén and Anckre (2005). The literature does not seem to address the issue of economically lagging archipelagos directly but does occasionally make peripheral notes on issues of business models in relation to other issues. As an example, in the literature on island studies, Baldacchino and Ferreira (2013) discuss how central planning use a business model for transportation that negatively affects the peripheral islands in the Azores, while the marketing of those areas is kept under the control of the central planning unit. Another body of literature covers ICT-related business modelling, an example of

which is Guzmán, del Carpio, Colomo-Palacios, and de Diego (2013) who view archipelagos as living laboratories for e-commerce, or Packalen's (2008) investigation of ICT-related networking on the Finnish archipelago. However, as of yet, the author of the current paper has not found any studies aiming at the actual business models in use in the archipelagos, and their development potential. It is therefore somewhat unclear whether archipelagos differ from other rural areas regarding their actual business behaviour and potential.

This paper aims to understand the intersection of the two literature bodies in order to create a basis for the further exploration of the relation between the communities and business models. The community engagement part seeks to improve education through obtaining real life-problems for students to solve, as well as providing new ideas for the entrepreneurs while simultaneously connecting potential employers with potential employees. Its role in the paper is to describe the way forward.

The paper will be organised accordingly: First, the situation in the Stockholm archipelago and its relation to tourism development at the national level is discussed, since these are the motivators of the project. Thereafter, the issues of rurality and business models will be presented in a literature review; then, methods will be discussed followed by the empirical results thus far. After that, the educational community engagement will illustrate how the issues are to be approached and finally a discussion will summarise the findings.

The Situation on the Stockholm archipelago

The Stockholm archipelago is a 1,700 km² area of which 530 km² are land, lying to the east of Stockholm (Nationalencyklopedien, n.d.) In the south, Landsort is often considered to be the border, and in the north, most commonly Arholma 150 km north of Landsort, but sometimes, Öregrund 66 km further north is used as its limit. It has around 30,000 islands and around 10,000 permanent residents (Kustkulturen, n.d.) of which 6,646 were living on Stockholm county islands without bridges to the mainland (Länstyrelsen Stockholm, 2015). When the smaller demarcation is used,

the entire archipelago is within Stockholm county, spread over several of its municipalities. When the larger demarcation is used, parts of Östhammar municipality in Uppsala County are added.

In 2015, tourism consumption in Sweden was SEK 282 billion (€30 billion), which is an increase of 7% from SEK 263 billion (€28 billion) in 2014 and 47% from SEK 192 billion in 2005 (Tillväxtverket, 2016, p. 16). For all three of these years, tourism consumption amounted to approximately 2.7% of Swedish GNP. Proper statistics regarding the economic development in the Stockholm archipelago are not at hand, partly because the archipelago consists of parts of eight municipalities. Hence, there is no entity for which statistical information is gathered on a regular basis, and what information is gathered for these municipalities, the archipelago share is not separated. Even so, some special reports are made from time to time. Guest nights in the guest harbours may be taken to be a proxy for development of tourism, although it does not represent all types of tourism in the archipelago. It may, however, work as an indication of the development, even if it is not very robust. In 2015, there were 172,531 overnight guests in private yachts. Here there has been a decrease of 28%, even though the archipelago is seen as a potent resource for tourism. Even if the mean of the last ten years is taken in order to control for fluctuations due to bad weather, 2014 (the third-best year of the last decade) is up 7% from the average. During the same period, the other types of commercial lodging in the country as a whole have had a steady increase in overnight guests, totalling 41% in the past decade. The impression is supported by visitation statistics for 2007–2014 for Skärgårdsstiftelsen, a Stockholm county-owned trust that manages approximately 12% of the land in the archipelago (Skärgårdsstiftelsen, n.d.), for the recreational purposes of the county's population. If the measure were a reasonable indicator of tourism development, it would mean that while the country, as a whole, has booming development, the archipelago, together with a few other regions, is at a comparative standstill. The archipelago is nevertheless considered a good tourist amenity. For example, almost 24% of all second homes in Sweden are located within 500 metres of the seashore,

indicating a desire for water (Marjavaara & Müller, 2007). The offshore islands close to metropolitan areas are domestic and international tourism destinations of considerable significance (Aronsson, 1997). According to Hansen (2016), the Swedish government has pointed out the coastal and marine landscapes as attractive and popular settings for recreational purposes, though there is little to no knowledge on how these should be planned and managed, on the part of academics as well as managers. For that reason, field studies of actual visitor attraction businesses in these areas are necessary.

One common notion (DMO representative, personal communication, 8 May 2009) is that the archipelago is overcrowded in July and almost empty the other parts of the year; perhaps this is not entirely accurate since there are large numbers of second homeowners (Müller, 2007). The passenger statistics of the public boat transport company in the archipelago (Waxholmsbolaget) support this opinion (Stockholms Läns Landsting, 2016, p. 32). There is an evident concentration of passengers to in June–August in comparison with the rest of the year, as seen in Figure 2. The situation seems to be similar in Finnish archipelagos.

According to a 2010 report (Löfmarck & Wolgast, 2010), more than 50% of employees worked for businesses with six employees or less, while 10 companies supplied circa 25% of the jobs in the tourism sector, and the seven largest companies constituted the top quartile in terms of revenue; there were a few rather large companies and many small businesses.

Over the years, many projects have been run with the aim of helping the development of the economy of the archipelago, including Skärgård i utveckling (archipelago in development); Öppen Skärgård – året om! (Open archipelago, the whole year round); Scandinavian Islands; Nya bostäder i skärgården (New housing in the archipelago); Kika på Landsort/Väbäl; Skärgårdssamarbete – Scandinavian Islands (Archipelago cooperation, within Scandinavian Islands); Förstudie 'Skärgård i samverkan för en stärkt besöksnäring hela året' (pilot study for Cooperation within the archipelago in order to strengthen the visitation industry); Visualisering av Dalarö Skeppsvraksområde (Visualisation of the Dalarö ship wrecks area);

Skärgårdsstrategin – Destinationsutveckling av Stockholms skärgård för internationella marknader (The archipelago strategy – Destination development of Stockholm archipelago for international markets); Läder Stockholmsbygd; Hållbara Turistdestinationer (Sustainable tourism destinations); Stockholm archipelago; Roslagsmat, and Ö för Ö (Island-by-island).

Anecdotal evidence indicates little achievement (Manager of a tourist office, personal communication, 11 May 2015), and entrepreneurs show signs of project fatigue (Interviewee A&B, personal communication, 27 February 2017). For this reason, approaching businesses cannot be done with a ready-made solution, but requires probing them on how they perceive their problems, and then analysing if and how their problems can be solved through, for example, changes in business models.

Literature Review

Though close to the metropolitan areas of Stockholm, Turku, and Mariehamn, the areas covered by the project (the archipelagos of Stockholm, Turku, and Åland) are considered rural areas, using EU-Interreg's Central Baltic criteria for funding.

We are here interested in understanding why there seems to be a standstill in the level of archipelago business activity, and whether it is possible to help businesses to expand. To do so, one can look at the environment the businesses are operating in and how they are doing so. The former is discussed under the heading of rurality and the latter under business models.

Rurality

Labrianidis (2006) notes that rurality traditionally had been associated with resource-based economies, relying on natural resources, such as farming and forestry, and that the landscape, in addition to this, has certain distinct spaces, such as moorlands and mountains. It seems that Labrianidis understands resources to be primarily natural resources.

Mtika and Kistler quote Boto et al. when they characterise rural areas thusly: 'frequently suffer from inadequate enterprise creation, poor infrastructure, inadequate financial services, and insufficient provision of social protection' (Mtika & Kistler, 2017, p. 83).

Regarding the understanding of the concept of rurality, Labrianidis (2006, p. 3) mentions more traditional geographical approaches, including 'socio-spatial characteristics,' population densities and distance to urban areas, as well as a growing interest in rurality as a mental state rather than geographical fact; one of the earlier works is that of Hoggart, Buller, and Black (1995), noting the majority of people in the rural space switch from being producers in forestry and farming, to being consumers of leisure and recreation, thus blurring the earlier clear distinction between the rural and the urban.

Rousseau (1995) reviews various definitions of rurality from a health care perspective, including population density, remoteness, dependency on agriculture, and being a particular type of society. She concludes that no single definition covers all cases of interest and, therefore, the question at hand should guide the kind of definition to be used. Glesbygdverket (2008) concurs with Rousseau, and lists a few of the definitions used by Swedish government agencies, and some European countries. They do, however, classify all islands without bridge connection to the mainland as sparsely populated rural areas, due to long transport times.

Laurent (2013) notes that there is something suspect with the distinction between rurality and urbanity: areas are now not functionally distinct in the way they were in the 1800s, and there seems to be little support for differing behavioural characteristics. It is epistemically less difficult to separate urban modes of population density, production, and infrastructural modes, from rural ones, in comparison to character modes. Hence, he notes some scientific scepticism to the adoption of the notion of rurality instead of being rural, and that '[o]ther "constructivist" researchers contest the superimposition of a rural society on a rural space' (Laurent, 2013, §2). He also notes that the global urban society has components that idealise rural aspects of life. From this, he concludes that the rural-urban dichotomy does not hold:

There are not two separate worlds, but a spatial and ideational interpretation between the urban and the rural. Boundaries are fading, the transitions and niches are complex, as in the 'blurred' periurban spaces which are both urban in their functioning (jobs, life-

style) and rural by way of landscapes (the place occupied by agricultural land use) and by way of perceptions of the inhabitants who consider that they are living 'in the country' (Laurent, 2013, §3).

Mtika and Kistler (2017) note that the development of rural areas has begun to be viewed holistically rather than sectorally when examining how to remedy development needs. They conclude that, in line with ideas of Shaffers and Summers, Cavaye, as well as Matarrita-Casante and Brennan, community development involves development in as well as of community, and go on to conclude that these two sides need to be integrated. Using Gergen's ideas on transformative dialogue, 'community members learn from each other, learning that is made easier when social networks of ties for the transfer of ideas and communities of practice that promote mutuality are significant' (Mtika & Kistler, 2017, p. 91).

Ciolac (2012) expands on how agricultural regions can open themselves to tourism (assuming that rurality implies agriculture as the economic base). Nevertheless, a few relevant pitfalls are mentioned in her text, namely, 'the pursuit of higher earnings from the beginning, the subjective assessment of agro-tourism opportunities, guest neglect, a bad management of human resources, [and] poor quality services' (Ciolac, 2012, p. 442). She posits that in development, there are six areas that need to be covered: accessibility and space factors, the need to integrate rural tourism in the localities' frame, infrastructure and technology, workforce, design, and financing.

Marjavaara (2007b, p. 29) notes that 'islandness' posits certain characteristics. With reference to MacLeod, he observes that islands are of small-scale, isolated, have weak economies, are separated, and are dependent due to political and geographical/climatic/ecologic circumstances and sensibility to 'the vagaries of the market.' He goes on, with reference to Cross and Nutley, to note limitations with respect to industrialisation and endogenous growth. He notes that many of these are shared with other rural and peripheral areas, but Andriotis' idea of the sea as impediment creates a double isolation. Finally, he notes that tourism is increasing as a mode of sustenance, even if it often is seasonal (Marjavaara, 2007b).

Larsson and Robertsson (2012) conducted an interview-based study around part-timers in second homes in the Swedish west-coast archipelago and coast-land. In this study, a part-timer is someone who stays in their second home for more than the holiday seasons. They interviewed business representatives on their attitudes towards part-timers. Grocery stores and other retailers are affected most by the seasonality, and the part-timers smoothen out the variation: there can be up to a 50% increase in turnover in the high season when there is a heavy non-resident (Easterling, 2005) tourism pressure. Restaurants experience increased activity when the part-timers arrive since these consume more than the permanent residents do. Conference-venue operations are less vulnerable to seasonal variation. Construction and artisanal operations are not dependent on the part-timers, but appreciate them as customers, since they are rather aware of what services they want and can afford them. These businesses are dependent on being within the informal local construction network structures and are sensitive to word of mouth. Service and experience companies are as mixed as can be expected, and experience the seasonality of demand, but does not let it affect their offerings. Though the part-timers are an appreciated customer group to the businesses, permanent residents are preferred, because they have a steadier demand for services of varying kinds.

Bardolet and Sheldon (2008, p. 910) suggest that since land 'is in short supply in archipelagos and islands, regulation of its use becomes critical.' However, as noted by Müller (2007), putting restrictions on land ownership and thus land-use is not without problems in the EU. Also, their research is on the Balearic and Hawaiian archipelagos, and hence their tourism of sea-sand-sun characteristic, rather alien to the Nordic archipelagos, which are influenced by second home tourism to a much larger extent. Since these may be a factor affecting development, we have examined some of the relevant literature on second homes.

On Second Home Tourism

Müller (2007) notes that in the Nordic countries around 12 million people, approximately half the population, had access to 1.5 million second homes. Of these,

almost 16% were located on islands (Marjavaara & Müller, 2007). In some regions in Sweden, over 50% of small houses are second homes, and the owners have a strong connection to the place (Lundberg, 2017).

With reference to Kaltenborn, Müller (2007) notes that these are often inherited over generations, and are hence more permanent than the registered dwellings of everyday life, thus making the urban home a second home. Löfgren (1999) also notices this unwillingness of second homers to let go of their childhood paradises, and the idealisation of life at the second home being akin to that of rurality: a simpler life where societal demands are distant and change is or should be non-existent. According to Larsson and Robertsson (2012), it is common in Sweden to use parents' or grandparents' permanent dwellings as second homes. The houses are kept in order to remain in contact with the community in which they or their parents were raised. The connection makes second-homers have a strong local affiliation and thus extends community participation.

From 1991 to 2005, around 164,000 persons moved from permanent houses to their second homes (Müller & Marjavaara, 2012). Müller and Marjavaara (2012, p. 65) found two distinct groups: below 40s, who moved primarily to houses that were commutable from the larger metropolitan areas, whereas the elderly, 40+ group, went to 'rural and amenity-rich areas outside the metropolitan regions of Sweden. Seaside locations seem to have a special appeal for this particular group.' Fewer ties to work life are given as their rationale.

Nordin and Marjavaara (2012) observe that second homeowners have a high level of participation in associations of the community of the second home. Lundberg (2017) found that local involvement may be a modifying variable on social integration in the community with respect to the stakeholder groups of second homeowners and permanent residents.

In his work on displacement theory in the Swedish second home destinations, Marjavaara (2007a, b) investigates if and how permanent residents are being displaced by wealthy potential second homers. His findings give no support for that idea, at least not at a societal level. At some destinations, there are a few decreases in the amount of permanent homes, but rather

than being a de-populating area, it is repopulating, especially in destinations nearby Stockholm. 'Consequently, any displacement of permanent residents would be caused mainly by an increased demand for permanent homes (Marjavaara, 2007a, p. 310). Sweden has experienced a marked relative increase in real estate prices, with an essentially steady increase since 1997 in some places, for example, Stockholm.

Easterling (2005) divides the residents of a destination into four groups: born-heres, comes-heres, retired-heres, and second-homes-heres. In her study of the resident stakeholders of Chincoteague Island, Virginia, USA, she found more consensus than disagreement towards tourism, understood as not being part of these stakeholder groups – which is at odds with many of the Nordic researchers' treatment of second-homers.

Larsson and Robertsson (2012) note, among other things, that part-timers (see above) are a rather homogenous group, being a bit older, with good finances, and having strong emotional ties to the second home, socialising with permanent residents and their friends and relatives, but not so much with other part-timers. They also express that the new part-timers are rich and arrogant and hence make everything expensive, and that in-season tourists are seen as a necessary evil.

Lundberg (2017) note that second homeowners' strong sense of relation to the second home is not accompanied by jurisdiction beyond those of ownership, for example, voting rights, and may not be fully accepted by the permanent dwellers, and hence not able to fully participate in the community.

With reference to Sandell, Müller (2002) divides the handling of man-environment relationship into three strategies; Fabric-strategy, home-strategy, and museum strategy. In the first, the area is viewed as a production system at a macro-level, with its division of labour over space. In the second, there is a wish for progress at a local level, without destroying the sense of place through keeping meaning carriers of the community intact. The museum strategy aims at conservation. Müller (2002) notes that the latter strategy is foremost found among second homers.

Since this project is aiming at understanding the reasons behind the non-increasing business, we will

also examine the literature on family businesses and lifestyle entrepreneurs.

On Family Businesses and Lifestyle Entrepreneurs

Peters, Frehse, and Buhalis (2009) note, with reference to Middleton, that the tourism sector is dominated by small business operations, and that the large majority consists of lifestylers rather than rational, as I take them to mean profit maximizing professionals. Many small businesses are family run, and Getz and Carlsen (2000, p. 548) claim, with reference to Dunn, that 'it was not uncommon for family businesses to accept lower returns or longer paybacks on their investments or to sustain a lifestyle rather than to maximise profits or personal revenue.' They go on to note that these often either are run to support the family's main line of sustenance, farming for example, or as a remunerating hobby or desired lifestyle. According to Ateljevic and Doorne (2000), this often means enduring low profitability. With reference to the work of Stallinbrass, Shaw and Williams, Williams et al., and Morrison et al., they note that this may constrain the regional economy and limit firms' survival. This is, of course, a situation that, in the long run, threatens the very existence of populated archipelagos.

Morrison (2006) discusses a classification that distinguishes between an entrepreneurial venture, an entrepreneur, a small business, and a small business owner, noting that the objects of study belong to different analytical spheres and that subsequent research has criticised the distinction, due to inadequate benchmarking abilities regarding what constitutes entrepreneurs, entrepreneurship, and entrepreneurial activity. Instead, a contingency approach to entrepreneurship measurement is suggested. She goes on to list the dimensions of family business: choosing fields that have low barriers to entry for them, focus on life change rather than career, prioritising lifestyle aspirations over profit, often catering to domestic market and driven by social rather than economic goals concerning localisation, and 'Businesses are dominated by the entrepreneurial family that can act either as a valuable competitive human asset or a detrimental drain on the efficiency and quality of the operation' (Morrison, 2006, p. 204).

These can be compared to the characterisation of Peters et al. (2009) of lifestyle entrepreneurs, who prioritise quality of life over growth, lifestyle over customer service, limited interest in the optimal allocation of resources in utilisation and decision making, limited competence in the running of business in areas such as management, marketing, product development, ICT utilisation, quality management, have little involvement in the interindustry activities and DMOS and other lobby and public bodies, are reluctant to accept external involvement or accept professional advice, have low innovation and are unwilling to cooperate, are 'motivated by survival and sufficient income to maintain their and their families' way of life [...] [and] unwillingness to let go or to sell their ventures' (Peters et al., 2009, pp. 397–398).

Presenza, Yucelen and Camillo (2015, p. 458) characterise lifestyle entrepreneurs as working with something for which they have a passion, talent, or knowledge and choose a business model that furthers 'long-term, sustainable and viable living.'

For both categories, goals other than profit seems to be a top priority, be it the possibility to remain on location and keep the businesses going, or to work with something interesting.

Now we move on to business models since the project intends to attempt to help improve the situation in the archipelago, and business model development is one way of doing so.

Business Models and Strategy

There seems to be little consensus on how to discuss business models. According to Zott, Amit and Massa (2011, p. 1022), it has been described as a *statement*, a *description*, a *representation*, an *architecture*, a *conceptual tool or model*, a *structural template*, a *method*, a *framework*, a *pattern*, and a *set*.

Much of the work is related to e-businesses, which is not the focus of the project, even if it may turn out to have significance in, for example, booking services. Now, it is perhaps less interesting to attempt to develop an exact definition covering every possible case, compared with, for example, the problems with doing so in the relatively well-specified field of visitor attractions.

More interesting is looking at the problems that

the business model is intended to solve. Amit and Zott (2001) suggest business models' ability for value creation lies in the direct effects, and the interrelations between novelty, lock-in, complementarities and/or efficiency, each with a number of components. Zott et al. (2011) contrast this finding with Hamel's ideas on revolutionary business models, and the idea of Casadesus-Masanell and Ricart that firms are competing through their business models. According to Hamel (2000), the business models developed should be able to create and capture value in value networks – a thought that has been taken further in the co-creation literature. According to Teece (2010), it is more or less the blueprint of the business with respect to organisational and financial issues.

According to Osterwalder (2004), Business models should be assessed along the dimensions of Value Proposition/Product/Value Leadership; Target Customer/Market Share; Distribution Channel/Channel Complexity; Relationships/Customer Integration; Value Configuration/Degree of Business Model Integration; Capabilities/Spread; Partnerships/Networkedness; Cost Structure/Low-Cost Leadership; Revenue Model/Revenue Diversity. This is the notion that will be the default choice of the project, even if efforts will be made to be sensitive to better options in specific cases.

Methodology and Methods

The project may be seen as a kind of inductive research process, in which expectations on how things are play a lesser role. The rationale for this is the low level of previous studies on business models used in archipelagos, and even rural areas with transportation issues would render optional strategies questionable, since a deductive approach requires a good knowledge of the field under investigation. A key point is to enter the situation and assess it and do what is appropriate both in terms of research and in terms of project outcomes. Methodologically, it may be viewed as action research (Gummesson, 2002; Perry & Gummesson, 2004), a format in which the researcher is part of the studied process and is attempting to affect outcomes while simultaneously doing research on it; thus, it is an extreme form of ethnography (Aspers, 2007).

Here, subjectivity problems of the researcher are balanced by a superior epistemic position, leading to a far better position to understand the phenomena at hand. One negative aspect is that there is a risk of conscious and unconscious bias, since people seldom are very good at critically examining their own behaviour. As with all subjectivistic methods, replication and objectivity are not issues. Instead, the ideas of Lincoln and Guba (1985) regarding trustworthiness and authenticity are sought.

The methods used include document studies, unstructured interviews with municipality representatives, participant observation, and occasional unstructured interviews with archipelago business representatives. Interviews with municipality representatives have been recorded and transcribed. Interviews with business representatives have been ad hoc; therefore, field notes have been made retrospectively. This latter method has its pitfalls, of course, due to, among other things, memory shortcomings, but it seems more serendipitous to use them than not to.

For research events, interviews will, as much as possible, be recorded and transcribed, but in ad hoc situations, field notes will be made retrospectively. Regarding student-related events, such as match-making seminars, and business clinics these will be followed through unstructured observations, for which research notes are to be taken during the sessions. In the business model development activities, Loop, a Business Model Canvas built on the works of Osterwalder (2004) will be the main source. Coursework will be assessed through both relevance to the businesses and its usual academic merits while thesis work will be assessed on its academic merits.

The process may be viewed as a business model development of the educational side of academic work, using the Osterwalder (2004) format of the Business Model Canvas.

Empirical Results

Traditionally, the archipelago inhabitants have had to combine their fields of work, since no single line of business has been sufficient to ensure sustenance; typically, these have been the three Fs: farming, forestry, and fishing. Few of the permanent residents in the ar-

chipelago are working in these traditional fields today, since modernisation made the archipelago non-competitive in these areas regarding price on the global market, due to the low productivity of soils for farming and forestry, while the topology of the archipelagos makes large-scale fishing more or less impossible.

According to one informant (Chairman of a business council, personal communication, 26 April 2017), there are a host of problems facing businesses; the fact that they are island-based forces most entrepreneurs to run multiple businesses. She runs five together with her family, ranging from maritime cargo through events to a grocery store.

One problem in having a business in the archipelago is caused by extensive second homeownership, giving high seasonality for businesses catering to customers present in the community, like visitor attractions. Furthermore, second homeowners may exhibit substantial resistance to change (Interviewee C, personal communication, 29 July 2017).

There is scarcely any possibility to obtain more real estate than that at hand. Moreover, this means that children growing up in the archipelago have difficulties setting up households, since young people seldom have the income to purchase, and banks are reluctant to give credit. Access to labour is challenging; when demand is high, there are difficulties finding housing for seasonal workforce reinforcements (Interviewee D, personal communication, 27 February 2017).

Infrastructure is another issue: poor roads are common in many rural areas. This is an acute problem for areas without road connection. One example is shipping from wholesale warehouses situated in urban areas to the trans-shipment points, where supplies are reloaded from trucks to boats for the grocery stores and restaurants.

For archipelago grocery stores, there is a regulated refrigeration supply chain, from which they are not allowed to diverge (Chairman of a business council, personal communication, 26 April 2017). This means that if there is, for example, a carrier break-down, the business may be out of supplies, with no legal way of remedying it. This is in contrast with online food delivery stores, who are not under the same regulation

and hence can switch to any cheaper or better means of distribution (Chairman of a business council, personal communication, 26 April 2017).

Furthermore, being in the Stockholm archipelago means that in winter the sea may be covered in ice, making it unnavigable (this is also true for Turku or Åland). Furthermore, in the Stockholm archipelago, Waxholmsbolaget, a tax-subsidised shipping company owned by Stockholm county, is required to cater to residents only (Interviewee D, personal communication, 27 February 2017). This means that they need not make any adjustments to the needs of the archipelago businesses. To the businesses, the handling of timetables of Waxholmsbolaget is allegedly a hazard, as it reveals its schedule to them only shortly before it is operational, giving the entrepreneurs little or no time to plan, package, and communicate their offerings to customers (Interviewee D, personal communication, 27 February 2017). For those who need to purchase services, like house building, or seasonal workers, the transport discounts are not applicable to other than permanent residents of the archipelago, and hence cost for engaging them is distinctly higher than corresponding costs on the mainland (Interviewee D, personal communication, 27 February 2017). This is because transport at sea is both more expensive per kilometre, and much more time consuming (Länsstyrelsen Stockholm, 2015).

Though many larger islands have fibre optic cables for high-speed internet communication, this is not the case everywhere (Holmberg & Rosengren, 2017) and the criterion used in decisions on which islands to connect is based on the number of permanent residents. For those without, the service of radio-based internet is not so reliable; if one, for example, happen to live on an island close to the ferry route between Stockholm and Turku or Helsinki, then the internet connection will be lost as the ferry passes, due to the many units connecting to the local hub. One of the larger islands still has internet access over mobile phone networks. When the guest harbour is full, this has the consequence that the portable credit card payment device cannot connect to the banks, forcing the operations to take cash, to the extent that the customers have cash, which is rather rare in Sweden. Then they need to go

the bank to deposit the cash, which will take the larger part of a day in transport. Regarding that and other financial services, bank offices will be at the nearest main town.

One interesting remark that was made is that the more concrete the problem of the archipelago entrepreneur, the more difficult it seemed to be to get help from, for example, municipality representatives (Chairman of a business council, personal communication, 26 April 2017).

Businesses in the MICE industry experience that there is no one to easily start networking with, due to the rurality constraints discussed earlier. This means that what they cannot produce themselves will not be done. This problem seems to be increasing with diminishing transport efficiency (Holmberg & Rosengren, 2017).

Educational Community Engagement

To create the best possible conditions for developing archipelago businesses and their workforce rejuvenation, while simultaneously attempting to improve the quality of higher education, the project will create a nexus where businesses and students meet. There are to be match-making seminars at which students and businesses meet, business clinics at which businesses are helped with understanding and possibly remedying distinct issues, such as accounting, or marketing research, and for those businesses that have potential and enough gusto and endurance, there will be an accelerator programme, in which a deeper relation between academics and businesses is established.

Since launching the project, some preliminaries have been undertaken. Interviews with several of the municipalities' trade and development representatives have been conducted; student recruitment has been commenced, including preliminary coursework in intermediate level net-based information system development, and bachelor level destination and business development courses; five graded bachelor essays and two master's theses are in progress. Of these, the essay of Holmberg and Rosengren (2017) is being used in here, both for its empirical results and as an example. Business recruitment has started on the Finnish side, while student involvement has been lacking. On

the Swedish side, the opposite is the case, and company recruitment started on June 1st, 2017, and the first business clinic is to be held on November 16th, 2017. When the format is fully operational, businesses will take part in the assessment of utility merits as well as the academics assessing their academic standard, while the theses will be solely evaluated on academic merits. Preliminary results on the challenges of the archipelago businesses include the transport of tourists, where a shorter bus delay from the metropolitan area may mean the cancellation of the whole trip, due to severe difficulties in timetable coordination and communication, lack of networking partners, competence and means, and general accessibility issues.

The business model development will follow the Osterwalder (2004) model of Business Model Canvas, as will the project as a whole, meaning that there will be a need to start where the businesses are in their mental notions of their firms, seek what value they are delivering to which customers, make a minimum viable product, and pitch the minimum viable product on potential customers, make pivoting changes where necessary, and reiterating. The same holds true for the project, where the 'customers' are both the students and the businesses. Both constituencies need to be persuaded of the significance of the project.

Discussion

As Labrianidis (2006) notes, the historical association between rurality and the resource-based economy seems to have faded in contemporary Western society. Some activity remains in the sector, but it is a minority of the businesses in the field (Löfmarck & Wolgast, 2010). Rather, it is construction and artisanal activities that account for the greatest number of businesses. This seems to be in line with the situation on the west coast of Sweden, as found by Larsson and Robertsson (2012), even though their study has a slightly different focus.

Whether or not it is fruitful to distinguish the rural from the urban, if the two are different in kind, is an open question. From a business development perspective, it is not necessarily interesting to explore the mindsets of rural as opposed to urban populations.

Neither is there much to do about the area being ru-

ral, apart from that possibly qualifying projects for various planning bodies' subsidies and project financing. When relevant, this would warrant taking Rousseau's (1995) attitude to the definition of the rural.

In contrast, something worth assessing, and where relevant, dealing with, are the constraints discussed by Mtika and Kistler (2017). They claim that there is inadequate enterprise creation, or Marjavaara's (2007b) idea of limitations with respect to industrialisation and endogenous growth is somewhat put in doubt by the claim that most residents are forced to run multiple businesses. It is not the amount of enterprise creation that seems to be the problem, but rather the lucrativeness of business activity, or the lack of possibilities to obtain desired services, necessitating entrepreneurs to perform them themselves. This is in line with the finding of Holmberg and Rosengren (2017): what operators cannot produce themselves will not get done. The claim of Mtika and Kistler (2017) about poor infrastructure seems to be true relative to urban areas, and even mainland Sweden: poor roads, the cumbersome trans-shipment, unclear reliability, and for some, regulated monopolies. These issues are also connecting it to the idea of the sea as an impediment found in Marjavaara (2007b).

The size of the permanent population is a determining factor when it comes to public financing of internet infrastructure. This is encouraging migration to more populated areas of the archipelago, a phenomenon akin to urbanisation.

On the idea of Mtika & Kistler (2017) regarding inadequate financial services, it can be observed that there is a need to go to the nearest main town to visit the bank. This may be cumbersome, to the extent that the entrepreneur needs to have established relationship with the bank to obtain proper financing. Swedish society is one of the more automated in the world with respect to financial services, so if one has access to a sufficient internet connection, it may be of lesser importance. As seen above, this is, however, not always the case. Social protection may be of lesser importance in the studied archipelagos, since Sweden is a rather stable welfare state, although this is perceived to be declining.

Regarding development, there have been many

projects, but few seem to have had a lasting impact. They have largely been sectorial, looking at, for example, food, marketing, and ICT. This seems to be in line with switching to a more holistic perspective as advocated by Mtika and Kistler (2017), warranting development in and of the community. For this reason, all dwellers should be considered, and second homers are a substantial factor here, owning much of the land in the archipelago.

In Larsson and Robertsson (2012), it is found that part-timers, 40+ people who stay in the second home beyond the holiday season, smoothen out the season. These have probably been around for quite some time, and do not necessarily pose an invitation to more business beyond that already in place. With the Osterwalder (2004) notion of business model, it would, however, be possible to test new offerings for the segment. Furthermore, land is scarce; Bardolet and Sheldon (2008) note this for Hawai and the Balearics, and Interviewee D (personal communication, 27 February 2017) for the Stockholm archipelago. Possibly part-timers could supply housing, provided it does not interfere with their own desires to utilise their homes. Probably, that would mean inventing new seasons with relevant activities. These are topics that may be investigated in the student-business matchmaking seminars and business clinics of the project. The second homers have high affinity to the community, and even though there is evidence of them voicing museum-strategy opinions, development of the community is not necessarily impossible. After all, they likely want the grocery store to remain open, which may not happen if there is no possibility of sustenance for the shopkeeper.

Returning to the idea of rurality, it may be argued that the closeness to the metropolitan areas, where at least some of the population who live close to the mainland can obtain sustenance in the metropolitan area, and the volatile population density off and on season, would suggest that it is not perhaps (or at least not only) proximity and population density that is an arbiter; for example, place identification is also part of the equation. Moreover, when there is high social as well as economic value in the existing housing and expectations on price increases in this sector as much as is in the urban housing sector, the problem of mak-

ing enough money to be able to stay is perhaps the defining characteristic of rurality.

Conclusion

This project does not exclusively focus on the tourism sector, since, as noted above, most entrepreneurs in the archipelago are 'jacks-of-all-trades' by necessity, and business models transgress industry boundaries (Zott et al., 2011), but it does aim to obtain a better understanding on the business models used in the visitor attractions segment. As noted above, most archipelago inhabitants have income from other sources than the traditional 3FS. The second homers constitute a rather big and steady demand for construction services, such as carpentry, plumbing, electricity, and the like. Moreover, in season, they are customers to retail stores, primarily food and apparel, and restaurants. This means that there is quite a large output market on-season and a tiny one off-season, which supports the claim of Labrianidis (2006) that rural output markets are small, but not in high season.

As suggested, there are weaknesses with the business models in use in relation to the rurality restrictions under which the businesses operate. Obviously, place is not a sufficient characteristic to create what Amit and Zott (2001) call 'lock-in,' or Porter's (1985) traditional notion of barriers to entry. However, as Bonow and Rytönen (2013) note, if relevant, place can be a strong brand, such as it may be in niche agricultural products, a possibility for the still active food producers of the archipelago. Furthermore, businesses will be having discussions on what their real objectives are with pursuing their enterprises, and the student activities will focus on to what extent lifestyle-like priorities can be put in accordance with business model development to not threaten long-term viability as indicated by Peters et al. (2009), Getz and Carlsen (2000), and Ateljevic and Doorne (2000). Thus far, student involvement has proven useful in the assessment of the situation. It remains to be seen if it also helps in developing business models in the archipelago.

Limitations and Further Studies

Case studies are idiosyncratic, and results are not necessarily transferable to other areas. Furthermore,

the ethnographic approach is dependent on the researchers involved, and interviews have bias risks in terms of social desirability and potential attention and memory-related problems. The sampling has a participation bias. Even if these problems seem insurmountable, it would be of benefit if data could also be matched to objective data, even if it may prove impossible to obtain objective behavioural data.

Speculation says that amenities for value creation are at hand in the archipelago, but the problems with value capture are rather severe, especially when entrepreneurs are thinking of creating more off-season business, such company events, when the customers are not already present in the archipelago. Hence, their business modelling needs to better understand networking and communication in the business-generating region (i.e. the customers' habitat).

The literature on rurality, including that on second homes and on lifestyle entrepreneurs, suggest that there are problems of infrastructure, possible shortcomings regarding business competence and the value structures of the business people, along with access to some services, such as banking. The business model literature does not give specifics on how to handle these but do give suggestions on where to look for progression options. The student involvement in the project has a potential to handle some of the problems, but as the project is still underway, no conclusions may be drawn on that part. Both the literature and the students' ability to deal with the problems need further study. The need to consider place in the business model merits a deeper investigation into a configurational approach to strategy in an archipelago context.

In addition to the studied literature findings, there is also the issue of political regulations and business policies working to the disadvantage of the islander businesses, such as the requirement to follow a pre-specified supply chain, and discounts only for permanent residents on public transport. These issues can hardly be solved by changing business plans, or student-involvement, but perhaps ideas can be brought up circumventing or solving the problems. Hence, the handling of institutional hindrances, such as laws on building permits, harbour utilisation, et cetera, needs further study.

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