

A Work Project, presented as part of the requirements for the Award of a Master's degree in Management from the Nova School of Business and Economics.

THE RISING TREND OF DIGITAL NOMADISM AND HOW CAN HOSPITALITY
BUSINESSES MEET THE CHANGING NEEDS OF THIS GROUP: THE CASE OF
SELINA

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Abstract

This work project aims to investigate the rising trend of digital nomadism and how hospitality companies can adapt to the changing needs of this particular society's group. The main objectives include defining who is a digital nomad and how this global phenomenon started, analysing one of the most rapidly growing hospitality platforms in the world- Selina and its strategy towards this target group. Based on the insights collected from the company's internal sources as well as conducted interviews, the work project provides recommendations and suggestions for hospitality companies on how to successfully react and develop their products/services accordingly.

Keywords (Hospitality, Selina, Digital Nomads, Long-term Stays, Digital Work)

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1. Introduction

The Covid-19 pandemic has undoubtedly transformed work routines globally as well as influenced the movement towards remote working – as a consequence, as the world is slowly re-opening, the rise in the number of people working away from their home and seeking flexible and innovative lifestyle options are growing. However, while the pandemic served as a catalyst that constrained different organisations to implement so-called the WFA (Work-From-Anywhere) model, the trends in remote work that ensures it remains a fixture of life have been present for more than a decade already. There are a vast majority of factors contributing to independent workers' ability to become digital nomads, including the development of co-living and coworking spaces. While coworking is not considered a new concept anymore, coliving is still quite a contemporary movement. The main difference is that coworking initiates people to share work areas, meeting rooms, and resources instead of renting private office spaces, while coliving applies the same premises but to accommodation. Both together, these two ideologies are intertwined entrepreneurial concepts that are changing the future for digital nomads as well as hospitality companies' developing modern lodging models.

The main research question is how contemporary hospitality brands can adapt to changing digital nomads' needs and improve their current services, products, and general infrastructure. This project aims to analyse the digital nomadism trend taking hospitality brand Selina as an example and investigating its recent products that are focused on providing flexible subscription packages for long-term stay including both coworking and coliving concepts. Objectives include emphasising the history and development of digital nomadism, assessing the major factors that are influencing this trend, evaluating what are the current needs of this group and how Selina as a company has adapted to it as well as providing major insights, recommendations and improvements for companies in the hospitality industry focusing on digital nomads' market.

There are different research methods applied in this study. Selina's internal data is analysed using descriptive statistics. Furthermore, interviews with digital nomads, who were or currently are members of Selina Colive Subscription Program, are made to understand the major advantages and challenges of this product while Selina's Global Head of Sales for Subscriptions- Mark Biery's and his team's - knowledge is used to identify company's ongoing strategy and plans. Regarding the logical sequence, the literature review is used to examine the trend and growth of digital nomadism within the past decades using existing literature and various academic resources. Afterward, key data about Selina as a company and its global operations are presented based on the company's annual reports. The methodology part is based on primary and secondary data and the main findings are presented together with the discussion. Managerial solutions are provided with specific proposals and suggestions. Ultimately, the conclusion holds an explicit presentation of the final results of the work project.

2. Literature review

First and foremost, it is essential to clarify what digital nomadism is and how this movement developed into a global phenomenon. The term digital nomad was firstly introduced by Tsugio Makimoto and David Manners in their book "The Digital Nomad" written in 1997, where it was described how future technology combined with human beings' natural urge to travel will enable society to enjoy full flexibility in terms of the working environment (Makimoto & Manners 1997). After less than a decade, the digital nomadism phenomenon has begun to spread rapidly across the world, especially because of the peculiar work practises and changing human lifestyle with a constant search for balance between leisure, personal life, and independence from work (Herman and Paris 2020). In fact, the term digital nomad itself is still developing and changing according to the current realities until today. According to the study done by the research firm MBO Partners, digital nomads are defined as the group of contemporary society that adopts a location-independent, technology-enabled lifestyle allowing

them to travel and work remotely, anywhere in the internet-connected world (MBO Partners 2018).

As the trend is rising continuously and the global Covid-19 pandemic also drastically empowered this growth, more and more people are trying to switch their career paths to be able to work from anywhere (Altinger 2015). The consequence of this major shift is that traditional workers have been released from their 9-to-5 office workdays and many, instead of coming back to the same routine, are eager to remain working remotely. The number of digital nomads rose from 3.2 million in 2019 to 6.3 million in 2020 and it is estimated that this number will continue to increase and reach over 1 billion in 2035 (MBO Partners 2020).

There are many perks of choosing a digital nomad lifestyle - Chevtava and Denizci-Guille (2021) highlighted the unlimited travel opportunity, sense of freedom, complete independence, lack of attachment as well as the discovery of new cultures and places as the major ones. Another interesting fact explained in Bonneau and Aroles (2021) study is that the majority of digital nomads are enjoying and pursuing a geoarbitrage lifestyle - combining low-cost living with earning income at the wage rates of higher-cost locations. This concept enables them to live in their desired places with relatively low costs of living while at the same time virtually working with clients in higher-wage labour markets. However, being location independent, digital nomads still frequently define themselves based on their specific lifestyle interests, needs, and connections made in certain places that become their temporary home, whether it is for two weeks, two months, or one year (Thompson 2019).

Life as a digital nomad can be very rewarding, yet it takes discipline to make it work. Becoming one might sound like a dream, nonetheless, it has its fair share of disadvantages too. Research done by Mouratidis (2018) called attention to the fact that it is not a lifestyle suited for everyone. As the lines between work, leisure and travel are blurred while pursuing this lifestyle, strong discipline and commitment are necessary to remain successful. Although the

freedom that location independence brings is valued the most, the cost of loneliness and isolation are still considered as the major obstacles (Thompson 2019). Constant nomadicity makes it challenging to build sustainable relationships with people and engage in local communities. This leads to high reliance and interdependence on coworking spaces, which provide environments to work and socialise within an already built and established community (Chevtava 2021). Coworking space is a neutral space that allows people to work independently on different projects, or in groups on the same projects (Von Zumbusch & Lalicic 2020). This phenomenon is a part of the sharing economy, where customers become part of value creation having different collaborative lifestyles (Bergan et al. 2020). In a relatively minuscule length of time, the concept of coworking has gone from a part-time, small-scale venture, with the first space like this being opened in 2005 in San Francisco, to a global phenomenon (Coworking Insights 2021). Today the selection of coworking spaces ranges from the small and the niche to the large and the expansive depending on different people's preferences. According to the CNBC website's data, before the pandemic, coworking spaces were the fastest-growing type of office space in the overall commercial real estate market (CNBC 2020). Many predicted that in a post-pandemic society, coworking would permanently lose its success as people would no longer feel safe working in a shared space. Conversely, an article published by Smith Group firm highlighted that Covid-19 fuelled the knowledge workers' desire for more flexibility in terms of where and how to work, and coworking is primed and ready for another evolution (Smith Group 2021). Thus, it seems that the concept is further successfully developing after the pandemic. However, the key values and the purpose remain the same throughout the years- to provide a sense of community, boost productivity and improve work-life balance to those who may otherwise feel isolated or struggle in a dysfunctional workspace (Gandini 2015).

In recent years, the concept of coliving was introduced to a society that is, in a sense, the coworking equivalent of accommodation. According to the information provided in the

Common's coliving blog, it is a modern form of communal living based on sharing economy in which residents usually have their own private bedroom/bathroom in a furnished lodging space while sharing common areas like cooking and living spaces (Common 2019). The idea of coliving is built on the concept of openness and collaboration, with the residents often sharing similar philosophical values and lifestyles themselves (Von Zumbusch & Lalicic 2020).

To put it concisely, coliving creates the opportunity to form a community anywhere you choose to be and coworking enables you to share the work environment and interact with other passionate like-minded individuals. What about merging these two concepts and creating a place that can provide it all? Yes. According to Chevtaeva (2021), contemporary coliving accommodations come in various forms, and in general, these spaces offer not only furnished rooms and shared common areas but also dedicated coworking spaces all together under one roof. A lot of hospitality businesses including hotels are adapting to this particular trend and becoming more flexible and creative than ever, resulting in various offerings ranging from "office for a day" workspaces to packages that fully combine accommodation and remote work with travel, including various local experiences (U.S. Chamber of Commerce 2021).

2.3. Internal company's analysis

The hospitality brand that this work project is focused on started developing this particular concept even before it became a global movement. Selina can be considered as one of the pioneer hotel chains that oversaw this rising opportunity and created a platform for digital nomads combining both coliving and coworking concepts by the changing audience needs.

Selina is considered as one of the world's most innovative hospitality brands, having a unique platform where accommodation is combined with coworking spaces, community development, retail, wellness, F&B outlets, and other local experiences under one roof (Selina 2018). The company prioritises and puts a high emphasis on contemporary nomadic travellers and provides a global infrastructure to travel and work abroad conveniently. According to the

words of the CEO of Selina- Rafi Museri- “Selina was born out of a desire to celebrate the nomadic lifestyle: To experience our planet’s most beautiful places, to build community, to engage with locals and fellow travellers, to work and enjoy new adventures” (Selina 2018). The company’s goal is to seek out the most distinctive locations around the world and **make each place a destination** where people can experience the unique combination of locations’ natural environment, local activities, food, community, work, and wellness at the same time further raising the barriers between people, places, and cultures (Selina 2020).

The first company’s hotel opened its doors in Panama, a remote surf town called Venao, in 2014. Once the concept got recognized, it immediately was marked with a huge success and future potential, thus the major expansion began. The company currently operates in 134 locations, in 23 countries, across five continents (Selina 2020). According to Selina’s Country Expansion Roadmap (Appendix A), the company expects to operate in more than 36 countries worldwide, having around 130000 beds and over 400 properties by 2023. Since Selina originated in Latin America and already has developed high brand awareness there, the current company’s expansion is pointed to the majority of European countries and the United States of America. However, in the last few years, the growth strategy in terms of the number of properties owned became extremely rapid. According to the information presented in Selina’s Global Corporate Report (2020), the other two continents that the company is focusing on expanding its operations next are Australia and Asia. The Melbourne location is about to be open a few weeks from now, at the end of December 2020. The company seeks to convert old, traditional hotels into exciting, contemporary destinations. In Selina Investors Presentation (2021), it was also revealed that the company usually takes up to three months to convert existing properties into Selina (as it was an average period of the last twenty locations opened between March 2019 – June 2020). Two main goals while renovating are to increase the density of beds per location and add new revenue-generating products such as co-working and F&B.

Selina's entered Europe in 2018, with its first location in Porto, Portugal. According to Selina's Global Corporate Report (2018), for Porto's location around ten million euros was invested for the full property's renovation. The location of Porto is a great example of Selina's market entry strategy- acquiring long-term leases of existing properties and renovating them in collaboration with local communities, artists, and designers. In addition to Porto, by now the brand already had opened locations in Lisbon, Ericeira, Peniche, Gerês, and Vila Nova de Milfontes. In the past few years, Portugal has become a top destination on every digital nomad's "to go list", thus Selina made a smart move starting its expansion in Europe while choosing this particular country. It has indeed been marked with a huge success and, in less than five years, all Portugal locations became one the most popular and profitable brands' locations worldwide. Despite widespread Covid-19 restrictions affecting the company's portfolio, in total 26 Selina properties, **including all Portugal locations**, performed at a positive unit-level EBITDA margin for the second and third quarters of the year 2021 (Selina 2021).

Taking into consideration past years' occurrences, Covid-19 has significantly reduced demand throughout the overall lodging sector, and while multiple travel restrictions challenged most hotels' ability to capture the limited existing demand, many of these regulations have raised the interest and potential of the long-term-stay segment funnelling guests toward hotels that can offer this specific type of accommodation. Selina never closed its doors during the pandemic, on the contrary, since the beginning, internal decisions were quickly made, and waning short-term bookings got cleverly replaced by the long-term ones. The company has supported continued growth during the pandemic, opening around dozen locations since early June of 2020 (Selina 2021). Right after the first wave of the pandemic, taking into consideration the rising number of digital nomads willing to start travelling again, a work-from-anywhere **Selina Colive Subscription Program** was introduced with two major packages. According to the company's Global Strategy Report (2020), it automatically includes furnished

accommodation, a coworking space, free access to a fully equipped kitchen, housekeeping services, and other on-site benefits such as free wellness activities, surf, discounts on retail and F&B products. **CoLive Flex** caters to those who seek more flexibility as it provides the opportunity to make Selina your home and stay 30 non-consecutive nights at up to ten locations. Selina **CoLive** is a more stable month-by-month rental option where guests can still choose up to three locations per month having 30 consecutive nights. Packages range from \$200 to over \$2000 per month, depending on country, property, and accommodation type. The biggest benefit of this new model is providing accommodation and coworking space under one roof for a longer period, in this way offering a venue that promotes creativity and productivity, along with the flexibility to work while travelling indefinitely.

In October 2020, Selina announced the acquisition of Remote Year (the company that organises work-from-anywhere programs abroad for digital nomads) in an all-stock transaction of brand and customer base to combine a global portfolio of coworking hotels with a network of thousands of digital nomads (Globetrender 2020). It resulted in a “win-win” situation as Remote Year continues to operate as its own company, using trendy Selina’s workspaces worldwide, meanwhile, Selina gained access to Remote Year’s network of members and boosted awareness about the subscription program in general.

According to the CEO of Selina- Rafi Museri, in the upcoming years, Selina plans to allocate 50% of accommodations at each of its locations to its subscription platform, with the concept building off a trend toward long-term stays (Selina 2021). Most recently, on December 2, 2021, Selina announced going public through a merger with blank-check company Boa Acquisition Corp in a transaction valuing the business at approximately \$1.2 billion. The combined company will operate as Selina Hospitality Plc, with its shares listed on the New York Stock Exchange under the symbol SLNA (Businesswire 2021). Accessing the public

capital markets is believed for the company to be able to scale faster across large urban markets bringing Selina to more locations, travellers, and local partners across the world.

As all data represents, Selina has always put the highest emphasis on digital nomads' audience and has been adapting its product portfolio according to the changing needs and trends of this group since then. By no means, digital nomads and remote workers are not typical hotel guests – they have completely different requirements especially when it comes to staying in a specific place for a month, two, or even longer. As it becomes more like a home rather than a simple extended hotel stay, Selina or any other hospitality company currently focusing on promoting work-from-anywhere models should consider that and understand what are the exact needs of this group and how the current infrastructure, design of the spaces together with other on-site facilities should be improved to be able to maintain market competitiveness and provide the best service experience.

3. Methodology

3.1. Research methods

Research methods of this work project include semi-structured, unstandardized interviews with digital nomads that were or are currently the members of Selina's Colive Subscription Program to better comprehend the motives of choosing this type of accommodation, the reality of living in hotel infrastructure, and suggested improvements. Moreover, a full in-depth interview with Mark Biery- Global Head of Sales for Subscription Packages in Selina- and his other two team members are conducted to understand the company's perspective on implementation and expansion of this model, main challenges being faced and the future steps planned. The interview method is selected as the information gathered provides more in-depth respondents' insights around a chosen topic. Moreover, the quota sampling technique is used as it allows to a selection of a group of people with certain characteristics that are of great interest to this study, in this case, digital nomads who are

members of the Selina Subscription Program as well as the company's employees working for this product development. The sample size is 23 respondents in total. The data is gathered from the 20th of October to the 19th of November.

3.2. Research process and results

Half of the interviews are made in real-time at Selina Secret Garden Lisbon as the majority of participants are the current ongoing members of the Colive Program in this particular location. The other half of the interviews are made via Zoom, Google Meet, or WhatsApp platforms due to distance or time factors. All participants agreed to be recorded.

Surely, the higher number of participants would have resulted in more broad and explicit insights. Moreover, prejudice is always possible. As for the interview with the Selina Subscription team, considering them being the employees of the company, they might have a certain bias and unconsciously answer questions to secure some information or simply make it more appealing. Regarding interviews with digital nomads, half of the respondents experienced living in Selina in only one specific country (Portugal) and have not stayed in Selina in Latin America or other European countries. Correspondingly, results cannot be completely straightforward as people that experienced living in several different locations could have provided broader and more reliable answers. However, questions for the interviews are formulated in a meaningful way to get as explicit answers as possible oriented to the main research question.

3.3. Main findings

All data is collected from three different origins- interviews with Selina Colive Subscription Program members and the company's employees' knowledge all together based on internal Selina's data and records. The first method is used to assess how appealing and functioning the product is, what improvements have to be done and what other factors can determine potential success and competitiveness for hospitality businesses in this growing

market. The other two methods are mostly focused on analysing the company internally- its current strategy, product expansion, and future goals.

3.2.1.1. Discussion and insights from Selina Colive Subscription Program Members.

Participants were first asked how they identify Selina as a brand and how they found out about this program. The majority of the answers showed that they identify Selina as an innovative cultural hub and a place to connect with like-minded people that empowers strong connections, cultural diversity, equality, and personal growth. They also associated the brand with themselves and described it with characteristics such as being young, motivated, disruptive, and constantly changing. One participant stated that for him “Selina is the 1-stop-shop meeting every digital nomad’s expectations”. More than half of the participants found out about this new model of accommodation while they were already staying as short-term guests in different Selina properties throughout the world in the last few years. The other ones got acquainted with it through friends, various nomadic blogs, or discussion forums.

Interviewees were also asked if they ever tried any other type of coliving accommodation before. For the majority of them, Selina was the first experience. Others stated to have participated in special nomadic retreats or camps in Portugal (such as Borderless Retreat or The Nomad Escape) where they shared common spaces with other people, however, the occasion and the length of the stay were, obviously, different. On the other hand, all of them mentioned having booked their long-term accommodation through the Airbnb platform in the past. However, participants revealed that the two major reasons that made them search for different alternatives were the feeling of loneliness and the inability to separate working and home environments.

Following this, one of the most essential questions that were given after is what made them choose this Colive Program and what they identify as the major advantages of it. Unanimously, all participants immediately underlined the factor of convenience and guaranteed

coworking space on-site. Coworking at Selina is a core part of the so-called “Brand DNA”. It is a foundation product for the target audience of digital nomads and core to the nomadic lifestyle in general. There is a standardised model for all Selina’s coworking spaces in the world according to the location type (urban, remote, or off-grid) and size. However, all of them are equipped with a fast and reliable internet connection, printing services as well as all necessary amenities such as phone booths, meeting rooms, and a common kitchen.

As for the convenience part, as all of the participants belong to digital nomads society, the importance of being able to live, work and eat at the same place was strongly highlighted. Selina Coliving Program does not only include the coworking space into the monthly package but also offers discounts on F&B outlets that are within the properties. In this way, daily life becomes much easier as there is no unnecessary time consumption such as commuting to a workplace or finding a place for lunch.

The vast majority identified the same few factors that also played a crucial role in choosing this program that is the sense of community, flexibility, and on-site facilities. One interviewee stated that after a few days he spent in Selina Lisbon he immediately decided to become a coliver- “I heard before that Selina is known for its close community, where no matter if you are an employee or a guest, you will, either way, be welcomed and will make strong, valuable connections. That is exactly what I experienced in Selina Lisbon. It actually made me feel like I belong to this community”. Indeed, one of the brand's top long-term missions is to inspire authentic and meaningful connections between people, places, cultures, and communities. All participants are mostly solo travellers as well, thus being able to join the Selina community, where they can meet one-of-mind people, enables them to share personal relatedness of each other in different environments. Each company’s employee is a “connector”, that is how Selina refers to its employees because their main mission is to take care, connect, share, fight loneliness and be creative with their peers, guests, and the local community.

The flexibility factor was mentioned as the subscription program does not require signing any lease or permanent accommodation contract. It is a very favourable condition for foreigners who are new in a specific country and are not familiar with the real estate common ground or simply do not want to commit to signing a permanent lease contract for accommodation.

Another important factor mentioned was on-site property's facilities. All the participants ranked fast and reliable internet connection all over the hotel as the most important amenity- "Access to the strong Wi-Fi connection is something that is, basically, like oxygen in my daily work life" stated one of the participants. Selina always guarantees that to its clients and even offers different networks according to the needs and the spaces in the hotel- e.g. every Selina coworking space has its separate network that is more secure and stronger than the common one used in other areas. Other than that, all interviewees highlighted the benefit of being able to use and enjoy Selina's common spaces such as the common kitchen, library, or cinema room as it makes them feel more like home.

Participants were also asked how many Selina properties they already have lived in using the subscription program. Bearing in mind last year's global travel restrictions and the fair newness of the product, surprisingly, more than half of the respondents claimed that they already tried four or more locations- starting the coliving membership in South America (mostly Costa Rica and Mexico) and then moving to Europe, in this case, Portugal. Others started it in Portugal and throughout last year tried all six Selina properties in the country. Thus, all of the participants did experience living in more than one Selina and were able to answer the following questions having a broader view of the subscription program concept in general.

When being asked how they would rate the overall experience in different properties, the answers turned out to be diverse. More positive feedback was given from people who only stayed in Portugal locations. Even though every person had their preference in terms of the

favourite location, all participants claimed that overall all Portugal properties feel very welcoming, are in good shape, and have all the amenities and facilities as promoted. The only major comment was that the urban locations (Lisbon and Porto) are way more adaptive to fulfil the needs in terms of work environment, however remote locations (Ericeira, Peniche, Geres, Vila Nova de Milfontes) offer a much stronger community and connectivity.

Coming to the respondents who were colivers not only in Portugal but also in South American locations, the major challenge mentioned is the lack of consistency in terms of common brand rules between locations. By no means, standards, expectations, and mindset are different between these two continents. Respondents claimed that European locations have much stricter in-house policies and rules and that they felt more at home, connected, and welcomed in South American locations, in particular, Santa Teresa (Costa Rica), Isla Mujeres (Mexico), Bocas Del Toro (Panama). Design of locations and common spaces were also described as more unique and authentic over there. Nonetheless, in terms of accommodation standards and properties' layout, European locations were perceived better. However, it is important to take into consideration that these properties were also built later as a brand expansion to Europe only started in 2018.

Another drawback mentioned was different on-site facilities and room amenities in different locations. One respondent stated that his room in Selina Isla Mujeres was very small, did not have a coffee machine and mini-fridge, however, when he arrived at Selina Porto all these amenities were provided, even though the room type together with room facilities in his coliving package were the same as back in Mexico and the price of it was equal. In his initial coliving booking all these appliances were promised in any Selina he will choose to stay, however, the reality was different. Selina offers a wide variety of accommodation options, from most economic (large community rooms) to the most luxurious ones (loft and suite) and special ones (glamping and cylinders). However, according to the feedback given from the respondents,

in different properties the size of the same category room, the design, and amenities differ. Another coliver mentioned that there was no proper cinema room in Selina Lisbon and she was deeply disappointed about it after staying in the other locations. That proves the fact that not only rooms but also common areas do differ throughout the locations.

Lastly, the challenge that mostly all of the participants mentioned was the lack of communication and customer support in some specific situations during their stay. As the Colive Subscription Package is a global company's product, all the inquiries and bookings are done by the global customer service support team and not the location team. It means that whenever colivers are having any issues with their current reservation (e.g. changing the dates for the future stay or cancelling some nights) they cannot simply approach the front desk in the current location they are staying and ask the team for help as any other short-term Selina guests would do. Instead, the global customer support and reservations team has to be contacted first for any inquiry by email or chat via Selina App. It can be done either by the reception team or a guest can also do it himself/herself. However, it is time-consuming and ineffective as the product is getting more and more popular but the response rate is not improving, on the contrary, in this case, getting slower. It automatically hurts both parties- customers as well as Selina's support team- when they are not equipped with user-friendly customer service tools.

3.2.1.2. Discussion and insights from Mark Biery, Selina's Global Head of Sales for Subscriptions, and his team. As already mentioned before, Selina Colive Subscription Program is one of the newest company's products directly influenced by the Covid-19 pandemic and officially launched in the summer of 2020. Mark Biery, who has been working in the field of hospitality for more than two decades and also is an active member of the digital nomads' society himself, has accepted the challenge and joined the Selina team to develop this by far undetermined and disruptive product. According to him, it was exactly the pandemic that originated the idea of developing this program. After offering long-term accommodation to

people who were stuck in different parts of the world during the first months of the global lockdown, the company quickly realised how easily the potential could be expanded and focused on the target Selina clientele- digital nomads.

The start and development of the program were analysed internally together with Mark and his team. It was revealed that the rise of the product in the first months of the launch (September, October, November 2020) was considerably slow followed by a huge drop in December mainly caused by re-shifting global travel restrictions, growing vaccine distribution, and the holiday season in general. However, in January-February, the numbers skyrocketed as it was the beginning of a high season in Mexico and Costa Rica (the two most popular destinations of colivers in South America). More frequent and consistent advertisements of the program also had a strong positive impact. After, the revenue growth stabilised and remained comparably steady with minor fluctuations (see Appendix B). There are around 3000 members in total that have experienced this program since the launch day, 34.2% of those are American nationals, 10.2% Canadians, and 10.4% Mexicans (see Appendix C). Currently, in the month of November 2021, there are approximately 400 active colivers who are physically staying at the Selina locations. The company does not use any paid advertisement at the moment, thus the numbers are purely based on word of mouth.

Mark stated that this Colive membership stands as the ‘Make Selina Your Home’ program designed for long-term stays that allow people to switch rent to join a colive/remote work community around the world. It has a hybrid role that stands as a competitive advantage for the other hospitality companies also focusing on digital nomads society as it provides all the necessary services under one roof- “Selina might not offer as spacious, modern and affordable apartments as Airbnb, however, with us our guests can be certain that they will always have everything they need in one place- comfortable bed, designated place to work, and most importantly, a place to connect with other people and feel like a part of a community”.

Nonetheless, as there are not so many benchmarks in the current hospitality industry for this specific product implementation, being an innovator always means facing various challenges and obstacles. When asked to identify the major problems his team is facing at the moment in terms of product development and improvement, Mark stated that, unfortunately, there are way more obstacles than he would have imagined.

To begin with, the respondent remarkably highlighted the lack of standards in between locations most affected by unrestrained company's expansion strategy. This issue was also mentioned by the remaining case participants. The team stated that the company is so highly focused on expanding its current operations and opening new locations that already existing properties are being left out and, automatically, are failing to compete with newer locations. Since Selina is growing so quickly, it becomes very hard to sell a product that is not strictly defined yet and varies throughout locations and countries. Thus, whenever any Colive program member changes the location and finds significant differences in terms of chosen accommodation size, amenities, or general on-site facilities while paying the same amount of money, it does instinctively damage the trust customer has built towards Selina, his/her ongoing experience and overall brand image in the long-run. It was also stated that Selina in general should put more focus on standardisation, consistency, and internal balance between different departments- "Clear communication and task distribution is a key to having a standardized and stable workflow. Unfortunately, Selina as a hospitality start-up still has a very disruptive way of operationalizing it". Team also pointed out that in their opinion, Selina expanded to Europe with an idea to re-apply and embrace the same concept as it has developed in South America. That did happen, as the company continues to grow successfully, however, some highly relevant factors must be adapted directly to the European market such as customer service, the level of cleanliness and maintenance of the locations, and general properties' infrastructure.

Another identified problem is a slight clash existing between the company's culture and realistic product offer. According to Mark, there is this commonly developed understanding that Selina does not simply sell accommodation, it sells the experience. The whole company is based on providing a versatile experience to their guests and programming is one of the most important features in every location. There is so much to offer in terms of in-house activities that it innately affects the working environment for the colive members- “Imagine if you are working for a company in a different time zone, it is almost midnight, you are in the coworking space and you hear your favourite music coming from the rooftop because there is a DJ set happening. You might be tempted to close your laptop and join your friends upstairs and that is the challenge we are putting our colive members in”. Indeed, every Selina does offer daily programming activities starting from the morning yoga/meditation, workshops, talks to DJ sets, happy hours, and parties until late nights. As a lot of travellers still choose Selina as their short-term vacation destination, this lifestyle for a week is perfect. However, for the colivers who are staying at the same place for a month or longer and trying to maintain a good work-life balance, it might incite a challenge and constant inner battle. Thus, the working environment should be reviewed and improved in every location according to this group’s particular lifestyle and needs.

Inefficient technology usage was mentioned as another obstacle. Currently, there is still no option to book this Colive membership directly online through the Selina website or app. Customers first need to send an inquiry via email, only then the subscriptions team gets in contact with them and provide all the necessary information. All the reservation process is fully managed by the team manually from receiving the lead until creating a booking in a property management system. For the current pace of life, this process is outdated, time-consuming, and inefficient for both the guests and the Selina team.

After all the mentioned challenges, the team was asked to contemplate the planned improvements and general future development of the product. It was outspoken that for the program to remain successful and grow, the importance of it should be raised to all the stakeholders as it is still a considerably new concept with huge potential. As mentioned before, the company has big plans for this product, however, to do that, a higher budget allocation and additional investment should be devoted to it as without proper resources no eligible development can be commenced.

Not only investment but also higher employee engagement and overall general staff training are needed. Mark described colivers as very particular and unique customers having very different needs from any other type of guests staying in Selina. As they are living at locations for a longer period, they get to know every corner of the property they are staying in. As long-term guests, Colive members have real coliving responsibilities that regular guests do not necessarily observe. Every modern coliving community sets up basic guidelines on being a responsible member, thus ensuring the well-being of each person involved and the community as a whole. The most important rules to be followed in Selina are to be respectful, keep common spaces clean, protect the environment, follow the house rules, connect, share and empower. Assigning responsibilities to the Colive members also means that all connectors have the responsibility of making them feel welcomed and included in the community. The team acknowledged that Selina has very diverse employees in each location ranging from volunteers, interns, freelancers, influencers to normal payroll contractors. It is very beneficial for a company's cultural ethnicity and diversity, however, it also often causes issues regarding guest relations and quality of the service as there are so many different backgrounds, cultures, and lifestyles interconnecting. Even though a company maintains flexible policies and rules for its employees, common ground has to be established and proper training/onboarding must be given to each connector about the brand itself and its target audience to ensure high-quality service.

As for the further development of the program, the team revealed that they have a lot of ideas, however, time, support, and investment is needed to achieve bigger goals. For now, a new community platform directly designed for subscription members will be launched soon where all the Selina colivers will be able to connect, get the latest updates, virtually explore different locations as well as receive personal promotions and offers.

Moreover, to always stay up to date and better understand the needs of digital nomads, the Community Residency Program is being tested and implemented in several locations already. This initiative is based on the idea that each property has a person – a member of the local community or nomad- who stays at the property as a coliver. Apart from being involved in all activities and programming for the members, this person also has the role of providing constructive feedback to Selina’s team regarding all the necessary improvements and ideas.

Last but not the least, the subscriptions team revealed that the first Selina Digital Nomad Retreat is being organized at the beginning of next year, in Nicaragua. As it will be the first version, there will only be around 30 people that are already existing members of the Selina Colive Community. Mark indicated that this retreat is meant to reconnect this growing circle and allow like-minded individuals to meet again in one place where all the infrastructure and programming will be directly made up for them and only them.

Based on three different information sources, besides all the mentioned challenges, it can be concluded that Selina as a brand and its Colive Subscription Program has a very high potential in the hospitality industry and the current growing digital nomads’ society. The product grew from the long-term hotel stay concept initially forced by a global pandemic, yet it was improved and became directly designed to fulfil the needs of this particular group. Finalised solutions and suggestions on how hospitality companies can successfully adapt to the dynamic needs of digital nomads will be provided in the following chapter.

4. Managerial solutions

The following part focuses on particular actions, recommendations, and measures of success for hospitality companies that focus on the digital nomads market based on the main findings from the internal Selina's data as well as from the interviews with digital nomads and the company's employees.

4.1. Standardisation of the product/service offering

Any global hospitality company that is eager to focus on this particular audience has to take into consideration how consistent and standardised its product offering, in this case, coliving or any other long-term stay program is across different locations. From the interviews, it was clear that even without settling in one specific place for a long period, digital nomads value consistency as it promotes the convenience of use and quality of service. It ensures that all services are held to a certain standard of quality. Having a standardised offer will also strengthen the brand itself- knowing what to expect may quicker lead the guests to build loyalty and trust for the specific brand when choosing their next nomadic location.

4.2. Investment in the current hotel infrastructure

As mentioned before, digital nomads are not simple short-term hotel guests. To satisfy their needs, the lodging space itself has to be adapted accordingly. The room size and amenities in it have to be designed for long-term stays. The excellent working environment is a must and that requires investment in creating a proper on-site coworking place equipped with high and reliable Wi-Fi, phone booths, meeting room, printing services, and lounge area. Besides that, other common spaces also play a crucial role as the place itself represents home to the guests for that specific period of their life. Having a spacious and well-equipped common kitchen, cosy cinema room, and welcoming outside areas such as pool or rooftop where everyone can connect and spend quality time with each other should be inevitable features for any hospitality business targeting digital nomads.

4.3. Technology and data overview

Digital nomads are certainly a technology and innovations driven society's group, thus service automation is an instrumental factor. It is essential to ensure that the booking process is self-served, easy, convenient, and has all the necessary information about the product itself. Fast and reliable customer support should also be ensured and available anytime. Moreover, the development of an app should also be implemented integrating every aspect of the guest journey such as enabling cashless travel throughout different locations, providing access to the global guest network and marketplace, and enhancing guests' experience during their stay and after their departure.

4.4. Training of the staff

The hospitality industry uses a diverse workforce that usually includes a variety of positions with different educational components. Yet, it reflects the general hotel's culture, which is why every employee must receive proper training on the target audience, specific values, and standards of the company. Hospitality companies focusing on the digital nomads' market should design the training for their employees to determine the difference between the needs of this group compared to short-term hotel guests, define eligible communication as well as ensure that it is consistent for everyone. Great service that leads to unforgettable experiences and connections is the core element for successful development for any hospitality brand.

4.5. Community building

Last but not the least, it is the community that matters at the very end. As interviews revealed, one of the biggest challenges of being a digital nomad is a constant feeling of loneliness. The recent years have especially highlighted the importance of community as feelings of isolation, anxiety, and depression have escalated during the pandemic and many people are seeking meaningful connections more than ever. Thus, creating a product or service offered for digital nomads is not enough- the community where like-minded individuals would

be able to meet and share their knowledge, culture, traditions, values have to be established jointly.

5. Conclusion

As the world of remote work expands and changes rapidly, so do the motivations, goals, and methods of the workers and companies behind this movement. The goal of this research was to analyse the phenomenon of digital nomadism and suggest practises for hospitality businesses on how to develop and improve their products, service, and infrastructure according to the specific needs of this group. The Selina platform was chosen for this case analysis.

After reviewing relevant literature, the starting point and development of the movement was defined together with highlighting advantages of digital nomad lifestyle such as freedom to travel, flexibility, and independence as well as major challenges including undefined working hours, loneliness, and isolation. It was also found out that the Covid-19 pandemic extremely boosted the work-from-anywhere trend in general together with the concepts of coworking and coliving. The coherent information about Selina as a brand and how it successfully merged these two concepts creating a Colive Subscription Program was provided afterward.

Coming to the methodology, to answer the main research question, methods selected include the collection of secondary data from internal Selina resources together with semi-structured, unstandardized interviews with the members of the Selina Colive Program as well as the company's employees, who are involved in this product development.

Discussion and main findings from all three sources were combined and results showed that if developed and maintained accordingly, such a program has a very high potential for future success and growth as it satisfies the major needs of the digital nomads. Based on this, five key managerial solutions for hospitality companies inclined to target this audience were given including standardisation of the product offer, fair investment on current properties infrastructure, convenient technology use, staff training, and community building.

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Appendices

Appendix A: Selina’s Country Expansion Roadmap

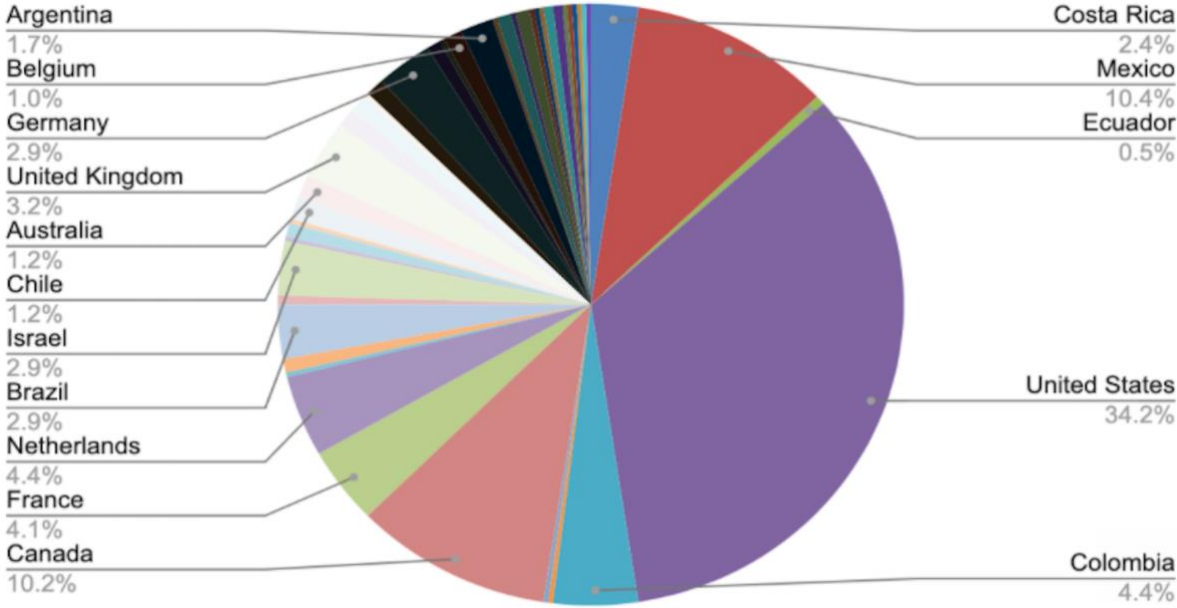
SELINA’S COUNTRY EXPANSION ROADMAP

| 2015-2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|--|---|---|--|---|
| <p>Countries Opened: Costa Rica (2015) Panama (2015) Colombia (2016) Guatemala (2017) Nicaragua (2017) Mexico (2017) Ecuador (2017)</p> <p>Total Countries: 7 Total Beds: 5,000</p> <p>New Country Pipeline: Peru (2017) United States (2017)</p> | <p>Countries Opened: Peru United States Portugal*</p> <p>Total Countries: 10 Total Beds: 10,000</p> <p>New Country Pipeline: Argentina Brazil Greece Israel Poland Portugal United Kingdom</p> <p>* Opened same year</p> | <p>Countries Opened: Argentina Brazil Germany* Greece Israel Poland United Kingdom</p> <p>Total Countries: 17 Total Beds: 30,000</p> <p>New Country Pipeline: Germany Hong Kong Philippines Spain Thailand Vietnam Chile Cuba</p> <p>* Opened same year</p> | <p>Countries Opened: Hong Kong Philippines Spain Thailand Vietnam Chile</p> <p>Total Countries: 23 Total Beds: 56,000</p> <p>New Country Pipeline: Australia Chile Cuba India Netherlands New Zealand Singapore</p> <p>* Opened same year</p> | <p>Countries Opened: Australia Cuba India Netherlands New Zealand Singapore</p> <p>Total Countries: 29 Total Beds: 73,000</p> <p>New Country Pipeline: Canada Croatia Georgia Indonesia Italy Morocco South Africa</p> <p>* Opened same year</p> | <p>Countries Opened: Canada Croatia Georgia Indonesia Italy Morocco South Africa</p> <p>Total Countries: 36 Total Beds: 100,000</p> <p>New Country Pipeline: Albania China Estonia France Malaysia Kenya Turkey</p> <p>* Opened same year</p> |

Appendix B: The Revenue Growth of Selina Colive Subscription Program



Appendix C: Nationalities Of The Members of Selina Colive Subscription Program



Appendix D: An interview guide with members of Selina Colive Subscription Program

1. Please, identify Selina as a hospitality brand. What adjectives you would describe Selina?
2. How did you find out about the Selina Colive program?
3. Have you ever experienced the concept of coliving? If yes, where?
4. What made you choose this program and what do you identify as the major advantages?
5. How many Selina locations have you already experienced as being a coliver? Which one was your favourite and why?
6. Did you feel any difference in terms of product offer between different locations? If yes, what was it?
7. In Your opinion, what are the major drawbacks of the program and general infrastructure?
8. Are you planning to continue being a member of this Colive program?

Appendix E: An interview guide with Selina Subscription team members

1. How did the overall idea of the program get initiated?
2. What were the major factors influencing Selina to launch this type of program?
3. How was the development of the product in the first months compared to now?
4. What do you consider as the major benefits this program can provide to the digital nomad community?
5. In Your opinion, how is it different from other long-term accommodation facilities?
6. What are the major challenges you encountered so far and why?
7. What do you think could be improved?
8. What are the future steps in terms of general product development?