



Customer Development for co-living services – The Case of Sweet Tides

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Abstract

Title: Customer Development for co-living services – The Case of Sweet Tides

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The dissertation at hand analyzes the Portuguese co-living market and tests the initial product-market fit of Sweet Tides. Sweet Tides is a new co-living concept that combines remote work with a sustainable leisure approach.

The first research question aims at understanding the structures of the Portuguese co-living market and its players. A secondary data analysis shows that the market development of co-living spaces is maturing, and along some bigger chains that are present in Portugal, new private players are entering the market due to the ever-growing population of digital workers. The second question aims at defining early adopters for Sweet Tides through secondary data analysis and validating the assumptions by conducting online controlled experiments. Findings showed that targeting Digital Nomads is a reasonable approach for building an initial target group. Their interest in the business concept was validated by testing different Minimum Viable Products. Firstly, advertisements were published on social media and Google with the goal of persuading prospective customers to interact. Secondly, these prospects were forwarded to a landing page describing Sweet Tides concept. The experiment's data analysis shows that the results of the advertisements and landing page conversions exceed the overall industry average and therefore support an initial product-market fit. The third research question examines the use of the different channels mentioned and the messaging used. The results support the assumption of social media channels and Google as effective customer acquisition channels in the future and the use of leisure-focused communication.

Keywords: Market Analysis, Customer Development, Minimum Viable Product, Online Controlled Experiments, Online Marketing Channels

Abstrato

Título: Desenvolvimento de clientes para serviços de co-vida - Sweet Tides

Autor: Fritz Trienekens

Esta dissertação analisa o mercado português de co-vida e testa o encaixe inicial do produto-mercado da Sweet Tides. A Sweet Tides é um conceito de co-vida que combina o trabalho remoto com uma abordagem de lazer sustentável.

A primeira pergunta de investigação visa compreender as estruturas do mercado português de co-viver e os seus intervenientes. Uma análise de dados secundários mostra que o desenvolvimento do mercado para espaços de co-vida está a amadurecer devido a uma população crescente de nómadas digitais. A segunda questão visa definir os primeiros utilizadores de Sweet Tides através de uma análise de dados secundários e validar os pressupostos através da realização de experiências online controladas. Os resultados mostraram que visar os nómadas digitais é uma abordagem razoável para a construção de um grupo-alvo inicial. O seu interesse no conceito de negócio foi validado através de testes do MVP. Os anúncios foram publicados com o objectivo de persuadir potenciais clientes a clicar. No segundo passo, estes potenciais clientes foram direccionados para uma página de destino descrevendo o conceito Sweet Tides. A análise dos dados da experiência mostra que os resultados dos anúncios e das conversões de página de destino estão a exceder a média e, por conseguinte, apoiam uma adaptação do produto ao mercado. A terceira questão analisou a utilização dos diferentes canais e as mensagens utilizadas. Os resultados apoiam a hipótese dos canais de comunicação social e Google como canais eficazes de aquisição de clientes e a utilização de comunicação centrada no lazer.

Keywords: Análise de mercado, Desenvolvimento de clientes, Produto mínimo viável, Experiências controladas online, Canais de marketing online

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III. List of Abbreviations

Ad	Advertisement
CR	Conversion Rate
CTR	Click-Through Rate
DN	Digital Nomad
H	Hypothesis
MCM	Multichannel Management
MVP	Minimum Viable Product
OA	Online Advertising
VPC	Value Proposition Canvas
SM	Social Media
TS	Target Segment

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1. Introduction

1.1. Origin of the Business Idea

In the past two decades, the world has seen an immense change in how work is executed. The internet and personal computers have empowered people to work location independently. Despite this rapid development, human working behavior has not altered as quickly. In the past three years, Covid-19 has had a significant influence on the pre-pandemic world, inevitably leading to establishing a digital and remote work culture across all types of institutions and companies. In an employee survey Alexander et al. (2021) conducted for *McKinsey* in 2021, the number of employees that desire to work remotely or in a hybrid models increased from 38% (pre-pandemic) to 63% (post-pandemic). This development can be observed in society and is a major driver for the business concept at hand.

In addition to the described development, the planned area of implementation, Vila do Bispo, exhibits a great opportunity for investment. The idyllic setting and the lack of remote working infrastructure have brought the process of developing a business model that suits local conditions to life.

1.2. Structure of Thesis

This thesis is build-up as follows. After the introduction, recent research is summarized in the literature review to give background information on relevant business topics. The Methodology then describes the primary and secondary research collection methods used and data analysis. The results collected from the literature and online controlled experiments are presented in chapter four. This section summarizes the market analysis, the interest of the defined target group in the business idea, and the effectiveness of marketing channels and communication. Subsequently, the findings will be discussed shortly, and a managerial outlook and research limitations will be given.

1.3. Problem Statement

In this thesis, the author aims to test the initial product-market fit for a co-living space in Vila do Bispo, Portugal. The goal of the thesis is to reduce uncertainty in the perspective of financial investment and gain traction in a market as a proof of concept for potential investors. The overarching goal of the analysis led to the following three research questions:

1. How can the co-living market be characterized, which players dominate the Portuguese market, and how do these position themselves?
2. Who is willing to pay for Sweet Tides services, and how can these customers be segmented? Do the described customer segments turn into early adopters?
3. How can Sweet Tides reach and communicate with the described customer segments?

2. Literature Review

2.2. Market Analysis

Analyzing the market as well as understanding its current situation and its respective competitors are vital and continuous processes for any business, regardless of the development stage or size. Hatzijordanou, Bohn, and Terzidis (2019) state that “entrepreneurs should be continuously learning from the environment and the knowledge base should be growing on an individual and on an organizational” level. This section will outline the benefits and methods of analyzing markets as a ground for the conducted market analysis presented in section four.

Defining a market will help to identify opportunities in a business context but can be a challenge as it has different dimensions such as customers, technology, and functions. Subsequently, the market definition is subject to the detail of the description of each dimension and can precisely describe a single market “cell” or multiple at a time (Day, 1981). A common approach to define a market is represented by complementing Top-down and Bottom-up analysis. While the Top-down approach looks at market opportunities and resource allocation, the Bottom-up approach focuses on details in competition, geographies, or customer differences (Day, 1981). Additional dimensions that will help to predict a company’s ability to create profit in a new market environment include entry deterring price, ability to attract capital, switching costs for consumers, economies of scale, and the value of the experience of firms (Porter, 1980; Karakaya & Stahl, 1989).

Analyzing competitors has proven to help understand current market situations and identify opportunities for new markets, product positioning, sparking inspiration, and creating scenarios for future developments (Hatzijordanou, Bohn, & Terzidis, 2019). Benchmarking is a popular tool to create business knowledge by observing competitors’ processes, capabilities, strategies, and how these improve their overall performance. Findings from benchmarking can have direct strategic implications for a focal firm, such as defining product offerings, setting strategic objectives, implementing, and evaluating these (Prašnikar, Debeljak, & Ahčan, 2005).

Managers need to be cautious when analyzing competitors, as focusing only on direct competitors can lead to the fallacy of ignoring what may prove to be an even greater threat – indirect competitors. According to Chen (1996), firms can be compared along market commonality and resource similarity. Market commonality is defined as the extent of the mutual needs of the customers that a firm serves, while resource similarity refers to the overlapping

resources and capabilities any two firms possess. The comparison along these axes can help managers identify opportunities for collaboration, track competitors' movement over time, and may help to identify a future threat from direct or indirect competitors (Bergen & Peteraf, 2002).

Next to strategic managerial implications, competitor analysis is frequently used for deriving marketing objectives (Hatzijordanou, Bohn, & Terzidis, 2019). In marketing management, mapping the focal firm's competitive position against other competitors may help discover competitive advantages in product design, retail locations, or advertising. The process of mapping a competitive environment entails evaluating products based on the basic cognitive dimensions of users and displaying these based on the dimensions compared to other products (Hauser & Koppelman, 1979). A widespread example used by managers is plotting the primary benefit of a product or service against the price charged (D'Aveni, 2007).

All the techniques explained above have in common that their successful implementation relies on planning for scope and method of analysis. Therefore, before conducting the analysis, a business should define what it wants to achieve with the information and, based on that, decide which method or combination of methods to use (Hatzijordanou, Bohn, & Terzidis, 2019).

In the hospitality industry, which is of interest in this research, several markets and firm-specific factors have a proven influence on profitability. One of the most present competitive factors that positively influence a firm's profitability is the location. Locations that yield higher returns in hospitality are associated with higher market concentration, higher occupancy rates, and investments in the private and public sectors, as empirically proven in Spain and Italy (Lado-Sestayo, et al., 2016; Menicucci, 2018). While some researchers suggest that location is an important factor in hospitality, other researchers argue that a firm's internal factors are crucial to establishing and maintaining a competitive advantage. For example, increasing a firm's size, quality of human capital, and branches is positively related to innovation. Especially collaboration of smaller firms has pointed to increased innovation as creating knowledge networks can help create powerful resources while reducing costs (Backman, Klaesson, & Özge, 2017). Menicucci (2018) also shows that in hospitality targeting international clients can increase financial returns, as these tend to stay longer and may possess a higher purchasing power due to exchange rates.

2.3. Understanding the Customer

Customers built the backbone of every business model. It is essential to understand their needs and ways of communication, create specific product offerings, and frame them correctly.

2.3.1. Value Proposition Canvas

The Value Proposition Canvas (VPC) was created to help entrepreneurial minds to design, test, and deliver products that customers truly aspire to. The overarching goal of the framework is to validate the fit between a specific customer segment's problem and a value that the product is trying to deliver to benefit the consumer (Osterwalder, et al., 2014). It is a tool designed and derived from the Business Model Canvas, which was created by Osterwalder & Pigneur (2010) to help entrepreneurs create innovative business models. The iterative method, which is used in their approach, became well-known in the business world after the publication of Blank's (2006) *Customer Development Model* and Ries' (2010) *The Lean Startup*.

The VPC is divided into two main sections; one side exhibits the Customer Profile while the other side represents the Value Map. Each of the sections is fractured into three slices. The following paragraphs will outline the setup and usage of the VPC as described by Osterwalder, et al., (2014).

The Customer Profile represents which jobs the customer is trying to solve, which gains customers seek to achieve, and which pains come along the way. When assessing a customer profile, it is vital to understand the importance of the job, the severity of the pain, and the relevance of the gain. A customer's job, pain, and gain can also be divided into functional, social, or emotional roles. For example, the functional side of a job is when a customer fulfills a specific task, an emotional job refers to an emotional state such as feeling good, while a social job implies how customers want to be perceived by others when doing the job. When mapping the customer profile, a common fallacy is mixing several segments, which can be avoided by understanding customer segments (Osterwalder, et al., 2014).

The Value Map creates a specific overview of the value proposition of a business. The three slices reflect products and services, gain creators, and pain relievers. Similarly, these can be classified according to their importance. The product side should list all features of the product the entrepreneur has in mind, the pain relievers explain how customers' pains are alleviated,

and the gain creators describe how benefits that customers seek are created (Osterwalder, et al., 2014).

To achieve a product-market fit Osterwalder et al., (2014) propose the following steps. First, the user finds evidence that the customer cares about the described jobs, pains, and gains while designing a value proposition to solve these problems. Secondly, the proposed products or services are creating value and are gaining traction in the market. Thirdly, the entrepreneur validates that the value proposition can lead to a profitable business model.

2.3.2. Customer Segmentation

Customer segmentation is a thoroughly researched topic that aims to improve the understanding of clustering homogenous customers. In the business environment, there is no “one size fits it all” approach with clear managerial implications for segmenting customers, although different procedures have been developed (Beane & Ennis, 1987; Wedel & Kamakura, 2002; Yankelovich & Meer, 2006). A standard procedure is segmenting consumers based on geographic, demographic, psychographic, and behavioral differences (Kotler & Keller, 2016; Osterwalder & Pigneur, 2010). Followingly, the mentioned ways of segmentation will be described shortly.

Geographic segmentation enables the focus of local variations based on countries or regions. Although this approach benefits from considering local differences, its efficiency might reduce economies of scale in terms of marketing expenditure and negatively affect brand image (Best, 2013).

Demographic segmentation refers to variables including age, gender, nationality, occupation, income, among others. These variables are often used in combination and associated with some specific need. Demographic segmentation is a popular tool, as the mentioned variables are relatively easy to assess and measure. It might not always be practical though, if segments do not clearly exist (Beane & Ennis, 1987; Best, 2013)

Psychographic segmentation helps to segment customers based on personality traits, lifestyles, and values. These realities are often hard to measure and not clearly definable but can give valuable insights into what customers look for in life and products (Kotler & Keller, 2016).

These traits should be explored in a context that is related to the product (Yankelovich & Meer, 2006).

Behavioral segmentation divides groups through attitude toward, knowledge of, use of, or response to a product. Variables related to this behavior are, e.g., usage-occasion, buyer readiness stage, and loyalty status. These variables can be challenging to assess but may be of value in identifying profitable market segments (Yankelovich & Meer, 2006).

Clustering customers into homogenous groups can have pitfalls. Assigning variables for separation higher importance than they deserve can lead to wrong conclusions (Yankelovich & Meer, 2006). To avoid this, a segment should fulfill five criteria: measurable, substantial, accessible, differentiable, and actionable. After evaluating the criteria for the customer segments, the firm must decide which segments to target based on the firm's strategic alignment. When focusing on particular niches, marketers may decide to divide a segment into subsegments (Kotler & Keller, 2016).

2.4. Online-Marketing Channels

Companies will have to establish different communication and buying channels to market a product. Marketing Channels often have different ways of approaching and targeting the customer. This chapter will investigate different online marketing channels used throughout the experiments.

2.4.1. Multichannel Marketing

Marketing channels help marketers appeal to customers' needs, placing products into customers' choice sets and establishing two-way communication. These channels can be on- (e.g., website) or offline (e.g., event). Choosing the right channel(s) is a critical decision for businesses and heavily influences future marketing efforts (Neslin, et al., 2006; Kotler & Keller, 2016). Multichannel marketing refers to the simultaneous use of multiple channels to address customers. By introducing multiple channels, consumers may profit from an enhanced value proposition, while firms can target more extensive and more diverse types of customer groups. On the other hand, firms have increased fixed costs and might become less flexible from a strategic point of view (Neslin, et al., 2006; Verhoef, 2012). To ensure the success of using multiple channels simultaneously, managers should establish a multichannel strategy (Verhoef, 2012).

According to Verhoef (2012), managers need to answer three major questions when defining a multichannel strategy presented in Table 1. The process of channel selection, design, and content should be based on customer, technological and competitor insights (Verhoef, 2012). Furthermore, research suggests that managers should try to implement cohesion, consistency, and context sensitivity when designing channels along the customer buying process (Kuehnl, Jozic, & Homburg, 2019).

Table 1: Multichannel Management - Strategy

MCM Strategies	1. Which channels should a firm deploy? And how do channel additions affect performance?
	2. Which functions should deployed channels have?
	3. How can a firm allocate resources over channels?

Source: Verhoef, 2012

2.4.2. Online Advertising

Online advertising (OA) can be grouped into three main types: search advertising, display advertising, and classified advertising. These types of advertising prerequisite the interaction of the firm conducting the advertisement (Ad), an intermediary who displays the Ad, and the receiver of the message. OA has become increasingly popular due to its high effectiveness, as it can be directly connected to the user's current activity, and advertising expenditure can be analyzed in detail (Fourberg, et al., 2021). In the following, search and display advertising will be explained.

In search advertising, search engine providers generate income by providing a link to their customer's website in a user's search engine result pages (Fourberg, et al., 2021). In this context, search engines are used by consumers to look for information on products and brands for free. The content provided is both organic and paid. The result pages that are provided by a search engine are responses to the keyword(s) the user types into the search bar. When searching for a product or service, users tend to start with generic keywords until they narrow down to more specific ones (Kannan & Li, 2017). Search advertising is the most successful, with an average conversion rate (CR: the number of conversions divided by Ad interactions) of 4.40% over all industries. This type of advertising is also referred to as contextual targeting (Fourberg, et al., 2021).

Even though paid search results achieve good success rates, organic search results show a higher importance. One reason for this is that the active avoidance of Ads from consumers can occur as these can be perceived as disturbing or a waste of time. Lo, Hsieh, and Chiu (2014) state that advertisers should try to focus on brief, descriptive and clear wording in Ads and try to place Ads on the top left rather than top right on search pages. Despite the disinterest in sponsored Ads, there might still be positive results due to the unconscious processing of the Ads (Lo, Hsieh, & Chiu, 2014).

Display advertising refers to social media (SM) advertising, banner advertising, or video advertising. These can be displayed on websites or mobile applications in various forms. The most popular display advertising is done through SM and can be text-, picture- or video-based. SM Ads are presented in a user's news feed. Operators of SM decide on the advertising space and have deep insights into consumer data. The average click-through rate (CTR: the number of clicks divided by impressions) on SM is 1,3% (Statista, 2022a).

After a user has clicked on an Ad, she is forwarded to a touchpoint of the firm's choice. These touchpoints are often landing pages that firms have designed for the first point after traffic acquisition (Ash, 2008).

2.4.2.1. Landingpages

Landing pages are usually designed in three ways: main site, microsite, stand-alone. In this research, stand-alone pages are in focus. Stand-alone pages are usually designed for a specific purpose, with a single call-to-action that tries to trigger the consumer to buy something or request further information. These sites only present information about the product or service in question (Ash, 2008).

Everything encountered on the landing page should be relevant to drive the conversion (e.g., sales) (Ash, 2008). Additionally, from a consumer's perspective, retail pages should look trustworthy and respect their data (Kannan & Li, 2017). On the one hand, increased content on landing pages promotes trust, on the other hand, it can lead to losing customers' interest due to increasing effort (Gafni & Dvir, 2018). Investor relations, mission statements, open job listings, and management bios are considered irrelevant on landing pages in most cases. Testimonials from others, awards, and trust symbols can make the visitor feel safe (Ash, 2008). Interestingly, Gafni and Dvir (2018) present empirical evidence that users who did not get any information on the service nor how their data was treated, converted more than better-informed customers, contradicting the arguments of the importance of perceived trust and data security.

Clicks on call-to-actions for landing pages are referred to as conversions and are measured in rates. Different sources on the internet display average conversion rates across all industries for landing pages; these can drastically vary around 2-5%, while good landing pages usually have conversion rates of 5% (Kim, 2021; Özsahan, 2022; Bui, 2022).

3. Methodology

This thesis aims to improve the ripeness of Sweet Tides business model by (1) shedding light on the co-living market and the opportunities it exhibits, (2) understanding and validating different customer segments' interests, and (3) identifying effective channels and ways of communication for customer acquisition. The following chapter will summarize the approach and methods used to answer each research question and the respective hypotheses.

3.2. Secondary Data

To answer RQ1, secondary data from reports, articles, and online sources were collected and analyzed. The data was used to describe the co-living market in general and specifically in Portugal. Furthermore, competitors were analyzed by benchmarking, and perceptual mapping as using different methods can lead to more profound insight into the market (Hatzijordanou, Bohn, & Terzidis, 2019). The data on competitors were gathered via their respective websites, SM channels, and articles.

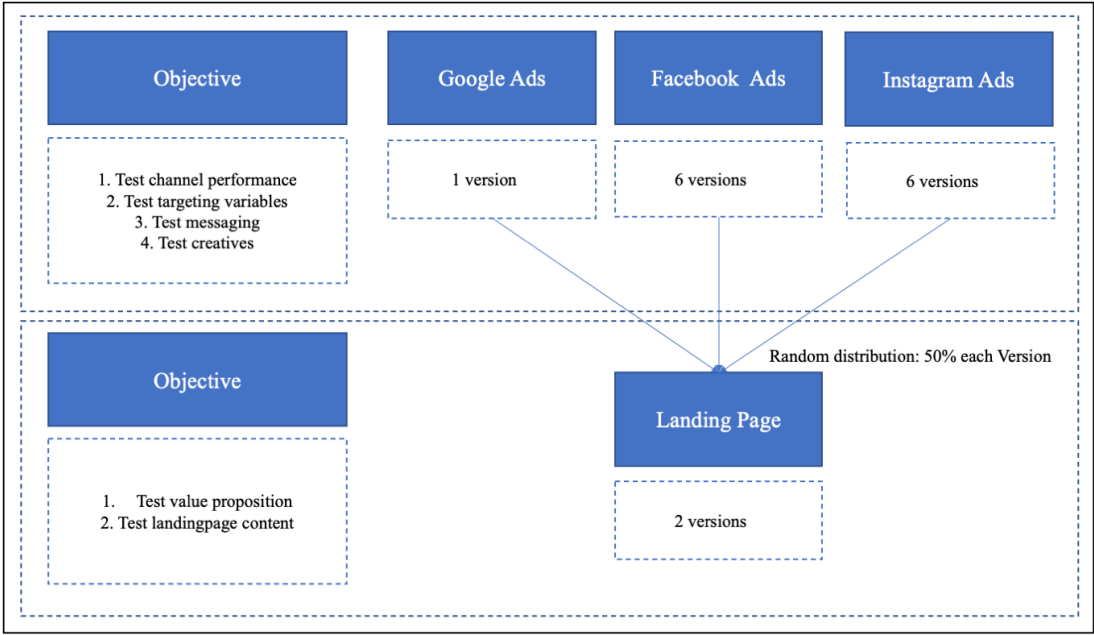
To make assumptions about potential customers of Sweet Tides and to answer the first part of RQ2 secondary data was collected. In the first part of RQ2, the VPC framework was deduced by building on secondary data from scientific literature and market research. This step entails filling in all six elements of the VPC. Subsequently, similar scientific papers that did exploratory research on the phenomena of digital nomadism, co-working, and co-living environments, were analyzed deductively. This approach is appropriate when descriptions of social phenomena are taken from sources (Gläser & Laudel, 2009) and aims to mitigate false assumptions based on gut feelings in the design of the value proposition. Based on the results from the analysis of secondary data and the creation of the value proposition, assumptions about the customer segments and sub-segments were derived.

3.3. Primary Data

To answer the second part of RQ2 and RQ3, different minimum viable products (MVPs) were created to validate potential customers' interests and achieve marketing insights. Using these MVPs, a series of online controlled experiments were conducted. SM accounts on Facebook and Instagram were created to design a covariate experiment with different Ad designs. Additionally, a Google Ads account was created to launch an Ad campaign and test the

channel's potential for Sweet Tides. If potential customers clicked on an Ad either on SM or on Google, they were forwarded to a landing page MVP which outlined the value proposition and services offered at Sweet Tides. On the mentioned landing page, an A/B test was conducted.

Figure 1: Experiment Flow Chart



Source: author’s own

3.3.1. Online Advertising – Target Group and Messaging

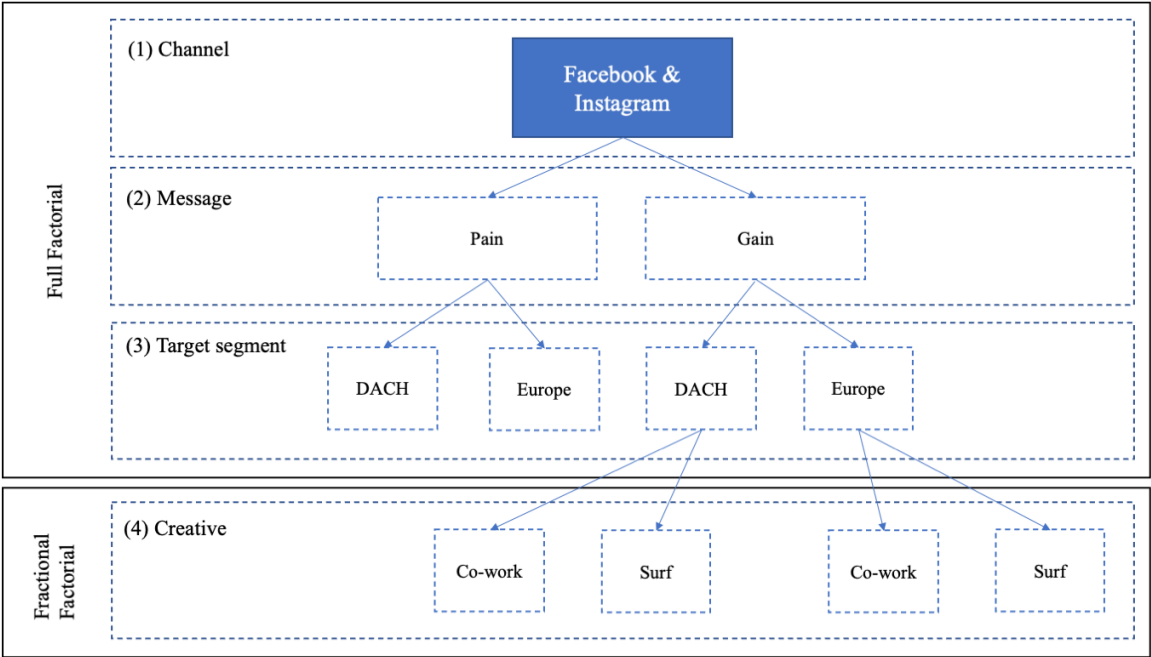
Online advertising on different channels was used to test customer segments' accessibility and their appeals to different messaging and targeting by persuading them to click on the Ad. Due to the channels' different functionalities and use purposes, the experiments had to be designed differently. Instagram and Facebook are SM platforms with very similar functions. The experiment on those two channels was kept the same to keep comparability high. However, the Google Ads test had to be designed differently. In the following, the experiments will be explained briefly.

Experiment 1 – Facebook and Instagram ads

In the SM experiment, Ads were published in a commercial setting with the goal of triggering a click on the Ad and, in the second step, a conversion on the landing page. A voucher (1 week of co-working for free) was used as “bait” to trigger more clicks, which is a common marketing technique for (new) products (Khan, 2006).

This covariate experiment inhibited four factors which are: (1) Channel, (2) Message, (3) Target Group, (4) Creative (i.e., picture). A covariate test design enables to assess the general interest in the service and simultaneously allows testing the interaction of different variables for achieving a “global optimum” (Kohavi, Tang, & Xu, 2020). Figure 2 below shows that the first three variables were incorporated in a full factorial experimental design. In contrast, the last variable was only tested in a fractional factorial manner to reduce the amount of possible variable interactions and allocate the budget spent on an Ad more efficiently.

Figure 2: Social Media Experiment Design



Source: author’s own

On Facebook and Instagram, the Ads were only shown in the News Feeds. The findings from the literature review led to the establishment of a hypothesis for each variable in the SM experiment presented in Table 2 below. CTR and CR were the KPIs measured. The threshold for Hypothesis 1 (H1) and H4 was set to 1,3% as it is the average CTR on SM in 2021 (Statista, 2022a). These Hypotheses are only accepted when outperforming the average. Other hypotheses were accepted or rejected based on the performance of the different variables, which will be explained in detail in Section 4.

Table 2: Social Media Hypothesis

Social Media Hypothesis	
H1	We believe that Instagram and Facebook are effective channels to target Sweet Tides customers.
H2	We believe that Instagram represents the most effective SM channel to target Sweet Tides customers.
H3	We believe that messaging triggering a gain association in an SM advertisement will work better than a pain association.
H4	We believe that the target group defined for SM is interested in Sweet Tides service offering.
H5	We believe that target segment 1 inhibits more customers for Sweet Tides compared to target segment 2.
H6	We believe that showing a surf creative will work better for our defined target group than a co-work creative.

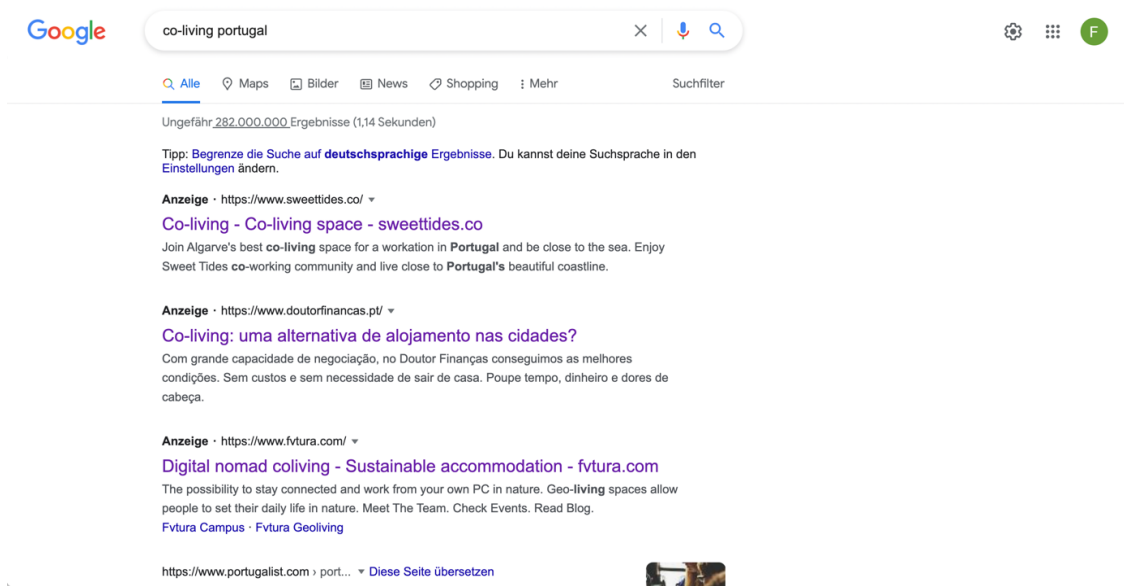
Source: author's own

Experiment 2 – Google Ads

The Google Ads campaign was designed to test the effectiveness of the channel for reaching potential customers and understanding customers' Google search behavior. Only one Google Ad campaign was created, which was placed above organic result pages in Google, due to the high effectiveness of the placement (Lo, Hsieh, and Chiu, 2014).

The Ad campaign included 12 keywords that the author picked based on keyword research on Google Ads. The number of keywords was slowly reduced during the test duration when effectiveness was low. Responsive search Ads were used in the campaign setting. This allows Google to create contextual combinations of prior entered headlines and descriptions. Overall, 13 headlines and four descriptions were entered in the campaign and adjusted with keyword changes.

Figure 3: Google Ads experiment design



Source: Google

The goal of the test design is to get insights, such as the performance of different keywords, the different search terms used by potential customers, and the location. Overall, two hypotheses were formulated for the channel, using the average CR of 4.4% for Google Ads (Fourberg, et al., 2021) as a threshold for H7. KPIs for comparing channels are CTR and CR.

Table 3: Google Ads Hypothesis

Google Ads Hypothesis	
H7	We believe that Google Ads is an effective channel to target Sweet Tides customers.
H8	We believe that Google Ads represents overall the most effective channel to target Sweet Tides target groups.

Source: author's own

3.3.2. Landing page – Product-Market Fit and Content

To validate the customer's interest in the value proposition, a landing page describing Sweet Tides future services and its benefits was created to persuade a prospective customer to act. In this case, the act (conversion) was collecting the prospect customer's name, surname (non-

mandatory), and E-Mail. Additionally, the user had to accept terms and conditions (mandatory) and indicate if Sweet Tides is allowed to contact him for surveys (non-mandatory).

Experiment 3 - Page Variants

An A/B test was conducted to investigate if Sweet Tides can improve its landing page design and service description. An A/B Test is a controlled experiment that compares two variables at a time to find the better version and conclude a causal interaction between the dependent variable and independent variable (Ash, 2008). In this simple experiment, a long landing page version (<https://sweettides.co/>) was tested against a short landing page version (<https://sweettides.co/two/>), with the aim of understanding if there is a trade-off between a page’s perceived trust and a customer’s interest span (Gafni & Dvir, 2018). The long landing page version contained 450 words of relevant content, seven large pictures, and 12 different sections. The short version contained 250 words of relevant content, three large pictures, and six sections. All other sections are kept the same. The different landing page versions can be seen in Appendix 8.

All participants in this experiment were generated from the aforementioned Ad experiments. Users were randomly distributed to either the short or long landing page version. To randomly assign the same number of users to each landing page, Google’s A/B testing tool Google Optimize was used. In this split test, Google Optimize places a cookie in every user’s browser to ensure he sees the same version if the site is revisited. The hypotheses resulting from this experiment design are presented in Table 4 below. The KPI measured was CR.

Table 4: Landing Page Hypothesis

Landing page Hypothesis	
H9	We believe there is a product-market fit for Sweet Tides and the defined target groups if the CR exceeds 5%.
H10	We believe the short landing page version generates more conversions per user than the long version

Source: author’s own

3.3.3. Primary Data Collection

The Ads on SM were online from 12.04.2022 to 19.04.2022 to reduce biases that may occur from daily fluctuations (Ash, 2008). The Google Ads test was conducted from 01.05.2022 to

10.05.2022. Although it was initially planned to execute the beforementioned tests simultaneously, an account issue led to complications for the Google Ad campaign. Landing page visits and conversions were measured during the entire timeframe of the experiments. All data was collected on the platforms used (i.e., Facebook, Instagram, Google Ads, Google Optimize) and collectively in Google Analytics. It is usual to see different results occurring from these tools as measuring techniques can differ (Ash, 2008; Kohavi, Tang, & Xu, 2020).

3.3.4. Primary Data Analysis

Descriptive statistics are used to describe the results and the observable differences between the different samples of the experiments. Inferential statistics are used in the second step in Section 4 to accept or reject the hypotheses stated in this section. Two sample t-tests are commonly used to infer statistical differences between two groups with a certain confidence. These samples can always be categorized as the control group and treatment group. Then it is tested quantitatively “whether the difference between a pair of Treatment and Control samples is unlikely, given the Null hypothesis” (Kohavi, Tang, & Xu, 2020). This difference is assessed by computing the t- and p-value.

In covariate experiments, data on multiple variables and, therefore, multiple samples at a time were collected to understand which combinations lead to the best performance. In this thesis, nonparametric analysis was chosen to find the best recipe of variables while considering their interactions (Ash, 2008).

All experiments described are conducted in a commercial setting. An engineering hypothesis in scientific experiments can only be rejected or accepted at a confidence level of 95% ($p > 0.05\%$). In a business setting, the justification is more practical. The confidence level chosen should depend on the amount of money involved in a decision (Ash, 2008). Although a 95% level should be reached to make long-term business decisions, a 90% confidence level can also be enough in some instances to not waste the marketing budget in the future. The Ad campaigns and the landing page split test were statistically analyzed using SPSS by IBM.

4. Findings

In this section, the business concept and all findings from the research will be presented in detail. First, the business concept will be explained. Secondly, the co-living market will be described and analyzed. Thirdly, the potential customers of Sweet Tides are segmented, and their interest in the described business solution will be accounted for. Lastly, the different marketing channels and advertising efforts will be analyzed.

4.1. Sweet Tides Coworking and Living

Sweet Tides Coworking and Living is the idea of a hospitality business that combines a professional workplace with a sustainable leisure approach. The business is built upon four central pillars: accommodation, co-working, activities, and community.

This coworking and living concept tries to differentiate itself from other businesses through the geographical location (close to Vila do Bispo, Portugal) and proximity to nature, which is a major advantage for a close relationship between work and leisure possibilities. The region around Vila do Bispo, Portugal, is known for its warm climate, beautiful coastlines, and excellent surfing conditions. Ultimately, Sweet Tides wants to empower its guests to work with high flexibility while taking advantage of local leisure opportunities and connecting to like-minded personalities.

Concept:

- **Accommodation:** A major part of the concept and the revenue stream is anticipated by offering various accommodation forms. To target different groups such as individuals, couples, groups of friends, and whole working teams, the offer will include small apartments, double rooms, and shared dorms.
- **Co-work:** A luminous working area is a must for every co-working space. Working areas have a significant influence on work efficiency, therefore professional equipment such as comfortable chairs, desks, and monitors will be provided, as well as kitchen space to prepare meals. Additionally, areas to perform meetings and phone calls will be planned for.
- **Activities:** As described, the location of Sweet Tides allows for a wide variety of activities. The Sagres region is world-famous for surfing. Yoga courses, biking tours, and skating are further possible activities that suit the overall concept and require few resources. The implementation of these activities will be subject to the availability of an

experienced workforce and customers' interests, which should be assessed regularly through interviews and questionnaires. Regular surf and yoga courses are given from the beginning.

- **Community events:** The creation of a community in this co-working and living concept is not trivial for success. The benefits of co-working are increased creativity and social interaction within the community and the local society compared to the home office. These factors can be fostered through community events like workshops, shared meals, and movie nights. It is important to understand that not all these community events need to generate revenue or profit directly. The priority of these ancillary services is to create an environment of trust and openness that makes people want to come back. Communal areas in- and outside are planned for people to connect and exchange.

The founders assume that the advantage of the described business concept is being able to target two different yet not mutually exclusive customer groups. The first customer group refers to tourists solely traveling during the timeframe of their vacation. In contrast, the second customer group refers to remote workers (or digital nomads (DN)), who tend to stay in a location for a longer period for working and traveling (Orel, 2019). Touristic businesses focusing on leisure travelers have had great success in and around the area in southwestern Algarve for many years, therefore the following research is focused mainly on the second customer group of remote workers.

4.2. Market Description and Analysis

This section aims at taking a closer look at the co-living market, complementing a bottom-up and top-down approach, analyzing the first potential location of Sweet Tides, quantifying prospects, and analyzing competitors.

Bottom-up - Demand Perspective

The development of co-living spaces is highly related to the phenomena of digital nomadism. The technical development in the last decades has spawned an enormous rise in the digital labor market, in which people may choose to work location independently (von Zumbusch & Lalicic, 2020). A survey conducted by McKinsey (2021) states that 20-25% of the European labor market could work from home three to five days per week after the pandemic. From the remote work trend, digital nomadism has emerged, which refers to a population that lives a location-independent lifestyle and travels while working, in which the commitment to the degree of traveling can vary time and location wise (Reichenberger, 2017). Often this lifestyle goes in hand with a downward approach that prioritizes self-actualization and leisure activities over employment. Therefore, DNs' serious quests for leisure strongly influence the decision of a remote working destination and exhibits their behaviors (Thompson, 2019). Different themes and designs of co-living spaces, as well as different branded and scaled companies, have managed to attract various subgroups of DNs and have added to the competition in the market (von Zumbusch & Lalicic, 2020).

Top-down - Supply Perspective

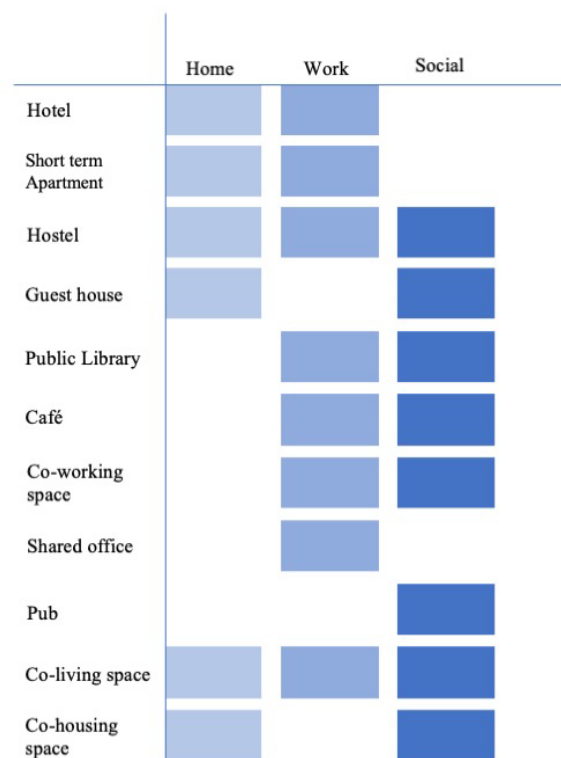
Co-living spaces offer multiple services, which primarily include, but are not limited to, three benefits (1) accommodation (co-living), (2) working space (co-working), and (3) community. These services aim at resolving common problems such as isolation disseminating from the DN lifestyle while enhancing the experience at a destination. Overall co-living spaces offer basic amenities like furnished rooms, towels, kitchens, and sometimes food and beverage services that do not differ much from other accommodation types (i.e., Hotels, Airbnbs, Hostels) but vary in quality. Other resources provided for working travelers by co-living spaces include designated work areas, computer monitors, and different communal spaces (Lee, et al., 2019).

Competition in the co-living market is constantly growing. The number of co-living operators in Europe has more than tripled since 2015 (Curiosity is Key(s), 2022). With 5,000 nomads,

Lisbon is the largest city in Europe for DNs (JOYN, 2019). According to a market study of JOYN (2019), there are 50 beds in operation in the co-living market in Lisbon and Porto to date. Their outlook states that 570 beds are in the pipeline, and in the long term, there is a market capacity of 16,000-18,000 beds in those two cities alone. Selina and Outside are Portugal's most relevant travel-oriented co-living concepts (JOYN, 2019).

Hotels, Airbnbs, and Hostels may also be considered indirect competitors to watch. Their resource similarity has enabled them to target the opportunity of remote working by expanding marketing efforts and offering customers longer-term stays for reduced rates (EHL Insights, 2022). Figure 3 gives an overview of the potential indirect competitors and the resources that these possess, measured along Oldenburg's typologies of places (Lee, et al., 2019).

Figure 3: Resource Similarity of Competitors



Sources: taken from Lee, et al., 2019

The resource that makes co-living spaces unique is the community. The community factor is fostered by communal spaces and a community manager's existence, who is often responsible for administrative tasks, handling complaints, and organizing community events. Combining a

community manager and common work and relaxation spaces enables the creation of leisure and work relationships that form the valuable experience DN's seek (von Zumbusch & Lalicic, 2020).

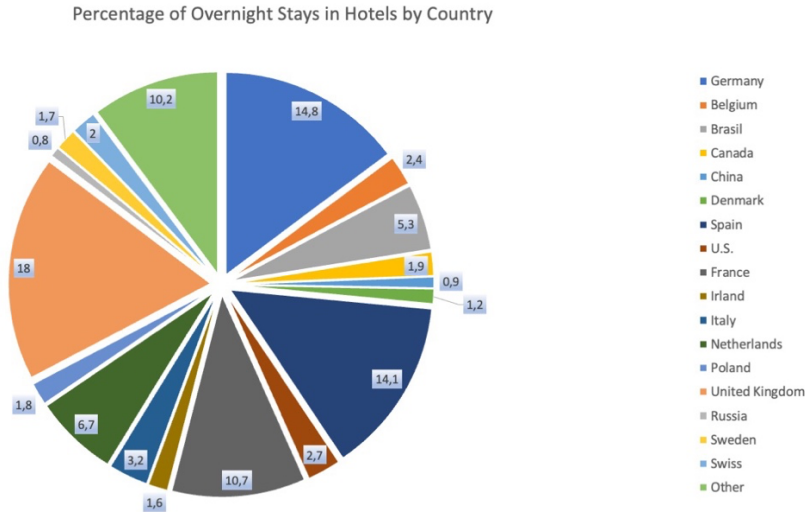
Location

As a result of the changing work market, many co-living spaces have developed in urban areas. According to Kumar (2021), a spread towards more rural and remote locations for co-living spaces will be observed in the future as businesses like Outsite (2022) and Selina (2022) have proven with their globally successful co-living businesses.

Sweet Tides co-living space is to be realized in Vila do Bispo, Portugal, in a rural location. Multiple sources have ranked Portugal as one of the best locations for remote working due to work visa possibilities, political stability, safety, low living costs, many English-speaking inhabitants, tax benefits, and the great climate (Capela, 2022; Silva, 2021).

The Algarve is the second most visited region in Portugal and received around 3.59 million international tourists in 2019 (pre-pandemic) and 0.93 in 2020 (pandemic) (Statista, 2021). In 2019 hotels in the Algarve had an average of 51,8% occupancy rate per bed, slightly below the Portuguese average (Statistics Portugal, 2020). Figure 4 below shows overnight hotel bookings in Portugal by country, indicating the most important international markets.

Figure 4: Overnight Stays in Portugal, 2020



Source: taken from Statistics Portugal, 2020

Vila do Bispo is a well-known tourist destination, which is reached with a 1.15-hour car drive from Faro Airport. The area is characterized by a mythical atmosphere, an unspoiled local village, and countless beaches, making it a perfect travel destination for surfers, outdoor enthusiasts, and people that enjoy a mild climate in winters.

4.2.1. Competitor Analysis

Different players in the Portuguese market were inspected to analyze the competition and identify potential market positioning gaps for Sweet Tides. The competition was analyzed based on seven factors: (1) price, (2) size, (3) offered services, (4) the community factor, (5) booking flexibility, (6) location, and (7) the business type. A table and legend with all competitors identified can be found in Appendix 2, while a table with the most relevant competition is presented in this section.

In the Algarve, seven co-living spaces were identified, as shown in Table 5: *Outsite (Sagres)*, *Casa Nook*, *Noma Village Lagos*, *Coworking & Coliving in Sagres*, *Stokeworks*, *Puresurfcamps Algarve*, and *Traditional Sunny House w/ Rooftop Deck*. In general, all of these co-living spaces do not have a professional co-working space; either all necessary working amenities are in the rooms themselves, or there is a living room that was functionalized to serve as a work area with 2-5 tables and some flexible working seats.

Outsite is a professional co-living chain with many locations across the US and Europe. It is the only competitor with an integrated booking platform. Located in Sagres, *Outsite* has the advantage of walking distances to the village and beach for guests. *Casa Nook* is located more in the countryside between Sagres, and Vila do Bispo, similar to Sweet Tides planned approach. Although *Casa Nook* has a professional website, the amenities on their property are constrained. *Noma Village Lagos* is located further away but has a holistic approach with two communal work areas and different free-time activities. *Casa Nook*, *Noma Village*, and *Outsite* seem most professional and focused on DNs compared to other direct competitors and charge moderate to very high prices. All three providers have nonflexible booking terms, meaning that one can only book a package that includes living and co-working simultaneously.

Puresurfcamps is another chain usually focusing on accommodation and services around surfing, has recently entered marketing in co-working and -living. They offer multiple rooms in a house in Ingrina, which provides a living room with tables for working. Their prices are moderately high. *Coworking & Coliving in Sagres* offers an improvised living room as a co-working space and few overnight spaces. It is run by a local couple and only marketed via a booking platform called Coworksurf. *Stokeworks* is in Aljezur and only marketed via online platforms (e.g., coliving.com) without its own webpage. It also communicates a focus for DNs, but their online channels exhibit limited professionalism as there have not been any SM posts for over two years. *Traditional Sunny House w/ Rooftop Deck* located close to Faro, is a big house with eleven rooms, offering a few additional services. Due to its location, it is perceived as a lower rank competitor.

Additional to direct competitors, some indirect competitors were analyzed. These included Hostels, B&Bs, Surfcamps, and Co-working spaces presented in a table in Appendix 2. Additional services (e.g., yoga, golf, skating, horseback riding, boat tours, beach transfers), food and beverage services, and prices were identified as essential marketing attributes for the differentiation of these competitors.

Airbnbs were not actively considered in the tables but still must be accounted for, as these might be in the consideration set of some prospective customers and therefore put pressure on pricing tactics (Porter, 1980). There are many Airbnbs in the area, in all different price ranges. Many of the Airbnbs also offer wifi and tables, therefore these exhibit the possibility to work remotely. Consumers might avoid Airbnbs if there is a surge for community feeling and being serviced.

Table 5: Direct Competitors in the Algarve

Competitor	Business Type	Location	Offered Services	Community factor (Google Reviews)	Booking flexibility	Price	Size	
			Additional services				Size (in beds)	Branches
Algarve								
Outsite	Co-living	Sagres	Community manager, Shared Kitchen, Laundry, parking spots, desks in all rooms , towels, coffe+tea for free, contactless check-in	n.a. Just opened in May 2022	not flexible	€€-€€€	26	>10
Casa nook	Co-living	Sagres/Vila do Bispo	Surf lessons & Equipment, hiking, birdwatching, yoga, dolphins watching, fishing, bicycle, snorkeling equipment, traditional dinner, own kitchen in room (sometimes)	n.a. Just opened in May 2022	not flexible	€€-€€€	22	1 (private)
Noma Village Lagos	Co-living	Lagos	Yoga classes, meditation, surfing, roadtrips, whorkshops, hiking, beach cleanups, community dinner/cooking sessions	Very Good, people find it easy to connect to like-minded individuals.	not flexible	€-€€	n.a.	1 (private)
Puresurfcamp	Co-living	Ingrina	Surf lessons, surf equipment, yoga, golf, skating, shared kitchen	Good. People get easily connected via surf classes which are booked frequently.	not flexible	€€	12	>10

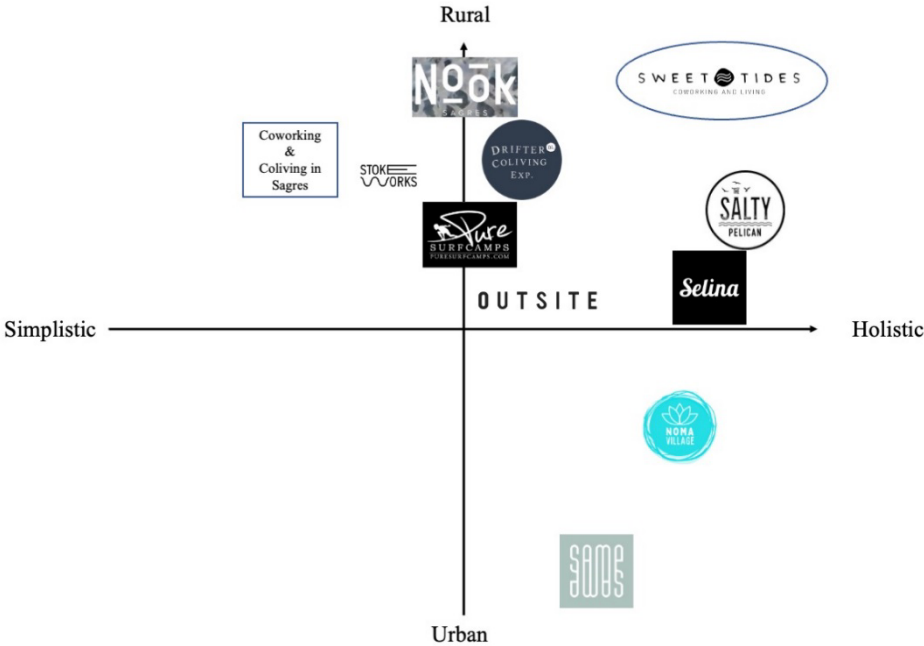
Coworking & Coliving in Sagres, Algarve - Portugal	Co-living	Sagres	Shared kitchen, small garden	Good. Easy to meet new people due to small size.	Not flexible	€	4-6	1 (private)
Stokeworks	Co-living	Aljezur	Shared kitchen, pool, garden	Good. Easy to meet new people due to small size while providing a big kitchen to interact.	flexible	€-€€	n.a.	1 (private)
Traditional Sunny House w/ Rooftop Deck	Co-living	Tavira	Shared kitchen, air conditioning (every room), washing machine, Yoga	n.a.	Not flexible	€-€€	18	1 (private)

Source: (Competitors webpages; coworksurf.com; coliving.com, Google SERPS)

To ensure the identification of further market potentials, other co-living players considered the best-in-class in Portugal were looked at, which are presented in Appendix 2. *Selina*, *Outsite*, *The Salty Pelican*, *SameSame*, and *Drifter Beach Lodge* were identified. The first three co-living spaces named are multi-branded chains that aim at offering a holistic concept with a great variety of additional services for high to very high prices. While *Outsite* is focused on remote workers explicitly, *The salty pelican* and *Selina* also aim to attract regular tourists. *SameSame* is a single-branded co-living space in Lisbon with an excellent community factor, marketing itself as artistic and alternative compared to the other competitors. Lastly, *Drifter Beach Lodge* tries to differentiate itself by offering team retreats and team-building measures for companies.

Followingly a perceptual competitor map is presented, which exhibits the location (urban vs. rural) and the co-living concept (simplistic vs. holistic) as the most critical attributes for Sweet Tides in which it can potentially capture a market share when offering a variety of services that complement the three essential services and a unique rural location. The map also shows that competition in the segment is intense, and it must be suspected that further co-living chains are considering a market entry in the Algarve.

Figure 5: Perceptual Competitor Map



Source: author's own

4.3. Understanding the Customer

This section presents data from scientific literature and the experiment to understand Sweet Tides potential customers better. Firstly, a VPC of DNs and general service attributes of co-living spaces were derived from existing literature, which was then used to make assumptions about the target group and segments. The experiment targeted these target segments to test a product-market fit.

4.3.1. Target Group

From a business perspective, it makes sense to target people that adopt early to achieve market insights (Cooper & Vlaskovits, 2010). DNs are prone to use co-spaces, as these have experienced the ups and downs of working location independently, therefore it is assumed this population builds a backbone of Sweet Tides potential customers. To gain a deeper comprehension of DNs, six scientific research papers, which examined the phenomena of digital nomadism in an explorative manner, were analyzed and deductively used to fill in the VPC displayed in Appendix 3. Insights from the literature were used to gain knowledge about the demographical characteristics of DNs and make assumptions about their interests and behavioral characteristics. The information deducted was also used to describe the services to appeal to the reader.

4.3.2. Social Media Targeting

In the covariate experiment, the target group was defined based on the possibilities of the used advertising channels. Facebook and Instagram were identified as engaging social media channels to test, as they are among the favorite channels across the world in terms of monthly users (Statista, 2022b), and age groups of the users seem to overlap with the defined group below (Auxier & Anderson, 2021). Moreover, during the competitor analysis, it was identified that the best in class use these channels, which underpins their importance (Verhoef, 2012). Table 6 shows four variables (i.e., geographies, demographics, interests, and behavior) that the author was able to specify in the campaign settings of the Meta-advertising manager.

Table 6: Target Group Variables

Target Group Variables				
Geographies		Demographics	Interests	Behavior
Target Segment 1	Target Segment 2	Age: 24-54	Plane travels, nature, ecotourism, beaches, surfing, yoga, coworking, health, Portugal, Patagonia (company), Billabong (company)	frequent traveller
DACH Region (Germany, Switzerland, Austria)	DACH Region, Belgium, Denmark, Finland, France, United Kingdom, Luxembourg, Netherlands, Norway, Poland, Sweden			

Source: author's own

Two target segments were tested against each other, comparing (1) geographic variables. In the experiment, the interest of potential customers living in the DACH Region was tested against a wider geographic area, including 13 European countries. As German and Swiss people are among the most frequent international visitors to Portugal (Statistics Portugal, 2020), comparing a wider German-speaking region (DACH) against a more expansive European region is interesting. Other European countries targeted have an equally high number of travelers who visit Portugal. The goal was to see if the geographic heritage influences the interest in Sweet Tides services.

In terms of (2) demographics the age range was set between 24-54, as more than 95% of DNs interviewed in the scientific papers (see also Thompson, 2019; Orel, 2019) was in-between that range.

As DNs use their flexibility to work and travel simultaneously, they can be looked at as tourists (Thompson, 2019; Reichenberger, 2017). On this basis the (3) interests and (4) behavioral characteristics were chosen. Surfing is one of the leading sports tourists conduct in the Algarve and is identified as a ‘serious leisure’ for many DNs (Thompson, 2019) thus this was underpinned by selecting customers based on their interest in *surfing* and *two major surf brands* that may reflect a segments lifestyle and values (Yankelovich & Meer, 2006). Furthermore, *nature, beaches, yoga, and health* were rendered interests, as these were identified as essential attributes on competitors’ websites and are often interests of tourists. As Sweet Tides concept focuses on working aspects and sustainability, *coworking* and *ecotourism* were selected as interests. All customers from the selected geographies would need to travel by plane, therefore *plane travels* was selected as an interest. Lastly, DNs are *frequently travelling* which was selected as a behavioral characteristic. It is important to mention that only one filter was set, which means that someone who was targeted only needed to fulfill one of the beforementioned interests or behavior.

A wide variety of interests and behavioral characteristics can be selected in the meta-ads manager, which will strictly influence who is targeted and thus influences the target group size. Meta (2022a) advises its advertisers to keep target groups large and leave it to the meta-algorithm, also referred to as Pixel, to choose the right audience. These aforementioned settings resulted in the estimated target segments sizes presented in Table 7.

Table 7: Size of Target Segments

Estimated size of target segments	
Target Segment 1	Target Segment 2
17.2 - 20.3 million	74.6 - 87.7 million

Source: Meta-ad manager

The covariate experiment was conducted from 12.04 to 19.04.2022; in total 204,56€ were invested. Overall, target segment 1 (TS1) generated 138 clicks and 9 leads, while TS2 generated 194 clicks and 10 leads. TS2 outperformed TS1 in its CTR by 14,2%, while TS1 outperformed

TS2 in its CR by 26.5%. These results did not lead to any statistically significant differences when comparing the two groups.

Table 8: Social Media Advertisements – by Target Segments

Target Segments	Impressions	Frequency	Amount Spent (€)	Clicks (all)	Leads	CTR(all)	CR (relative to clicks)	Cost per lead (€)
DACH	8703		102,41	138	9	1,59%	6,52%	11,38
Europe	10712		102,15	194	10	1,81%	5,15%	10,22
Overall	19415	1,34%	204,56	332	19	1,71%	5,72%	10,77

Source: Meta-ad manager

Looking at the behavior of the different target groups, only on Instagram TS1 was performing significantly better in its CTR (t-value (9,629) = 2.004, p <0.05). When looking at the two segments only on Facebook TS2 was performing significantly better in its CTR (t-value (8,271) = -2.896, p <0.05). The described differences, including the differences for the CR, can be observed in Table 9. Analyzing the results overall, the target segments' differences canceled each other out.

Table 9: Social Media Advertisements - T-Test for Target Segment, by Channel

Channel	Target Segment	CTR	CR	T-value (CTR)	P-value (one-sided)	Degrees of Freedom	T-value (CR)	P-value (one-sided)	Degrees of Freedom
Instagram	DACH	1,14%	14%						
	EUROPE	0,76%	6,30%	2.004	0.023	9628.6	1.260	0.105	102
Facebook	DACH	2,18%	1,23%						
	EUROPE	3,21%	4,76%	-2.896	0.002	8271.3	-1.639	0.051	225.3

Source: Experiment Data

In conclusion, H4 is accepted as the average CTR for both target segments exceeded 1,3%. This implies that assumptions made about the target group as a whole hold.

H5 must be rejected as TS1 does not inhibit significantly more potential customers for Sweet Tides than TS2. In general, TS2 was not representative for all countries included in the segment.

Although the budget for Ads targeting the two segments was set the same, the Ads shown to TS1 were seen 8,703 times compared to 10,712 times in TS2. This points out that the overall cost for one impression in TS1 is more than in TS2, as shown in Table 10.

The goal of the ad campaigns in the Meta-advertising manager was set to “Lead” generation. This setting led to a clear overrepresentation of some countries in TS2 (e.g., Poland), as shown in Table 10. The reason for this is that the Meta Pixel could choose the Ad budget distribution across the countries inside the target segment by itself, therefore targeting particular countries in which Ads are cheaper more often to achieve more impressions and thus clicks and leads. Additionally, the algorithm targets countries where it assumes that the probability of converting is higher. This harms the representativeness of the groups and the ability to decide on the hypothesis of the target segments. Proof for this assumption can be observed in Table 10, representing the amount spent among target segments for one of the overall four campaigns on SM.

Table 10: Social Media Advertisements – Amount Spent by Target Segment

Target Segment	Country	Reach	Impression	Amount Spend	Cost per Impression
DACH	All	3018	3687	33,27 €	0,0110 €
	DE	1794	2134	22,65 €	0,0126 €
	AT	818	1053	6,72 €	0,0082 €
	CH	406	500	3,90 €	0,0096 €
Europe	All	3635	4472	33,15 €	0,0091 €
	PL	1115	1454	6,38 €	0,0057 €
	GB	340	374	4,79 €	0,0141 €
	NL	337	411	4,52 €	0,0134 €
	FR	599	726	4,09 €	0,0068 €
	BE	457	577	3,72 €	0,0081 €
	SE	166	195	2,93 €	0,0177 €
	FI	157	199	1,81 €	0,0115 €
	DK	121	140	1,42 €	0,0117 €
	DE	114	121	1,34 €	0,0118 €
	NO	68	81	1,02 €	0,0150 €
	CH	38	39	0,41 €	0,0108 €
	LU	66	92	0,39 €	0,0059 €
	AT	57	63	0,33 €	0,0058 €

Source: Meta-ad manager

4.3.3. Google Ads Targeting

In this section results of the Google Ads campaign will be presented. When using the Google Search Engine, the user is shown organic and advertised results for any type of keyword entered. The Ad must seem (very) relevant to the user to be clicked. The author selected eleven keywords presented in Table 11 derived from a keyword search. Keywords were selected based on their perceived relatedness to Sweet Tides services and their search amount. The setting for the keywords was set to ‘broad match’, which allows the Ad to match with a wide range of possible keywords that are somehow connected to the search.

Table 11: Google Ads Campaign - Keywords

Ad Campaign	
Decision	Keywords
Tested throughout	co-living portugal
	co-working portugal
	co-working algarve
	coworking space portugal
	work and surf
	work and surf portugal
	working in nature
	workation portugal
Removed (05.05)	surf algarve
Removed (02.05)	Working holiday portugal
	workation

Source: author’s own

Data collection started on 1.05.2022 and ended on 10.05.2022; in total, 182.07€ were invested. However, relevant results were only measured from the 03.05.2022 onwards which is explained later in the section. Table 12 shows that the Ads on Google were shown 1873 times, while 189 clicked on the Ad, and 14 of those users decided to leave their E-Mail on the landing page. This resulted in a CTR of 12,5% and a CR of 7,4%. Thus, H7 can be accepted as the threshold of the CR was surpassed by three percentage points.

Table 12: Google Ads Campaign – Keyword Performance (03.05-10.05.2022)

Keyword	Impressions	Cost	Clicks	Leads	CTR	Conv. rate	Avg. CPC	Avg. Cost per Lead	Quality Score (hist.) /out of 10
co-working portugal	307	17,44	22	1	7.17%	4.55%	0,79	17,44	3
work and surf	137	17,52	16	0	11.68%	0.00%	0,73	--	7
coworking space portugal	243	9,67	16	1	6.58%	6.25%	0,60	9,67	6
co-living portugal	756	70,12	100	10	13.23%	10,0%	0,70	7,01	7
workation portugal	162	6,05	11	1	6.79%	9.09%	0,55	6,05	5
co-working algarve	78	5,42	10	1	12.82%	10.00%	0,54	5,42	8
working in nature	27	-	0	0	0.00%	0.00%	--	--	--
work and surf portugal	24	2,86	3	0	12.50%	0.00%	0,95	--	3
surf algarve	139	21,85	11	0	7.91%	0.00%	1,99	--	2
Total	1873	150,93	189	14	10,1%	7,4%	0,80	10,78	

Source: Google Ads

The best performing keywords were ‘co-living portugal’, ‘work and surf’, ‘co-working algarve’, ‘work and surf portugal’. No statistically significant difference was found between the best-performing keywords. These keywords can be statistically differentiated from ‘co-working portugal’, ‘coworking space portugal’ and ‘workation portugal’, which did not show as good of a performance. For example, there was a significant uplift of 84.6% in the CTR when comparing the keyword ‘co-living portugal’ to ‘co-working portugal’ (t-value (738.1) = 3.161, $p < 0.001$).

The keyword ‘co-living portugal’ generated the most leads and is one of the essential keywords because the CPC is relatively low (0,70€). This indicates that the competition for this keyword is not very high yet. Table 12 also shows that ‘co-working algarve’ is the most cost-efficient of the better performing keywords, indicating its importance for the future.

Costs for the keyword are not only derived from its competition but also influenced by the quality score as indicated in Table 12. It displays an estimation of the Ad relevance for the user. It is defined by three measures: (1) relevance of the Ad, (2) relevance of the keyword, and (3) relevance of the landing page. All these factors are closely connected to the keyword, as the relevance of the Ad and landing page are derived from how closely messages in the Ad and content on the landing page match the keyword. The keyword relevance is derived from the CTR. The quality score will also influence the Ad’s position in the Google search results. The higher the score, the higher the rank of the Ad.

Another important finding is that of the 189 clicks, only 35 clicks came from broad search terms. Of these 35 clicks, only one conversion was generated. This indicates that search terms that were either ‘phrase matches’ or ‘exact matches’ performed better.

Further insights that can be derived from Google Ads are demographic information. 52% of the people Google presented the Ad to were between 25-34, as indicated in Figure 6, and the female population was slightly higher, roughly 58%.

Figure 6: Google Ads Campaign – Demographic Insights

Age Range	Impressions	Percent of known total
18-24	158	12.48%
25-34	658	51.97%
35-44	249	19.67%
45-54	141	11.14%
55-64	35	2.76%
65	26	2.05%

Source: Google Ads

On the 02.05.2022, the campaign had to be paused, as the keywords ‘working holiday portugal’ and ‘workation’ led to many fraudulent clicks and leads. The results for the first two days can be observed in Appendix 6.

The Google Ads manager allows observing which search terms users used and which countries clicks, and leads come from. Clicks from the search term ‘workation’ originated from search terms like ‘workation india’ or ‘workation in kasol’. Clicks from the search term ‘working holiday Portugal’ originated from search terms like ‘how to apply for a work visa in portugal’. The combination of insights into search terms and the fact that over 60% of the clicks came from India, and almost all names collected in the conversions were Indian, led to excluding the beforementioned search terms and the country India for all searches. The experiment was then restarted on 03.05.2022. The last adjustment made was the exclusion of the keyword ‘surf algarve’ on 05.05.2022 as the amount spent for it was increasing rapidly, while its performance was below average, as can be observed in Table 12.

4.3.4. Product-Market Fit

Google Optimize counted 336 page views and 33 conversions overall in the landing page experiment. This leads to an average conversion rate of 9,82%. This result allows the author to assume an initial product-market fit, as the threshold of 5% set in H9 was exceeded by 4.82 percentage points (Kim, 2021; Özsahan, 2022; Bui, 2022). These findings also support that the right target group was chosen, and the targeting via SM and Google was overall successful.

Table 13: Landing Page Performance – by Version

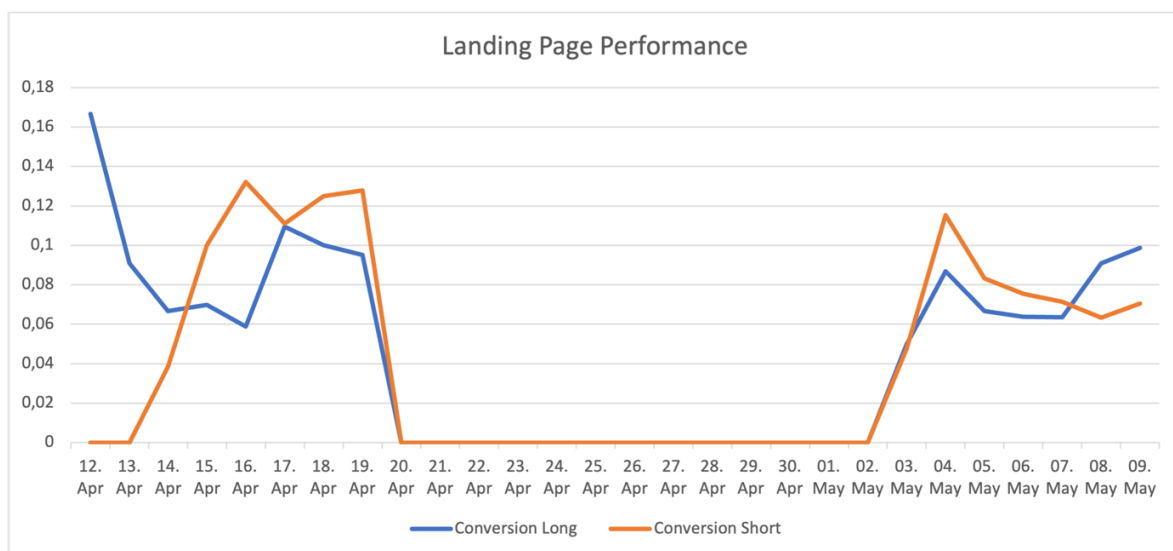
Landing Page Performance Overall			
Version	Views	Conversions	CR
Long	165	16	9,70%
Short	171	17	9,94%
Total	336	33	9,82%

Source: Google Optimize

The visitors arriving on the landing page were randomly distributed to a long and a short landing page version with a conversion rate of 9,70% and 9,94%, respectively. Although the short version performed slightly better than the long version, no statistically significant difference could be inferred.

Figure 7 underpins this conjecture as one would like to identify a clear difference between the two versions over time to render a “winner“ version.

Figure 7: Landing Page performance – by Version and Day



In Appendix 7, some reactions of potential customers were collected, which underpin further support for an initial product-market fit.

4.4. Marketing Channels and Communication

In this section, the results from the experiments will be analyzed regarding the performance of different marketing channels and the content of communication chosen. First, there will be an overall comparison of the different channels used in the experiments. Afterwards, messages and creatives in SM will be compared.

4.4.1. Channel Performance Overall

Ads on SM can be categorized as display Ads, while on Google, these are categorized as search Ads. Given the different nature of these commercials, the results are not perfectly comparable, but an overall assessment of channel effectiveness is still essential to derive conclusions for a multichannel marketing strategy (Verhoef, 2012).

Table 14: Channels Performance overall

Channel(s)	Impr.	Cost (€)	Clicks	Leads	CTR	Conv. rate	Avg. CP Impr. (€)	Avg. CPC (€)	Avg. Cost per Lead (€)
Facebook	8278	102,02	228	8	2,75%	3,51%	0,012	0,45	12,75
Instagram	11137	102,54	104	11	0,93%	10,58%	0,009	0,99	9,32
Social Media (overall)	19415	204,56	332	19	1,71%	5,72%	0,011	0,62	10,77
Google	1873	150,93	189	14	10,09%	7,41%	0,081	0,80	10,78
Total	21288	355,49	521	33	2,45%	6,33%	0,017	0,68	10,77

Source: Experiment Data

When comparing the channels, it is observable that Ads on Instagram were shown 11,137 times, 8,278 times on Facebook, and only 1,878 times on Google. This results in costs per impression of 0,009€, 0,0012€, and 0,081€, respectively. Indicating that Instagram, in this comparison, is the cheapest channel for Ads and has the greatest effect in terms of mere exposure (Lo, Hsieh, & Chiu, 2014), while Google is the most expensive channel by impression. In terms of clicks, Google has the highest rate compared to SM, with a CTR of 10,09%. This shows that the impressions on Google are, in general, more relevant compared to SM, which is a logical finding, as users on Google are actively searching, while users on SM are instead browsing. The second highest CTR was achieved on Facebook with 2,75%, followed by Instagram with 0,93%. There was a statistically significant uplift of Facebook Advertisements of 195% compared to Ads on Instagram in terms of CTR (t-value (12461.7) = -9.027, p <0.001).

Interestingly this perspective changes when looking at the CR. Instagram has the best CR with 10,58%, compared to Google and Facebook with CRs of 7,41% and 3,51%, respectively. While there is no statistically significant difference between Google and Instagram, there is a statistically significant difference between Google and Facebook (t-value (325.1) = -1.731, p <0.05). With 9,32€ Instagram has the lowest cost per lead, followed by Google with 10,78€ and Facebook with 12,75€. Although Instagram users tended to click less on the Ad the conversion rate was the highest, pointing to the fact that the people clicking on an Ad on Instagram are of higher relevance for the business than on Facebook. Nonetheless, H2 and H8 need to be rejected as for now, no channel outperforms the other channels in terms of CTR and CR simultaneously.

4.4.2. Social Media Messages

In the covariate experiment conducted on SM, two messages and two creatives were tested to understand which performed the best.

The two messages tested are named “Pain” and “Gain”. Message Gain tested a phrase aimed at triggering a conversion by mentioning a gain associated with the service of Sweet Tides, while message Pain tested mentioning a pain, as presented in Table 15. The messages were always included in the primary text on the Ad post. Additionally, the first sentence of the message was included on the creative to ensure the reader is looking at the text, not just the image, before clicking, as shown in Figures 11 and 12.

Table 15: Social Media Advertisements – Messages tested

		Messages	
		Pain	Gain
Text on creative		Tired of working from home? Co-work and live in Algarve's nature.	Want to work at the ocean and enjoy your free time after work? Co-work and live in Algarve's nature.
Incentive		1-week of co-working for free	1-week of co-working for free
Primary Text		Tired of working from home? Boundaries of work and free-time start to blur more & more when working in the home office. We want to help you break out of daily working routines and reconnect with nature.	Want to work at the ocean and enjoy your free time after work? Join us at Sweet Tides. Our co-working and living space lets you combine work with an adventurous lifestyle, reconnect with nature, and connect to like-minded people.

Source: author's own

As described in the methodology section, the two creatives were only tested for message gain. Therefore it needed more budget to produce comparable results. The budget increase for message Gain resulted in 14,168 impressions compared to 5247 impressions for message Pain. Simultaneously this decision resulted in 77 clicks and two leads for message Pain, while message Gain generated 255 clicks and 17 leads.

Table 16: Social Media Advertisements – by Message

Message	Impressions	Amount Spent (€)	Clicks (all)	Leads	CTR(all)	CR (relative to clicks)	Cost per lead (€)
Pain	5247	64,84 €	77	2	1,46%	2,60%	32,42 €
Gain	14168	139,72 €	255	17	1,80%	6,67%	8,22 €

Source: Meta-ad manager

With a CTR of 1,80%, message Gain performed 22.6% better overall than message Pain with a CTR of 1,46%. This is a significant increase of clicks (t-value (10293.4) = 1.663, p <0.05). At the same time, message Gain's CR had an uplift of 157% compared to message Pain overall, as presented in Table 16. This is a significant increase of conversions (t-value (197) = 1.693, p <0.05). When looking at how the messages performed inside each SM channel separately, Gain continues to be the clear leader on Instagram. Message Gain also has a higher CTR and CR compared to message Pain on Facebook, where only the difference in CTR can be rendered significant at a 90% level, as shown in table 17 below.

Table 17: Social Media Advertisements - T-Test for Message, by Channel

Channel	Targer Segment	CTR	CR	T-value (CTR)	P-value (one-sided)	Degress of freedom	T-value (CR)	P-value (one-sided)	Degrees of freedom
Instagram	Pain	0,62%	13%						
	Gain	1,03%	0%	2.217	0.013	5,916.3	3.528	<0.001	86
Facebook	Pain	2,38%	3,33%						
	Gain	2,91%	3,57%	1.402	0.080	5,239	0.86	0.466	226

Source: Experiment Data

The design of the covariate experiment only allows controlling for one of the two creatives when comparing the performance of the messages, as the surf creative was only presented in combination with message Gain. When the creative co-work was controlled for, the messages lost most significant levels as presented in Table 18 below, also due to the shrinking number of impressions. On Instagram, message Gain was still performing significantly better than Pain in terms of clicks (t-value (1,877.5) 1.516, p = 0.065). This points to the fact that the type of message shown to the user had a more considerable influence on Instagram compared to Facebook.

Table 18: Social Media Advertisements - T-Test for Message, by Channel & Creative

Channel	Picture	Message	Impressions	CTR	T-value (CTR)	P-value (one-sided)	Degrees of freedom
Instagram	Co-work	Pain	2734	0,62%	1.516	0.065	1,877.5
		Gain	1237	1,13%			
Facebook	Co-work	Pain	2514	2,38%	-0.753	0.226	3,148
		Gain	636	1,88%			
Overall	Co-work	Pain	5248	1.46%	-0.246	0.403	7,119
		Gain	1873	1,38%			

Source: Experiment Data

In conclusion, this section leads to the partial acceptance of H3 which means message Gain works better on SM. Follow-up A/B tests should be run to test message pain with the surf creative to gain further confidence.

4.4.3. Social Media Creatives

In the covariate experiment, two different creatives (co-work vs. surf) were tested against each other, while the message was kept the same. The different Ads were displayed on Facebook and Instagram. Figure 11 below shows an Ad on Facebook with the co-working creative. The following Figure shows an Ad on Instagram with the surf creative.

Figure 11: Facebook Ad – Creative Co-work

Sweet Tides Coworking and Living
Gesponsert · 🌐

Want to work at the ocean and enjoy your free time after work?
Join us at Sweet Tides. Our ... [Mehr anzeigen](#)

Want to work at the ocean and enjoy your free time after work?

Co-work and live in Algarve's nature.

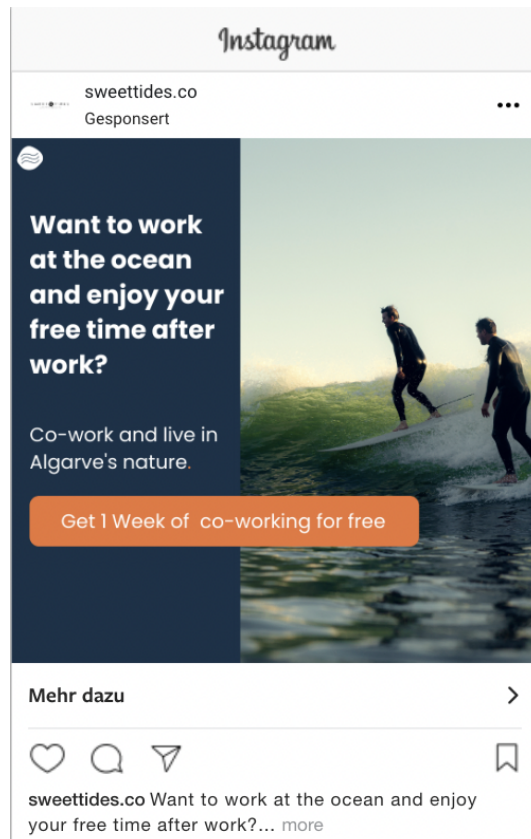
Get 1 Week of co-working for free

sweettides.co
Sweet Tides - Co-working and Living in Algarve [Mehr dazu](#)

👍 Gefällt mir 💬 Kommentar ➦ Teilen

Source: Meta-ad manager

Figure 12: Instagram Ad – Creative Surf



Source: Meta-ad manager

The budget was not set individually for the creatives but was set campaign-based. This means that the Meta-Pixel had the authority to decide which Ad to display more often, again with the goal of generating leads. Tables 19 and 20 below show that the co-work creative was shown 7,120 in total but only 1,873 with the message “Gain”, while the surf creative was displayed 12,295 times. During the experiment, it was observable that the surf creative was displayed more often from early on. The settings were not adjusted, though, to use the budget efficiently.

Table 19: Social Media Advertisements – by Creative

Creative	Impressions	Amount Spent (€)	Klicks (all)	Leads	CTR (all)	CR (relative to clicks)	Cost per lead (€)
Co-work	1873	22,23	26	1	1,39%	3,85%	22,23
Surf	12295	117,49	229	16	1,86%	6,99%	7,34

Source: Meta-ad manager

The surf creative generated 229 clicks and 16 leads compared to 26 clicks and 1 lead for the co-work creative with message gain. Focusing on the CTR it shows a significant click increase for the surf creative of 34.2% (t-value (2,693.8) = -1.600, p <0.06). The surf creative also performed 81.7% better when looking at the CR. This change was not significant.

Table 20: Social Media Advertisements - T-Test for Creative, by Channel & Message

Channel	Message	Creative	Impressions	CTR	t-value (CTR)	P-value (one-sided)	Degrees of freedom
Instagram	Gain	Co-work	1237	1,13%	0.363	0.358	8,401
		Surf	7166	1,01%			
Facebook	Gain	Co-work	636	1,88%	-1.955	0.025	905.9
		Surf	5128	3,94%			

Source: Experiment Data

When the SM channels and message Gain are isolated, the effect for the picture on Instagram is neutralized, and the surf creative has a significant influence on Facebook (t-value (906) = 1.955, p <0.05). This points to the fact that the type of picture shown to the user had a more considerable influence on Facebook compared to Instagram.

Overall, the statistical analysis in this section leads to partial acceptance of H6, concluding that the surf creative performs better for the described target group.

5. Resume and Managerial Implications

In this section, the most important results of the experiments will be concluded briefly while considering findings from the literature review on the relevant topics.

This thesis achieved the overarching goal of finding support for an initial product-market fit as the CR on the landing page was above average. According to Osterwalder et al. (2014), this justifies further pursuing and iterating the business idea. One essential future step that will need to be made is validating that the services can lead to a profitable business model.

The data presented in the findings section is a prerequisite for iterations based on customer feedback. Following *The Lean Startup* approach (Ries, 2010), experiment variables that prospective customers reacted positively to can be focused on, and new combinations can be explored. Variables that have not worked well can be neglected or should be retested in a different setting. Followingly, possible managerial implications for the different variables are given.

5.1. Understanding the Customer

It is assumed that most of the demographic, psychographic, and behavioristic segmentation variables of the defined target group are relevant and can be used for future customer targeting. This confirms the findings that DNs can be characterized as tourists (e.g., Thompson, 2019; Orel, 2019). Different refinements could be tested in future Ad campaigns to develop further segmentation and potentially increase marketing performance. Insights from Google Ads could be used as evidence to narrow down the age range for Ads from 24-54 to 25-34. Subsequently, it will also be interesting to track the amount spent per guest by age, as excluding older guests in marketing campaigns may lead to the loss of well-paying customers.

Furthermore, the refinement of psychographic and behavioristic characteristics could be made by adding another filter to the Ads on the Meta platform. Scientific literature suggests that DNs are often self-employed, freelancers, or small business owners (e.g., Hall, Sigala, Rentschler, & Boyle, 2019). These characteristics can be easily implemented into targeting and compared to the prior group tested and are relevant in the context of the service offering (Yankelovich & Meer, 2006).

Looking at the two target segments, the experiment results made clear that none of the countries included in the two groups can be excluded as target countries for potential customers. In the future, Sweet Tides should focus on smaller target regions or fewer countries in online Ads to infer statistically relevant results, making them more differentiable (Yankelovich & Meer, 2006). According to Best (2013) this will also allow focusing on local variations (e.g., language), but at the same time, this may reduce economies of scale, which is true, especially for Google and Meta Ads, as their algorithms may find a suitable user fit without controlling for a geographic region (Meta, 2022a). When testing for geographic segmentation again, it should be focused on countries with the highest purchasing power first (e.g., Scandinavian countries) as these might deliver the customers that increase the economic performance of Sweet Tides most (Menicucci, 2018). If the idea of Sweet Tides turns into a business, it will need to be tracked in a second step which guests spend more money to validate the assumption made.

The performance of Google Ads campaigns may be increased by making adjustments to the keywords. For example, by removing keywords that did not perform well or that did not receive many searches like “working in nature”. Additionally, keyword match settings can be narrowed down to “Phrase match” or “Exact Match” as “Broad Matches” did not deliver much value. These improvements are also likely to improve the quality score. Different messaging should be tested in different Ad campaigns to see if Ad relevance as part of the quality score will improve. Lastly, excluding the keyword “working holiday portugal” was done to avoid fraudulent clicks and conversions. Nonetheless, it seems to be an important topic for users as there are many searches. In the future, this keyword should be tested again with an adjusted country and keyword match setting, and it could also be a good topic for a blog or SM to potentially produce organic growth.

The result from the landing page split testing did not lead to any significant results, therefore no conclusions about the landing page design can be made. In the future, it will be interesting to observe if there is a difference in the booking rate of the leads that have occurred from the long version compared to the short version. If there is no difference, it would be better to keep the long version as it promotes trust and quality (Gafni & Dvir, 2018).

5.2. Channels and Messaging

It may be concluded that all channels tested are essential to deploy in the future. In this test, Google and Instagram showed higher relevance along with the target group and keywords in terms of conversions. Further observation might lead to the conclusion that more resources should go to these channels (Verhoef, 2012). One approach could be that in the Meta-ad-manager, the setting could be adjusted so that the allocation of the budget along Facebook and Instagram is made automatically, which is also likely to decrease marketing costs subjective to the goal (Meta, 2022b). Given that the business idea is realized, monitoring which leads (from which channels) conduct a booking will be necessary. Generally, the goal should be to create organic content for all channels in the future adjusted to their use intention (Verhoef, 2012). Perspectively organic content will also help to decrease the costs of clicks and leads.

The messages and creatives tested on the SM Channels point in the direction that positive messages associated with the perks of the tourist location have high attractiveness to the targeted group. Accordingly, this finding should be considered when deriving content strategies for the different marketing channels and campaigns. It is such an early stage that it is necessary to test the findings regarding messages and creatives, especially considering different target groups. In the covariate experiment users were targeted based on their interest in touristic activities, which might have been the simple reason for the better performance of the gain message and surf creative in general.

Concluding, the following steps for Sweet Tides are as follows. The business model's profitability should be validated by exploring willingness to pay of the converted users and creating a financial forecast. Sweet Tides should continue to acquire potential customers by employing a multi-channel strategy in the future. This strategy should utilize the three tested channels and combine paid and organic content designed based on the findings presented and the use intention of the channel. Simultaneously the goal is to iterate the business idea and the marketing strategy based on customer feedback resulting from the different communication channels and customer surveys. The mentioned aspects will help to further reduce the uncertainty of investment into the business concept.

5.3. Research Limitations

As the online experiments were carried out in a real-world setting and to optimize the budget spent, keeping all variables the same is quasi-impossible and decreases the generalizability of the results (Ash, 2008). Moreover, the sample sizes in the experiments conducted were significant but not all of them sufficient to render a conclusion (e.g., landing page), as estimated CTRs and CRs are subject to some error (Kohavi, Tang, & Xu, 2020). In general, it is also important to mention that the pre-selected target groups on SM have an influence on the Message and Creatives tested, as the results might be different for other target groups and thus should not be generalized for other target segments. Due to the covariate test design observations were shrinking when controlling for different variables at a time, which increases the error potential.

Another limitation to the experiments is that re-targeting occurred on SM, Google, and the landing page (repeating visitors). It inevitably leads to a measuring error that is difficult up to impossible to clean up before data analysis.

Lastly, the data measurement tools used measure differently, and they will never show identical amounts (e.g., pageviews); therefore, the comparison of the channels might have suffered from measurement mistakes. A more thorough description of the limitations can be found in Appendix 1.

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VI. Appendices

1. Detailed Experiment Limitations

In this section, some more points are summarized that put constraints on the data collection and analysis that did not fit in the conclusion and had lower importance.

No A/A test was conducted with any of the experiments at hand. A/A tests give the tester an idea about the natural variation. Knowing this variation can influence the conclusions made (Kohavi, Tang, & Xu, 2020).

Google ads, Meta ads, and landing page experiments were not executed simultaneously, leading to a sequential testing bias, as outside factors may influence the experiment (Ash, 2008). In addition, the ads on SM and Google were blocked for a short amount of time during the data collection period due to security reasons of the platform. This might have led to a slight daily variation bias.

The representativeness of the target segments on SM is constrained due to the automated distribution of the Meta Pixel to achieve more leads. Another critical limitation to mention is re-targeting on SM. Although it might help to generate leads and business interests, it has the potential to add more errors to the estimated CTRs and CRs. For example, a user could have seen one advertisement on Instagram in the morning and not have the time to click on it. If then a different ad was displayed to her in the afternoon, and she clicked this would have counted as a click for the second ad. During the landing page experiment, family and friends visited the website, increasing the number of landing page visits on Google optimize. This also means that the CR is probably slightly higher than the one presented. The author could not remove repeating visitors to the website from the statistics. Family and Friends that converted were not counted in the experiment.

2. Competitor Analysis Sheet

Competitor	Business Type	Location	Offered Services			Additional services	Community factor (Google Reviews)	Booking flexibility	Price	Size	
			Accommodation	Workspace	Communal Spaces					Size (in beds)	Branches
Algarve											
Outsite	Co-living	Sagres				Community manager, Shared Kitchen, Laundry, parking spots, desks in all rooms , towels, coffe+tea for free, contactless check-in	n.a. Just opened in May 2022	not flexible	€€-€€€	26	>10
The nook	Co-living	Sagres/Vila do Bispo				Surf lessons & Equipment, hiking, birdwatching, yoga, dolphins watching, fishing, bicycle, snorkeling equipment, traditional dinner, own kitchen in room (sometimes)	n.a. Just opened in May 2023	not flexible	€€-€€€	22	1 (private)
Noma Village Lagos	Co-living	Lagos				Yoga classes, meditation, surfing, roadtrips, whorkshops, hiking, beach cleanups, community dinner/cooking sessions	Very Good, people find it easy to connect to like-minded individuals	Not flexible	€-€€	n.a.	1 (private)
Puresurfcamp	Co-living	Ingrina				Surf lessons, surf equipment, yoga, golf, skating, shared kitchen	n.a.	Not flexible	€€	12	>10

Coworking & Coliving in Sagres, Algarve - Portugal	Co-living	Sagres				Shared kitchen, small garden	Good. Easy to meet new people due to small size.	Not flexible	€	4-6	1 (private)
Stokeworks	Co-living	Aljezur				Shared kitchen, pool, garden	n.a.	Not flexible	n.a.	n.a.	1 (private)
Traditional Sunny House w/ Rooftop Deck	Co-living	Tavira				Shared kitchen, air conditioning, washing machine, Yoga	n.a.	Not flexible	€-€€	18	1 (private)
The Ocean Spirits	Surfcamp					Stand Up Paddleboarding, surfing, windsurfing, yoga, hiking, free climbing, climbing massage, diving, snorkeling, wine tasting, fishing, dolphin tours, Packages, free bicycle rentals, weekly pizza night, 2-3 dinner nights a week	Very Good. Nice people, easy to connect. Events conducted regularly with many visitors.	Flexible		18	1
Monte de Santo Antonio	B&B	Sagres				Breakfast, Activities (i.e., horseback riding, surfing, boat tours)	n.a.	Not flexible	€€-€€€	10	1
Pure Accomodations	B&B	Vila do Bispo				Breakfast	n.a.	Not flexible	€€-€€€	>25	3
GoodFeeling - Hostel & Guesthouse	Hostel	Raposeira				F&B service available Activities (i.e. yoga, stand-up paddle tours, surf lessons), free daily beach transfer	Good. Customers are very open and frinedly to new people.	moderately flexible	€ - €€	30	1
The Lighthouse	Hostel	Sagres				Cafe, garden, pool, other communal services	Good. Customers are very open and frinedly to new people.	not flexible	€ - €€	30-50	1
HUB Ativo	Co-working space	Portimao				Office for companies, private offices, digital offices, HUB Venture, Web Desgin	n.a.	moderately flexible	€€	20-30	1
Lagos Digital Nomads	Co-working space	Lagos				Events, more customized packages can be organized (incl. accomodation, activities)	Very Good. Events are conducted to bring community members closer.	moderately flexible	€€	n.a.	1

Mar d Estórias Cafe	Co-working space	Lagos				Shop, Restaurant, Bar, Gallery, Events	n.a.	n.a.	n.a.	n.a.	1
Quinta do Lago	Co-working space	Loule				Office for companies, private offices, meeting rooms	n.a.	flexible	€€	62	1
Golden Creative	Co-working space	Loule				Private Office, Virtual Office service (i.e. receiving mails, tax address)	n.a.	n.a.	€€€	n.a.	1
Centro Work and Event space	Co-working space	Lagos				Seminars, Exhibitions, shared kitchen (only basic amenities), shared postbox, accomodation offered with a partner	n.a.		€ - €€		
The Office - Lagos Coworkers	Co-working space	Lagos				/	n.a.	n.a.	n.a.	n.a.	1
Rest of Portugal (best in class)											
Selina	Co-living	Lisbon, Milfontes, Porto, Geres, Ericeira, Peniche				Activities (i.e., wellness, local adventures, surf), Online Community, On-site facilities (pool, movie room), Shared kitchen, F&B services	Very good. Community extends into an online forum.	Very flexible	€€-€€€	Differing	144
Outsite	Co-living	Lisbon, Ericeira, Madeira, Peniche, Sagres				Shared Kitchen, Laundry, parking spots, desks in all rooms, towels, coffee+tea for free, contactless check-in, local community manager	Very good. Welcoming atmosphere and local community manager.	not flexible	€€-€€€	Differing	>25
The Salty Pelican	Co-living	Cascais, Ericeira, Peniche				F&B services, Activities (i.e., yoga, surf lessons, wellness), On site facilities (cinema room, pool, laundry), towels, daily housekeeping	Very Good. Engaged team to integrate everyone and making guests feel comfortable.	moderately flexible	€€€	Differing	4

SameSame	Co-living	Lisbon				Partner Location/Bar (for community dinners, live concerts, dj setst, artistic exhibitions, outdoor movies), Activities (i.e., workshops, talks, tours, events), shared kitchen	Very Good, the wide variety of acitivities and events creates a opportunity for everyone to connect	not flexible	€€-€€€	25	1
Drifter Beach Lodge	Co-living	Areia Branca				Surf lessons, Team-Retreats (team building), On site facilities (pool, lounges)	n.a.	not flexible	n.a.	n.a.	1

Prices	€	€€	€€ €
Accomodation	<35€ per night	>35€,<100€	>100€
Co-work (daily)	<10	>10€,<20€	>20€

3. Social Media Advertisement Results

Customer Profile	Jobs	Pains	Gains
	DNs: look for locations with desired leisure features (1,2,4,6), look for locations where they have existing connections such as family and friends (2,6), learn how things work: in a new location they find new friends, a place to work, a cafe (1, 2), work long hours on their computers (4,6)	DNs: experience (occasional) loneliness (1,2,3,4,6), can feel isolated (1,4, 6) experience a struggle with 'privilege and inequality' in local environments (1,2, 6), lack of working infrastructure (3,4)	DNs gain through location independence and freedom (1,2,3,4,5,6), time flexibility (2,4,3), being productive (4,5), being creative (2,4), self-actualization (2,3), having a sense of self belonging (2,4), finding a cheap deal (1,2,6), establishing good habits (2, 4)
Value Map	Products & Services	Pain Relievers	Gain Creators
	Basic amenities of co-living spaces (2, 3, 5), communal spaces (3,5), leisure activities (4,5) community/social activities (3,4, 6), community manager (3)	Integrating social activities into the working environment (2,3,4) clarification how to avoid ethical issues in local community (1,2,6)	A workplace that suits different working characters/intentions (1,2,3,4,5), community manager that enables an ongoing interaction and meeting new people (3, 5) booking flexibility (5)
Sources: 1. (Thompson, 2019), 2. (Reichenberger, 2017), 3. (von Zumbusch & Lalicic, 2020), 4. (Orel, 2019), 5. (Lee, et al., 2019), 6. (Hall, Sigala, Rentschler, & Boyle, 2019)			

4. Social Media Advertisement Results

Social Media Channel	Message	Target Group	Creative	Reach	Impressions	Frequency	Amount Spent €	Klicks (all)	Link-Klicks	Landingpage-Engagement	Leads	CTR (all)	CTR (Link-klicks)	CPC (all) €	CPC (Link-klick) €	CR (relative to klicks)	Cost per Lead €	
Instagram	Gain	DACH	Co-work	371	400	1,078	5,26	5	4	1	0	1,250	1,000	1,05	1,32			
			Surf	2829	3390	1,198	29,70	43	26	24	8	1,268	0,767	0,69	1,14	18,60%	3,71	
			All	3200	3790		34,96	48	30	25	8	1,266	0,792	0,73	1,17	16,67%	4,37	
		EUROPE	Co-work	772	837	1,084	7,73	9	8	4	1	1,075	0,956	0,86	0,97	11,11%	7,73	
			Surf	3142	3776	1,202	27,19	30	23	20	2	0,794	0,609	0,91	1,18	6,67%	13,60	
			All	3914	4613		34,92	39	31	24	3	0,845	0,672	0,90	1,13	7,69%	11,64	
	Performance overall				7114	8403		69,88	87	61	49	11	1,035	0,726	0,80	1,15	12,64%	6,35
	Pain	DACH	Co-work	1110	1210	1,090	16,51	9	8	8	0	0,744	0,661	1,83	2,06			
		EUROPE	Co-work	1402	1524	1,087	16,15	8	6	5	0	0,525	0,394	2,02	2,69			
		Performance overall				2512	2734		32,66	17	14	13	0	0,622	0,512	1,92	2,33	
Instagram Advertisement Performance				9626	11137		102,54	104	75	62	11	0,934	0,673	0,99	1,37	10,58%	9,32	
Facebook	Gain	DACH	Co-work	274	319	1,164	5,67	6	1	1	0	1,881	0,313	0,95	5,67			
			Surf	1549	2233	1,442	29,14	51	19	10	0	2,284	0,851	0,57	1,53			
			All	1823	2552	1,400	34,81	57	20	11	0	2,234	0,784	0,61	1,74			

	EUROPE	Co-work	267	317	1,187	3,57	6	1	1	0	1,8	0,31	0,60	3,57	5,71	5,24	
		Surf	209	2896	1,380	31,46	105	26	22	6	3,6	0,89					
		All	236	3213		35,03	111	27	23	6	3,4	0,84					
		Performance overall	418	5765		69,84	168	47	34	6	2,9	0,81					3,57
	Pain	DACH	Co-work	975	1151	1,181	16,13	24	7	4	1	2,0	0,60	0,67	2,30	4,17	16,13
		EUROPE	Co-work	116	1362	1,173	16,05	36	12	7	1	2,6	0,88	0,45	1,34	2,78	16,05
		Performance overall	213	2513		32,18	60	19	11	2	2,3	0,75	3,33	16,09			
	Facebook Advertisement Performance			632	8278		102,02	228	66	45	8	2,7	0,79	0,45	1,55	3,51	12,75
	Social Media Advertisement Performance			159	19415	1,337	204,56	332	141	107	19	1,7	0,72	0,62	1,45	5,72	10,77

5. Google Ads Results

Keyword	Impr.	Clicks	Cost (€)	CTR	Avg. CPC (€)	Conv. Lead	Cost per Lead (€)	Deeper Engagement	Quality Score (hist.)	Exp. CTR (hist.)	Landing page exp. (hist.)	Ad relevance (hist.)
co-working algarve	78	10	5.42	12.82%	0.54	1	5.42	8	8	Above average	Above average	Below average
co-working portugal	316	23	17.83	7.28%	0.78	1	17.83	16	3	Average	Below average	Below average
coworking space portugal	279	18	10.37	6.45%	0.58	1	10.37	13	6	Average	Average	Average
work and surf portugal	24	3	2.86	12.50%	0.95	0	--	1	3	Average	Below average	Below average
surf algarve	148	13	22.71	8.78%	1.75	1	22.71	8	2	Below average	Below average	Average
co-living portugal	883	105	71.96	11.89%	0.69	9	7.99	73	7	Above average	Below average	Above average
working in nature	27	0	0.00	0.00%	--	0	--	0	--	--	--	--
workation	761	57	15.55	7.49%	0.27	7	2.22	31	3	Below average	Below average	Above average
work and surf	180	18	17.91	10.00%	1.00	0	--	12	7	Below average	Above average	Above average
workation portugal	168	13	6.17	7.74%	0.47	1	6.17	11	5	Average	Below average	Above average
Working holiday portugal	193	28	11.29	14.51%	0.40	6	1.88	20	--	--	--	--
	3,057	288	182.07	9.42%	0.63	27	6.74	193				

6. Keyword Performance (01.05-02.05.2022)

Keyword	Cost / conv.	Clicks	Impr.	CTR	Avg. CPC	Conv. Lead
co-working portugal	0.20	1	9	11.11%	0.39	0
work and surf	0.10	2	43	4.65%	0.20	0
coworking space portugal	0.23	2	36	5.56%	0.35	0
co-living portugal	0.26	5	127	3.94%	0.37	0
workation portugal	0.06	2	6	33.33%	0.06	0
work and surf portugal	0.00	0	0	--	--	0
co-working algarve	0.00	0	0	--	--	0
working in nature	0.00	0	0	--	--	0
surf algarve	0.17	2	9	22.22%	0.43	1
workation	0.17	57	761	7.49%	0.27	7
working holiday portugal	0.22	28	193	14.51%	0.40	6

7. Customer Reactions

Customer Reactions to Advertisement & Landing page		
Channel	Medium	Reactions
Facebook	Comment on a Post	Love it
Instagram	Direct Message	Hi! Will you be open for July and August?
Landing page	E-Mail	Hi from Belgium! Looking for several options to escape our winters and work remote. Would my dog be welcome to join me? Where can I find more information about accommodation prices. My husband who is a sailor and kitesurfer would be visiting occasionally. Kind regards
Landing page	E-Mail	Hey there :) we are an italian-german couple that would like to spend june in portugal. We lived before in Tenerife and now would like to move on. Do you have anything available from roughly the 31st of may? And what would be the price? Kind regards

8. Landing Page Versions

8.1. Long Version

Co-work and live in Algiers's beautiful nature.
With a fully furnished, open-plan workspace, high-speed internet, and a community of like-minded professionals, you'll love working here.

That's in for you.

- Flexible membership:** Choose from a variety of membership options to suit your needs.
- Professional workplace:** Fully equipped with modern furniture and high-speed internet.
- Community and learning:** Meet and learn from other professionals in your industry.
- Comfort and health:** Enjoy a comfortable and healthy work environment.

Our simple recipe.

- Work and life balance:** Enjoy a flexible work environment that allows you to work when and where you want.
- Reliable & fast internet:** High-speed internet for all your work needs.
- It's flexible & reliable:** Choose from a variety of membership options to suit your needs.
- Work in a community and learning:** Meet and learn from other professionals in your industry.
- Our approach is simple, our goals are big:** We want to help you work better, live better, and grow your business.

What our friends say.

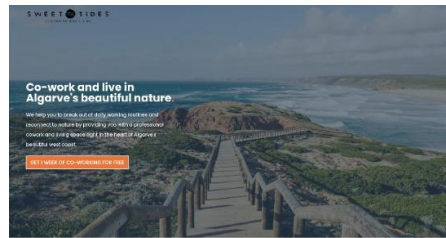
André Youssef
CEO, MySpace

Sign up & get 1 week of co-working for free.

About us.

Do you want to learn more?

8.2. Short Version



That's in for you.



Beautiful accommodation

We offer the right location of beauty, light and views with the most of nature.



Professional workplace

Enjoy our comfortable working space with everything you need to work in a productive and creative way.



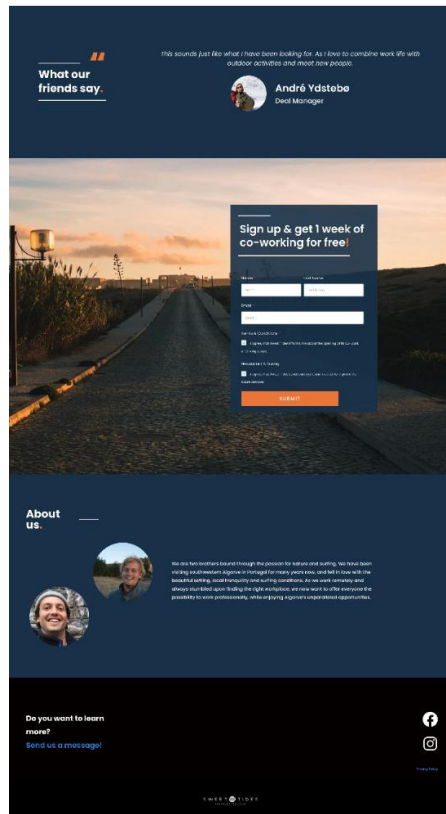
Community and learning

Connect with local friends – we do it all together. Join our community of professionals and entrepreneurs to get things done.



Activities and health

We are just a short drive away from the best of nature and health. Enjoy the best of nature and health.



About us.



We are here because we believe in the power of nature and living. We have been in the beautiful Algarve region for many years now, and we have built the best co-working, local community and surfing location. As we work remotely and globally, we are looking for the right location and we want to offer everyone the possibility to work professionally, while enjoying Algarve's exceptional opportunities.

Do you want to learn more?
Send us a message!



