



# CUSTOMER IDENTIFICATION IN COWORKING SPACES

A Case Study of Consumer-Company Identification  
and Customer Retention in Danish Coworking Spaces

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## **Abstract**

The aim of the thesis is to uncover and explore how Danish coworking spaces can increase their customer retention rate by fostering identification among their members. Existing research indicates that despite their rapid expansion, coworking spaces are characterized by high customer turnover due to increasing competition and low switching costs of the members. At the same time, relative to other types of companies, coworking spaces have more avenues through which they can access their customers and interact with them, lending credence to the fostering of member identification as a potentially viable strategy for customer retention. Despite its apparent relevance, both customer retention and identification in coworking spaces remain understudied areas. With the above as motivating factors, the current study seeks to fill this gap in the research and make the first steps towards examining the ways in which identification functions in the coworking space context, as well as its potential viability as a customer retention strategy.

The study answers the research question by applying qualitative research methods in the form of an exploratory multiple case study. By constructing a conceptual framework based on prior theories of consumer-company identification and identity communication within organizations, the study develops a framework with which the fostering of customer identification can be analyzed from a top-down perspective. Thus, the conceptual framework captures the ways in which identity-relevant content is communicated through ‘saying’, ‘showing’ and ‘staging’ by the identity custodians of coworking spaces with perceived identity attractiveness and customer embeddedness being the constituents of the identification process in members being influenced.

The findings from the multiple case study point towards the relative importance of ‘embeddedness’ – the creation of sustained and meaningful relationships between the customer and the company – in the identification process, while uncovering a variety of ways in which coworking spaces create and maintain these relationships through ‘saying’, ‘showing’, and ‘staging’ of the identity. The study also suggests that identification is more likely to occur in among smaller companies and freelancers rather than larger companies. The data also reveals a need for further research to evaluate the efficiency of fostering identification as a customer retention strategy vis à vis other options.

# Table of Contents

1	Introduction.....	5
1.1	Introduction to the concept identification and the context of the study.....	5
1.2	Research Question.....	6
2	Literature Review.....	6
2.1	Coworking spaces .....	7
2.1.1	Sharing Economy Background .....	7
2.1.2	The Rise of Coworking.....	8
2.1.3	Wework.....	8
2.1.4	Definition .....	10
2.1.5	Benefits of Coworking Spaces.....	11
2.1.6	Community in Coworking Spaces .....	13
2.1.7	Coworking spaces a new research phenomenon.....	14
2.1.8	Customer Retention in Coworking Spaces .....	14
2.2	Customer loyalty .....	15
2.2.1	Introduction.....	15
2.2.2	Definition .....	15
2.2.3	Benefits of Customer Loyalty.....	16
2.2.4	Drivers of Customer Loyalty .....	17
2.2.5	Customer Loyalty and Consumer-Company Identification.....	18
2.3	Consumer-Company Identification .....	19
2.3.1	Introduction.....	19
2.3.2	Theoretical Background.....	19
2.3.3	Consumer-Company Identification.....	21
2.3.4	Fostering Consumer-Company Identification.....	25
2.3.5	Benefits of Consumer-Company Identification .....	28
2.3.6	Management-Centric Approach.....	29
2.4	Fostering Identification through Identity Communication.....	29
2.4.1	Introduction.....	29
2.4.2	Applicability .....	30
2.4.3	Identity Custodians .....	31
2.4.4	Saying, Showing, and Staging the identity .....	31

2.5	Developing the Conceptual Framework.....	34
2.5.1	The rationale of the study .....	34
2.5.2	Limiting the conceptual framework.....	35
2.5.3	Fostering Identification.....	36
2.5.4	Conceptual Framework.....	37
3	Methodology.....	38
3.1	Positioning the research - adopting a positivist position.....	38
3.2	Qualitative research methods .....	39
3.3	Multiple case study design .....	40
3.4	Exploratory research design.....	40
3.5	Analytical strategy.....	41
3.6	Scientific approach.....	42
3.7	Selection of industry - Coworking Spaces .....	42
3.8	Sampling Strategy .....	43
3.9	Data Collection.....	43
3.10	Data analysis.....	44
3.11	Case descriptions .....	45
3.11.1	Talent Garden Rainmaking.....	45
3.11.2	Fintech Lab .....	46
3.11.3	Nomad Workspace.....	46
3.11.4	REBEL Workspace.....	46
3.12	Evaluation of the research process .....	46
3.12.1	Construct Validity.....	47
3.12.2	Internal Validity .....	47
3.12.3	External Validity.....	47
3.12.4	Reliability.....	48
3.13	Limitations of the research design.....	48
4	Analysis.....	49
4.1	Identity Custodians.....	49
4.2	Identity Attractiveness.....	50
4.2.1	Saying .....	50
4.2.2	Showing .....	50
4.2.3	Staging .....	55

4.2.4	Summary: Identity Attractiveness.....	55
4.3	Embeddedness.....	56
4.3.1	Saying .....	56
4.3.2	Showing .....	57
4.3.3	Staging .....	60
4.3.4	Summary: Embeddedness.....	63
4.4	Member Identification.....	63
4.4.1	Summary: Member Identification.....	64
4.5	Customer Retention.....	65
4.5.1	Summary: Customer Retention.....	65
5	Identification of Patterns.....	66
6	Research Propositions.....	68
7	Discussion.....	69
7.1	The strengths of applying the identity communication framework .....	70
7.2	Discussion of research propositions developed from the data .....	70
8	Conclusion .....	73
	References.....	75
	Appendixes .....	83
	Appendix 1: Interview Guide – Coworking spaces .....	83
	Appendix 2: Interview Guide – Coworking Space Members.....	84
	Appendix 3: Protocol for Multiple Case Study.....	85
	Appendix 4: Coding Map.....	86
	Appendix 5: Interviews Coworking Spaces.....	87
	Appendix 6: Interviews Coworking Space Members .....	116

## Table of Figures

- Figure 1: Consumer-Company Identification Framework
- Figure 2: Conceptual Framework of the study

# 1 Introduction

## 1.1 Introduction to the concept identification and the context of the study

The practice of coworking has seen worldwide diffusion in the rapidly emerging sharing economy. Starting in the early 2000s, the concept emphasized its collaborative potential by promoting social changes in the labor market and values such as accessibility, openness, sustainability, community and collaboration (Kwiatkowski, 2011). Most of the popularity of the coworking concept comes, however, due to the emergence of the so-called coworking spaces and their rapid expansion – the central focus of this study.

Coworking spaces are a new type of workplaces that bring together different professionals who are heterogeneous in their occupation, sector of work, organizational status and affiliation to work alongside each other in the same place (Gandini, 2015; Kojo and Nenonen, 2016; Parrino, 2013; Spinuzzi, 2012). Ever since the foundation of the first ‘modern’ coworking in 2005, coworking spaces have seen exponential growth and global diffusion in their locations, although primarily remaining as the features of larger metropolitan cities such as London and New York (Gandini, 2015; Moriset, 2014; Deskmag, 2016). While the customers of coworking spaces pay a premium compared to more traditional office arrangements, they are often able to terminate their lease with one month’s notice, and thus have low switching costs. The rapid growth and low switching costs of the customers have thus led to coworking spaces being characterized by low margins and high customer turnover, which has led to the spaces becoming increasingly customer-focused (Moriset, 2013). An argument can be made that the role of customer retention will become increasingly important for the spaces as the industry grows and more competitors enter the market. Thus, in order to thrive the coworking spaces need to become increasingly customer focused in order to secure the loyalty of their customers.

While there are multiple approaches to customer loyalty, it is one of the main outcomes of consumer-company identification, as identifying customers are more likely to seek out increased interactions with the company that they patronize (Bhattacharya and Sen, 2003). Customer identification refers to “*consumers’ psychological attachment to a company based on a substantial overlap between their perceptions of themselves and their perceptions of the company*” (Du, Bhattacharya and Sen, 2007: 227). Thus, customer identification offers one avenue through which customer loyalty can be increased, which is also the approach that the

current study will take. Identification approach was selected due to the uniqueness of coworking spaces as service-oriented organizations. The customers of the spaces are spending a significant part of their lives working inside of space's environment, which arguably not only makes them more likely to identify but also offers coworking spaces numerous opportunities to foster identification due to a greater access to their customers relative to other companies. Therefore, customer identification is likely to play a greater role regarding customer loyalty in coworking spaces than in more traditional firms.

On the grounds that customer loyalty has been shown to be one of the outcomes of customer identification (Bhattacharya and Sen, 2003; Ahearne et al., 2005; Du et al., 2007) combined with the notion that coworking spaces have a high customer turnover, the research question will be based on the assumption that fostering identification among the members of coworking spaces will help the spaces increase their customer retention rate. However, as neither identification nor customer retention have been investigated thoroughly in the context of coworking spaces, there is still uncertainty as to how identification can be fostered in the members of the spaces. This, therefore, leads to the following research question:

## **1.2 Research Question**

**How can coworking spaces increase their customer retention rate through member identification?**

For answering the research question the study sets out to explore how coworking spaces can foster identification in their members, as well as its role in customer retention. In order to answer the research question, the study will focus on examining the consumer-company identification mechanics occurring in coworking spaces and the ways in which coworking spaces can influence them. With regards to fostering identification, the study will adopt a top-down managerial perspective. Finally, the research question of this study is of exploratory nature, as its area of interest lies in gaining insight of a new, previously unexplored phenomenon.

## **2 Literature Review**

Before constructing the conceptual framework, a review of extant literature on coworking spaces, customer loyalty, and customer identification is necessary to properly frame the study and establish the foundation for gaining a theoretical understanding of the concepts being explored within the scope of this study. The assumptions provided by previous research have

served as a primary theoretical basis from which to explore the research question. Thus, the following section will review the literature that is relevant to the topic of interest of this study. By clarifying the relationship between this study and previous research, the section will likewise highlight where new research may contribute for identification of new gaps in the field of knowledge. As coworking spaces are the target of this research, the following section will provide a review of extant research on this recently new phenomenon.

## **2.1 Coworking spaces**

### **2.1.1 Sharing Economy Background**

Coworking spaces are a part of the emerging sharing economy that is revolutionizing the consumption of products and services around the world. Sharing economy and on-demand services provide a link between organizations and/or individuals with excess capacity and the consumers who need the service (Mitchell and Strader, 2018). It can be explained as a system of collaborative consumption of goods and services enhancing their capacity utilization that is driven by technological (Belk, 2014; Oskam and Boswijk, 2016), economical (Hartl et al. 2016; Möhlmann, 2015), and environmental (Cohen and Kietzmann, 2014; Hamari et al. 2015) considerations. The perceived value of ownership is a key characteristic of the shared economy, as the consumers enjoy goods and services on demand without acquiring ownership, thereby avoiding the obligations risks coming from it (Belk, 2014). The sharing economy is estimated to have a value of \$300 billion by 2025<sup>1</sup> and encompasses a range of business areas like accommodation, food, traffic and entertainment media (Hartl et al. 2016). Some of the most popular examples of the sharing economy include transportation sharing (Lyft and Uber), the sharing of housing (Airbnb) and office sharing which is also known as coworking spaces (Wework).

Today's co-working spaces are born out of multiple generations of private and public-sponsored business stimulation efforts. They are the latest evolution of more than 50 years of innovation workplace development, notably being the most influential type of space among all alternative workplaces including incubators, accelerators and innovation centers (Foertsch, 2014). The modern co-working space is distinguished from other types of innovation workplaces by offering (1) membership-based access to (2) a mixture of both dedicated and flexible spaces with (3) multipurpose uses for (4) a variety of tenants (Zhai, 2017). Co-working spaces with more advanced offerings can fuse together the features of a hotel, a

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<sup>1</sup> <https://www.supplychaindigital.com/logistics/sharing-economy-will-be-worth-335-billion-2025>



fitness center and a social network business, selling membership with flexible access and connecting the members within their ecosystem with each other (ibid.).

### **2.1.2 The Rise of Coworking**

The rise of coworking is caused by a combination of structural changes occurring within the urban labor markets, including the shift to knowledge economy and an acceleration in contingent forms of working, including the increased number of freelancers and self-employed individuals (Brown, 2017; Waters-Lynch et al, 2015). Advances in internet and digital technologies have altered the spatial configuration of work, introducing concepts like home working and remote working. As such, coworking spaces are a relatively recent global phenomenon that has seen strong growth over the last decade (Butcher, 2013; Moriset, 2013; Bouncken et al., 2017). Coworking spaces are responding to the different spatial needs of the new generation of workers, offering more open and creative working environments (Curaoglu and Demirbas, 2017). The rapid growth of coworking spaces is creating high expectations regarding their positive effects on economic development and facilitating change in the labor market (Gandini, 2015; Butcher, 2016). Independent research by Deskmag estimates that there will be 18,900 coworking spaces worldwide in 2018. The growth continues despite research indicating that the coworking spaces are characterized by high competitiveness and low profitability especially among smaller coworking spaces (Moriset, 2013; Foertsch, 2016). This has led to some researchers warning about a “coworking bubble” in the making (Moriset, 2013; Gandini, 2015).

One company in particular is most associated with the rise of coworking as its rapid expansion has shaped the face of the industry in major cities worldwide – Wework. As the most visible phenomenon of the rise of the industry, no review of the rise of coworking is complete without mentioning the rise of Wework.

### **2.1.3 Wework**

The most visible phenomenon of the rise of coworking is Wework – a global chain of coworking spaces that has seen quickly become the face of coworking spaces worldwide. Wework is a U.S. company that provides shared workspaces and offices to startups, freelancers, and increasingly also to global corporations. Wework launched its first space in 2010 in New York. In 8 years since then the company has grown to providing more than 200,000 members with space, community and services through both physical and virtual

offerings<sup>2</sup>. To date Wework has more than 430 locations in 80 cities<sup>3</sup> with a current valuation of reaching up to \$20 billion<sup>4</sup>. Its rapid expansion has made Wework the face of the coworking space industry.

The business model of the company can be described in a simple way – Wework takes on large commercial leases, furnishes out the space with its signature aesthetic to make them attractive, and rents out the space in smaller chunks for shorter terms. Furnishing - “an industrial chic aesthetic, some big common areas with comfy couches, free beer and piped-in pop music” - is designed to appeal to startups and their increasingly millennial workforce who have high expectations regarding their workplaces. Motivational slogans are an integral part of Wework, as one journalist observed during her visit to one of Wework’s spaces: “*My oversized coffee mug tells me to ‘Always Do What You Love’. My reusable metal water cup beseeches me to ‘Make a Life, Not Just a Living’. When I visit the loo in one WeWork, the wallpaper inside the cubicle shouts ‘Never Settle’ and ‘Hustle Harder’ in big black letters.*”<sup>5</sup> Thus, even though Wework didn’t invent the concept of coworking, they succeeded in making their facilities extremely attractive for their target demographic, which has allowed them to scale fast in most of the world’s major metropolitan cities. Increasingly, even corporations like HSBC, Microsoft, IBM and InBev are starting to lease space from Wework. In 2018, enterprise clients (companies with 1,000 employees or more) occupy 24% of Wework’s spaces<sup>6</sup>.

Wework thinks further than just coworking. Their current facilities include a residential co-living offering (Welive), a for-profit elementary school focused on entrepreneurship education for 2-year old toddlers (Wegrow), a grocery store (WeMRKT) and a gym-spa complex (Rise by We). They’ve also acquired a coding academy that now operates out of Wework’s premises (Flatiron School) and Meetup.com, a social network that facilitates in-person gatherings. Furthermore, companies want to know how their space is being utilized, and where they can cut down on costs without sacrificing on the community. Through collecting data about how its members use the space, Wework aspires to position itself as the company with the most valuable first-hand knowledge about workspace configuration and

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<sup>2</sup> <https://www.cnn.com/2018/05/22/wework-2018-disruptor-50.html>

<sup>3</sup> <https://www.wework.com/locations>

<sup>4</sup> <https://www.wired.com/story/this-is-why-wework-thinks-its-worth-20-billion>

<sup>5</sup> <https://www.wired.co.uk/article/we-work-startup-valuation-adam-neumann-interview>

<sup>6</sup> <https://www.nytimes.com/2018/02/17/business/the-wework-manifesto-first-office-space-next-the-world.html>

how jobs get done best<sup>7</sup>. The company wants to be the source that the businesses turn to when designing their own spaces to be cost-effective and attractive to employees at the same time. “Where and when are people most productive? What do workers need to feel good? How much space is really needed per person?” - are some of the questions that the company is exploring in its research lab<sup>8</sup>. While all coworking spaces, in their essence, can be described by “space-as-a-service” (Balakrishnan, 2016), Wework is working hard to take that notion to the next level.

Having covered the causes for the emergence of the emergence of coworking spaces as a phenomenon, it is necessary to define them for a proper framing of the research. Perhaps due to the recency of the phenomenon, various definitions have been proposed to describe the phenomenon of coworking spaces that will be reviewed below.

#### **2.1.4 Definition**

Coworking spaces have been defined in multiple different ways, partly due to the fact that the term “coworking” has become an umbrella term used to describe anything from an open office configuration to an entire street being described through the coworking-space lens in order to explain the interactions happening between the shops (Constantinescu and Devisch, 2018). A basic explanation of coworking spaces is that they offer office and social space for temporary or long-term use according to availability for their users. Spinuzzi (2012) describes coworking spaces by the co-presence of professionals in the same space, while others highlight resource sharing and community building (Capdevila, 2013), close interaction between the coworkers (Bilandzic and Foth, 2013) or a community-climate (Moriset, 2013). Moriset (2013) also connects coworking spaces to the concept of “third place” - a third working place besides from the traditional office and home. Fuzi (2015) emphasizes the social aspect of the spaces, proposing that coworking spaces are shared, proactive and community-oriented workspaces rented by a diverse group of professionals from different sectors. For the purposes of this study the definition offered by Bouncken and Reuschl (2016) will be used who summarize that “...*coworking spaces provide their individual or institutional users a flexible and highly autonomous use of both office and social space that eases the direct personal interaction among the coworking-users for social, learning, cultural and business-related interests*” (Bouncken and Reuschl, 2016: 322).

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<sup>7</sup> <https://www.wired.com/story/this-is-why-wework-thinks-its-worth-20-billion/>

<sup>8</sup> Ibid.

Besides an overarching definition, it is also necessary to cover the multiple typologies of coworking spaces before proceeding. Extant research has categorized the spaces according to their size, accessibility and the environment in which they operate (Kojo and Nenonen, 2016; Bouncken, et al., 2017). The ownership and governance structure of a coworking space determines whether the space is open to the public, or to specific users only. Public coworking spaces (firms, institutions, libraries, universities) offer membership to everyone, while corporate and private spaces can restrict access to their infrastructure to certain types of customers (Bouncken and Reuschl, 2016). In their research on coopetition within coworking spaces, Bouncken et al., (2018) categorize the spaces according to their ownership into independent coworking spaces, consultancy coworking spaces, open-corporate coworking spaces, and corporate coworking spaces. Fluctuation of assets is the highest in independent coworking spaces because of the low switching barriers of the users (Bouncken and Reuschl, 2016). For the purposes of this study - the analysis of customer retention in coworking spaces - only independent coworking spaces will be included in the sample, as they will have the highest incentive to attract and retain members.

Having defined the phenomenon of coworking spaces and reviewed the causes of its emergence, the next step is to explore the value that the coworking spaces offer to their customers. In order to do that, the next section will cover the benefits offered by coworking spaces to their members.

### **2.1.5 Benefits of Coworking Spaces**

Working from coworking spaces has a range of benefits. Coworking spaces offer their clients well-linked ergonomic work environment that is removed from the distractions of the huge open spaces while simultaneously keeping away the loneliness of working from home experienced by many freelance knowledge professionals (Kwiatkowski and Buczynski, 2011). They provide a productive, creative and satisfying work atmosphere not only for freelancers but also for organizations (Rief and Stiefeel, 2016). The atmosphere is of key importance, as the environment in which individuals work in influences their mood, their sense of well-being, as well as their productivity and motivation (Horstia, Vasell, Nenonen, and Helander, 2017). Coworking spaces are also described by the high levels of autonomy that they provide to their users, including the access of office infrastructure and amenities at self-regulated working hours (Bouncken and Reuschl, 2016). This autonomy manifests itself in the freedom of the users to choose when and where they do their work, as well as the intensity with which they do it. Also, in contrast with the traditional office space, the users of

a coworking choose the nature of their interaction with others around them, which can manifest itself in taking the opportunity to consult with each other on their job-related or private issues, to receive and provide feedback and to build private and business relationships (ibid.). Schürmann (2013) outlines four key areas in which a value proposition of a coworking space is superior to its alternatives (traditional office and home office): (1) potential for innovation and knowledge transfer; (2) network and community; (3) flexibility and opportunity for expansion; (4) infrastructure and cost savings.

Schürmann's (2013) first two points - innovation/knowledge transfer and network/community - are primarily applicable to freelance knowledge and smaller companies who choose to base themselves in a coworking space. Provided that the coworking space has a well-developed community, it can help its members develop their ideas by through drawing the community's experience, tips and feedback - something that is not common in an office, where different projects are being developed in isolation from each other (ibid.). Brown (2017) likewise notes that sharing a workspace with people who have different and complementary experiences, skillsets and networks, but who at the same time share similar values and outlooks in their professional lives is valuable to the members. She notes that coworking spaces can perform a mentoring and peer-learning function that is normally not available to workers in distributive creative production. This is especially relevant for members who are just starting out in their professional journey and don't have a strong network to rely on (Brown, 2017; Gandini, 2015). Noting the centrality of coworking spaces to professional reputation acquisition in some industries, Gandini (2015) argues that there is thus an implicit specific 'economic rationale' for being in the coworking space that the members are motivated by. Despite being similar in some respects, coworkers have different needs and capabilities which have a strong influence on the types of interactions that they seek out and the types of knowledge exchange they participate in (Brown, 2017). There is evidence suggesting that latest trends in the labor market have led to an increased individualism and social isolation of the workers, which the coworking spaces help them to overcome (McRobbie, 2016). Thus, motivations for coworking are driven by "distinct production logics" (Merkel, 2015) and the desire to separate their work-life from home in order to have a more productive and professional work environment (Brown, 2017).

The latter two points (Schürmann, 2013) - flexibility/expansion opportunity and infrastructure/cost savings - are more applicable to the companies than to freelancers. The flexibility of coworking spaces is first and foremost attractive for young companies and

startups that are still in their growing stage, as they can downsize or purchase additional office space without getting into long-term office lease contracts (ibid.). Finally, coworking spaces offer the convenience of the one-stop-shop office infrastructure with everything included in the membership price, occasionally even down to free coffee and beer, leaving the members free to focus on their business without worrying about administrative office tasks. The flexibility of the coworking spaces also makes them suitable for start-up projects as the minimum lease times are significantly lower than those required by ordinary office rent facilities. Users of coworking spaces have low responsibilities pertaining administrative tasks, such as cleaning and waste disposal that are characteristic of shared offices (Pohler, 2012). This leaves them more freedom to either work on their business or engage in a variety of leisure and socio-cultural activities, which can serve to further enhance their creativity (Bouncken and Reuschl, 2016). Another benefit worth noting that providing employees with choice of where and how to work has been found to make them more effective and increase their happiness (Gaskell, 2016).

As noted above, community and social interactions are central to coworking spaces and are perhaps the main characteristic setting the spaces apart from more traditional office hotels and various other office sharing arrangements. Furthermore, community in coworking spaces is also likely to play a central role in answering the research question of this study, which is why it will be explored in more depth in the next section.

### **2.1.6 Community in Coworking Spaces**

The centrality of social interactions arguably sets coworking spaces apart from other forms of shared workspaces, as well as their commitment to fostering cooperation (knowledge-sharing) between the members (Capdevila, 2013; Waters-Lynch et al., 2015). However, knowledge exchange is a long-term process that requires multiple points of contacts between the members (Cabral and van Winden, 2016). Although the spaces are often viewed as facilitative for “innovation” by default, research has found that innovation and creativity within the coworking spaces does not happen by itself and instead needs to be curated (Brown, 2017; Cabral and van Winden, 2016). Spontaneous exchanges between the coworkers are not very common (Spinuzzi, 2012; Fuzi et al., 2015; Merkel, 2015, Parrino, 2015) with most coworkers choosing “work alone, together” (Spinuzzi, 2012). Arvidsson (2018) when examining communities within coworking spaces found low density of sociality among most of the members: “...most everyday communication and interaction was the work of a tightly knit core of a small number (five to maximum ten) members, while the remaining

members, sometimes in the hundreds, interacted very sporadically” (Arvidsson, 2018). As the encounters between different members do not occur sporadically, there is evidence showing that they require active mediation or “curation” by the community managers of the coworking spaces (Brown, 2017; Capdevila, 2013; Parrino, 2015; Merkel, 2015). The presence of a community within a coworking space is will make it more likely for the members to socially identify with the space, as self-definitional needs can be satisfied through belonging to a group (Tajfel and Turner, 1985). Thus reasoning, community managers would play an important role not only in fostering a community within a coworking spaces, but also in fostering social identification of the members with the space.

### **2.1.7 Coworking spaces a new research phenomenon**

With coworking spaces being a relatively recent phenomenon, however, the research is fairly limited to make any definitive conclusions about its various aspects, which is also one of the motivations behind the current study. There is a lack of research on how coworking spaces should be set up, strategies for fostering communities within the spaces, as well as which business models are most suitable for operating the spaces (Bouncken et al., 2017; Gandini, 2015; Frankenberger et al., 2013). Likewise, research is lacking on customer loyalty and retention in the coworking space industry. An argument can be made that customer loyalty and retention are becoming increasingly important with the growing competition among coworking spaces. The customer-focused nature of the spaces furthermore makes them an interesting subject to study with regards to customer retention strategies due to the high level of interaction between the spaces and their customers.

### **2.1.8 Customer Retention in Coworking Spaces**

Customer retention remains an unexplored area in the context of coworking spaces. As the market is becoming more saturated, an argument can be made that importance of fostering customer loyalty in coworking spaces increases due to increased competition. An overview of online resources suggests that a differentiated service offering from that of the competitors may be a way for increasing customer loyalty<sup>9</sup>. Beyond the service offering, a number of relationship strategies have been proposed for retaining existing members: (1) a better positioning, I.e. niching down on a certain type of members that the coworking space is seeking to attract, (2) a strong onboarding process to make new members feel like ‘insiders’ as soon as possible, (3) frequent emailing to members with the aim of providing value, and

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<sup>9</sup> <https://www.coworkingresources.org/blog/threats-and-challenges>

(4) gathering feedback regularly through surveys to discover problems fast if/when they arise<sup>10</sup>. Besides from the few online sources, academic research on customer retention in coworking spaces is scarce, which makes it a suitable area of research.

The aim of this thesis is to investigate customer retention in coworking spaces through the perspective consumer-company identification. In the above formulation, customer retention must be viewed through the customer loyalty lens, as customer loyalty is the outcome of identification that can influence customer retention. In order to gain a better understanding of the theoretical concept of customer loyalty, extant literature on the matter will be reviewed below.

## **2.2 Customer loyalty**

This chapter introduces the concept of customer loyalty as it is described in extant literature and explains how customer loyalty can influence a firm's profitability. Prerequisites for establishing true customer loyalty are discussed, as well as how customer loyalty is linked to consumer-company identification.

### **2.2.1 Introduction**

The concept of customer loyalty is central to marketing research, as creating and maintaining customer loyalty is crucial for developing long-term, mutually beneficial relationships with customers (Pan et al., 2012), as loyal customers are more attached and committed to the company, which leads to them preferring the company's products to those of the competition (So et al., 2013). Loyal customers are willing to pay more and resist switching, which makes it imperative for the firms to foster loyalty in their customers. In light of this, the firms are increasingly focusing on customer retention rather than acquisition (Kandampully et al., 2015). Loyalty is transient by nature and customers expect firms to offer superior value in every interaction (Helkkula et al., 2012). The more competitive the market is, the less dependable customer loyalty within it (Kandampully et al., 2015). Companies operating in competitive markets, thus, will have to put more effort into cultivating customer loyalty with their customers.

### **2.2.2 Definition**

Customer loyalty is defined as *“a deeply held commitment to re-buy or re-patronize a preferred product/service consistently in the future, thereby causing repetitive same-brand or*

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<sup>10</sup> <https://www.everspaces.com/member-retention-and-profit/>



*same brand-set purchasing*” (Oliver, 1997: 196). Extant literature describes two aspects of customer loyalty: attitudinal and behavioral (Dick and Basu, 1994; Oliver, 1999). Below is a short description of both concepts.

### **2.2.3 Benefits of Customer Loyalty**

Extant research has found a direct relationship between the loyalty of a firm’s customer base and the profitability of the firm (Reichheld and Sasser, 1990; Heskett et al., 2008). Having a loyal customer base is correlated with increased revenues of the firm (Reichheld, 1996; Berry, 1995; Schlesinger and Heskett, 1991). Customer loyalty increases the predictability of sales and profit streams of the firm (Aaker, 2002). Company growth is among the benefits associated with customer loyalty (Verhoef, 2003). A loyal customer base is thus among the most enduring assets possessed by a company (Kandampully et al., 2015).

Loyal customers exhibit different behaviors from non-loyal customers (Kumar et al., 2010). Loyal customers have higher repurchase rates and display a greater tendency to purchase additional goods from the company (Reichheld and Sasser, 1990). They tend to expand their relationship, providing cumulative rewards to the firm (Srinivasan et al., 2002). Loyal customers express lower price sensitivity than non-loyal customers (Goldsmith et al., 2010). Furthermore, loyal customers are associated with an increased share of wallet and lower acquisition costs (Kandampully et al., 2015). They are more likely to recommend the company to new customers through word-of-mouth recommendations (Reichheld and Sasser, 1990; Reichheld, 1996). Word-of-mouth recommendations, both online and offline, are closely reviewed by prospective customers, thus making them a powerful marketing tool (Kandampully et al., 2015). Furthermore, loyal customers are less likely to switch away from the company, which results in a lower customer turnover (Reichheld and Sasser, 1990). Finally, it costs companies less to provide services to loyal and satisfied customers because sales, marketing, and set-up costs can be amortized over the lifetime of the customer (Reichheld, 1996). Reinartz and Kumar (2002: 9) propose that “win loyalty, therefore, and profits will follow as night follows day”.

Customer loyalty represents an important basis for developing a sustainable advantage over the competition (Dick and Basu, 1994). The importance of customer loyalty as a competitive advantage is increasing along with competitiveness in global markets (Aksoy, 2013). Thus, companies increasingly rely on innovative strategies to gain the trust and loyalty of their customers (Dominici and Guzzo, 2010). The increasing competitiveness has led many service

companies to realize the importance of building strong relationships with their existing customers (Morgan and Rego, 2006). Changes in technology are driving the commoditization in several industries (Davenport 2005; Kandampully et al., 2015), thus increasing the importance of customer loyalty as several firms are reduced to offering identical or comparable products and services.

Customer loyalty is particularly important for firms operating in highly competitive markets with low customer switching costs (Kandampully et al., 2015) – coworking spaces have been described as an example of one such market. In order to understand how to foster customer loyalty, it is important to understand the drivers behind it, which will be the topic of the next chapter.

#### **2.2.4 Drivers of Customer Loyalty**

The antecedents of customer loyalty have been extensively investigated by academia and practitioners (Wang, 2010; Kandampully, 2015), as the factors leading to customer loyalty might be of crucial importance for a firm's sustainability and competitiveness (Berezan et al., 2013). Relationship marketing perspective is traditionally adopted in order to understand the factors that drive customer loyalty, as strengthening the customers' relationship with the brand is one of its main objectives (Webster, 1994; Aaker, 2002). A company's primary objective with relationship marketing is to create customer loyalty and establish profitable long-term relationships (Ravald and Grönroos, 1996). Relationship marketing is thus a strategic orientation that focuses on retaining existing customers (Sheth and Parvatiyar, 2002; Zeithaml and Bitner, 2003). The classic, established drivers of customer loyalty include customer satisfaction, commitment, perceived switching costs and service quality (Bendapudy and Berry, 1997; Morgan and Hunt, 1994; Kandampully, 2015). Customer loyalty is sensitive to perceived switching costs (de Matos et al., 2013). Satisfied and committed customers are more likely to repurchase products and spread positive word-of-mouth about the company, which is why customer satisfaction and commitment are traditionally associated with customer loyalty (Garbarino and Johnson, 1999). Service quality influences customer loyalty indirectly, as it helps customers determine their satisfaction with service offerings (Demirci Orel and Kara, 2014).

Besides from traditional drivers, fundamental changes in consumer lifestyles, sharing economy, connectedness and the increasing share of online marketplaces have had a profound impact on the way in which firms treat customer loyalty (Kandampully et al.,

2015). In line with these changes, new factors (e.g. customer perceived value, co-creation, brand ambassadors, opinion influencers, customer engagement, customer communities and identification, social media and employee engagement and rapid adoption of technology) have all come to influence customer loyalty and its treatment (Kandampully et al., 2015, Bhattacharya and Sen, 2003). These changes have expanded the role of the consumer to from co-creators of value to co-ownership of the brand and its potential success (Wirtz et al., 2013). The strategic focus has thus shifted from merely fostering customer loyalty to achieving active engagement of customers and encouraging them to serve as brand ambassadors for the firm (James, 2013). These new factors offer numerous avenues through which companies can approach customer loyalty and can be used to complement the more traditional ways to achieve it.

The focus of this study will be the customer communities and identification and how they can be used to influence customer retention through increasing customer loyalty. This approach will be the focus of the next section.

### **2.2.5 Customer Loyalty and Consumer-Company Identification**

Approaching customer loyalty through the social identification perspective necessitates the use of consumer-company identification framework (CCID). Customer-company identification offers a different aspect of the customer-firm relationship (Homburg et al., 2009) and has also been found to positively impact customer loyalty (Ahearne et al., 2005; Bhattacharya and Sen, 2003; Martinez and del Bosque, 2013). In the original conceptualization of the term, Bhattacharya and Sen (2003) argued that identification-based commitment of the customer is expressed by a long-term preference for products and services offered by the company. Customer identification also impacts customer loyalty and retention (Du et al., 2007) and word-of-mouth recommendations (Ahearne et al., 2005). Customer identification is thus a driver of customer loyalty, which in turn directly impacts the customer retention rate of the company. In order for the customer to identify with the company, the company needs to become a part of his self-definition. As many of the clients of coworking spaces spend a large amount of their working time in the environment of the coworking space, it can be assumed that they are relatively more inclined to make the coworking space a part of their self-definition. The above notion lends credence to viewing customer loyalty in the coworking space setting through the consumer-company identification framework.

Before the framework can be operationalized, a detailed review of its constituents is necessary, which is also the focus of the next chapter of this study.

## **2.3 Consumer-Company Identification**

### **2.3.1 Introduction**

Bhattacharya and Sen (2003) proposed the CCID (Customer-Company Identification) framework as a tool for examining the customers' relationships with the company. Consumer-company identification is grounded in the theories of social identity (Tajfel and Turner, 1985) and organizational identification (Ashforth and Mael, 1989). Social identification can be broadly described as an individual's perception or a sense of belonging to a group as a result of identifying with that group (Tajfel and Turner, 1985), while organizational identification theory (Ashforth and Mael, 1992) posits the company as the target for such identification. Just as employees can identify with their organizations, so can the customers in form of CCID (Bhattacharya and Sen, 2003). The majority of extant identification research deals with understanding the relationships of organizational members (e.g. employees) with their organization (Ashforth and Mael, 1992; Dutton, Dukerich and Harquail, 1994).

Customer-company identification is a relatively unexplored area in comparison to the fields of organizational identity and organizational identification. However, the framework takes a range of assumptions based on the data from the other identity and identification disciplines and applies them to customers. Thus, in order to understand the mechanics behind consumer-company orientation, a review of prior identification and identity research is necessary, as it will provide a context for understanding the CCID framework.

### **2.3.2 Theoretical Background**

Identity theory has its roots in Erikson's (1968) study of the disorientation experienced by soldiers returning from the battlefield that led him to coin the term 'identity crisis' to explain the 'disassociation with self' that the soldiers were experiencing. It is a self-referential description that provides answers to the questions "who am I?" and "who are we?" (Ashforth et al, 2008). The identity theory served as a basis from which the organizational identity theory eventually evolved.

### ***2.3.2.1 Organizational Identity***

A common foundation for the organizational identity theory is Albert and Whetten's (1985) CED framework. The framework claims that an organization's identity is comprised of a set of claims pertaining to what is central, distinctive and enduring about it by its members (Albert and Whetten, 1985; Whetten, 2006). At its core the concept of organizational identity is about how a collective defines itself, answering the question: "who are we as a collective?" (Pratt et al., 2016). Organizational identity enables, influences and legitimizes the goals and actions of that particular organization (Ashforth and Mael, 1996; Brickson and Lemmon, 2009; Corley et al., 2006). Collective decisions and behaviors of the organization can serve as the enactment of its organizational identity (Schultz, Hatch and Larsen, 2000). Cornelissen (2002) argues that organizational identity may be used to help managerial groups in giving the individual members of the organization "a sense of purpose and directing their creative energies towards the realization of corporate objectives" (Cornelissen, 2002: 264) implying an overarching set of values and beliefs that transcend the organization and its individual members. Organizational identity can be used to explain the motives of an organization when it seeks to distinguish itself, either from other companies, or to signal a transition in its trajectory. An example of this is provided by Rao et al. (2000) who in their study of stock exchange listings noted that firms seek to enhance their prestige by switching their listings from NASDAQ (listing many rapidly growing technology companies) to NYSE (usually listing more established, mainstream firms). Another perspective is offered by Watson (2016), who notes that organizational identity is useful as a tool that social scientists can use to improve human beings' understanding of the social and organizational world.

Out of organizational identity, the concept of organizational identification evolved in response to the researchers examining the bonds between individuals and organizations;

### ***2.3.2.2 Organizational Identification***

Organizational identification is an associated construct of organizational identity that examines how an organization's members identify with it (Dutton et al., 1994; Hatch and Schultz, 2000). Organizational identification is answering an individual's question "who am I in relation to the organization?" (Pratt, 1998). The theory was first proposed by Ashforth and Mael (1989) and is grounded in the social identity theory (Tajfel, 1978) with social identity is defined as an individual's knowledge of his membership of one or multiple groups with value and emotional significance attached to that membership (Tajfel, 1978; Tajfel and Turner 1985). Organizational identification theory thus posits an organization as the target of an

individual's identification. Organizational identification happens when employees perceive oneness with their employing organization and feel a sense of belonging to it. The concept broadly refers to the extent to which an organizational member's self-definition is influenced by his/her organizational membership (Ashforth & Mael, 1989).

### ***2.3.2.3 Connection between OI and OID***

Both terms - organizational identity and organizational identification - have come to occupy central positions in efforts to understand organizations and their interactions with the environment (Brown and He, 2013). Although distinct in their definitions, the terms are interconnected. Organizational identity can serve as a cognitive and emotional basis for identification with the organization (Hatch and Schultz, 2000), as perceptions about the organization's identity (its distinctive, central and enduring attributes) can impact the extent to which an individual chooses to identify with the organization (Dutton et al., 1994).

Research shows that employees who believe that their organization has a distinctive culture, strategy, structure, or some other set of distinctive attributes vis-a-vis similar organizations are likely to experience stronger levels of organizational identification (Ashforth and Mael, 1989). Alumni who perceived their universities as distinctive in attitudes, values and practices had high levels of organizational identification (Ashforth and Mael, 1992). Strong organizational identity therefore generally has a positive influence on organizational identification, including in the context of consumer-company identification.

Having reviewed the theoretical background, the next section will focus on the consumer-company identification framework (CCID) and its constituents, as it will ultimately form the lens through which identification is viewed in the scope of this study.

### **2.3.3 Consumer-Company Identification**

Customer identification refers to "consumers' psychological attachment to a company based on a substantial overlap between their perceptions of themselves and their perceptions of the company" (Du, Bhattacharya and Sen, 2007: 227). Customer-company identification is conceptualized as the customer's "... active, selective and volitional act motivated by the satisfaction of one or more self-definitional needs (I.e. "Who am I?")" (Bhattacharya and Sen, 2003: 77). In other words, when customers perceive that the firm's image, features, and characteristics are consistent with their own self-concept, they are more likely to have a positive perception of the company and be more likely to identify with the company.

Fostering customer identification is key for building and maintaining deep, meaningful and

long-term relationships with the customers (Bhattacharya and Sen, 2003), as identified customers will not only be loyal consumers but will also promote the company and its products to others. The link between the customer and the company is stronger with CCID than in case of ordinary organizational commitment.

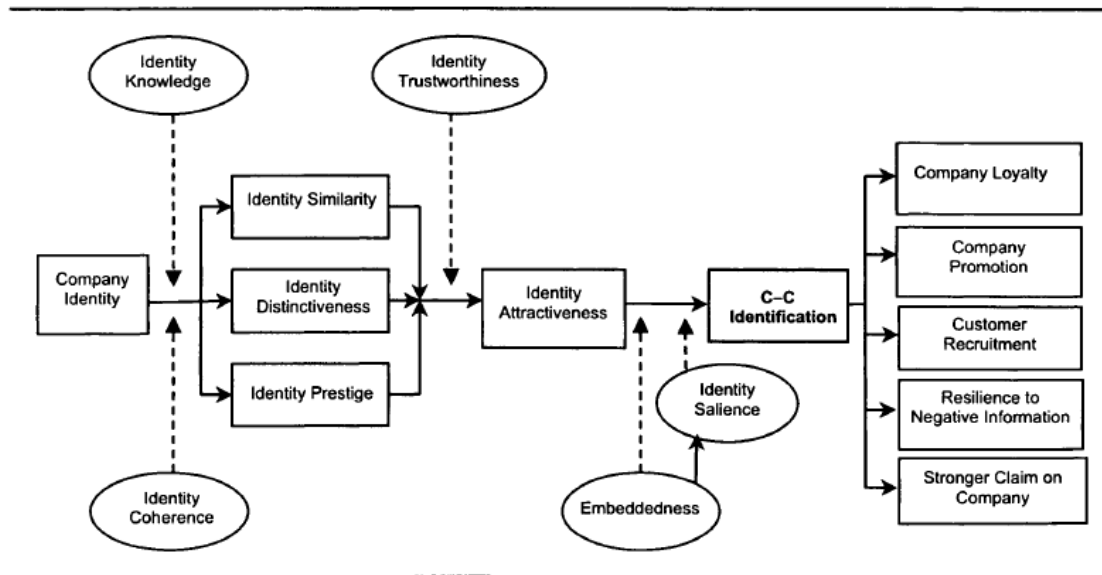


Figure 1: Consumer-Company Identification Framework

Source: Bhattacharya and Sen, 2003

The framework breaks out the identification process into individual factors that influence it. To provide a better overview of the framework these factors will be described in detail in the below sections. The process of identification starts from perceived identity attractiveness – a condition that is sine non qua for the occurrence of identification.

### 2.3.3.1 Identity Attractiveness

In order to produce the psycho-social bond, the customer must first find the company identity attractive - “the greater the attractiveness of the perceived identity of an organization, the stronger a person’s identification with it” (Dutton et al., 1994: 244). According to the conceptual model proposed by Bhattacharya and Sen (2003), the extent to which a consumer will find a company’s identity attractive depends on three factors: (1) identity similarity, (2) identity distinctiveness, and (3) identity prestige. These three constituents of identity attractiveness will be reviewed below.

#### Similarity

The first factor is identity similarity. The need for identity similarity stems from the consumers' need to maintain a stable and consistent sense of self, which drives them to associate with organizations whose identity overlaps their own. By associating with identically similar organizations, customers can more fully express their sense of who they are (Pratt, 1998). For example, a consumer who cares about animal rights will be more attracted to companies that show that they likewise care about animal rights. Therefore, the more similar the consumers perceive the identity of the organization to be on their own, the more attractive that identity is to them (Bhattacharya and Sen, 2003).

### **Distinctiveness**

The second factor is the distinctiveness of the identity. According to the social identification theory, the need for identity distinctiveness stems from the need for people to distinguish themselves from others in social contexts (Tajfel and Turner, 1985). Research also suggests that people identify with groups in order to resolve the tension between their need of being unique and their need of being similar to others (Brewer, 1991). Organizational identity distinctiveness, thus, is an important characteristic of the identity attractiveness perspective. Since identity distinctiveness is a metric that is relative to other companies, the distinctiveness of a company's identity will depend not only on the company itself, but also on the competitive environment that it is operating in (Bhattacharya and Sen, 2003). The more distinct the consumers perceive a company's identity to be on dimensions they value, the more attractive they will find that identity (ibid.).

### **Prestige**

The third factors involve identity prestige. People like to perceive themselves in a positive light, and research suggests that a key way for consumers to satisfy their self-enhancement needs is through seeking identification with organizations that have prestigious identities. In the consumer-company identification context, prestige refers to the perception of the customers that other people, whose opinions they value, believe the organization to be well regarded (Bergami and Bagozzi, 2000). In other words, the association with a prestigious organization enhances the self-worth of the customers. The attractiveness of the company's identity is therefore determined, in part, by its perceived prestige (Bhattacharya and Sen, 2003).

Thus, in order to the customer to find the identity of the company attractive, he must view it as: (1) similar to his own identity, (2) distinct in some way from other similar companies, and



(3) prestigious, or in other words, well-regarded by others whose opinions the customer values. However, identity knowledge, coherence, and trustworthiness need to be present in order for the identity to be perceived as attractive.

### **Identity knowledge, coherence, and trustworthiness**

Customer's perceptions about how knowledgeable they are about the identity of the company influence their confidence to make judgements regarding the similarity, distinctiveness, and prestige of the company's identity. For example, if the customer perceives that he doesn't have enough knowledge about the company's identity, the likelihood of him being confident in his judgement of its similarity, distinctiveness, and prestige, will be diminished. In other words, besides from making its identity attractive, the company will also need to ensure that the customer is confident in his knowledge of the company's identity.

The identity coherence of a company, meaning stable, distinctive and meaningful connections between the company's defining characteristics, influences the extent to which consumers use their identity perception to make identity related judgments. When consumers comprehend the company's identity to be internally consistent, they are better able to discern its distinctiveness, prestige, and similarity regarding their own identity.

Trust plays a key role in moderating the consumer's perception of the company's identity. The consumers are more likely to make judgments regarding the company's identity when they find the company to be trustworthy. Trustworthiness depends among other things on the customer's historical experience with the company, the general reputation of the company, and the source of data from which they receive information about the company's identity - for example, corporate advertising is less likely to be trusted than word-of-mouth recommendations.

### **2.3.3.2 *Embeddedness***

Bhattacharya and Sen (2003) argue that while identity attractiveness is a necessary trade for facilitating consumer company identification, it is not a sufficient condition for identification by itself. This is due to the fact that companies often times do not play a significant role in the lives of their consumers, as opposed to the lives of organizational members. Therefore, in order for consumers to identify with the company, they need to sustain significant and meaningful interactions with the company in order to embed them into the organizational network. They use 'embeddedness' to describe these long-term relationships of customers with the companies that they patronize. The embedded relationships of consumers with

companies are likely to be strong, intricate, untrusting, resulting in consumers feeling more like insiders rather than outsiders. Through embedded relationships, companies place their consumers closer to its internal social network, thereby making them feel more integrated into the company. Embedded consumers are active within the organization and have access to organizational members. Consumers embeddedness, therefore, is key to shaping their social identity. In other words, consumers will not identify with every company that they find attractive – they also need to be embedded into the company’s social network in order for the company to influence their social identity. Embedded relationships are described by consumers engaging in company related rituals and routines, including conferences and events where the consumers meet company insiders, including the management. Embeddedness can also be fostered through online and off-line communities, for example, various discussion forums that are sponsored by the company. In short, companies can foster embeddedness and their customers by staging customer interactions in organizationally sponsored settings.

#### **2.3.3.3 *Saliency***

Identity saliency refers to the extent to which specific identity information dominates a person's working memory and is a key determinant of identification. The reasoning is as follows – when consumers have easy access to attractive self-relevant identity information from their memory, the likelihood of them identifying is higher. Identity saliency can be heightened by embeddedness, company's corporate image communication efforts, and emphasizing the distinctiveness of the identity, especially through stressing in-group/out-group differences. Salient identities take up a larger share of the consumer's minds and through that increase the likelihood of him or her considering the company to be a part of his or her identity.

#### **2.3.4 Fostering Consumer-Company Identification**

According to the framework, customer identification must be influenced through one of its three variables: identity attractiveness, embeddedness, and identity saliency. In practice, the efforts would seek to influence the company image attractiveness, contact frequency between the company and the customer and the visibility of the customer’s affiliation with the company (Bhattacharya, Rao and Glynn, 1995; Dutton and Dukerich, 1991; Mael and Ashforth, 1992; Scott and Lane, 2000).

In order to create an attractive organizational identity image, managers should identify characteristics and meanings that are valuable to their consumers and then attach these characteristics to their organization's identity (Hildebrand et al., 2010). Furthermore, effective communication is a crucial part of achieving customer-company identification. Bhattacharya and Sen (2003) propose utilizing product offerings, corporate social initiatives, channel partners, and employees to communicate company identity to its customers. Organizational communication (e.g. advertisements, promotions, public speeches, websites, newsletters) has an influence on individuals' identification with the organization (Ashforth and Mael, 1996) as it promotes a favorable self-image and increases the perceived distinctiveness of the organization (Scott and Lane, 2000) - an example of this is Apple's old slogan "computers for everyone else" that emphasizes the distinguishing feature of the company when compared to the competition (ibid.). Scott and Lane (2000) propose that the communication of desired organizational images has a threefold effect on the stakeholders, including customers, by: (1) initiating an increased cognitive elaboration of the perceived organizational image on the stakeholder's behalf (i.e. salience), (2) prompting the stakeholder to assess identity overlap by providing positive information about organizational attributes, and (3) increasing the accessibility of the organization's social identity. Language plays a role in organizational communication with social identity studies often measuring how often the word "we" is used by the employees when referring to organizational actions (Fiol, 2002; Mael and Ashforth, 1992). Hence, using "we" or other personal pronouns may be a useful communication strategy to facilitate organizational identification (Bridwell-Mitchell and Mezias, 2015) and customer identification. In summary, communicating attractive identity images influences the extent to which the customers perceived the company's identity to be attractive.

Public visibility of a stakeholder's, including customers, affiliation with the organization has a positive effect on his identification with the organization (Scott and Lane, 2000). This notion was first proposed by Dutton et al. (1994), who make an argument that the visible association with an organization reminds people of their affiliation and increases the potency of the organization as a source for self-definition. Scott and Lane (2000) note that this mechanism is further reinforced by the stakeholder's cognitive elaboration of how he perceives the identity of the organization, as others' knowledge of his affiliations can have a potentially negative effect on his self-esteem. There is a variety of tactics that organizations use to publicize stakeholder affiliations, including the publishing of donors and alumni by

universities and featuring customers and employees in advertising. The latter has been shown to increase employee identification with the organization (Elsbach & Glynn, 1996) while providing other stakeholders potential images for them to identify with.

Employees of the company have been shown to serve the role of agents who communicate the core defining characteristics of the organization to the customers (Homburg et al., 2009), as their performance is perceived by the customers to signal the character and the quality of the firm that they represent (Ahearne, Bhattacharya and Gruen, 2005). An investigation into the identification of art museum members showed that when interacting with high-performing employees they experienced positive attitudes and perceived the firm as more prestigious and attractive, which contributed to customer identification (Bhattacharya et al., 1995). Frequent contact with an organization has been shown to increase the customers' attachments to it, increasing the likelihood of them viewing the organization as a viable social category and thereby shaping their social identity (Ahearne et al., 2005). Dutton et al., (1994) argue that customers' self-continuity, self-distinctiveness, and self-esteem can be developed and enhanced through identification with a high-performing service firm. It, therefore, follows that customer-facing employees of the firm play a crucial role in communicating its identity and thereby facilitating customer-company identification.

Finally, fostering interactions between customers within the organization or in organizationally sponsored settings increases the likelihood of their organizational identification (Scott and Lane, 2000; Bhattacharya and Sen, 2003). Furthermore, such events have a potential to form a communal relationship between the organization and its customers which is characterized by a significant mutual investment in both parts (Clark and Mills, 1979). Examples of customer interaction in organizationally sponsored settings include various events, speeches, consumer "user groups etc. (Scott and Lane, 2000). User groups, in particular, can embed the members in a "subculture of consumption" (Schouten and McAlexander, 1995). Scott and Lane (2000) outline Harley-Davidson as a brand that has been particularly successful in developing organizational identification through their sponsored Harley Owners' Group (H.O.G.) with the self-definition of the group's member being strongly linked with the Harley-Davidson brand. Bhattacharya and Sen (2003) additionally outline The Body Shop, Patagonia and Southwest Airlines as companies who have managed to turn their customers into company advocates who enthusiastically promote the company and its products to others.

Perceived organizational legitimacy is an important prerequisite for identification (Scott and Lane, 2000; Pratt et al., 2016). Organizations can make various efforts to increase their legitimacy, mostly through intended organizational images (e.g. the Body Shop's animal rights activism), but if the customer does not perceive the organization as legitimate, he or she will not identify with it (Scott and Lane, 2000).

### **2.3.5 Benefits of Consumer-Company Identification**

Customer identification facilitates the establishment of a long-term and committed relationship between the company and its customers (Bhattacharya and Sen, 2003). Identification with a company can help the customers fulfill their needs for self-definition and self-enhancement according to the social identification theory (Tajfel, 1978). It is significantly related to individuals' commitment and involvement in a social group to which they are attached (Carmeli, Gilat, and Waldman, 2007). There is a consensus within the research community that customers who identify with a firm have a stronger emotional connection to it and are thus more motivated to act favorably towards it and seek out greater interaction with it (Dutton et al., 1994; Scott and Lane, 2000; Pratt et al., 2016). Such behavior can manifest itself through e.g. word-of-mouth recommendations and increased willingness to pay for products or services of the company (Ahearne et al., 2005; Homburg et al., 2009). Identifying customers are more likely to defend the company in public if it happened to come under adverse scrutiny from media and other nonmembers (Dutton et al., 1994). When the identification is particularly strong, customers can bear visible markers of company memorabilia, e.g. Harley-Davidson aficionados sporting Harley-Davidson t-shirts (Bhattacharya and Sen, 2003). Strong identification is also associated with customers recruiting members from their extant social networks to become new customers of the company. Thus, higher levels of consumer-company identification are associated with the consumers' promotion of the company both socially and physically (ibid.). Lichtenstein, Drumwright and Braig (2004) found that identifying customers are more likely to donate to a corporate-sponsored non-profit when they identify with the company. Customers who are psychologically attached to a firm are thus more motivated to commit their own voluntary efforts for the achievement of the firm's goals.

Identification has been shown to have a positive impact on loyalty, both in employees (Bagozzi and Bergami, 2000) and in customers (Ahearne et al., 2005; Homburg et al., 2009; Martinez and del Bosque, 2013). Customer loyalty can be considered one of the most desirable outcomes of customer identification, as it is likely to be expressed through a

“sustained, long-term preference for the identified-with company’s products over those of its competitors” (Bhattacharya and Sen, 2003: 83). Customer identification, thus, results in a consumer’s increased loyalty to the company’s products. Furthermore, if a customer decides to terminate his relationship with a company (e.g. by switching to a competitor) that he strongly identifies with, it can be argued that the fulfillment of his or her self-definition need will be weakened (Kwan, 2016). Strong customer identification thus serves as a barrier to customer switching and fosters a long-time commitment to the firm. This latter point is particularly important in industries with low switching costs, such as the coworking spaces.

### **2.3.6 Management-Centric Approach**

Manager-centric approach to organizational identification is commonly adopted by researchers (Scott and Lane, 2000; Schinoff et al., 2016; Bhattacharya and Sen, 2003). This approach assumes that the management of the company is responsible for facilitating identification of employees, stakeholders or customers towards the company. Assuming this top-down approach, the communication of organizational images is particularly important, as even if the organization succeeds in creating an organizational identity image that is attractive to its customers, the image still needs to be communicated in order for it to have an effect. Effective communication is thus key for fostering customer-company identification (Bhattacharya and Sen, 2003) and can be used to frame organizational efforts aimed at evoking identification in its customers.

In order to better understand how organizational identity is communicated from a top-down perspective, Schinoff, Rogers, and Corley (2016) propose a three-way framework that will be reviewed below.

## **2.4 Fostering Identification through Identity Communication**

### **2.4.1 Introduction**

This section will describe a three-way framework presented by Schinoff, Rogers and Corley (2016) that seeks to “provide a unified understanding of the various ways in which organizational identity is communicated” (Schinoff et al., 2016: 2). The framework draws upon Ashforth and Mael’s (1996) definition of organizational identity, viewing it as a set of “institutionalized identity claims that have achieved continuity over time and reside in individuals’ beliefs, understandings, and enactments of those claims” (Schinoff et al., 2016: 4). There are three ways in which organizational custodians convey organizational identity to its members: (1) saying (e.g. verbal and written communication), (2) showing (e.g.

organizational symbols, behaviors), and (3) staging (e.g. organizational rituals and routines, events, structure). The “saying, showing, staging” framework is intended to encompass all of the various paths in which identity custodians communicate organizational identity. Each of the three methods, when used, provokes self-reflexive and public communication on the part of the identity custodian, answering the questions “who am I as an individual” and “who are we as an organization” (Gioia et al., 2013:127).

The broadness of the framework makes it possible to cover all forms of communication that the organization undertakes towards its customers or employees, which makes it a suitable tool for examining the strategies that organizations use to foster identification among their stakeholders. This framework thus enables can be used to analyze how organizational identity is communicated within the organization.

#### **2.4.2 Applicability**

Schinoff et al. (2016) note that their framework focuses on communicating organizational identity to organizational members only, I.e. employees. However, considering that internally and externally focused organizational images are often intertwined (Cheney and Christensen, 2001; Dutton and Dukerich, 1991; Scott and Lane, 2000; Bhattacharya and Sen, 2003) and considering the open and dynamic nature of coworking spaces where boundaries between internal and external organizational members are thin, this paper seeks to test the applicability of this theory in a coworking setting. This view is further supported by Pratt et al., (2016) who state that organizational identification likely functions in a similar way in both internal and external stakeholders of the organization due to the target of the identification being the same. Thus, the three methods of communicating organizational identity proposed by Schinoff et al. (2016) - saying, showing staging - will be applied to examine how organizational identity is communicated to the members (I.e. clients) of the coworking spaces. As such, this study will apply the framework to examine how coworking spaces communicate their organizational identity to their clients/members with the aim of increasing customer loyalty and retention. Thus, this study will seek to transfer the framework from its original context (organization-employee identity communication) to coworking spaces (company-customer identity communication). With the context and applicability clarified, below follows an overview of the framework and its key mechanisms.

### **2.4.3 Identity Custodians**

The framework views organizational identity claims as being constructed and interpreted at an individual level. At the same times, the identity claims are often released by organizational members as if they were made by the collective self of the organization, representative of the organization's identity (Schinoff et al., 2016). There can thus be a shared understanding of organizational identity among the members, and that shared understanding is controlled by certain individuals inside the organization. In adopting a top-down focus on the communication, the framework assumes that "identity custodians" exist in every organization and play a central role in the communication of its organizational identity.

"Identity custodians" are described as individuals who are "perceived by other members of an organization as actors who focused attention, invest time, and exert energy in an effort to sustain the collective identity" (Schinoff et al., 2016: 4) and play a key role in the top-down communication of organizational identity. Identity custodians are seen as speaking and acting on the behalf of the organizations (King et al., 2010). In other words, identity custodians are individuals who are seen as (intentionally or unintentionally) communicating identity content on behalf of the organization.

While within the above framework individuals at any levels within an organization can function as identity custodians (provided that they are perceived as such by the other members of the organization), organizational leaders have greater likelihood for becoming identity custodians due to their access to various communication channels within the organization that may not be available to other organizational members (ibid.). Furthermore, organizational leaders and top management are more likely to be perceived as speaking and acting on the behalf of the organizations, which further solidifies their suitability for the role of identity custodians. For example, in Bosch's migration with its Indian brand, MICO, the new identity claims ("I am Bosch") communicated by the team leaders were perceived as "owned" by the Bosch as an organization (Gupta, 2013). Bosch's team leaders from the above example are who Schinoff et al., (2016) refer to as "Identity Custodians".

### **2.4.4 Saying, Showing, and Staging the identity**

The organizational identity is thus communicated through identity custodians. There are three avenues for the communication of identity: (1) saying (e.g. verbal and written communication), (2) showing (e.g. organizational symbols, behaviors), and (3) staging (e.g.



organizational rituals and routines, events, structures). In the following, a short review of each of the three will be provided.

#### **2.4.4.1 *Saying***

“Saying who we are” is described as sending a verbal or written message containing identity content to one or more members of the organization (Schinoff et al., 2016). It is the most direct, easy and low-cost form of communicating organizational identity content that identity custodians have access to (ibid.). The communication can take the form of one-on-one exchanges with individual members or mass-communication to multiple members in form newsletters, speeches, announcements etc. The precise means through which “saying” happens are varied, however since “verbal language is the most obvious means of transmitting identity throughout a collective” (Pratt, 2003: 176), conversations, narratives, and stories are primary means for “saying” (Schinoff et al., 2016). An example of such communication is provided Birnholtz, Cohen, and Hoch (2007) who describe how members of a particular summer met at a flagpole before each meal for announcements which provided each member of the camp with identical information, thereby helping the members construct a shared sense of “who we are”. Narratives that include present, past and future notions of organizational identity are another example of “saying” (Schinoff et al., 2016), reflecting individuals’ interpretations and their crafting of the organizational identity content (Karreman and Alvesson, 2001). Finally, identity content is communicated through mass communication the form of which includes emails, letters, white papers, press releases, media articles, the company’s website and formal espousals of mission and value statements such as annual reports (Schinoff et al., 2016). This form of communication is particularly relevant for communication with customers - it is common for companies to rely on email newsletters to communicate with their customers. Mass communication provides a general exposure to an organization’s identity-related content (Alessandri, 2001) for both internal and external members (Scott and Lane, 2000). The communication of such messages by identity custodians, for example, the CEO of the company, lends credence to the perceptions of the validity and authenticity of identity content being conveyed (Tyler, 1997; Schinoff et al., 2016).

#### **2.4.4.2 *Showing***

“Showing who we are” refers to “modeled behaviors or displayed artifacts that communicate identity content to one or more members of the organization” (Schinoff et al, 2016: 8). The showing of organizational identity can happen through the display of identity-related

behaviors and artifacts, but also through one-on-one interactions between the custodian and a member of the organization (ibid.). Identity custodians engage in “showing” when they need to convey identity content that is difficult to verbalize. Internal mentorship programs and informal mentoring are one of the primary ways in which companies “show” their organizational identity internally, as they allow newer members of the organization to model identity-related behaviors, including language, professional appearance, and organizational politics from more senior individuals (Schinoff et al., 2016). While mentoring is not relevant in the context of consumer-company identification, a comprehensive onboarding process for new members of a coworking space could be seen as a similar example of ‘showing’.

Another example of “showing” organizational identity is the display of visible physical objects that are symbolic of organizational identity content and are confronted by the members on a daily basis (Schinoff et al., 2016). Examples of displaying organizational identity content include the physical setting of the office, the organizational dress code (both formal and informal), the images that represent the organization (e.g. corporate logo) (ibid.). In some cases, organizational identity can be conveyed through the products of the company. For example, Apple’s three-button TV remote communicates simplicity and functionality that are perceived to be the central, distinctive, and more-or-less enduring attributes of the company (Chen, 2014). The display method is particularly relevant for coworking spaces, as the users have certain expectations regarding the interior design and the furniture of the space (Spinuzzi, 2012) that the coworking space must fulfill. It is thus likely that an interior is a viable tool for coworking spaces through which to foster identification among their users.

Finally, day-to-day actions of organizational custodians communicate identity content through “showing”, even unintentionally, as other members can infer identity-related information particularly from custodians in highly visible roles (e.g. top management) or those that are highly proximal to the recipients of the messages (Schinoff et al., 2016). The administrative staff of a coworking space is in regular contact with the clients of the space and will, therefore, communicate identity-relevant information through their actions to the members. In the context of “showing” organizational identity to external stakeholders in coworking spaces, the latter two mechanisms - displaying and the day-to-day actions of the custodians - may prove to be particularly relevant.

#### **2.4.4.3 Staging**

“Staging who we are” is described as the identity custodians’ providing of “*context in which one or more members of the organization can experience or enact organizational identity*”

(Schinoff et al., 2016:9). The authors speculate that custodians engage in staging as it communicates identity content in a more memorable and self-referential way than “saying” and “showing” (Schinoff et al., 2016). Since the staging often happens in groups, it may promote agreement among members’ perceptions of the identity content, thus providing them with a common experience whereby they interact with the identity in a controlled way (ibid.). Established organizational practices and structures, such as rituals and routines, are among the key ways in which identity custodians “stage” the communication of organizational identity content. In particular, organizational routines, defined as “stable patterns of behavior that characterize organizational reactions to variegated, internal or external stimuli” (Zollo and Winter, 2002:341), generate value that transmits organizational identity information to members (Brickson and Akinlade, 2016). For example, Dutton and Dukerich (1991) in their study of the NY/NJ Port Authority, one of the most cited studies on organizational identity, found that members’ sense of organizational identity (and their likelihood of identifying with it) was influenced by the standard ways in which the Port Authority was dealing with the homelessness problem around their premises. Thus, organizational routines were influencing the members’ perception of organizational identity. Schinoff et al., (2016) mention the organizational structure and the way that work activities are arranged within an organization as another form of “staging”, as it allows the members to perceive organizational identity through enacting certain roles and interacting with each other. Extending the “staging who we are” part of the framework to coworking spaces, regular events such as common dinners, Friday bars or organized speeches from industry experts can be seen as the the means through which organizational identity is communicated to the clients within the settings of a coworking space. Scott and Lane (2000) also noted that staging interaction among stakeholders, both internal and external, in an organizational setting is likely to increase their identification with the organization.

## **2.5 Developing the Conceptual Framework**

### **2.5.1 The rationale of the study**

While mostly studied in inside organizations, identification can also occur in customers towards a company that they patronize. Consumer-company identification has been shown to improve customer loyalty and retention (Bhattacharya and Sen, 2003; Ahearne et al., 2005; Kwan, 2016), in part because it helps the consumer satisfy his basic self-definitional needs through associating with the company (Tajfel and Turner, 1985). Since loyal customers are less likely to switch companies, a company with a loyal customer base will have a higher

customer retention. Increased customer retention is thus one of the outcomes of consumer-company identification, which makes the fostering of identification among customer one of the ways in which a company can increase its customer retention and gain a competitive advantage. Although customer identification has been shown to increase customer loyalty, there is a limited amount of empirical data to back up the theories, with most of the existing studies focusing on intra-organizational (I.e. employee-company) identification. This study thus seeks to test the theory empirically by investigating the ways in which consumer-company identification occurs and can be fostered.

There are also multiple research gaps in the studies of coworking spaces, as neither customer loyalty, retention nor identification have been extensively studied in that context. As such, it remains largely unknown how customer loyalty and identification function in the new sharing economy. By analyzing how member identification is fostered in coworking spaces, this study thus seeks to fill the gap in the coworking space research and also contribute to the understanding of how these concepts function in the context of sharing economy.

### **2.5.2 Limiting the conceptual framework**

According to the consumer-company identification framework, companies can foster identification in their customers through (1) influencing the perceived attractiveness of their identity, (2) creating sustained meaningful interactions between the customer and the company, and (3) increasing the extent to which company identity occupies the working memory of the customer.

From the constituents of the identification process outlined above, the framework will mainly focus on analyzing the former two: identity attractiveness and embeddedness. Viewing customer identification as a process, it is a widespread academic opinion that perceived identity attractiveness - the perceived similarity, distinctiveness and prestige of the company's identity by the customer - is a critical antecedent to an individual's identification (Scott and Lane, 2000; Bhattacharya and Sen, 2003; Pratt et al, 2016). In the context of consumer-company identification, in order to identify with the company, the customer must first find the identity of the company attractive, which is the start of the identification process. Besides from being an antecedent to the identification, greater identity attractiveness is also correlated with stronger identification on the part of the individual (Dutton et al., 1994). Identity attractiveness alone, however, is not necessary to evoke identification in the customer. Embeddedness - sustained meaningful interactions of the customer with the

company, such as the involvement of the customer in organizational processes and social networks - is likewise crucial for the identification to occur.

The third factor influencing the identification process of customers is identity salience, referring to the extent to which the company's identity information dominates a person's working memory. The more working memory is taken up by the identity content of the company, the higher is the chance of identification occurring. Identity salience is likely to present in the settings of a coworking space. It is important to note that salience is extremely difficult to measure, as it refers to a cognitive process, perhaps even one that the customer is not aware of himself. It is for the above reason that identity salience will be excluded from the analysis. While it is not feasible to measure salience directly, an argument can be made that identity salience is highly correlated with embeddedness in the context of coworking spaces, i.e. whenever a coworking member participates in events or interacts with the staff of the space, he must be exposed to the identity information of the space.

It is also important to note that the framework will also be delimited from including identity knowledge, trustworthiness, and coherence in the analysis. The customer's ability to make reliable judgments about the similarity, distinctiveness, and prestige of the identity is influenced by his perceived identity knowledge, perceived trustworthiness of the company's identity, and the general coherence of the company's identity (Bhattacharya and Sen, 2003). As the latter three variables are difficult to measure, to facilitate the research process, this study will assume that since the members spend a significant amount of time in the space and are in constant contact with the staff, they have sufficient knowledge of the space's identity to confidently make identity-based judgements about its similarity, distinctiveness, and prestige. For the same reason as the above, I will also assume that all coworking members perceive the space's identity to be trustworthy and coherent enough for them to judge its attractiveness. Trustworthiness, coherence and identity knowledge will thus not be included as parts of the analytical framework.

### **2.5.3 Fostering Identification**

Researchers generally agree that various forms of organizational communication - such as communicating attractive identity images and staging stakeholder interactions within organizationally controlled settings - play a key role in fostering identification (Schinoff et al., 2016; Pratt et al., 2016). While identity content can be communicated in various ways across organizational hierarchies, for uncovering the effects of the organizational identity

communication on the coworking space members' perception of its identity attractiveness this study adopts a managerial oriented approach that is commonly used in identity and identification research (Scott and Lane, 2000; Schinoff et al., 2016). The approach argues that the managers of the organizations, through their actions, influence the organization's identity and identity images that are communicated to its stakeholders. The study, therefore, examines a top-down view of identity communication, assuming that the managers of the space are chiefly responsible for fostering identification in the members of the space. In order to analyze the strategies that the coworking spaces use to foster identification in their members, this thesis will use Schinoff et al.'s (2016) framework of organizational identity communication. As the framework is designed to capture every way in which organizations communicate their identity, it is suitable for the purposes of this study. Furthermore, the framework's argument that every organization has 'identity custodians' who perform the function of communicating their organization's identity is in line with the managerial oriented approach adopted by this study. The managerial approach of identity communication will be combined with an individual level of analysis in order to capture the coworking space members' perspectives of the identity communication. By examining the effect of different ways in which the identity is communicated, this study thus seeks to uncover the ways in which coworking spaces can foster identification in their members.

#### **2.5.4 Conceptual Framework**

Bhattacharya and Sen's (2003) framework thus provide this study with an understanding of the consumer-company identification phenomena and its constituents. Identity communication framework by Schinoff et al. (2016) provides this study with a way to analyze the communication of identity content in organizations from the top-down (management) perspective. These theories are the starting point from which this study will explore how coworking spaces can increase their customer retention by fostering identification among their members. Additionally, in order to better answer the research question of the study, the spaces will be inquired about customer retention. The members will be asked about whether they feel like they belong in the space, with belonging being an indicator of identification.

The figure below is an illustration of the conceptual framework which will be used to analyze the empirical findings of the study. The framework reflects the positioning of the identity communication as an influencer of customer identification. Thus, the framework seeks to capture the process of fostering identification of the customers by illustrating how different

methods of identity communication (saying, showing and staging) lead to identification through influencing the company’s perceived identity attractiveness (similarity, distinctiveness, and prestige) and embeddedness (creating sustained meaningful relationships between the coworking spaces and their members).



Figure 2: Conceptual Framework

### 3 Methodology

#### 3.1 Positioning the research - adopting a positivist position

Ontological and epistemological considerations shape the design of all research and must, therefore, need to be given careful attention when designing the study (Eriksson and Kovalainen, 2008). Every research method makes philosophical assumptions about how the world is made up (ontology) and how knowledge about the world is discovered (epistemology). There is a range of positions from which social science views the world and the construction of knowledge. These philosophical positions provide a context for the research process by grounding its logic and criteria. Positivism and constructivism are often referred to as the two main positions that have fundamentally contrasting views on how to carry out research (Eriksson and Kovalainen, 2008).

Positivist research assumes the existence of an objective physical and social world that is not dependent on humans. Researchers operating from the positivist paradigm focus on developing measures for detecting those dimensions of reality that are of interest to them. Although mostly associated with quantitative research methods, qualitative research that views the world and the understanding of knowledge through the positivist lens is common as well (Stake, 1995; Yin, 2003). Relating the philosophical discourse back to the context of the current study - the influence of social identification on customer retention in coworking spaces - this thesis adopts a positivist position, assuming that reality is objective and

discoverable through properly planned research. Through adopting a positivist position, this thesis empirically tests the validity of prior theory which in this study is based on the assumptions that: (1) customers can identify with a company that they patronize; (2) identifying customers are more loyal, and therefore less likely to switch companies; (3) the company can influence the extent to which its customers identify with it through its actions. This study will, therefore, attempt to discover the reality by crafting precise measures that can detect the dimensions of the phenomena being studied - the fostering of consumer-company identification in coworking spaces. As studying the precise mechanism of how identification occurs in the users of the spaces is beyond the scope of this paper, the focus will instead be directed towards exploring the methods that coworking spaces can use to facilitate identification among their members.

### **3.2 Qualitative research methods**

As the objective of this study is to investigate how coworking spaces can increase their customer retention rate through fostering identification in their members, the qualitative research methodology was selected for answering the research question through gathering rich contextual data. The qualitative approach aims to investigate behavior, culture, and society through analyzing and synthesizing the words and actions of individuals (Bryman, 2008; Hogan, Dolan and Donnelly, 2009), thus focusing on the “objective analysis of subjective meaning” (Erickson, 1986). Qualitative research methods are described by their focus on exploring and explaining the world through observation and the participation in social actor’s experiences. Due to its explorative and flexible nature, qualitative research has proven to be appropriate and efficient in cases where there is limited prior information available about the phenomenon being studied (Ghauri and Grønhaug, 2002). Furthermore, qualitative research can be used to provide a better understanding of issues that have remained unclear in quantitative research (Eriksson and Kovalainen, 2008). This is due to the fact that the understanding of a social phenomenon from the point of view of its participants is largely lost when textual data is quantified (Kaplan and Maxwell, 1994). Conducting qualitative research can be challenging, as unlike quantitative research, it does not rely on unified theoretical and methodological concepts (Eriksson and Kovalainen, 2008). Therefore, qualitative case-based research must be structured carefully around predetermined and carefully pre-planned methods (Yin, 2003). Coworking spaces are a new research object that is still emerging in business practice around the world. Furthermore, there is limited data



available for identification in the coworking space context. Research lacks information about this highly relevant phenomenon, which is why qualitative research methods are appropriate.

### **3.3 Multiple case study design**

The case study has become a widely accepted method in social science studies, however, it is still under debate and faces scrutiny from certain directions (Eisenhardt, 1989; Yin, 2003). To answer the research, question a multiple case study approach with an exploratory focus was adopted - an approach used often in qualitative research (Gerring, 2007). Multiple case study approach can be considered a superior research strategy in comparison to the single case study, as substantial analytic benefits arise from having more than one case (Yin, 2003). Therefore, evidence derived from multiple cases is more robust than evidence from single cases (ibid.). Replications, contrary replication, an extension of theory and elimination of alternative explanations are among the theoretical considerations that make the multiple case study method relevant (Eisenhardt and Graeber, 2007). In contrast to the single case study, multiple case study methodology enables the drawing of comparisons across cases examined, clarifying whether an emergent finding is unique to a single case or whether it's replicated across several cases. Furthermore, multiple case study is a relevant tool when dealing with previously unexplored areas in research, such as member identification in the coworking space context, as it enables the research to "address complex organizational managerial and other business issues, which are difficult to study with quantitative methodologies" (Eriksson and Kovalainen, 2008: 116). Referring back to research philosophy, multiple case studies are compatible with both positivist (Yin, 1994) and interpretive/constructivist (Walsham, 1993) positions, the former of which will be used by this study. Building from the above statement, the study will investigate how coworking spaces can increase their customer retention through fostering member identification.

### **3.4 Exploratory research design**

Positivist exploratory research which uses the multiple case study approach satisfies the general characteristics of exemplary case study research as proposed by Robert K. Yin (2003). Exploratory research is suitable for investigating phenomena which remains undiscovered in some sense (Yin, 2003; Miles and Huberman, 1984). The exploratory research design is compatible with the case study methodology: "*the case study strategy may be used to explore those situations in which the intervention being evaluated has no clear, single set of outcomes*" (Yin, 2003: 15). In this case, the phenomenon being explored is the

identification of coworking space members with the space they patronize. By adopting an exploratory outlook, this paper aims to contribute to the design of future studies and inspire new research in the social identification, organizational identity, and coworking space studies.

In adopting an exploratory research design, this study, therefore, follows the guidelines proposed by Yin (2003) on conducting multiple case studies that have a high degree of validity and reliability. The first step in following this process is the development of a conceptual framework based on the prior theory that “...*is not only an immense aid in defining the appropriate research design and data collection but also becomes the main vehicle for generalizing the results of the case study*” (Yin, 2003: 29). The case study research, thus, needs to be conducted based on a rich theoretical framework developed beforehand. The main reason for developing a conceptual framework is the fact that it allows the the prediction of future events as well as the prediction of their absence. It can be argued that without a theoretical framework is is impossible to observe the presence or absence of events as they cannot be identified without preconceived expectations (McClintock et al., 1979). The conceptual framework developed through the literature review, thus, serves as the basis for capturing the concept of organizational identity as it exists in coworking spaces and will then be the basis of the further analysis of the empirical data. In this fashion, the current study draws on the frameworks of consumer-company identification and the communication of organizational identity. By combining the frameworks, this research aims to explore how member identification functions in the coworking space context, in order to understand how the spaces can better use it to increase their customer retention.

### **3.5 Analytical strategy**

The fostering of consumer-company identification in coworking spaces will will be investigated from viewpoint of its ‘identity custodians’ (I.e. management), thus taking a top-down approach. Qualified informants will either be the founders of coworking spaces or the community managers who are responsible for running the spaces. Furthermore, members of the spaces will be interviewed to gain an understanding of their perspective regarding the attractiveness of the coworking space’s identity and the spaces’ identity communication methods in general. According to Yin (2003), a replication logic rather than sampling logic will be followed toward analytic generalizations, as it is more relevant for multiple case studies. Through replication, the current study aims to develop a set of propositions for further research. A literal replication strategy will be used to identify consistent patterns (or

lack thereof) for how member identification can be fostered in coworking spaces. Every case, thus, will be viewed through the lens of the conceptual framework of the study.

### **3.6 Scientific approach**

In order to analyze the complex nature of consumer-company identification as a phenomenon, this study will start out within a deductive system. As such, this study will be aimed at testing the validity of the prior theory. The results of the research, however, are based both on theoretical implications, as well as new empirical findings that will indicate areas of further research.

### **3.7 Selection of industry - Coworking Spaces**

Coworking spaces have been characterized by relatively low profit margins and high levels of competition by both academics (Moriset, 2014; Gandini, 2015) and practitioners (Deskmag, 2016). The competition can further be exacerbated by low switching costs of the coworking space members, as the leases are short-term and can often be cancelled on a monthly basis. The above is accompanied by the continuing growth of the industry, with most of the coworking spaces surveyed by Deskmag planning to expand in 2018 - either through expanding their existing locations or by opening up new ones. Furthermore, big chains such as Wework and Spaces are opening up new spaces daily and expanding to new countries (Spaces is opening a 400-desk space in Copenhagen in September 2018).

It can be argued that the high competitiveness of the coworking space industry and the low switching barriers of the members make customer retention an important, but difficult task for the spaces. Considering the customer-focused nature of the spaces, besides from competing on price and amenities, it is reasonable to assume that they have also developed strategies for fostering customer loyalty among their members to increase their customer retention rate and remain competitive.

Fostering identification among members is one of the ways of increasing customer loyalty and may be particularly feasible in the context of coworking spaces. This is because of the high degree of exposure that the customers (members) have to the coworking space environment - the environment is essentially the product that they are consuming. This, in combination with the above dynamics, makes coworking spaces a unique industry in which to study customer identification.

### **3.8 Sampling Strategy**

Multiple case study research enables the researcher to choose among 16 purposeful sampling strategies (Patton, 2002). Purposeful sampling enables the selection of rich cases that facilitate in-depth insight of a phenomenon, as opposed to empirical generalizations (ibid.). Using the distinct purposive sampling strategy of criterion sampling, a total of 15 cases were selected and contacted. Out of the 15 cases, 7 replies were received with 4 cases agreeing for the interviews. Thus, 4 cases within the multiple case study design have been selected for the current study.

As the purpose of this study is to analyze the customer retention in coworking spaces through the consumer-company identification perspective, the current study has used a list of criteria for selecting each case. First, following prior research (Kojo and Nenonen, 2017), I focused on service providers whose minimum duration of the lease is measured in months (or less), rather than in years to ensure the consistency of the sample. Second, business lounges, such as Regus or Ordnung, were excluded for the reason that coworking is not the core focus of their business, which made them unsuitable for studying customer retention in coworking context. Third, I focused on the larger and more established coworking spaces that are open to the public (as opposed to private), as it is more likely that they have developed working customer retention strategies. Finally, only coworking spaces based in Denmark were included in the sample to avoid cultural bias. The sampling procedure, number of respondents, and the location of the sample all limit the generalizability of the study.

### **3.9 Data Collection**

Qualitative data in the form of interviews is the primary source of data in exploring how consumer-company identification is fostered in Danish coworking spaces. Furthermore, secondary data, such as company webpages was gathered through desk research and used to validate the information gathered from the interviews, thus assisting in creating a triangulation of the data (Yin, 2003).

Out of the total of 15 coworking spaces that were contacted for the interviews, 7 replies were received, and 5 interviews arranged (two with Talent Garden Rainmaking), with interviews being conducted in person. In addition to that, 9 interviews were conducted with the members of the coworking spaces. Thus, a total of 14 interviews were conducted – 5 with coworking spaces and 9 with the members of coworking spaces. Conducting in-person interviews in coworking spaces allowed for a better understanding of the organization and its day-to-day

processes, as well as offering some context for the details provided by the interviewees. The interviews took place in August and September 2018. Each interview was recorded and subsequently transcribed. Secondary data included the websites of the coworking spaces and brochures received from the interviewees.

Interviews often play an important role in the discovery of new findings, as they facilitate a systematic collection of information about the phenomena of interest (Miles and Huberman, 1994; Stake, 1995; Patton, 1990). Collecting information through interviews is of critical importance for providing insight into ambiguous and complex phenomena such as consumer-company identification and its fostering, as they provide in-depth insight into the subject matter. Semi-structured (focused) interview is a qualitative research method that consists of a sequence of themes and questions that are covered during the interview while simultaneously retaining openness to changes in the sequence and the form of the questions, thus enabling the researcher to follow up on the interviewee's answers and stories where appropriate (Fylan, 2005). Semi-structured interviews thus make it possible for the researcher to orient the interview according to subjects that are relevant to the research question while simultaneously providing the participants with the freedom to tell their stories without restraints (Eriksson and Kovalainen, 2008). Interviews can provide insight and perceived causal inferences (Yin, 2003). Following the recommended procedures for conducting qualitative interviews, an interview guide was created as recommended by Yin (2003) in order to keep the inquiry targeted while at the same time allowing interviewees to tell their stories (see appendix 1,2). The questions in the interview guide were open-ended to allow for the obtainment of richer data, as they allowed the interviewees to elaborate on their stories. Since customer-company identification and the communication of identity are abstract concepts that are not necessarily actively used by the interviewees, the study did not use those specific terms. Instead, the interviewees were asked questions related to their specific approach to their customers (e.g. "Tell me about your approach to community management"), including deepening questions intended to evoke stories about how the organization ultimately communicates its identity to its members. It is from these stories that the dynamics of fostering identification among the members of the Danish coworking spaces were derived.

### **3.10 Data analysis**

One of the key challenges in qualitative research is creating coherence and order from a large amount of gathered data - for analytical purposes, the reduction of data is necessary. Coding is the tool that is commonly used for such reduction, as it facilitates the replication of the

study. There are three basic procedures to coding qualitative data: (1) noticing relevant phenomena, (2) collecting examples of those phenomena, and (3) analyzing the phenomena in order to find commonalities, differences, patterns, and structures (Coffey and Atkinson, 1996). The coding scheme furthermore provides an overview of the links between the developed conceptual framework and the codes themselves. By establishing codes prior to the inspection of the data, the current study employs a deductive strategy when approaching the analysis of the data. The codes are derived from the conceptual framework developed from prior theory and deal with the process of consumer-company identification and the communication of the identity-relevant content by the coworking spaces to their members. An overview of the coding map can be found in appendix 4. Coding has been conducted for all of the interviews with the codes being marked in brackets at the end of every interview's transcription (Appendix 5 and 6).

For analyzing the data this study thus looks at the narratives of the interviewees through the focus of the themes, with three main themes of the coding map being: (1) consumer-company identification, (2) the communication of identity-relevant information through the saying-showing-staging framework, and (3) customer retention. By using the codes established on the basis of the literature review, the study identifies the ways in which member identification is fostered in coworking spaces through the communication of identity-relevant content, as well as how these efforts are perceived by members, based on the stories emerging in each case. Thereby, the study focuses on how coworking spaces can increase their customer retention through fostering member identification.

### **3.11 Case descriptions**

#### **3.11.1 Talent Garden Rainmaking**

Rainmaking loft is a coworking space focusing on scalable tech startups in the center of Copenhagen. Rainmaking loft was founded in 2010 and is one of the four core business areas of its the Rainmaking umbrella organization, with the other 3 being Rainmaking Ventures (startups), Rainmaking Innovation (corporate innovation consulting) and Rainmaking Studios (building startups with corporates). Besides from Copenhagen, Rainmaking loft used to have spaces in Berlin and London, but they were forced to close down and focus on Copenhagen. Besides from the Rainmaking loft, Talent Garden Rainmaking manages 3 more spaces through partnerships: The Camp, Pier47, and Fintech Lab. Previously known as the Rainmaking Loft, the space has recently been acquired by the Talent Garden - an Italian

chain of coworking spaces that is mainly focused on second-tier cities in Europe. Rainmaking loft is one of the strongest brands in Copenhagen when it comes to coworking.

### **3.11.2 Fintech Lab**

Fintech lab was founded in 2016 as a non-profit organization as a collaboration between the Financial Union of Denmark, the Municipality of Copenhagen, and the Danish Banker's Association with a mission to build a thriving fintech ecosystem in Denmark. As such, the space is non-profit, it has certain characteristics of an accelerator in addition to being a coworking space, as the space is actively interested in helping their companies succeed. Fintech Lab is the only large coworking space in Copenhagen that is focused on one vertical only. While the space is owned by a non-profit organization, it is managed by Talent Garden Rainmaking.

### **3.11.3 Nomad Workspace**

Nomad workspace was founded in 2016 has been running in its current configuration since September 2017, making it a relatively young space. Located in central Copenhagen, so far the space has been focusing its efforts on interior design and creating a pleasant ambience for the members to work from. Unlike the above spaces, Nomad Workspace is open to coworkers from all industries and does not focus on any one particular target customer. The space currently has approximately 140 members – both freelancers and small-to-medium sized companies.

### **3.11.4 REBEL Workspace**

REBEL Workspace is another young coworking space, having opened its doors in November 2017 based in a central location in Copenhagen. The space was founded by three partners all of whom have a background in interior design and workspace configuration. The idea behind the space was to provide advanced workspace configurations that were previously available only to large corporations to smaller companies with lesser budgets.

## **3.12 Evaluation of the research process**

Validity and reliability are key in determining the quality and usefulness of a particular research study's findings and propositions (Yin, 2003). It is therefore important to design the research in a scientifically rigorous and defensible way (ibid.). This section examines the quality of the study from the aspects of construct validity, internal validity, external validity, and reliability. It is necessary to note that due to practical considerations, not all of the forms of data triangulation have been employed in this study. Yin (2003) notes that triangulation,

while necessary, is not always possible because not all sources of information are necessarily relevant for all case studies and that every case study presents different opportunities for data collection. The following section will provide an overview of the methods that have been used to enhance the validity and reliability of the study.

### **3.12.1 Construct Validity**

Developing a sufficient set of operational measures of identifying a given phenomenon is an important step towards establishing construct validity of the study (Yin, 2003). Construct validity, therefore, has to do with whether or not an operational set of measures to identify the dynamics of a phenomenon have been developed. As recommended by Yin (1994), multiple sources of evidence contribute to the construct validity of the study. In line with this notion, current study multiple sources of evidence in form of both interviews and secondary data (websites) to establish data triangulation. The use of a single interview guide across all interviews furthers the aim of assuring a high degree of comparability of the data for this study.

### **3.12.2 Internal Validity**

Pattern matching has been applied to ensure the internal validity of the study. Yin (2003) notes that predicted patterns of specific variables need to be defined prior to data collection. The predicted pattern of this study thus assumes that coworking spaces communicate identity-relevant content to their members through identity custodians thus increasing the identification in their members. The content is likely communicated by saying, showing and staging of the identity. The communication of identity-relevant content is thus the independent variable that influences the dependent variable of identification in the members (and through that their loyalty). With this as the foundation, the study compares the empirical pattern to the predicted pattern and makes the conclusions based on it. The extent to which the patterns coincide is believed to strengthen the internal validity of the study (Yin, 2003).

### **3.12.3 External Validity**

External validity refers to the extent to which the results of the study are generalizable. While quantitative forms of research using statistical methods seek to generalize findings across populations, qualitative research like case studies employs analytical methods to generalize findings across theoretical propositions. Yin (2003: 33) states that “...*a fatal flaw in doing case studies is to conceive of statistical generalization as the method of generalizing the results of the case study... the mode of generalization is ‘analytic generalization’, in which a*



*previously developed theory is used as a template with which to compare the empirical results of the case study. If two or more cases are shown to support the same theory, replication may be claimed*". Therefore, the current study seeks to explore the viability of theory stating that the communication of identity-relevant content to customers influences their loyalty to the company through consumer-company identification. The choice of a multiple case design instead of a single case study also enhances the external validity of the findings because of replication logic and comparability strength between the cases (Yin, 2003).

### **3.12.4 Reliability**

Reliability refers to the creation of procedures that allow other researchers to conduct a repetition of the case study with the aim of producing the same results as the original (Yin, 2003). The overarching aim of establishing reliability is to minimize the biases and errors of the case study. One of the methods for achieving reliability, according to Yin (2003: 67), is the establishment of a case study protocol: "*The case study protocol is a major way of increasing the reliability of case study research*". In accordance with Yin's (2003) instructions, a protocol was established and followed when conducting this case study to keep the process targeted on the subject (Appendix 3). In addition to the protocol, interview guides were created for both coworking members and identity custodians, which likewise contribute to the establishing of the reliability of the research (Appendix 1, 2).

### **3.13 Limitations of the research design**

The aim and focus of this study are to investigate how coworking spaces can increase their customer retention rate through fostering identification in their members. This study will thus not attempt to make generalizations about customer retention strategies in the coworking space industry, but rather seek to explore the ways through which customer retention can be increased from the point of view of member identification. The study also delimits itself from comparing identification to other methods of achieving customer loyalty.

The study will delimit itself from quantitative measurements of the extent to which coworking space members identify with the spaces that they patronize. It can be argued that obtaining a greater insight of this phenomenon is not possible without a quantitative study based on comprehensive surveys with the members of coworking spaces in addition to exploring the methods for communicating identity-relevant content. As this would require a much larger scale of space and time given for the analysis, this study will refrain from

seeking to measure identification in such a way. Instead, the purpose of this study is to investigate the role that consumer-company identification plays in coworking spaces, including the methods used by the spaces for fostering it.

Finally, the sampling procedure, number of respondents, and the location of the sample all limit the generalizability of the study.

## **4 Analysis**

The analysis is structured in consistence with the conceptual framework developed from the literature review. Thus, the effects of the spaces' identity communication on members' perceptions of identity attractiveness and their embeddedness in the space are analyzed by applying the coding indicators to the data, distinguishing between different ways of identity communication (saying, showing, staging). The study thus attempts to analyze the fostering of member identification in coworking spaces by taking into consideration the different ways in which the spaces can affect the identification of the members through communication.

### **4.1 Identity Custodians**

The first step in analyzing organizational identity communication involves determining who the organizational identity custodians are in coworking spaces according to the framework's definition - individuals who are "perceived by other members of an organization as actors who focus attention, invest time, and exert energy in an effort to sustain the [organization's] collective identity" (Schinoff et al., 2016: 4). Both empirical data from the interviews and extant literature indicate that coworking spaces invest a lot of resources in community building and facilitating interactions among their members. Although different spaces are data-driven to a various extent, in-person communication by the community managers is the main way of curating communities and promoting interactions between the members. As the work of community managers involves actively communicating with the members of the space and listening to their feedback, they fit into the above definition of identity custodians as they focus attention, invest time, and exert energy in an effort to sustain the collective identity of the coworking space while being perceived as such by the members of the space. While community managers are the most visible identity custodians of coworking space and are often involved in high-level meetings about community management, it is ultimately also the management of the space that is responsible for approving the initiatives and strategies. Therefore, the management of the space are also identity custodians because of the impact of their activities, even though they don't have nearly as much contact with the members as the

community managers do. Empirical data showed that smaller spaces seldom have dedicated community managers, with founders assuming this role themselves. This study will thus treat founders, general managers, and community managers as identity custodians of coworking spaces.

## **4.2 Identity Attractiveness**

Identity attractiveness is an important antecedent to the identification and will, therefore, be the starting point of this analysis. In line with the conceptual framework developed, identity attractiveness is broken out into three parts: similarity, distinctiveness, and prestige. The extent to which the members of the space perceive the identity of the space as attractive is correlated to the extent to which they identify with it, which makes the mechanics of identity attractiveness important to understand. Identity attractiveness is a highly subjective metric, dependent among other things on the member's prior experience with other coworking spaces. This part of the inquiry was investigated through interviewing the users of coworking spaces about their thoughts and preferences about the space that they were working at. However, the information provided by the spaces themselves was also used, as the identity communication influenced the perceived attractiveness of the space's identity.

Referring the perceived identity attractiveness to the saying-showing-staging framework, showing was revealed to be the only way through which the coworking spaces can influence the attractiveness of the space's identity.

### **4.2.1 Saying**

The members' perception of the attractiveness of the coworking space's identity was not found to be influenced by 'saying' on the part of the identity custodians.

### **4.2.2 Showing**

#### ***4.2.2.1 Identity Similarity***

Identifying members did perceive the identity of coworking spaces in which they were based as similar to theirs in various ways.

An important factor influencing the perceived identity similarity of the space are the other members who are working from there. Emilia, who had switched from another coworking space to Nomad Workspace, reflected that they changed spaces due to Nomad Workspace having more creatives working from there, as opposed to the previous space which was mainly focused on writers: "*We moved here because we needed a space closer to the city and*

*we wanted to be in the space with a lot of creatives that we could be together with and be inspired by.*” Since creativity was a big part of the company’s identity, they moved to a coworking space that they perceived to be similar. Identity similarity was also noted by Philip from Sygns, who ended up choosing Soho instead of Talent Garden Rainmaking: *“We thought that this place – it has a more creative vibe to it. In some of the other spaces – for example, because we also went to the Rainmaking Loft – it’s a great space and it’s a great venue, but it’s more focused on tech. And we don’t work in tech.”* The above examples show that the focus of the space plays a role in influencing the perceived identity similarity of the members – e.g. tech startups are more likely to find the identity of a tech-focused space attractive.

Beyond the professional focus, the culture inside the space may play a role in influencing identity similarity. Michael from Brainsquad noted his appreciation for Talent Garden Rainmaking’s balanced approach to work and entrepreneurship (every new member of the space gets a book on work-life balance while being an entrepreneur upon joining). Michael from Brainsquad said that while he appreciates the balanced approach to work and life, it’s easy for him to get caught up in his work, which is why the space’s promotion of balance is attractive to him. The work-life balance that Talent Garden Rainmaking is promoting also resonated with Ulrik from Injurymap who appreciated that most of the coworking space was empty by the end of a normal working day: *“And that’s good – because it means that you don’t just kill yourself by working too much. And I’ve noticed that it is the same on the other floors.”* Philip from Sygns had similar thoughts about the environment in Soho: *“It’s a lot of stress – and stress can be good or bad – but people here have a saner approach and view of creating and building a company.”* The importance of a relaxed environment was also noted by Maury from Standley, who is based in Republikken. Going beyond work-life balance, the Maury and Magdalena from Republikken were both attracted by the family-like atmosphere in the space’s open workroom. As an example of a culture that they didn’t identify with, Sebastian and Michael from Brainsquad also referred to their previous coworking space that had an overly “American” startup culture that encouraged extreme ambition and rapid company growth. Sebastian brought out regular events where member companies were encouraged to share the ‘coolest’ thing that had happened to them in the past week. Such sharing seemed too excessive for Brainsquad, as they weren’t as focused on growth as some of the other companies in the space. Thus, the culture of the coworking spaces can be seen as an influencer of identity similarity.

Finally, Sebastian noted trust as being one of the key similarities between them and Talent Garden Rainmaking. He referred to Brainsquad first coming to the space and walking out with two keycards without having signed a formal contract. Brainsquad, when doing business, also have to trust their corporate clients to get back to them after the work is done, as due to the paperwork it usually takes a certain amount of time before they get paid. Thus, the trust with which Talent Garden Rainmaking was treating the company resonated with him, as Brainsquad also relies on trust when conducting their business.

#### **4.2.2.2 Identity Distinctiveness**

The members interviewed perceived their coworking space to be different from others for a variety of reasons, including the location, the interior design, and the professional community within the space. The different points that the members of the spaces emphasized when describing the distinctiveness were largely influenced by their previous experiences with other coworking spaces. In interviews with both members and identity custodians, the general atmosphere ('vibe') of the space was brought out multiple times as a distinguishing factor. There was also some overlap between perceived identity distinctiveness and similarity. The distinct culture and atmosphere of the space were brought out as distinguishing factors, however for many of the members also mentioned practical factors such as price or location as differentiating factors.

Sebastian and Matthias from the Brainsquad noted the different culture of Talent Garden Rainmaking as being one of the factors that differentiated the space for them. For them, Rainmaking was different because it was not as selective with the members and was more accepting to smaller and medium-sized startups that were not necessarily planning to, in their own words, "*go out and impact a billion people*". Ulrik from Injurymap noted the neat and orderly interior along with professional ambience of Talent Garden Rainmaking as being one of the factors setting the space apart in comparison to another coworking space that he had visited prior to choosing to stay. For Ulrik, the prestige of Talent Garden Rainmaking likewise set the space apart from all the others.

Maury working from Republikken noted that the family-like community of the space made it different from other coworking spaces for him. Magdalena noted that besides from practical considerations (not all of the spaces are open for part-time freelancers), what set Republikken apart from other spaces was the familiar vibe. Jesper, also working from Republikken, noted that he chose to base himself in the space due to a combination of factors that included the

location and a lower price than the competition, a combination of which differentiated the space for him.

Philip from Sygns said that practical considerations (location), as well as the ‘creative vibe’ that they got from Soho, set it apart from the other coworking spaces that they had visited.

For Emilia, Nomad Workspace had the creative ecosystem that her previous coworking space didn’t have, which in combination with the central location contributed to the distinctiveness of the space’s identity.

To get a deeper understanding on the factors differentiating one coworking space from another, the views of identity custodians were included in this part of the analysis to complement the opinions of the members. Besides from providing a more coherent overview of the distinctiveness of the coworking spaces, the inclusion of the identity custodians’ view also underlines the subjectivity of perceived identity distinctiveness. Below are the answers of the custodians regarding the differences between their coworking space and others in Copenhagen.

Cirkeline, the community manager at Rainmaking, described culture and community as the main factors setting Rainmaking apart from the other coworking spaces in Copenhagen: *“100% the culture, and the community, and the people here. We can take the people here and put them into any space and it would still be just as awesome.”* The positive effects of Rainmaking’s extensive network - including the connections with other business branches of Rainmaking - were also noted by Andrei, a project manager at Rainmaking, as having a strong network and connections to corporations made it possible for him to get influential speakers to the events of the coworking space.

Haakon from Nomad Workspace focused on the interior and the environment when describing the distinctiveness of the coworking space, as well as the long-term focus on maintaining only one location, rather branching out. According to him, what sets Nomad Workspace apart from other coworking spaces is its focus on the interior design and work environment of the space. In eyes of Haakon, Nomad Workspace was also different from other spaces due its lack of focus on growth and expansion, largely due to the fact that the owner of Nomad Workspace was also the owner of the building and wasn’t planning to open up new locations: *“...also that we are not really that driven by growth. The others, their culture, they’re quite focused on how to build #2 and #3 and a lot of them are probably*

*thinking of selling in 3 to 5 years to capitalize on their thing. We are not really thinking that way.”*

Finn from REBEL Workspace noted the functionality of REBEL’s interior as something that set them apart from the other spaces and something they invested a lot of effort in. The idea behind the REBEL workspace was providing the access to advanced work environment that was conducive to productivity to smaller companies who normally would not have the resources to develop such setting on their own: *“When you look at many offices, or coworking spaces today, they all look very inviting, but they may not be the best workspaces. Because all they actually allow for is for you to sit down with a laptop, and that doesn’t necessarily entice you to be working in different constellations with different people. [...] For example, the meeting table in our lounge area is still equipped with a sharing screen. Our monitors have touch screens, so that content is easily shared and easily worked on as a team, rather than one person having control over what is shared on the monitor.”*

The distinctiveness of Fintech Lab’s identity lies in its narrow focus on one vertical - fintech startups - and the non-profit nature of the space’s business model. Being a non-profit has allowed Fintech lab to partner with governmental organizations for access to resources and network. A narrow focus on fintech startups has made it easier for the space to partner with various financial institutions such as banks, as the startups basing themselves in the space are all potentially relevant to their business. Furthermore, the space is not interested in keeping their members in-house - instead, the goal of Fintech lab is to make their companies outgrow the space and create more jobs for the Danish economy. All of the above factors make Fintech lab a unique coworking space - essentially the best space for a fintech startup to base itself in in Copenhagen - and shape its identity accordingly. Oliver, the manager of the space, described the current situation of the space: *“Everyone knows that if you’re a fintech, then this is the best place to be. [...] So, no, we’ve been in a very fortunate position where we’ve had a full house and a lot of growth. We can be very friendly, we don’t have to do aggressive marketing trying to steal startups from other spaces.”*

#### **4.2.2.3 Identity Prestige**

Members working from a space that they perceived to be prestigious were aware of that and brought it out as a positive.

Talent Garden Rainmaking is one of the most well-known coworking spaces in Copenhagen and was perceived to be prestigious to an extent by its members. Brainsquad noted that that

from Rainmaking had become a part of their brand, resulting in their clients perceiving them in a more positive light. Sebastian from Brainsquad, commenting on the space's prestigious image in relation to working with bigger clients, said the following: *"I think that being here is little bit a part of our brand. Imagine Novo Nordisk – they are out in Bagsvaerd, outside of Copenhagen – and you know, I think when they are thinking of us, they are thinking of these two AI guys who are placed right by the opera in the city, you know, kind-of like these cool guys."* Kasper from Accutics said that Rainmaking as a well-known brand in Copenhagen, and as such perceived as prestigious by other people. Ulrik from Injurymap, besides from appreciating the prestige of Talent Garden Rainmaking's prestigious reputation, likewise noted the importance of having representable offices: *"It's important to have an office that is representable – as a startup you always want to show that you're doing well. And if you're a part of that office space that is respectable, that means a lot, at least to some of the investors. It's not a bad thing anyway."*

However, for some of the members interviewed the prestige of the space did not matter or at least took a secondary role when choosing their space. Magdalena who was working from Republikken stated that she appreciates the lack of prestige of the space: *"...we don't aspire to be prestigious here. Everyone is kind-of relaxed. You can see some people, they take their shoes off when they walk around, totally hippy kind-of thing. It's totally down to earth here."*

Perceived prestige of the space's identity is therefore subjective and may not always be viewed in a positive light by the space's members.

### **4.2.3 Staging**

There were no perceived indicators of identity attractiveness reported by respondents connected to the 'staging' way of communicating the identity.

### **4.2.4 Summary: Identity Attractiveness**

Perceived identity attractiveness is mainly communicated through 'showing' by the identity custodians. Identity attractiveness is influenced by the internal culture of the space and the customer segment that it is targeting. Practicalities, such as the price and the location of the space, likewise have an influence on the perceived identity of the space.

Slight patterns emerged with perceived identity similarity, with members preferring those spaces focusing on their professional niche and having a culture that they viewed in a positive light. Perceived identity distinctiveness is a highly subjective metric, with all of the members



expressing differing viewpoints regarding their view about the distinctiveness of the space. Identity prestige was viewed in a positive light by the members of Talent Garden Rainmaking, however, the rest of the interviews did not lend credence to the notion of it having a significant importance for perceived identity attractiveness.

### **4.3 Embeddedness**

Embeddedness - creating sustaining and meaningful interactions between the customers and the company - was found to be centric to the whole coworking experience. Unlike attractiveness, embeddedness is not subjective, and thus easier to observe and measure. Prior research revealed that embeddedness in coworking context largely overlaps with community building efforts. Both identity custodians and members were interviewed to gain insight into embeddedness.

#### **4.3.1 Saying**

Fostering embeddedness through 'saying' was found to manifest itself through the personal interactions of the space's identity custodians with the members.

The results of the interviews revealed that community managers can act as intermediaries for bringing together the members of the space that have something to gain from knowing each other. For example, Cirkeline from Talent Garden Rainmaking will talk to different members in the space and through casual conversations try to get to know them as best as possible. Through getting to know the members, she also finds out the problems and challenges that they're currently dealing with. By knowing the needs of the members, she is able to match likeminded people in the space. In her own words: *"And when they start opening up, that's when I can start pairing them across the house. Say, okay, so you're entering the German market – funny you should say that, because just below you there's a guy who just did that or is just about to do that, so maybe you two should have a coffee. So that's how I connect people, internally at least."* Haakon - the manager of Nomad Workspace - described creating connections between different members in a similar way. He said that the space offers to make introductions between members if they see that there is an overlap in interest or the members could benefit from working with each other: *"Sometimes we see – because we talk to our members – when there is a specific demand or need by one member we could say 'but why don't you talk to X, because they are doing this'. And they have started to work, a lot of the people that have one-man companies they have gotten a lot of work by sitting here."*

Similar efforts for bringing the members together were noted by the identity custodians of other two spaces – Fintech Lab and REBEL Workspace.

By introducing the members to each other, the identity custodians of the spaces are helping them with their business, but also strengthening the community of the space, thus increasing the embeddedness between the space and its members. Through involving the members in the community, the custodians are also increasing the chances for the identification to happen.

Identity custodians establishing personal relationships between themselves and the members is another way in which embeddedness of the members can be increased through ‘saying’ and was a common thing to do for the custodians of the spaces. Finn from REBEL Workspace noted that despite not having dedicated community managers yet, the founders of the space were spending a lot of time communicating with the members and keeping themselves accessible: *“And we make ourselves seen, heard, for everyone. So we spend a lot of time talking to people over here. And we spend a lot of time obtaining feedback from our users.”*

Haakon from Nomad Workspace described their approach to customer satisfaction in a similar way - through maintaining a personal relationship with most of the space’s members: *“Ah, it’s more that we have a quite personal relationship with most of them. I know them and I walk around. [...] We help them to organize stuff - when they have meetings, when they have visitors. A member comes in every morning at 8 and he likes a cappuccino – so we just make that cappuccino and it’s there when he comes. Small things, but it works.”* Fintech Lab organizes monthly one-on-one meetings with the member companies to keep the conversation going regarding their stay at the space and whether or not there is something that the space can help them with, which can also be seen as a form of creating a more personal connection between the space and its members.

In the context of embeddedness, constant interaction on part of the space’s custodians helps to create sustained and meaningful interactions between the member (customer) and the company (coworking space).

### **4.3.2 Showing**

Data revealed the following ways through which embeddedness can be fostered through showing: interior, onboarding procedure, and customer experience.

Interior design is a way in which coworking spaces “show” their identity, and can also be used to encourage embeddedness among the members. All of the spaces’ custodians interviewed noted that the interior plays an important role in the functioning of the space. The

same sentiment was echoed by the members, who noted the atmosphere and the vibe of the coworking space as being one of the most important factors for choosing one space over the others. Coworking spaces generally have many couches, tables, and seats in their common areas to help facilitate spontaneous meetings and chats between the members. A variety of furniture also allows the members to be flexible in their working habits and work from different places across the space - also something that was mentioned during the interviews as a positive.

Fintech Lab had couches and chairs positioned wherever possible. Here's how Oliver, the general manager, describes Fintech Lab's approach to space and their philosophy behind having transparent walls: *"...the environment should encourage people to meet new people and talk to them. So it should be that everyone meets by the coffee kind of thing. So you should bump into people and then have conversations start that way. And all the walls are glass, so we want transparency that way. And people shouldn't shut themselves off in their office."* Going further than many other coworking spaces, REBEL workspace has a more profound approach to workspace configuration, focusing on its practicality in allowing the members to work in different constellations from different positions across the coworking space. REBEL's particular approach to space - which is also the main characteristic distinguishing it from other coworking spaces - is largely due interior design background of its founders. Here's how Finn described the philosophy behind REBEL's spatial configuration: *"It's about providing the technology [...] throughout the building that allows people to move freely and work freely, however they like. It's about giving control back to the employees, so that they have a choice over how they want to work. [...] For example the meeting table in our lounge area is still equipped with a sharing screen. Our monitors have touch screens, so that content is easily shared and easily worked on as a team, rather than one person having control over what is shared on the monitor."* Similar environment was also observed in Talent Garden Rainmaking and Nomad Workspace, however when interviewed both said that they focus on creating a good as much as providing functionality.

Two interviews conducted in the open workspace of Republikken indicated that members were feeling identification, referring to the space as "family" and noting that most of the people in the open workspace knew each other. It seemed like the small and cozy layout of the room as well as a self-service coffee machine that was complicated to use (thereby likely prompting spontaneous conversations between the members) could be some of the factors contributing to the community formation within the space. Republikken could thus serve as

an example of how proper interior design encourages the users to engage with others and form a community inside the space. Thus, depending on how the furniture of the space is set up, the interior can be used to encourage contact or collaboration between the different members. Finally, the interior is a key factor influencing the ‘vibe’ of the coworking space, which was revealed as an important factor for identity attractiveness.

Onboarding procedure for new members is something that all of the spaces have, to a certain extent, and can be considered a brief “showing” of the space’s identity before the members start working in the space. The interviews revealed that all of the spaces have an onboarding procedure of some sort that consists of showing the new member around the space and introducing him to other members working from the space. Additionally, most onboarding procedures involve a welcoming package with informational content relevant to the space.

Of the coworking spaces interviewed, Talent Garden Rainmaking had the most sophisticated onboarding procedure that even included handing a book about work-life balance to every new member. In describing the onboarding procedure of the space, Cirkeline said that the practicalities are covered first - the new member is shown to his seat or team room, he’s provided with a welcoming package containing the wifi code, instructions for printing, contact details for the team and basic house rules including how the cafe and lunch work. Additionally, welcoming package contains a book written by one of Rainmaking’s founders called ‘Winning Without Losing’ that is about being in a startup while maintaining a balance in life. All new members are also invited for a tour of the house that happens every second month. The tour takes the new members to each team room to meet the other residents of the space. The onboarding at Talent Garden Rainmaking left a very positive impression on Sebastian from Brainsquad: *“Also she did something that was really nice – Cirkeline, the community manager here – a few weeks after we moved here we did a tour with Cirkeline, just visiting all the offices, just saying hi to everybody, just so at least you got a kind-of an idea of what people do and you’ve met everybody. So I think it’s a good way to promote the community and we realized that a lot of the people were doing stuff that was kind-of relevant to us.”* Onboarding procedures at other spaces interviewed usually involved familiarizing the member with the practical aspects of the space, but were not as advanced and did not always involve a tour of the house introducing the new members to the others working from the space.

As such, an onboarding procedure can introduce the new member into the space and strengthen the relationship. By handing out a book about work-life balance to new members, Talent Garden Rainmaking thus communicates the identity of the space through showing.

The data from the interviews showed that providing a good customer experience was of utmost importance for the coworking spaces. A positive customer experience is a way in which coworking spaces can communicate their identity through ‘showing’. In the context of embeddedness, a continuous positive customer experience will strengthen the already established relationship between the space and its members.

The interview with Andrei revealed that Talent Garden Rainmaking is putting a lot of effort in ensuring that the members have a seamless experience in the space which allows them to concentrate on their work. The importance of well-functioning basics of the space were mentioned multiple times during the interviews, both with members and with managers of the spaces. Well-functioning basics allow the member to focus on his work by taking care of everything else, and thus providing a positive customer experience is an important aspect of running a coworking space. Customer experience and service aspect were also noted by Haakon, who noted that the Nomad Workspace was investing a lot of effort into the quality of the service that they were providing: *“You want the members to feel like they’re a part of something else.”*

One of the more interesting examples of ‘showing’ the identity was revealed during the interview with Andrei, who said that Talent Garden Rainmaking had brewed a special beer for entrepreneurs. While a small touch, this exemplifies that there is space for creativity in identity communication of coworking spaces.

### **4.3.3 Staging**

#### ***4.3.3.1 Events***

Embeddedness through staging in the coworking space context was found to manifest itself through events and various other ways that the coworking spaces use to bring members together. Events are an indispensable part of the coworking space culture and identity and include Friday bars, industry-specific talks and events, and private networking outings. The types of events that the spaces organize depend from space to space - all coworking spaces interviewed had in common Friday bars, as well as an occasional (usually monthly) common lunch or breakfast.

Of the coworking spaces interviewed, Cirkeline from Talent Garden Rainmaking provided the richest description of the events that the space holds, which included community breakfasts, open Friday bars, house parties, and various workshops, but also closed networking events for CEOs and particular tech interests of the house. Here's how the community manager Cirkeline summed up the current efforts of the space: *"... we have had a monthly breakfast – so every first Wednesday of the month is a breakfast. Then we have four quarterly tech & tonics, which is basically our take on the open Friday bar for the ecosystem and the house. Then we have two semi-annual tour de chambre parties. Then we have a christmas party and a summer party. And on top of that, we did something we called 'startup toolbox'. We basically identified the most common hot topics within startup. And then we converted them into workshops. That was anything from UI streamed translation, 'to this is how you optimize inbound sales', 'this is how you prepare for funding', 'this is how Revolut did their journey without investing in marketing' and so on. And then we did something called CEO lunch and CTO lunch. So we basically invited all the CEOs and founders of the house so that they could sit together and network. We did the same with tech interests of the house. And we had those every month."* Cirkeline also shared some of Talent Garden Rainmaking's future plans regarding events and member involvement. The space is planning to expand their leisure events and start an exclusive networking club: *"But we want to do more Friday bars, also improvised Friday bars, pingpong tournaments. Last year we also had a majorly successful counterstrike tournament that was like the scoop of the year – it was insane, it was so good. And we did a huge GDPR workshop. But then we'll also do [...] an exclusive breakfast networking club. We're working on some partnerships with breakfast restaurants in Copenhagen [...] and then we'll pick out 20 founders or interesting profiles from all our houses and invite them to a breakfast at X restaurant for 1.5-hours for networking, for sit-down, for basically getting to know each other and sharing knowledge. And we'll do that four times per year."*

Oliver from Fintech Lab reported that they hold over 100 events per year, which is by far the largest amount reported by the interviewed coworking spaces. As the space is focused on one vertical, it is able to host many industry-specific events: *"So we do over a hundred events each year. We have a fintech week with thousands of people coming in. We have demo days for our corporates. We have like these community events where founders tell their stories. We have breakfast meetings, Friday bars, all of those things that you would expect a coworking space to have."*

The other two spaces interviewed were smaller in size and had a more basic approach to their events - usually only Friday bars, community breakfast and workshops - but both were looking to expand their community management efforts. At the time of the interview, Finn from REBEL Workspace said that they were in the process of launching a series of relevant workshops for the members covering topics such as law or graphic design by motivating some members to assist other members. The space was already doing Friday bars as well as a monthly breakfast with member companies sharing their current issues that they could use assistance with from the community. Haakon from Nomad Workspace said that the space was still working on developing a clearer focus for regarding the direction of its community management efforts including event organization. He noted that the space had a regular Friday bar and had organized some workshops and larger events before that were well-liked by the community.

#### **4.3.3.2 Community Participation**

Besides from events, coworking spaces reported encouraging the members to participate in the community. A common approach was to leverage the members themselves to help other people in the house by creating the conditions to “*help startups help each other*” in words of Oliver from Fintech Lab.

The next one of Talent Garden Rainmaking’s planned community initiatives falls under this category. The space is planning to offer certain members of the house to become entrepreneurs in residence for a six-month term to even further leverage the internal resources of the space. Here’s how Cirkeline described it: “...we’ll pick out six entrepreneurs in this house that have excessive skills or knowledge and expertise within a certain field. Then we’ll give them an incentive – say, free coffee at the café, something simple, not monetary – and then we’ll profile and promote them on the website so that residents here know who to go to [...] if they want to know more about sales. Or funding. Or entrepreneurship in general. [...] The idea is that they want to do it for the community. They don’t want to do it for money, or for coffee. They want to do it to help and to contribute.”

Cirkeline emphasized that the space did not expect the entrepreneurs in residence to offer their help in exchange for money or for coffee, but rather that their inherent motivation should be to help and contribute to the community.

Free coffee cards are also used by Talent Garden Rainmaking to reward members for small tasks - for example, giving a presentation to a group of visiting high-school students about

what they do. As a reward for such presentation, the members would get a card of 10 free coffee vouchers. When viewed through the saying-showing-staging framework, while asking the members to participate in the community falls under ‘staging’, the subsequent reward in the form of the coffee card falls under ‘showing’. Here’s how Sebastian from Brainsquad compared the free coffee vouchers to monetary remuneration that they had received in their previous coworking space in exchange for holding a presentation: *“Actually, I have a little fun comparison. We’ve stayed at another coworking space called Singularity University. It was nice as well, but there I also did a presentation for one of the companies at Singularity University event. And rather than giving us a coffee card [worth 10 coffees], they paid us [1000DKK]. That was nice as well, but it also gives sort-of the feeling that it’s sort-of a business transaction when they pay me for that. And, I mean, this coffee card is worth a lot less, but it gives you the sort of the feeling that ‘we do this for each other’ and not for the transaction.”* Ulrik from Injury map likewise noted that he appreciated the coffee cards – he viewed them as the space’s way of showing that it values his time.

Regarding community participation, interviews with Sebastian and Michael from Brainsquad and Ulrik from Injury Map suggested that coworking spaces should consider the way in which they’re rewarding the members for participating in the community, as nonfinancial means of reward may be viewed more favorably by the members.

#### **4.3.4 Summary: Embeddedness**

The embeddedness analysis revealed various ways in which coworking spaces can increase embeddedness of their members through saying, showing and staging on the part of the identity custodians of the spaces. All of the coworking spaces interviewed were making use of all three methods of identity communication – saying, showing and staging. Larger spaces were shown to put much more focus on community management – especially the ‘staging’ part – than two of the smaller spaces interviewed. Finally, the analysis provided an insight into the specific methods that coworking spaces use to manage their communities which can also be connected to member identification.

### **4.4 Member Identification**

When the members were asked whether or not they felt like they belonged in the space, the answers were varied, among other depending on whether the members were satisfied with the service that they were getting for the money that they were paying.



An important observation arose with two of the largest companies interviewed - Accutics and Labster – who noted that working from a coworking space was expensive for them, and they were therefore looking to move. The main reason for their desire to move was the high cost, as the companies were paying per person, rather than for the space that they were renting. Furthermore, identification and belonging did not play a significant role for either of the companies. Kasper from Accutics (6 people) said that for Accutics, Talent Garden Rainmaking was just a space to work from, and that everyone in the space was essentially working alone, together: *”So people might have an idea that there’s a lot of mingling and knowledge sharing around different companies, but there’s actually not. People play table football together, but that’s it. People don’t talk with each other, they don’t mingle around, there’s no collaboration between people. And we don’t as well. [...] We’re basically just sharing offices in a big building.”* Katherine from Labster said that the company was big enough - 35 people - to have its own internal community: *“So we probably have our own community in a different way than a two-person company has. There’s Friday afternoon events and there’s some Christmas parties that we usually get tickets for as well for all the team members. So we go as a team.[...] I don’t think we have the same need for social events in the same sense that the small companies do. We have our own social events as well.”*

The observations were different with smaller companies. Sebastian from Brainsquad noted that Talent Garden Rainmaking helped him fill a certain void that he felt after leaving Microsoft to start Brainsquad, which could indicate an increased likelihood for identification: *“For example when I worked for Microsoft, it quickly sort-of becomes your identity in some way. Also because they’re really good at brainwashing when you’re there, but you know you’re a part of this big brand. You go to the U.S. all the time. You’re always at these shows where there is the CEO or some top guy who says ‘you’re the most exclusive employees in the world’, that kind of stuff. So you feel so much a part of that. And so when I quit from the company... in some way there is this sort-of gap, void in some way. [...] But so being a part of Rainmaking, in some way, fills that void.”* Ulrik from Injurymap also felt closer to the space: *“I feel like that’s our office. [...] We’re here and that’s cool, we’re a part of it. Also, you know, I think we are a part of it, but we’re just a new part of it.”*

#### **4.4.1 Summary: Member Identification**

In summary, smaller companies and freelancers were more likely to feel identification and belonging than larger companies. Multiple members interviewed were either new to their

coworking space or planning to move away. In both of these cases, they did not report themselves as feeling a part of the space and its community.

## **4.5 Customer Retention**

Interviews with both the spaces and the users confirmed that coworking spaces have a relatively high turnover of members. Sebastian from Brainsquad noted the following when asked whether or not he felt belonging in the coworking space: *"It's actually funny, 'cause right where we are there's already been two or three generations of people. [...] And we've only been here five or six months – and we're already some of the older guys here."* The managers of the spaces confirmed the high turnover, however they noted that members were leaving for various reasons that the space could do nothing about. Members leaving due to running out of money was noted by managers from both Talent Garden Rainmaking and Nomad Workspace. Cirkeline and Andrei from Talent Garden Rainmaking confirmed that members were leaving for a variety of reasons, but not due to wanting to work from another coworking spaces than Talent Garden Rainmaking. Haakon from Nomad Workspace especially noted that larger companies tend to move out due to financial reasons, and further specified the reasons for customers leaving: *"It's mostly because the company split up, it might be some new investor so he wants them to move somewhere else, somebody needs more space that we don't have, if they're in a private office."* A better access to a professional network may also be a reason for switching, as it was the case with Emilia in Nomad Workspace: *"We moved here because we needed a space closer to the city and we wanted to be in the space with a lot of creatives that we could be together with and be inspired by."* Despite the above, interviews with coworking spaces suggest that members switching from one coworking spaces to another was not very common, however it is a claim that is difficult to verify as the coworking spaces themselves also rely on information gained from members.

### **4.5.1 Summary: Customer Retention**

Interviews revealed that there is a high member turnover in coworking spaces caused by a variety of reasons. Customers were reported to move out due to a lack of funding or due to the company becoming too big to base itself in the space. Increased member identification may thus only help mitigate some of the reasons for why the members are moving away, and will do little for the cases when a startup runs out of money, for example.

## **5 Identification of Patterns**

For describing the patterns emerging within the findings section, the current study looks at identity attractiveness and embeddedness from the consumer-company identification framework and the ways in which the identity communication of the space can influence them. In addition, the interviews are reviewed regarding the identification of members and customer retention of coworking spaces. Thus, on the basis of the coding diagram developed, the study identifies patterns in which identity communication can be used to influence the identification process among the coworking members, the types of members that are more likely to experience identification, and the role of identification in the context of customer retention in coworking spaces.

### **5.1 Identity attractiveness too subjective to be applicable in fostering identification**

The results showed that perceived identity attractiveness may be too subjective to have any practical value for spaces looking to influence it in order to foster identification among existing members, as it is dependent on the prior experience of each individual member. All of the members interviewed evaluated the identity of the space based on their previous experiences, from which no discernible patterns emerged. As for the individual constituents - similarity, distinctiveness, prestige - data indicates that identity similarity may play the most important role of the three with 3 out of 9 members interviewed having chosen or changed their coworking space based on factors related to identity similarity. Regarding identity distinctiveness, all of the 9 members interviewed perceived their coworking space to be different from others for various reasons, however no discernible patterns emerged. Finally, identity prestige appears to be viewed in a positive light if it is present, however 2 of 9 member interviewed indicated that prestige was not important to them and that they, on the contrary, appreciated the simplicity of the space.

### **5.2 Creating member embeddedness through saying, showing and staging offers the most opportunities for coworking spaces to foster identification among their members**

The analysis indicated that increasing member embeddedness - creating sustaining and meaningful interactions between the members and the coworking space - offers the most opportunities for coworking spaces to foster identification among their members. Data

revealed the precise ways in which the identity custodians in all of the 4 coworking spaces foster embeddedness through saying, showing and staging the identity of the space with the preferred approach varying depending on the coworking space. Moreover, in all cases saying involved building personal relationships through day-to-day communication of the identity custodians with the members. Showing manifested itself mainly through the interior of the space, as well as the general customer experience including the onboarding procedure. Finally, the staging of the identity consisted of various events and interactions that the space staged for and between the members, the latter in particular leading to an increased integration among them. Furthermore, 2 out of 9 interviews suggest that there was a self-sustaining community in the open working area of one of spaces that the members were identifying with and maintaining. An attempt to establish such community might be a worth a consideration.

### **5.3 Identification more viable in smaller businesses and freelancers**

The findings of the analysis indicated that fostering identification is likely to only be feasible with freelancers and smaller companies. 2 out of 3 larger companies interviewed noted that the community of the space was not that important for them due to having their own internal communities that serve as the target for the identification of the company's employees. One of the companies interviewed, however, was very satisfied with the community in Republikken, as they had spent the last 4 months working from the open room of the space. Nevertheless, all of the large companies expressed a wish to move to their own offices in the near future. On the other hand, 3 out of 6 freelancers and smaller companies interviewed noted that the "vibe" and "atmosphere" played an important role in choosing their coworking space. The participation in the community, either through events or interactions with other members, was common. The members stated that they felt like a part of the place, and that community was one of the reasons for them choosing the coworking space that they were sitting at. The results therefore indicate that fostering identification should be focused on freelancers and smaller companies.

### **5.4 Member identification only one of the factors influencing member retention**

The findings of the analysis confirm that there is high customer turnover in coworking spaces, however the findings also indicated that the turnover happens due to various reasons not all of which can be mitigated by increasing member identification. Despite the high

turnover, none of the coworking spaces noted customer retention as being a problem for them. Member identification is therefore only one of the many factors influencing customer retention in coworking spaces. As such, further research is necessary to make judgements about the effectiveness of fostering member identification vis-a-vis other strategies that the space could potentially be pursuing.

## **6 Research Propositions**

The findings from the analysis have functioned as the foundation from which patterns were identified. The emerging patterns indicated the ways in which coworking spaces could foster identification, the members at whom the fostering should be targeted, as well as the contributive role of identification regarding customer retention. Using the patterns as a basis, the current study presents a list of research propositions indicative of the overall tendencies in the data.

In examining the constituents of the identification process, the data indicated that increasing and maintaining the embeddedness by using all three forms of identity communication offers the most opportunities for coworking spaces to foster identification among its members. Perceived identity attractiveness was found to be too subjective to be useful in fostering member identification. This pattern leads to the formulation of the study's first research proposition:

***Proposition 1: Increasing customer embeddedness through all three forms of identity communication, as well as creating the conditions necessary for the forming of a community inside the space, is more likely to lead to the identification of the members***

A second significant pattern emerged from analyzing the responses regarding identification among smaller and larger companies. All 3 of larger companies interviewed indicated that they were looking to move into their own space, with 2 of the 3 reporting that their socialization needs were fulfilled internally. As such, the pattern indicated that larger companies are not likely to experience identification with the coworking space, and therefore the identification fostering efforts of the coworking spaces are better targeted at smaller companies and freelancers. On the basis of the above the study presents the following research proposition:

***Proposition 2: Smaller companies and freelancers are more likely to identify with their coworking space than large companies***

The third noteworthy pattern emerged when the spaces reported that their members were leaving for a variety of reasons, including changes in their financial circumstances and spatial needs. As such, an increase in customer loyalty via identification of the members is likely to only partially mitigate the reasons for which the members of the spaces are leaving. On the basis of this pattern the study proposes the following:

***Proposition 3: Fostering member identification is likely to only partially address the customer retention issues of coworking spaces***

## **7 Discussion**

The current study has set out to explore the how coworking spaces can increase their customer retention through fostering member identification. Extant literature has outlined customer loyalty as one of the main outcomes of consumer-company identification (CCID). As loyal customers are less likely to switch companies, customer identification can thus be argued to influence customer retention. Despite its potentially important role, consumer-company identification has not been studied extensively, particularly in the context of the new sharing economy. As a response, the analysis and propositions introduced by this study have served as an initial step towards expanding our knowledge regarding the identification dynamics in the coworking space context, and by extension also in that of the new sharing economy.

The findings of the study have revealed ways in which coworking spaces can foster identification among their members through identity communication. Thus, the study has found various ways in which ‘saying’, ‘showing’ and ‘staging’ the identity can be used to influence the perceived identity attractiveness of the members as well as their embeddedness with the space. The results indicate that identity communication of the space, in one form or another, influenced the member’s choice of basing themselves in the space. The findings suggest that increasing the embeddedness of the members is likely the best way in which coworking spaces can foster identification among them. Furthermore, the study has observed that identification is more likely to occur in smaller companies and freelancers rather than larger companies operating from coworking spaces. The theoretical approach and the research propositions of the study will be discussed below.

## **7.1 The strengths of applying the identity communication framework**

The Schinoff et al.'s (2016) framework of organizational identity communication has previously been applied only in inter-organizational contexts. Through applying the framework, this study was successful in mapping out different ways in which identity content can be communicated to external stakeholders of the organization. Therefore, the current study has successfully extended the applicability of the framework from inter-organizational context to include identity communication occurring between the organization and its stakeholders in the customer-company identification context, which may serve as a precedent for future identification research.

## **7.2 Discussion of research propositions developed from the data**

*Proposition 1: Increasing customer embeddedness through all three forms of identity communication, as well as creating the conditions necessary for the forming of a community inside the space, is more likely to lead to the identification of the members*

The first pattern that emerged suggests that the best way to foster identification in coworking spaces is through increasing the embeddedness of the members, as opposed to focusing on influencing identity attractiveness.

The reason why embeddedness plays an important role in fostering identification is because co-working spaces have unparalleled access to their members. By talking to members, strategically designing their interior to foster interactions and staging various events the coworking spaces are creating and maintaining interactions between their members, but also creating communities within the confines of the space for members to identify with. Especially with targeted embeddedness initiatives, such as the one Talent Garden Rainmaking is planning, the space is not only creating one community for everyone, but rather micro communities that are more focused. For example, community of CEOs - like the breakfast club - will be more tightknit than a generic community within the co-working space, as the CEOs have mutual interests and stand to benefit much more from interacting with each other. The same example can be made for software developers – for example, a software developer who is facing a problem in his work will benefit more from interacting with other software developers, rather than just workers of the space. The fact that a certain level of embeddedness and identity salience can be taken for granted in the context of a coworking space is the perhaps main distinguishing factor of the identification dynamics occurring in the space vis à vis other types of companies.

Influencing the members perceived identity attractiveness was found to be inefficient due to the inherent subjectivity of its three constituents: similarity, distinctiveness, and prestige.

Identity similarity was found to be subjective and difficult to measure, highly dependent on the previous experience of the particular coworking space member and the type of their business. For example, Sebastian and Michael from Brainsquad perceived Talent Garden Rainmaking as an open, relaxed space, while Philip from Sygnal said that the space was too tech-focused for their company. Although there were no specific patterns related to it, an argument can be made that the more specialized a coworking space is on one industry (e.g. a healthcare-oriented coworking space) the more similar the members will perceive its identity to be to theirs (e.g. a healthcare startup). Niching down is one way in which coworking spaces can the extent to which their members perceive their identity as similar to their own. Fintech lab's identity, for example, will be perceived as very similar to their own by its members.

When talking about distinctiveness in the context of co-working spaces, it is important to note that no two spaces are alike by definition – this is due to their different location and the unique community dynamics happening within each space. A common way for spaces to differentiate themselves from competition is by niching down on a particular target customer – e.g. scalable tech startups, fintech startups, architects and urban planners etc. Perceived identity distinctiveness was found to often overlap with the perceived identity similarity. For example, when a member prefers the coworking space that has a more creative ‘vibe’ to it, that ‘vibe’ simultaneously serves as a differentiating factor for the space, as well as a ground for identity similarity. The coziness of Republikken's open work area both differentiates the space and appeals to the members working from the space. The target customer group of the space also influences the distinctiveness of the space's identity to a large extent. For example – Fintech Lab is the only space in Copenhagen that is solely focused on fintech startups – this makes the space distinct from all the other spaces in the city, and the space is perceived as such by its members.

The importance of prestige as an influencer of perceived identity attractiveness is debatable. For one, all of the members of Talent Garden Rainmaking interviewed noted that the space was prestigious and well-regarded by others. At the same time, members interviewed in Republikken expressed their appreciation for the place being more down-to-earth and having a “family feel” to it. Therefore, the results of the study indicate that prestige should not be



seen as an objectively positive trait that is necessary for the identity to be perceived as attractive by the members.

Another interesting observation, especially with the members of Republikken, was that the members were identifying with the community within the space, as opposed to the space itself. In such cases the target of the identification is not the coworking space, but rather the community within the space. Therefore, the members fulfill their self-definitional needs through associating with the community that exists within the space, but not the space itself. If the members identify more with the community that is present in the coworking space, rather than the space itself, the loyalty resulting from identification will also be targeted towards the community, rather than the coworking space as an organization or a company. However, the management of the coworking space is ultimately responsible creating the community, even if it only involves furnishing the interior of the room in a particular way to encourage interactions between the members. Arguably, the community would not exist without the effort of community managers from the space. Therefore, the community identification as described above is still beneficial for the coworking spaces, as the communities depend on the space for their existence. While the CCID framework (Bhattacharya and Sen, 2003) does cover the communities under 'embeddedness', their importance in coworking spaces could be an argument to expand the framework to better account for their role in the identification process.

***Proposition 2: Smaller companies and freelancers are more likely to identify with their coworking space than large companies***

The results of the study indicate that fostering member identification may be a useful strategy for retaining some of the smaller businesses and freelancers who are members of the coworking space. In particular, the member interviewed in Republikken noted that one of the main things they appreciated about the space was the tight-knit community where everyone knew everyone. Data revealed that larger companies form their own social networks, which makes fostering identification among their employees a potentially inefficient strategy. The data also suggests that staying in a coworking space is expensive for bigger companies, as they have to pay per person, rather than per square meter, and are therefore incentivized to move out of the coworking space. The data thus suggests that identification fostering efforts of the space should therefore be mainly focused on smaller companies.

***Proposition 3: Fostering member identification is likely to only partially address the customer retention issues of coworking spaces***

The third proposition states that fostering identification is only likely to address a part of the coworking space's customer retention problems, as many of the members leave due to reasons that are not mitigated by identification. Interviews indicated that coworking spaces suffer a lot of turnover due to members running out of money – something that an increase in identification would not fix. The findings of the study in this case may be limited by the sample size and a lower competitiveness of the industry in Copenhagen compared to larger cities. Talent Garden Rainmaking mentioned closing down two of their other spaces in Berlin and London due to increasing competition, which lends credence to this notion. In such case, it is possible that the industry is still maturing, and that the competitiveness – along with the importance of customer retention – will increase with the entry of larger players to the market. The first signs of this can be seen already, as Spaces is opening up their first 400-seat space in Copenhagen at the time of writing this study. However, further study is warranted to examine the viability of this approach as a customer retention strategy, as there may be more efficient strategies for customer retention, including the more traditional customer relationship management (CRM) approach.

## **8 Conclusion**

The thesis has through qualitative research methods in the form of a multiple case study set out to investigate how coworking spaces can improve their member retention through fostering member identification. While prior studies have demonstrated customer loyalty as one of the main outcomes of consumer-company identification, there has been a lack of research regarding identification and customer retention in the context of sharing economy, including coworking spaces. Furthermore, customer retention and customer identification both remain unexplored fields the context of coworking spaces. On the basis of this, the thesis has sought to provide new insights to the phenomena of customer-company identification within the context of coworking spaces and the way in which it can be used to influence the space's member retention rate.

The findings emerging from the analysis appear to validate the extant literature and the study's assumptions that identification influences the retention of the members, however the study was inconclusive regarding the precise extent to which identification influences customer retention. In the data collected, there are clear indicators which provide empirical

evidence supporting the notion of identity communication having an effect on member identification, in particular through the various ways of fostering embeddedness of the members. However, even more interestingly, the analysis of the findings has also revealed new insights regarding the differences in which customer identification functions in the environment of coworking spaces, as some of the members were shown to identify with the community inside of the coworking space, as opposed to identifying to the coworking space as a company.

The findings have revealed that identity custodians exist in all of the 4 coworking spaces who communicate their identity through ‘saying’, ‘showing’, and ‘staging’. Embeddedness – creating sustained meaningful relationships between the company and the customers – was shown to offer the most possibilities for fostering identification in the coworking space context. The study uncovered a number of ways through which the coworking spaces influenced embeddedness through ‘saying’, ‘showing’ and ‘staging’ including the creation of personal relationships between identity custodians and the members, encouraging collaboration between the members, organizing various events and workshops, and setting up their interior to encourage interactions. Attempting to influence the members’ perceived identity attractiveness of the company through identity communication efforts, on the other hand, is likely yield unpredictable results due to it being highly subjective. The findings also revealed that the efforts of the spaces are better targeted at smaller companies and freelancers, as larger companies based in coworking spaces are likely to have their internal social networks and thus less likely to identify. Finally, in the light of the data uncovered in the analysis, further research is warranted regarding the effectiveness of fostering identification as a customer retention strategy.

In the light of the research propositions developed posed in this study, the thesis encourages further research regarding the effectiveness of customer identification as a customer retention strategy first and foremost. Furthermore, the results of the study are limited to Danish coworking spaces no generalizations can be made regarding coworking spaces in other countries. Therefore, another direction for further research would be replicating the study in larger cities with a more developed coworking landscape such as London, New York or Berlin as the customer retention and identification dynamics are very likely to be different.

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### **Web Pages:**

- <https://www.rainmakingloft.dk/>
- <https://www.rebelworkspace.com/>
- <http://nomadworkspace.com/>
- <http://fintechlab.dk/>
- <https://www.cnbc.com/2018/05/22/wework-2018-disruptor-50.html>
- <https://www.wework.com/locations>
- <https://www.wired.com/story/this-is-why-wework-thinks-its-worth-20-billion>
- <https://www.wired.co.uk/article/we-work-startup-valuation-adam-neumann-interview>
- <https://www.nytimes.com/2018/02/17/business/the-wework-manifesto-first-office-space-next-the-world.html>
- <https://www.supplychaindigital.com/logistics/sharing-economy-will-be-worth-335-billion-2025>

## **Appendixes**

### **Appendix 1: Interview Guide – Coworking spaces**

*The project included a total of 5 interviews with managers and community managers of coworking spaces. For conducting the interviews, an interview guide was developed focusing on the themes of identity content communication and customer retention. The interview guide has served as a general outline for gathering narrative content regarding how coworking spaces foster identification in their members.*

#### Introduction to the area of interest of the thesis

The focus of the present interview will be to explore how coworking spaces foster identification of their members through communication of identity-relevant content, as it will provide insights into how the spaces can increase their member retention rate through

fostering member identification. The research gap in regard to customer retention and identification has served as the main motivation behind conducting this study.

### **1. Introduction**

- What is the story behind your coworking space?
- When was the coworking space founded?
- Do you have a particular target customer?
- What makes your coworking space different from other spaces in Copenhagen?

### **2. Community management**

- Tell me about your community management methods.
- Do you foster interactions between the members?
- Could you describe your onboarding procedure?
- Do you have a particular philosophy behind your interior choices?
- Tell me about the events that you organize inside the space.
- How do you make the members feel like they belong in the space?

### **3. Customer retention**

- Is customer retention an issue for you?

## **Appendix 2: Interview Guide – Coworking Space Members**

*The project included a total of 9 interviews with members of of coworking spaces. For conducting the interviews, an interview guide was developed focusing on theme of customer identification, consisting of perceived identity attractiveness, embeddedness and general identification. The interview guide has served as a general outline for gathering narrative content regarding how coworking spaces foster identification in their members.*

### **Introduction to the area of interest of the thesis**

The focus of the present interview will be to explore how coworking spaces foster identification of their members through communication of identity-relevant content, as it will provide insights into how the spaces can increase their member retention rate through fostering member identification. The research gap in regard to customer retention and identification has served as the main motivation behind conducting this study.

### **1. Identity attractiveness**

- Why did you choose this coworking space as opposed to others?
- Do you see this space as prestigious?

## **2. Embeddedness**

- Do you participate in the community of the space?
- Do you participate in the events?

## **3. Identification**

- Do you feel that you belong in the space?

## **Appendix 3: Protocol for Multiple Case Study**

The case study protocol was created to provide rationale behind the particular choices made in exploring the phenomenon through case study methods. As such, the protocol has served as a central guide for conducting the research.

### Research question

#### **How can coworking spaces increase their customer retention rate through member identification?**

The study is focused on exploring the methods that coworking spaces can use to foster identification among their members to increase their customer retention rate.

The study is inspired by a number of assumptions proposed by prior research:

- Prior research has indicated that customer loyalty and retention are important outcomes of customer identification
- Prior research implies that identification can be fostered through the communication of identity content

### Independent (IV) and Dependent Variables (DV) of the study

The independent variable of the study is the identity communication of the spaces consisting of 'saying', 'showing' and 'staging' the identity, while the dependent variable is the CCID process consisting of identity attractiveness and customer embeddedness. Identity salience is the third constituent of the CCID framework, however I chose not to include it in the analysis due to the difficulty of measuring it.

### Data collection methods

With identity communication as the independent variable, managers and community managers of coworking spaces are interviewed according to the interview guide using a semi-structured interview method to collect the data. The interviewees are asked questions about what makes their space different from the other coworking spaces, about their community management methods, and about their approach for making the members feel like they're a part of the space. From the detailed accounts provided, the indicators of identity communication through 'saying', 'showing' and 'staging' will then be identified. Furthermore, the managers of coworking spaces will be asked about whether customer retention is a problem for their space.

With the customer-company identification process as a dependent variable, I look at both identity attractiveness and customer embeddedness as influencers of identification. Embeddedness can be identified from the accounts provided by the space's managers and community managers, but in order to gain insight into perceived identity attractiveness members will be interviewed. With the help of the framework, I thus interview members to about their perceptions of the space's identity including its similarity, distinctiveness and prestige. Furthermore, the members will be asked about them feeling a belonging with the space, which is an indicator of identification.

## **Appendix 4: Coding Map**

### **Identity Communication**

Saying: (S1)

Showing: (S2)

Staging: (S3)

### **Consumer-Company Identification**

Embeddedness: (E)

Attractiveness - Similarity: (A1)

Attractiveness - Distinctiveness: (A2)

Attractiveness - Prestige: (A3)

### **Identification**

Identification (I)

## **Customer Retention**

Customer Retention – (CS)

## **Appendix 5: Interviews Coworking Spaces**

### **Talent Garden Rainmaking - Cirkeline**

**Can you tell me a bit about rainmaking – when where you founded and what’s the story behind the space?**

Rainmaking the umbrella organization was founded 11 years ago, and it basically started with a few Danish partners who each had their own startup. So, they decided to put these startups under one roof and the call it rainmaking. That has up until now expanded and grown to be 30 companies. A third of them are still active, a third have been sold, and a third have been shut down because they weren’t a success. So that’s the first business area that we call Rainmaking ventures. Then they added a few more business areas – one of them is called rainmaking innovation – which is basically a consultant business where we have people going out into corporates and explaining to them, helping them become more innovative, think more like startups, be more like startups, embracing the future. Then we have Rainmaking studios, which basically builds startups with corporates – if you know about The Hub that’s a result of [collaboration] between Danske Bank and the Rainmaking Studio. So that’s one of the things that we’ve built in rainmaking studios. Then we have startup bootcamp, which is one of the world’s largest accelerator programs, also for startups. And then the final leg is what we call the Rainmaking Loft. And Rainmaking Loft is the coworking spaces that we initially launched in London, then in Berlin and then in Copenhagen. Then later we parted ways with the Berlin office and then we closed down the London office by the end of last year, and now we only have coworking spaces in Copenhagen. So, we have four spaces here. We have this one – which is now called Talent Garden Rainmaking – and then we have the Camp which is a coworking space with Tryg in Ballerup outside of Copenhagen. Then we have one which is called the Copenhagen Fintech lab with Finansforbundet and Copenhagen Fintech and the final one we just opened in March this year is Pier47, so that’s our space as well. And that’s in collaboration with ATP – a Danish pension fund. So that’s the four spaces that we have and in the beginning of this year we announced that we had been partly acquired by Talent Garden which is the Italian chain of coworking spaces that acquired basically half of the rainmaking loft business area. So, they bought half of the coworking spaces that we have actively running right now. And that’s why we – the flagship of coworking spaces here – changed out name to Talent Garden Rainmaking. The other three coworking spaces maintain their name because those are also with other partners.

**Okay, cool. So, you’re the manager of this space, you don’t actively deal with the other spaces, right?**

No.

**So, let’s just focus on this space then. Your target customer are growing startups, entrepreneurs, right?**

Yes, we call them scalable tech startups. We don’t necessarily care how mature they are as a startup as long as they’re a scalable tech startup. But that’s a very broad term, right. Sometimes we are flexible in terms of startups, sometimes we are flexible in terms of tech and also embrace digital. And



sometimes we are also flexible on the scalability part. But we try to keep them at least within the three lanes – scalable, tech and startup.

**So, to get to work here you need to apply and be approved according to those parameters?**

No, I wouldn't say "approved", because first of all, everyone who is interested in sitting here we invite out here, we give them a tour, and establish whether we are dealing with a startup? And tech startup? And if they're not – if it's like way in another lane – then we'll have to say sorry, but there's another coworking space for your area. And we have to stick to the tech startup here. But we don't sort through the applicants, because you don't apply to sit here. We basically invite everybody in as long as they're just a tech startup and they're nice people.

**So, you do the evaluation on individual basis?**

Yeah.

**Do you see the coworking space market in Copenhagen as competitive? Do you compete with, say, the Founder's house?**

We do obviously have competition, because there are only that many tech startups in Copenhagen and in the Nordics that are interested in sitting here. But I think right now, we are not in a that hardcore of a competition. We tend to perceive ourselves and Founder's House more like frenemies, more like complements of each other, because we tend to experience that Founder's House are super good when it comes to attracting the very young crowd – the very startups-startups. The very fresh, out of university startups. Lots of energy, young vibes, all of that. And we tend to attract the more mature audience – so people that have been out, doing the career race and all of that, and now they have an idea that they want to pursue. So, I feel like we're catering to two different groups. Although they're both tech startups, so it's the same target groups. But we attract different types of people and different communities. And then we build communities on top of that as well. So yes, we're in competition because we cater to the same group, but I feel like we're sort-of managed to attract different [sub] groups within the same group. Which is nice, because it makes room for all of us.

**So, it's not that competitive in that sense?**

Yes.

**Customer retention – the focus of this thesis – is that a problem for you?**

It is startups that we are dealing with, which gives it an added excitement, I would say. Because obviously we can't force people to stay or to sit here. And if they run out of money, they run out of money. And that's just how it is, and that's the life of startups. We can try to do as much as possible while they're here to help them not move out. Both on the community side, but also on the business side. It is important to mention that we don't interfere with the startups whatsoever – when they sit here, we can facilitate networking and all of that, both internally and externally, but we don't interfere whatsoever with their businesses. So, what we can do is help them in the best way possible with what we can do and the network that we have, but if they run out of money or if they want to explore a different vibe or go back home to their basement, or expand their team, there's nothing we can do about it.

**It's that exploring part that I'm interested in. So, let's say if they run out of money there's nothing they can do, there's nothing they can do. But would you say that this "exploring" - startups leaving to explore other options – is that something that happens with you?**

It's not something that we have experienced a lot of. We have actually been the, I would say the last visit in a series of exploration purposes (CR).

**Aha, so people jump from other places to you?**

So, they have been to other places, and then they find us, and they want to sit here (CR).

**So, you're like the top of the food chain?**

I guess, I hope so. I certainly hope so. But I'm sure that there are people that sit here and then sit at the other places and then it's the opposite story. But from what I hear from the people that join us after having joined one of the other coworking spaces that they like us the best. Of course, I have to say that, but...

**Okay, it seems that customer retention is not a problem for you from this "exploration" perspective for you.**

No, not from the exploration perspective (CR).

**Okay. So that's really good, as now we can see what you guys do right and what the other places don't.**

We must be doing something right, but it's not like we always know what it is that we're doing right.

**Alright. Let's talk about how you approach customer satisfaction. You say that people consider you better than competition – as subjective as that may be on your part – what do you think is what makes people think that you're better?**

I believe it's a series of things. We have, due to the whole rainmaking story throughout the past 11 years, we have a huge network of funding, mentors, coaches, skills in general, knowledge, all of that. We have it both internally and externally. And then I think we've had some great success, in the past two years at least, in engaging the residents that we have here, or the members, or call them what you want, engaging them to help each other by sort-of using our internal, our in-house know-how instead of bringing in sources from the outside (E, S3). And that has both sparked engagement between the members here (S3), but we also managed to sort-of portray that outwards. I think that's one of the things that we do really really good. Also, I know that our interior, which is just as practical as the furniture we pick, the insanely expensive design furniture that we were sort-of born with, are still with us, and that's one of the first things that the people say when they enter. Of course, the charm of the building, but also like "wow, your taste in furniture, it looks so nice, I want to invite people over, I wouldn't be embarrassed if I had a business meeting here" (S2). Whereas in some of the other spaces, they have a different interior, which is also super-cool, but we've had people come here and say "I was embarrassed bringing my business-something, my funding, or my VC Angel to the meeting room" because the chairs weren't the same, and the desk wasn't clean or something like that. But they're very basic things, but it gives people a lot of both pride in the house where they're at, and also in the community. That makes them take better care of stuff. So, I think it's a bit of all over – the network, the facilities, all of that. And then of course the community.

**Yeah, it's those basic things that I'm actually focus on. How do you manage the community? Or how do you make the members interact among each other? How do you make, or encourage, members to help other members?**

I think it's a very big question, you could write a whole thesis about managing a community. What I do is that I try to get to know people as best as possible. There will always be people that are more

introverted, and not that outgoing, and those are just very hard for me to get to know. But the people that are open and that are embracing the whole community, those I'll try to get to know as best as possible. And by getting to know them I also learn what are their needs, what are their wishes, where are they, where are they going, like that, so I can better match them with likeminded people in the house. It's very much like "how was your weekend" or "how was your birthday last week with your auntie" and "how's your vacation, where are you going – oh that sounds nice", "what did you cook last night" – all of those things, just by getting to know them, and then they start opening up (S1). And when they start opening up, that's when I can start pairing them across the house. Say, okay, so you're entering the German market – funny you should say that, because just below you there's a guy who just did that or is just about to do that, so maybe you two should just have a coffee. So that's how I connect people, internally at least (E, S1, S3).

**I see. It's a very manual work then, in that sense. Do you keep a file on each member?**

No.

**No? So, it's all in your head?**

So, we're not that data driven whatsoever. Talent garden is very data driven so they will at some point ask us to start creating data on all of what is in my head. But right now, it's in my head and I share it with the team, of course. Not all of it, because that would take a hell of a lot of time, but I tend to share it with the team. But for the most part it's in my head.

**Do you have an onboarding procedure for the new members?**

Yeah, so when new members approach us we give them a tour. So, when they come on their first day, they've already seen the house. So, we show them to their seat or to their team room, we give them a welcome package – which is a welcome guide that says something about the house, all the practicalities, this is their Wi-Fi code, here you can print, this is how the café works, all of that. Then there are some house rules, not anything super-religious, just like keep your desk clear and remember to put your stuff in the dishwasher. Then there's some contact details on the team so they can always reach out to us. And then we give them a book, which is typically a book written by one of our founders – it's called "winning without losing" and it's basically a book about being in a startup while maintaining a balance in life. So, we give them a copy of that. Then we give them a key to the team room, if they are in a team room, and an access card to the door. Then I invite them for a tour of the house, but not to see the house but to meet the other teams. So, all new teams I invited to join me on a tour – I think we do that once every second month because we don't want to disturb too much – it's about three teams and we take them to all team rooms. Then we go knock on the doors and say "hey, we have some new residents that would like to hear what you're doing and explain what they're doing" and then we take five minutes introducing the two to each other, and then we go to another room. And that's basically the onboarding process. And then of course tell them "please reach out if you have any questions, the café can help you, here's a booking app, here's slack etc." (S1, S2, E).

**And then they'll go and start working?**

Yeah, yeah.

**Cool, thanks for covering that in such detail. One more thing, let's finish up the interactions with the members. You say that there is a lot of manual going, talking, following up, remembering on your part. Do you keep an email newsletter to the members, something like that too?**

We do have a newsletter email that goes out to both residents, but also the people that are just signed up to the newsletter, but I don't manage that (S2). We have Johan, who is our head of communications, he is managing that. My contribution to that newsletter is basically upcoming workshops, parties, events and so on that the residents would want to know about. Yeah.

**Alright. And then, the third point – the events that you host – what kind of different types of events do you have?**

Good question, because we just had a workshop on Tuesday, covering basically what we want to do with the community for this coming season.

**That's so cool, that's exactly what I'm interested in.**

There you go. Up until now, so from this point last year, we have had a monthly breakfast – so every first Wednesday of the month is a breakfast. Then we have four quarterly tech & tonics, which is basically our take on the open Friday bar for the ecosystem and the house. Then we have two semi-annual tour de chambre parties. Then we have a Christmas party and a summer party. And on top of that, we did something we called “startup toolbox”. We basically identified the most common hot topics within startup. And then we converted them into workshops. That was anything from UI streamed translation, to this is how you optimize inbound sales, this is how you prepare for funding, this is how revolut did their journey without investing in marketing and so on. So, we took these topics and did workshops on them, we did morning workshops, and those were very very popular, but it tended to lose a bit of momentum towards spring-summer. And then we did something called CEO lunch and CTO lunch. So, we basically invited all the CEOs and founders of the house so that they could sit together and network. We did the same with tech interests of the house. And we had every month. But those also, we had some teams moving out that were very strong in the participation of these two, and they moved out so all of a sudden also the momentum went out. So now, on Monday we decided to do some new things and start some new initiatives. We're sticking with breakfast and tech & tonic and parties and all that. But we want to do more Friday bars, also improvised Friday bars, Ping-Pong tournaments what do I know... last year we also had a majorly successful counterstrike tournament that was like the scoop of the year – it was insane, it was so good. And we did a huge GDPR workshop. So those we will bring back. But then we'll also do – and you're the first one to hear this actually, because it's not set in stone yet – but we want to do an exclusive breakfast networking club (S3, E).

**Club?**

Club, so to say. We're working on some partnerships with breakfast restaurants in Copenhagen, preferably in this area, and then we'll pick out 20 founders or interesting profiles from all our houses and invite them to a breakfast at X restaurant for 1.5-hours for networking, for sit-down, for basically getting to know each other and sharing knowledge. And we'll do that four times per year. And then we'll do something else, I hope, which is called entrepreneurs in residence. So, we'll pick out six entrepreneurs in this house that have excessive skills or knowledge and expertise within a certain field. Then we'll give them an incentive – say, free coffee at the café, something simple, not monetary – and then we'll profile and promote them on the website so that residents here know who to go to for a half-year term if they want to know more about sales. Or funding. Or entrepreneurship in general, or whatever else. And then these entrepreneurs in residence will be picked for a term of six months (S3, E).

**For free coffee?**

Free coffee, yeah yeah, but the idea is that they want to do it for the community. They don't want to do it for money, or for coffee. They want to do it to help and to contribute, so that's the whole idea behind it.

**Because they're already working here, right?**

Because they're already working here, yes, and they might also see a point in visiting one of these entrepreneurs in residence when they have a need at some point. So, it's something like by the community for the community, but of course we need to give them an incentive for the time that they put in. Basically, we ask them for only one coach session, maybe a follow-up meeting, but they're not required to put in any more. And then for the final thing, we will do some workshops – like the startup toolbox that I told you about before – but we'll do it theme based. We'll take one company – say Labster, which is one of our biggest companies – and then we'll say okay, how did Labster succeed with sales? And then make that our theme. And then whoever wants to join that workshop, joins. We'll put breakfast on the table and lunch on the table, or whatever, and then it's like a combined lunch/workshop/I-get-to-go-away-with-something-good (S3, E).

**So, you're leveraging the internal resources even more through that?**

Yeah.

**That's a really comprehensive event description, super. Thanks a lot. Now something that I should have started with, but I didn't, which is “who are you as an organization”, the focus of the thesis. Do you have organizational values – mission, vision, that kind of stuff?**

We have... this is not something that we have from Talent Garden yet, but we do have it from Rainmaking... we do have some culture from the rainmaking side of it. I think they launched a culture book a year ago, or something like that, where they clearly stated: “this is our mission, this is our vision, this is what we believe in, this is our culture, this is how we want to build rainmaking”. It was super-super cool, and we felt the culture already, but it was nice to have it come in a document saying, “this is really what we believe in”. I don't remember all of the vision statements, but one of them is “be impactful” and “be entrepreneurial”. And then we have a strong culture in terms of the organization as a total – we have a very flat structure, so we are in the same room as the partners and the directors and all of that. There's a complete flat structure, anybody can come with suggestions, ideas or whatever. Also, when it comes to recruitment, people tend to shift around within the organization – move from Miami to Singapore to Copenhagen – so we try to recruit internally. And one of the things that I really really highly value about the culture is that especially because of the flat structures, we really tend to care for each other. And everybody is just so nice with each other. And we really embrace people's differences and different backgrounds, nationalities, all of that. But we're also very well-behaved towards each other. So, from the partner to the barista, or from the manager of a program in Singapore to me as a community manager here in Copenhagen, it's basically that we're all on the same level.

**There's basically this mutual respect for each other.**

Exactly. And that's what I really really like. And then the whole idea about being entrepreneurial – “be impactful” – so think that into everything you do in your daily life. Sometimes it's better to just ask for forgiveness rather than permission.

**In very basic terms – who are you as an organization? It's a big question, I know, but what would you say is the essence of Talent Garden Rainmaking loft?**

That's a really big question. I don't know what we are... We are just the best coworking space, god damn it.

**Alright, but what sets you apart from other coworking spaces in Copenhagen?**

100% the culture, and the community, and the people here. We can take the people here and put them into any space and it would still be just as awesome, because I really believe that the combination of people, the versatility in general is just unique.

**And also, probably the network that you've set up?**

And 100% also the network between the 4 locations here that we're trying to engage even more in the coming season. But that is 100% also a plus, and that is also who we are – one strong community not just here, but throughout all 4 spaces.

**Have your values, has any of that changed, or have they been the same from the beginning?**

Mine personally, or the house?

**Rainmaking, this loft let's say.**

No, I think they've been the same.

**The entrepreneurial focus and all of that?**

I think that's been the same from the beginning. I've only been here for two years, and we've been here for three and a half. I do believe that it's been here from the start, but I believe that we have achieved to manifest it even more during the past two plus years. Because it was a very new house, and it's difficult to start a new house. You have to build a culture, but you don't really build it – you have to have it happening. It just happened with the people who are here.

**That's a super-complex thing.**

It is a super-complex thing, and you can't force people to behave in a certain way or think in a certain way. You just have to be the front runner and then hope for people to follow. And then it has to happen organically. I think we've been better at embracing the culture, embracing the community... but by focusing by what we already have internally. By promoting our own residents, by using them, by helping them help each other, all of that. So, we've really empowered the force of the internal community over the past two years. That's definitely added to the whole "impactful" culture, entrepreneurial culture, that we have in our genes.

**Nice. I think that's it for the interview. We really covered a lot, I have a lot of transcribing to do. The values and everything. Okay, one last thing – do you refer to you and your members as "we".**

Yeah.

**It's like "we" – the rainmaking loft, the organization and the members?**

It depends on who I'm speaking with. I'd say, because, right now I would explain them as our residents, or as our members. But when I'm out promoting us, or presenting us or representing us, then it's 100% we. And also, when I talk to my peers, it's also "we". Most of these people are my friends, because I know them so well, so it's definitely "we".

## **Talent Garden Rainmaking - Andrei**

**I covered most of what I was interested in with Cirkeline, or at least I went through the checklist that I had.**

Yeah, she's our community manager, so she has the overview of the residents. How to glue the residents together in a community – that's very important for a coworking space. And most coworking spaces will focus on the space, rather than on the community, and events. Like an innovation program, like the one around here [in Pier47], or something for the startups. So, it's like these three verticals which are very important for bringing together.

**So, the space...?**

The space, the community building, and then doing something content related for them – both social events and commercial events. For instance, in Pier47, we want to focus on an innovation program for the residents. That's bringing in experts and showcasing the latest in technology, in trends, in all sorts of aspects like this – for the residents to have access to that. And then of course they get the chance to network at these events. So, there is this interest in coworking spaces for pursuing this. Some of them – they rely more on one. For instance, space. For example, we have a great super-stylish space, amazing grand building. And then they focus less on events, or the community. I'm currently doing an analysis on what's out there, and you get the impression that some coworking spaces – they focus a lot on an innovation program, and less on the space. It also depends on what the residents want, because some of them will be more interested in events and less in how the space itself looks like. So, it very much depends.

**So, you're actually researching Copenhagen's coworking spaces?**

Yes, to learn more about what they focus on.

**All of them, or just the big ones?**

Mostly the bigger ones, yes. Because we have anything from large buildings – like ours – to apartment-style coworking spaces where they have a big apartment, 200sqm, and they have 20 desks or so. Pretty small.

**This one is like a Titanic compared to them, yeah.**

Even compared to the loft – it's a very modern building. You totally isolate yourself here, even from the weather. I've spent a whole day here, and you have no idea that there is a heat wave outside. On the other hand, the loft is more of an old building, so it already has a certain culture to it. So far, we are of course focusing here on building culture. So that's something that doesn't come very easily. You have to allow time for that to happen, to settle the routines in place. By routines I mean everything from how you do onboard residents – which is very important because that's the first impression that they get here (**S2**). They will have questions, and you need to be prepared to answer and to make sure that you're on top of everything when those questions start popping up. Or how they register for lunch, and how they register for events, and parking and cleaning and everything. So, the experience matters a lot, so that they don't have to worry about anything (**S2**). Like 'hey, we don't have tea in the kitchen' or 'we are out of coffee' or 'the toilets are not clean' – you don't want them to worry about that. You want them to focus on their work, and then to provide them with the best experience (**S2**). It's like when you go to a hotel or something - you just want to feel good. So that's very important and we focus a lot at Rainmaking on that.

**So – answering all of the questions, making sure they have this complete experience.**

That's very important to offer. And of course, there is also a degree of stakeholder engagement – what do they want? What kind of events do they want? And it goes from the very lowest to the very highest. You want to engage them in what kind of food they would like served in the café, or what kind of events they would like here, what sort of content should we create (S2). We focus a lot on content here at Pier47, because you want to bring the latest in trends, technology, concept and so on so that they can benefit (S3). With events it also very much depends – we've seen that in our experience – it is a mistake to consider the event a success if we get everyone to attend. Because most of the time it won't be the case. You do an event and you think that okay – all of the residents will attend, we will have 100 – but then it is very unlikely that that will be the case. Because not everyone will be interested in that topic, and then some others will have really pressing deadlines and so on, so I think that the KPI is that you should get the ones that are really interested to attend. And if you get 10, it's still good enough, because those 10 were really interested in attending.

**So, your job is kind-of designing all of this customer experience?**

Yes, I was working on that until very recently. Now it's passed onto someone else, so I was working on creating processes, but also on other things. That's very typical of Rainmaking – we all have different caps on our heads. So, we focus on many things at once. We work very much like startups – wherever the need is, we attend to that. And now we have started to focus more on delimited tasks. So, in the beginning, I was focusing on processes – a bit of community building and all – but then we all had a share in the community building. And then the event part.

**Okay, and now your project manager, so now you focus on Pier47?**

Now I focus on the Pier, yes. I'm building up the community here, together with my colleagues of course. But I'm transitioning to something else in the company, but so far, I'm still involved in Pier47.

**The processes you said, say for the community and so... You have onboarding, what other processes do you have that relate to member management?**

For instance, another process can be the lunch experience – making sure the members get their lunch and that they have access to that. They need to register themselves, so what we do is we create them an account on our provider, and then they have to manage themselves. And then we need to make sure that they have registered, and that the food is delivered at 12 o'clock. Another process could be the cleaning of the facilities – when you have an event for instance, we need to make sure that we book cleaning for that. Then the event will take place, it's going to be cleaned before, during, and after the event. Another process can be the outboarding – we also need to make sure that they get properly out boarded, that they get all their stuff, they get removed from the system, the deposit they paid us gets returned, and all that. Then another process would be the social events – creating the Friday bar with a little bit of content, or creating a Ping-Pong tournament for them, or wine tasting. So that's something else to bring them together. Community lunch – we used to have that every Wednesday, we were mingling for lunch. That means that you were coming for lunch, and you were invited to sit with someone else from a different team – not with your fellow colleagues, who you'd usually sit with. You'd also have a little content on that – we invited a member from each team to say who they are, and what challenges they have at the moment, and whether there is someone at the community here that could help them with that challenge (S3). So that was another thing.

**So, processes are like the building blocks that make up the functioning of the space?**



I feel like at the coworking space it is important to invite the residents to open up. Otherwise it's pretty easy [for them] to fall solely on your work, to concentrate solely on their work, and then forget about the others. Or 'is there someone here who can help me?' or 'can we do a collaboration with the company A that sits over there?'. So, you kind-of always need to 'hey, remember, that they are still here, so if you have a challenge or if you have something to contribute, just shout it out, because maybe there is someone who could support you with that.' It's important in a coworking space to make sure that you facilitate that interaction [between the members] and always make sure that you give them the tools to collaborate (S1). Because otherwise they might find it a little bit difficult to engage on their own, because it is always easy to be caught up in your work. Everyone has a lot of stuff to do.

**So, you need to actively manage them.**

Yeah.

**Tell me about Pier47 – what makes it different from all the other coworking spaces in Copenhagen?**

I think it's the combination that we want to apply here – a lot of everything. Like I was saying earlier, we want to create a very comfortable, inspiring, and beautiful physical space. Through furniture, materials, through general experience that you have by working here (S2). So, we focus a lot on that as well.

**The interior?**

The interior, yes. And then we focus a lot on the innovation program, which is still in progress, in construction. So, we tested out a few events, and now we have a new innovation program manager that's looking into creating events for the innovation program (S3). So, we want to have a lot of that as well. And then focusing on the community – making sure we have a well-functioning and tight community. So, we want to focus a lot on all three verticals. Not on only one, or kind-of focus more on vertical C and then less on vertical A. So, we want to divide everything among three of them. So that's something that we're focusing on a lot. And we hope to gain an advantage by focusing on all three at once.

**You don't think that it's going to be too big here, to a kind-of a coherent community here? The space is not as cozy as Talent Garden Rainmaking, for example.**

But that's different, but then on the other hand it also depends on the target group. We want to focus a lot on the corporates, for instance. Of course, rainmaking loft has similar furniture, for example, but I think that a meeting room like this resonates better with the corporative crowd, which can be a little bit more conservative, as they are used to a different level of style, let's say, compared to entrepreneurs who can be a little bit funkier and stuff. But definitely it's a challenge – if you get 400 residents as we plan to get here, definitely it can be a challenge. Because the bigger the community, the more difficult it is to integrate. But then I think that it's also important to maybe separate them [based] on different interests – so, for instance, you have the IT-guys and then you create something for them. Or you have the marketing guys, or the sales guys. So, you can also divide them in clusters. So that can also be a good option. And then, of course, creating community building through social events. Whenever we create social events, we want to focus on delivering some content as well – not only like 'hey, we meet up for a beer' and that's it, everyone networks ad-hoc. You'll want to also create something around that – you create a Friday bar and 'hey, we have a speaker' or 'someone says a few things about something there'. And it's like, yeah, adding a bit more than that (S3).

**Okay. So, in your research of the Copenhagen’s coworking spaces, is there something, is there a space that you think Rainmaking could learn from?**

I think from every coworking space we have something to learn. I’m looking there, and I see so many coworking spaces doing a good job when it comes to creating a culture of their own. I think, for instance, you have many coworking spaces that really decorated their spaces very well, with all sorts of art pieces and furniture and stuff, and I feel like that really also helps in creating a community. You come to a space that you very much like, and you see all these decorations, and all these nice messages and objects and stuff, and you get a feeling of belongingness. Like ‘hey, I can resonate with that message, or I can resonate with that object’ or something (S2). So, I think that’s something we need to still add at Pier47. Of course, we only started here, but we want to focus on decorating the space a bit more. Because so far, we have the furniture and the stuff, and plants and so on, but we still need to add the decorative part. Like a wall with messages, or with everyone’s photograph – like that. So, you create a more humane face to it. So that is something that we still need to add in here.

**Break up the corporate façade a little bit.**

Yeah, like put a little more color into it.

**What’s a coworking space that you think that does this belongingness particularly well?**

I think, for instance, Dare2Mansion, also Founder’s house. They have a really cool culture, and also a great environment. So, I think those are definitely two coworking spaces that have really nice, funky environments there.

**Do you think that these environments come at a cost? In Talent Garden Rainmaking, the interior is completely different from Founder’s house, for example.**

I think it depends, because you have different segments. It’s the same as in every industry. You can have person A that likes that, and a person B that likes something different. For instance, in my case, I feel like when I go to a hotel, I would go for something more stylish and for something less boutique, kind-of. So, it really depends on who you are as a person and as a startup. So, your personal traits, I think they kick in a lot when you’re choosing a style of what you like in a coworking space. I think that very much depends. And also, there is that probably – this concept that – as entrepreneurs, as early-stage startups they like more groovy, funky environments. But that’s not the case completely. I think you’re going to get startups that like a different style – more expensive furniture and stuff, not that much funkiness. Perhaps it’s not liked the only thing – it also depends on the space, what you create for them is important. The community that you create for them. At the camp – also a part of Rainmaking – we have the community breakfast – something similar to a community lunch. On the first Wednesday of every month they eat together in a cozy environment, and then they have a few announcements that some of the residents, or some people from the outside, are invited to show. And also, of you have many startups, many entrepreneurs, early-stage in particular, it’s important to have some investors around, or people with advice for legal, taxation, stuff like that, to support them. To bring the experts to the doorstep so they don’t have to bother with that themselves. The network is another important factor – you get the coworking space like we are in Rainmaking, for instance, and we have access to other coworking spaces as well, we have access to a big network, we have the startup bootcamp program, we have Rainmaking Innovation – corporate innovation consultancy, and then we can tap into their network. For instance, when I’m doing an event for Pier47, I can call a colleague from innovation and say ‘hey, I’m really looking for a speaker from this company, do you perhaps have a contact there that I can reach out to and send an invitation?’ – that really helps a lot, to

have this network, because it is important to bring in the speakers. And if you don't have the network, it's pretty hard to invite them to speak at your event. So that's important as well.

**You're not facing any customer retention problems? As in people leaving your space for another space.**

That doesn't happen a lot. We've had some migration between us, in the family. Because we also run the Fintech Lab, the Camp. When we opened this [Pier47] we had some startups that moved in here, because they thought 'well okay, it's maybe a better option for us' or something. So, we had that. But no, doesn't happen (CR). I'm not sure exactly why... probably because also you get used to the space, you like it, it's like that.

**If everything works, then why...**

Yeah, why move? It's like you move from one apartment in which you feel like super-fine. There's no need to do it.

**The coworking spaces seem to be split between spaces that focus on companies – like you – startups, and you have no trouble retaining them. And then there's the other crowd that focuses on freelancers – more individually employed people. From those, I've checked online and it seems that quite a few places have closed down recently.**

Yes, if you focus only on one-man armies, like freelancers... the power comes with the pack, kind-of. You have a big company, you have a big startup, it is in our case for instance at Pier47 that we focus on scale-ups – startups that are later-stage. So, they also have a better financial stability than [freelancers]. So, there is less insecurity than there is with super-super early stage or freelancers. With freelancers, if you don't have a project or you need to relocate to a new location, you might as well cancel your subscription. It's more volatile. On the other hand, with later-stage [startups] and corporates, there is more security, as they are more mature companies.

**So, your kind-of have that covered.**

That's an important part, of course.

**The Camp is a joint Venture with Tryg. So, you own it 50/50, or how does that work? Or do they work from the camp?**

Not sure what's the percentage, but the idea with Tryg and the camp is that Tryg created a coworking space in their HQ and they invited up to 300 entrepreneurs to work from there. So, it was like venturing into the unknown. And that happens with innovation programs – you feel like you create innovation, but you have no idea how it's going to end up. And they started with creating this space, and inviting the entrepreneurs, and now from what I know they focus more on how to create collaborations between Tryg and some of the entrepreneurs that work there. So also, they wanted to reshape their culture big, by creating something that's really cool and for their employees to interact more and attend events that happen there. So, I think that was the plan.

**They basically opened up their headquarters.**

Yeah, opening up and kind-of showing – also you show to the world that 'look, we focus on innovation, we focus on new aspects of business, so we created this totally different project'. And also, you want to shape up your culture a bit, and get some interactions between the residents in the camp and the employees at Tryg. I've actually been a part of Tryg for a couple of months, working with events and creating the tech-talks. So that was like a series of small events, like 2 hours, and the

focus was to showcase the very latest advancements in technology, and how companies – both large and small – work with those new technologies, new trends in technology, to do their business (S3). And the plan was to invite someone from a startup, someone from a corporation, and sometimes someone from the academic environment. But we were focusing mostly on the startups and the corporate. So, the plan was to like showcase that for both residents, for Tryg employees, and we also opened up for people from the outside to come and visit. It really was a nice concept in the end. And I think that they are still doing it.

**So, you, you looked at the coworking spaces in Copenhagen. Is there something that others are doing but you are not? Or is there something that you are doing, but the others are not? From say community management perspective?**

It's pretty difficult, because the information that you get access to, it's only what you find online and what is on the sites. I don't go out to the spaces, it's only what I can find online and stuff. And that's very limited, because it's only what they publish, only what they show on social media and stuff, apart from that it's pretty difficult to...

**So, nothing really?**

Like I said they focus on the community, they say that they focus on the space, and the event part. But then you of course get an impression, an understanding, about how much they actually focus on community. For example, when they have been doing a lot of events, when there are many photos... But apart from that it's quite unknown exactly to see what processes they have.

**You never thought about going there?**

No, because I think that wouldn't be... it would be too much... so we also want to be ethical about this. And also, the location is very important. Especially in Copenhagen for Copenhageners, I think it's very important. The closer to the city Centre, the better. So even here, at Pier47, a challenge for us is the location for some of our prospective residents. We are doing tours with some companies, and they feel like it's a bit far out from Copenhagen, from city center. And at the camp, where I was working at, the location was a major barrier in there. And they feel like it's at the end of the universe. We tried for instance to make it as easy as possible – we created a 5-page PDF with all the transportation possibilities there. How can you get there by train, by car, by bike, the cost, timetables of all that? So, we had that printed out for the residents, and also, we had some part of it on the website. We wanted to make it as easy as possible – hey, you want to come to the camp, here it is. So, it's not that complicated. Again, we tried to be as helpful as possible. But that's only the tip, because it would still be considered far for some people. Even if you have that PDF with all the helpful information.

**Who would then choose Ballerup, as opposed to working from the city center?**

It depends, again. If it's too much of an inconvenience – the location is far out, but they have a really cool space. The space itself, and then if you run a nice program, or if some other companies are already located there. Say I go over a list of residents and I see that they have companies A, B and C. 'Wow, I think, it would be really cool to work closer to those guys'. I could talk to them, I could engage them in a collaboration, I could invite them for lunch. So, another important aspect is who else is in the coworking space. That also can be another retention factor – like, I don't want to leave this, because I have so many cool companies, and so many cool people around here. So that's another aspect. It's the same as with doing events, for instance. When I'm doing events, the most difficult part is breaking the ice – inviting the first speakers and the first attendees. You send an invitation to a

speaker and then he or she will say ‘who else is speaking’? And if I have this fantastic lineup of speakers, they say ‘yeah, that’s cool, I think I can join’. If you say ‘hey, we don’t have anyone, or we have people who are not very famous’ then it makes that a bit more difficult. So that’s another important aspect – who do you have in the coworking space. You have some cool companies, and cool companies can also attract and hopefully retain other cool companies. So, I think that’s also another important step.

**That’s especially the case in Fintech Lab, right? I was there yesterday, and Oliver said that it’s literally just the best space in Copenhagen for a fintech company to be. So, you don’t even need to compete.**

And they run so many cool projects there and stuff. And also, I mean we – we did this nice project – we created a beer for the entrepreneurs. With Nørrebro bryghus if you know them. So, it was like to create 6 labels with different messages for the entrepreneurs. So, we had a label with the VC, a label with the corporate, with the founder, with the developer. So, we wanted to celebrate entrepreneurship – and when we had some Friday bars, we said ‘have a drink, you deserve it, cheers for the startup ecosystem’. I think that these kinds of projects bring some color. It’s not like ‘wow, I’ll remember it for the whole year’ but for the moments it’s pretty cool (S2).

**The small touches.**

Exactly – it’s a part of the puzzle, part of the culture that you focus on creating.

### **REBEL Workspace - Finn**

So, the way I see it, coworking historically was a partly a cost-saving measure or for networking... or a way for companies to create a network. And mainly for startups. And obviously coworking has developed since then. You still have some of the cost-savings, but it is becoming a way to be able to focus on your business, provide the optimal space for yourself, for your customers, for your partners. But, the network is still most important. In terms of directions I think you’re right – you still have your startup environment where it’s more of a cost-saving exercise, and then you have another direction where you want your company to actually be there. We have 2-man companies here, but we also have larger companies with 15-16 employees who came from their own space and decided that they don’t want the hassle of running their own space. They want to be in a community where there are other people, because they want to build their network, they want to get access to other companies in the same or different industries. And we are in that latter category – we have startups that are funded and have a... So, I’d say it’s a mature environment with companies that have a track record. So that’s the avenue that we’re taking. Also, the [average] age of the coworker is increasing – if you look at the data, you’ll see that the average age of the coworker back in 16-17 was about 33-34, and recent studies say that the coworker is now about 37 years of age. So coworking as a concept is becoming more acceptable in the workspace. It’s no longer seen as an interim solution for your startup where you develop your company or concept until you have a size where you move into your own space, or whatever it is. It’s actually become a viable alternative to your own office. So, we’re seeing companies moving in the different direction on the value chain. Instead of us being the starting point – we are actually the end point for the companies coming from their own space that want to be able to focus on their business and not worry about the space, the amenities that they provide to their staff. So coworking has changed a lot. Then you have all the different incubators...

**Accelerators?**

Yes, where you have investors... that are not actually about the space but about the companies that they have in the space, and that they invest in. In those cases, the space is a very marginal part of the bigger picture. That is also where we would like to be at some point.

**Yeah?**

I think it would be very interesting to not only provide the space, but to also provide the knowledge assistance to the companies who are in your space. But coworking as a concept – I see it maturing, and I see it becoming much more of a choice rather than a necessity – for startup, for example.

**So that's where you see the industry moving in general. Okay. Tell me a bit about REBEL – how did you guys start?**

We opened the doors November last year, so we're 10 months into our first year. So, we all have a background in space and interior. We're three partners, and in our previous careers, we all had a focus on how the space can influence companies – values, culture, behavior. We can move companies and people in a certain direction just by providing a space that supports what people in companies want to achieve. So that's our background. Two of us are designers and I've been doing corporate interiors for the last 20 years. I've had these discussions with global companies – F500 companies – about how space can become a strategic tool not only to support, but maybe even enhance implementation. And my idea in starting this was to offer this knowledge, if you'd like, and this environment and this way of providing the space, understanding space, researching space, to companies that are with lesser budgets and different in size. So that's why we started this – to use our knowledge to make this available to small companies.

**The knowledge you took from F500.**

Yeah.

**Interesting. Can you tell me about this design philosophy? How exactly does this work – the influence of the space?**

Well, it's all about nudging. It's about, to me, it's about creating a space that, first of all allows people to work in different constellations. We are all talking about that people should be working in different constellations, but if your premises don't allow for that, that's bad already. But they should also be enticing and stimulating you to work in different constellations. So very basically, it's about providing the choices that allow people to work in different constellations. It's about providing the technology – democratically, if you'd like – access to technology throughout the building that allows people to move freely and work freely, however they like. It's about giving control back to the employees, so that they have a choice over how they want to work (S2).

**By technology you mean furniture? Connections? Basically, a place where you take your laptop – you sit down, and then you make sure that there's as many places as possible?**

The physical space, but also that the solutions that are then provided, that they're also equipped with technology that allows you to do your work. When you look at many offices, or coworking spaces today, they all look very inviting, but they may not be the best workspaces. Because all they actually allow for is for you to sit down with a laptop, and that doesn't necessarily entice you to be working in different constellations with different people. It just promotes or motivates you to work in a different setting. But to really work, you need space to work with different people, you need to work together on projects, strategies and whatever. And that is not solved just by adding a work setting somewhere where you still can only sit with your laptop (S2).

**So, what more is needed?**

Well, it's about providing access to shared technology wherever you are – but in different settings than just your meeting room, or just your work station.

**Right. Could you make an example of that?**

For example, the meeting table in our lounge area is still equipped with a sharing screen. Our monitors have touch screens, so that content is easily shared and easily worked on as a team, rather than one person having control over what is shared on the monitor (S2).

**Okay, that makes sense. That's true – in other coworking spaces you don't see this. They usually just put the chair, put the desk, and that's the end of it.**

The integration of technology – that's how we see it. We see space as the fourth or fifth factor. Normally when you talk strategy, you should talk people, process, technology. We see space as an equal part – it should be up there as a strategic tool in addition to the three others. Those are the handles you can turn to make your company more efficient, more innovative. So, people, processes, technology and space – those are the four dials that can be turned. Or we see them as such. We think that the space should be up there with the people and technology.

**Interesting – that's the whole premise upon which you founded this space.**

Yeah. That's very much so.

**And that's also what makes you different from other spaces around town?**

I don't know if that's what makes us different – I'm sure that there are many companies that have thought about what they want their interior to do – but it's definitely what we have focused on. And it's a part of the story that we tell. That everything that is provided here is in with a tone of how we perceive it being used. And when I say perceived, I want to come back to the nudging. Because we don't want to tell people what to do – we want to provide solutions that maybe at first look a little bit different to the users – at least the first or the second time he thinks 'okay, this is different, but I can do it, it looks interesting, I'll try to work or collaborate in a different way'. And hopefully that way we will be able to allow them to work in different constellations. So we don't want to tell the people that 'hey, this meeting room is for innovation and workshops, and another meeting room is for decision-making', but we have tried to take a thin film of design thinking and sort-of placed it on top of our floor plan and said 'okay, if you go through a design thinking process, how could that happen if you look at it from the space perspective?' Does that make sense?

**Kind-of makes sense, yeah.**

So, you're going through the design thinking, and you have the thinking mode, you have a prototype mode, you have decision making and whatever. So, we said – if you are in that mode – what would you like to see? What tools would you like to have available to be in that mode as a team? But again – without making it so obvious – it almost makes me sick when I see those spaces that are so conceptual that 'okay, now I have to be really innovative, because I'm now in the innovation room.' But as soon as I'm out of that room, I forget about innovation because it all happens in there. And that's not what we want to do. We did use design thinking models to develop the space (S2).

**Have you seen a response from the members?**

We see it every day. That people move freely around the space, and we see people every day using the space in a different way than the day before. They are using it, they are commenting on what it did for them. So yeah, we see it every day. Of course, we are also starting to see what works and what doesn't – and that's also a part of our contract, if you'd like, with the users here – that we will keep experimenting, we will keep getting feedback on what works and what doesn't and then we'll change it. Or we'll improve what works, and we will change or dismantle what doesn't work (S2, E).

**Very lean in that sense, agile.**

We're not there yet, because we're new. But I'm thinking that within our first year, we need to make some major changes to our space. Just based on the learnings that we've gained. So that the users here also see that we're following up on our part of the commitment that we will evaluate what works and keep improving the environment for all users (S2).

**Okay. Do you see the market in general as competitive? Coworking spaces in Copenhagen.**

I see it as very competitive. But there's also space – there's enough room for all of us, but it's very competitive. And it will become increasingly competitive. So, I think there's two sides to this story – because there are many [spaces] out there. If you opened a space 5 years ago, you could do pretty much whatever you like, you'd still fill it. That's not like that anymore. Today you have to provide value for money to fill your space. That's #1. #2 is that I don't see us necessarily competing with other coworking spaces. I see our competitors in a different field. I think we should see our competition as being the traditional office locations where companies rent square meters, their own space, with all the services in terms of kitchen and meeting rooms and whatever. That whole area, to me, is changing fast. And coworking is one of the things that is...

**Disrupting?**

Disruption, exactly. The disruption of traditional office business. And that comes back to what I mentioned before – many of our companies here come from traditional office locations. They had their own space before, but a shared service model was more enticing to them than the limitations of having their own space. So yes – the competition is fierce. But I don't necessarily see other spaces as our main competitors. We should be getting our main growth from the companies who currently own office locations somewhere.

**That's interesting – so instead of targeting high-growth tech startups, you're just going for normal companies.**

Yeah, and it's not that we mind startups – we have startups here – but I do believe that the key change that is happening in the market – and that's the overall megatrend to me in coworking – is that the main growth is no longer going to come from startups. The main growth is going to come from established companies looking for a different way of managing a facility. I think there is already, and I think it will be reinforced, a trend that goes away from facility management to people management. So, companies, larger companies, have absolutely no interest in facility management. They have interest in people management. I see a global trend – like now, if you go to U.S. or if you go to London – you will see that the key players in the market are no longer focusing on startups. The key players, in their new locations, they are targeting corporates. So, you have a plug-and-play solution for corporates. I don't know if it's a viable example, but Microsoft placed in Oregon have 2-3 offices in New York. They may have their key New York office space in New Jersey. And they have, or may have, trouble getting their fair share of the new graduates, the best candidates. And telling people to work in New Jersey is a part of the challenge – if you live in the Bronx, or Manhattan, or wherever in downtown New York – telling them to spend an hour of commute each day to go to work – not going



to happen. To that generation of employees. So what corporates are doing today is that they are placing satellites in coworking spaces – say, we have 400 staff and they all live downtown New York. We want to provide safe environment, a well-structured environment, where we still maintain a certain attachment to the main company. And they put them in coworking spaces. And it doesn't matter that these 50 people may be working with 50 different departments in Microsoft – as long as they're together, as long as they have the Microsoft culture, you have all the technology that you need to communicate with your bosses and your peers all over the world. But providing that safe... safety is a big part of it, but also providing the environment that works, that meets the requirements of let's say Microsoft. Because in the past you told the people that they can work from home. Because you told them 'yeah, I know it's a hassle to commute – it's ruins your balance of your life quality - so work from home, two days per week'. Now they are telling people that 'we actually would like you to come in to the office, but tell you what, the office is 10 minutes away, and it's a great space, and there's great coffee, and there's great food – everything what we would like to provide for you.' So that's where the main growth is happening right now. From my understanding.

**So, you're targeting that?**

Yeah.

**Okay. Have you had problems with customer retention? Have you had people coming here, and then leaving for another space?**

I think it is too early for us to say that. We have not had anyone yet leaving from us to a different space (**CR**). We have had people moving from us because they were going to be working in a different, or other, constellations. They merged with another company or partnered with another company. But we haven't had anyone move because they thought 'I like this, but I actually like this other space better'.

**I see, okay. Do you do any community management?**

Again, we are very new, but it is very high on our agenda.

**So, you don't do it yet?**

No, we do. But it's, well, everything with us is a development area. And it is a very important pillar. And we do work hard to develop the community field in the space. Our focus is on creating real value. And in terms of real value – yes, we like to network and have a Friday bar, and we have it – but actually we think that part in many cases will develop by itself (**S3, E, S**). What we would really like to focus on is creating real value to our users. And that means that when you come here, that there's business to be made here. And there are people here who see you as a possible business partner. And so, we try to have a focus on the companies here that they can contribute, and with what they can contribute. And we know, not that we've measured, but we've seen it, that everyone that comes here has in some way or another made business from just being here. And that's the key for us. Step one – that the value of being here is higher than the value of all the fees you're paying for being here. That's number one. Because that's the real value of a coworking space. And then number two – if on top of that you can develop your company through relationships in the network – that's step #2. But #1 is the quantifiable outcome from being in the space, or in the community.

**Are there any techniques you use to manage this interaction between the members? Encourage them?**

We are not very good at that yet. We try to be a facilitator – we provide the platform, but we are not here to tell people how to work. So, we make it known to people who are here, what they do, what

they need, what they're looking for (S1, S). That we allow for, and that's something we need to develop further, but we are not, yet at least, in the pillar three where we are actively partaking in the innovation process. So, our focus right now is pillar one – space, pillar two – community.

**So, you're more working towards the community?**

Community – yes, we're much further than we were. Where we so far are not is in the innovation pillar. And that's not entirely true – because we do have a collaboration with innovation consultancies. So, we have workshops here – both for internal and external users of the space (S3, E, S). One is about providing an innovation platform that the companies can use and the other is providing innovation consultancy. So, we don't do it ourselves, but we provide access to the services that do.

**You have the network.**

Yeah.

**Okay. Do you do anything to make people feel like they belong in the space? In the other spaces, for example, you have a community manager running around talking to everyone and doing really hard work, somehow getting people to feel as if they belong.**

I think the key for us here is that we're all community managers. We're three partners and four in total. So, I think the key for us is the personable connection with all of our users. Stine and I are both partners in this space, we both put our savings into the space, so we are available all the time to everyone here. And we make ourselves seen, heard, for everyone. So, we spend a lot of time talking to people over here. And we spend a lot of time obtaining feedback from our users. So, we're everything here. It would be wrong to say we don't have community managers because that's who we are (S1, S2, E).

**Makes sense. And then for the events you said you have a Friday bar and innovation consulting – anything else events-wise that you do?**

We do a monthly breakfast where companies get to present themselves. They take turns presenting what they do, what kind of help they need and are looking for, what kinds of customers they're looking for, what projects they're working on where they could use assistance. So, we do that on a monthly basis. We motivate people to offer their services, or their knowledge, so we have workshops also. Next we're going to do a row of monthly law workshops, and then maybe another one that would be about graphic design or a web workshop, where members of our house would get an office or a workstation for a couple of hours and then everybody in the house could come to them and say 'look, I'm thinking this and this' or 'I'm doing this and this' or 'I'm looking for your perspective on X', whether it's law, graphic design, or accounting. Or from the media perspective. That you get that 10-minute conversation with the next person and then they take it from there. So again – business is essential (S3, E).

**So, workshops, yeah. Is there anything special you do for onboarding? When new members join?**

Good one. I think onboarding is probably one of the more difficult areas. We make it known to everybody that there are new users in the house and we make sure that they're well-introduced to the rest of the people in the house (S2). But I think that onboarding is one of the areas where we could definitely improve more.

**Okay. Yeah, other spaces have a welcoming package for example. Sometimes they give a book – something entrepreneurial – that kind of stuff.**

Ah, yeah. We are very much focused on onboarding – making sure that when people get here they understand how the house works, who the people are who work here, that as many questions as possible are answered from day one. Which becomes increasingly difficult with the increasing number of people that are here in the house. But having said that – from a long-term perspective, I think we could definitely do more with onboarding, and in that respect it's more about the other users understanding who is coming, what are their capabilities, what do they need, and how they can help them.

### **Nomad Workspace - Haakon**

**So I'm doing my thesis about coworking spaces and how you guys make your customers feel like they belong to the space. Could you tell me about the nomad space?**

Nomad was started almost two years ago. And then it was started by 5 people, or 5 owners. That didn't really work out – they couldn't agree on certain things – so one of the owners bought out the rest. But that only happened in September last year. So, we have only been running it for 9-10 months. In terms of development of the space we still have a lot of work to do. So probably when you compare us to others, the others are a bit further out on the development scale than we are today. And a bit more advanced on some things. So that's shortly about the history. And today we have about 1500sqm, we're expanding to 2000. We're taking some new areas here, they're not 100% finished, but we are using them now. And what's important to understand that the owner of the building is now also the owner of the coworking company. So, he used to own a small share of the coworking company, and then when it didn't work out he ended up buying out the others. So, he actually owns the building and the coworking space. Which gives us some more possibilities to expand the coworking space. Because he is interested in including more of the unused areas into the coworking business. So, in the building there are really three tenants – there is the coworking space, there is a retssyg – psychological company linked to the prison, and then there is a clothing company panomal, which is cycling clothes. So, we are expanding in terms of space. Since we took over the operation in September, we have been focusing a lot on cleaning up. Because we had to do some things without cost base, and get things organized to get control. So that took a while – maybe half a year or a little bit more. So now is when we are starting to focus on developing the property. Because when we took over we didn't change that much on the nomad concept. Because that's quite nice.

### **What is the nomad concept?**

As you can see, I think compared to a lot of the other coworking spaces, it's been a lot of focus on the interior design and the environment as such (**S2**). We had to take it a little bit back, because of course it's nice that there's nice furniture and cool environment and all that, but it still has to be functional and technically good to work as an office. Because the reason why people are here is to work. So, it may have gone a little bit too far, which is nice, but you couldn't really fit people in here. It wasn't flexible. You have to be flexible, because there are 50 companies here that have different demands. And suddenly company #51 will come and they will ask for something else. So, you have to standardize, but also be able to move around and do stuff like that. And we couldn't – furniture that couldn't fit through the doors and all that. It looked cool and looked really nice, but nobody would sit at the table and you couldn't get it out, you couldn't move it around. So, we're still working on that, but we have made some changes in that respect. And then what we did when we started to work is to say – okay, what do we want to try to do here? And what's also a bit special is since the guy is the drive behind all things, it's much more focused on creating an environment that we would like to be in

ourselves. So, we said – what kind of environment would we like to be in? And those are the words you find on the website, if you have seen that. The website is going to change now, but the words will still be the same. So, there is something about commitment, something about positive energy, something about these things. And that's really the drive. We need, of course, to make money, but if we make half a million, if we make a million it doesn't matter – we're not stressed. Because it's a long-term thing anyways. We are not thinking of building Nomad #2 or #3. We are not Wework. Some of these others – they merge and stuff like that. We have also people contacting us asking for cooperation's, but we'd like to be independent. Just because it gives some kind of uniqueness, and just because that's what we want to do, really. So now the focus is just to get the vibe here that we want, which is linked to these words, and develop the house and the dynamics of the house. So, like I said we're making some new space here, the big project is that we're getting some terraces on both sides. And we are probably by spring next year making a more advanced kitchen. So, we can have more to serve the house and the members and the meetings and conferences and all that, but also so we can have a restaurant/café open also for the public (S2).

**So, Nomad goes hand-in-hand with the building? And the owner.**

Yeah. So, I think what makes us special is definitely the house itself – the interior and the feeling that you get in here. It's not so easy to create anywhere else, because one, the house has a history and it is what it is. The other thing is that we're located where we're located – which is Nørrebro, which has this urban feeling to it. So, I think that makes us quite different from the others, and also that we are not really that driven by growth. The others, their culture, they're quite focused on how to build #2 and #3 and a lot of them are probably thinking of selling in 3 to 5 years to capitalize on their thing. We are not really thinking that way. Because he owns the building, he owns the space, it's his pension in a way so he is not going to sell it. If someone comes and pays crazy money, of course he is going to sell it, but that's not the intention (S2).

**About the furniture – you got rid of the stuff that couldn't fit through doors...**

Not that we got rid of it, but we have upgraded a bit. Some things we changed, and we also ordered some new furniture, which is more flexible in a way. And we had to compromise a little bit. So now we're waiting for some furniture to arrive for these rooms, and it is not design furniture as such... it is cool furniture, but still something that you would find in a conference center. Which is things you can easily put together and stuff like that. But we have to have it, because we have people coming in saying 'I would like to rent it for 20 people' and the day after there is going to be someone that would like to rent it for 10 and then they would like to sit differently. So, when you have the coolest meeting table – cool, but if that table can't do anything more than that... so we also have that in some of the rooms. But we also need to have some more flexible spaces.

**I see. So just covering the basics in that sense.**

Yeah.

**Do you do community management?**

Yeah, we do, but not very advanced. We would like to do it more, we are talking about it now. But we have our software where we have all our community registered. We do some events for our member, but simple stuff – we cannot do more now. Friday bar, and then we have had some professional events (S3, E). And we would like to fill up that calendar with various stuff, but we don't have a... so far, we have not been able to have a clear focus on how to develop that. So, we do some stuff – but it's more like okay, shouldn't we do this and this? We don't have a clear plan at the moment. I've done some

larger events in the house where the members are invited and stuff which they think are cool (**S3, E**). But it's definitely an important thing to the whole, because that's... a motivation for a lot of the people that sit here is that they are a part of something else. Instead of sitting in their own office somewhere, which is boring, because then they would be two-three people sitting there. Here they have more space of course, but there are also other people to talk to, there are things happening (**E**). So, the service aspect, and the community aspect – the whole thing for me is important to make it work.

**So, you don't have a dedicated community manager?**

No, we don't.

**So, you let it happen by itself?**

Yeah, we do. And maybe we should [have a community manager], but we're not that big either. I don't know how big the others are, really, but at the moment we can't really afford to have one dedicated community manager.

**How many people sit here?**

Now we have about 130-140 members, so there are about 50 companies. So, it's not that small, but we would like it to be 200.

**That's the maximum?**

Depending on how we set it up. If there is a big demand for tables, we can make [some of the meeting rooms] into offices. So, it depends a little bit. Back to the flexibility – it's quite important.

**Would you say that you have trouble filling up the house?**

Because we did a really good job when we took over – we focused a lot on sales and getting people in – we have sort-of calmed down because we had to close some holes. And then we started to focus on other things, and so I think because in these spaces there is a constant turnover – it's part of the whole concept in a way that it is flexible, and it is easy for the people to come in and also to leave. So, we haven't been good enough, maybe the last six months, to work on maintaining our plan. So, more people have been leaving than coming in. So now we have a job to do again – we're talking about it now, because the summer came, and we have to fill up the space during the next 6 months. We have quite a lot of interest, so I'm not that worried. But the competition now is quite hard. Most people that come in here will go to all the others – they go to Rainmaking, they go to Soho, they go to Founder's house. There are 3-4-5 other good places. And the most people that come here, they go and look at all of them. And some like it here, some like it there. There is a price issue – I think price-wise most of us are more-or-less the same. We are definitely not the most expensive. So, we have a job to do sales wise. I'm not so worried that it won't work, but it won't happen by itself.

**Sales is acquisition – but what about retention?**

Yeah, that we manage to do quite well. So, the people who have left are leaving – nobody has left really because they were unhappy, they haven't told us (**CR**). It's mostly because the company split up, it might be some new investor so he wants them to move somewhere else, somebody needs more space that we don't have, if they're in a private office... there's also I think a break – when a company gets above a certain size, you want to sit in a coworking space, you want to have your own office, the economy of sitting in a coworking space when you get above certain size starts to get quite expensive. You pay per member, you get a discount of course, but how much discount are we willing

to give? Or do we also want to do the hard job and sell it at full price to small companies or single memberships and so? So that's one thing, and community-wise – how big of a company do you want in here? So, you want the company to dominate the whole environment, or not really? We have said that we don't want it. Of course, it's hard to say no, but in a way, it balances out when you start to discuss the price. Because when they come and say 'no, we want to be 30 people here' and they're willing to pay, then we would probably compromise. Then the price for them – it gets too expensive. Then most of them will say 'I will go and get my own office' and I think that some of them have gotten better deals at some of the other spaces. Most people that are here have been here for a long time. So, we have a solid base, but we have a job to do now also because one of the big companies – one of the larger companies are moving. They need to reorganize, so that hits us. 15 people are moving, and 15 is a lot of people for us.

**Is there a particular customer you focus on, or are you open to everyone?**

We are open to everyone. We talked about it, but I mean, we're more trying to focus on the environment, the people that like it, if it appeals to you – then welcome. We don't have a screening, we don't have anything like that. So, we don't really want to.

**Not like tech startups only kind of thing?**

No – I think we are what we are, and the people that like it like it. So, and if you like it, and if you have space, then you're welcome. We will target some things now, but more because we're developing our conference and meeting and event things. Then we'll target certain customers. But for the people that sit there as members – it's a big mix of people. Which is nice.

**So, you don't do active kind-of focused community management, but is there anything you do to make people feel like they belong here?**

Ah, it's more that we have a quite personal relationship with most of them. I know them, and I walk around. And then we have reception here that says hi when they come in (**S1**). We, like I said, we're 130-140 people, so it's not that big. So, it's possible to have a personal touch to it. And it will still be possible if we're 200. So, it's more about that. And then we try to accommodate sort-of specific demands within a certain standard. Because if we get too wide then everybody wants something special. So, we're trying to customize a little bit, but it's a balance, it's a difficult balance, because if we go too far, then it's impossible to administrate. Because everyone has different needs. So, when we came, and we took over, there was a little bit of that. So, we had to pull it back and be transparent. And people think that's fair. So, it's more the day-to-day contact, really, which works well. And as we're not that big, it's possible to do. So, I think that people that sit here, they feel that there is a personal relationship to it. And then we try to have a high service level in what we do, for the people who are member here. So, they get a service – not only a desk (**S2**).

**So how, for example?**

It's just if you need anything, then you get it. We help them to organize stuff. When they have meetings, when they have visitors. A member comes in every morning at 8 and he likes a cappuccino – so we just make that cappuccino and it's there when he comes. Small things, but it works (**S2, E**). But we still have a lot of development on that, but that's the area where we want to go. The quality of the service needs to be high. We have work to do on that, but for me that's key. Some people will be willing to pay for the table and pay some extra, if they get some additional service the quality of which is good. So, I think that's the way we are moving, definitely, and I think we are more comparing ourselves as going towards the hotel business than an office as such.

**This serviceorientedness is a part of it. Do you know everyone by name?**

No, but I know the key people by name. But most of the girls, they know everyone by name.

**You use software or that?**

A lot of people use the same software, and we have the same software. That's the other thing – now you can get software for coworking spaces. And they are quite okay – it's working quite nicely. They're developing. That's one of the things we did when we took over – we googled around to find a software that we could use to manage the space. So, we did a lot of changes to our systems and stuff to make it work.

**Do you have an onboarding procedure for members?**

Not really. We have, but it's informal. So, when they come, we register them, we give them the keys. Depending on the kind of membership that they have, we show them around, we show them the desk, but we don't have... it's really what it is, but it's not a checklist as such (S2). We greet them when they come and show them the space, and when they ask something then we're there for them.

**Do you in some way introduce members between each other?**

Sometimes – when we pick up that there is a common interest. Normally when there is a new member here, we ask them, prior to when they enter, what they do and stuff like that, and if we see that there is a connection, we sometimes introduce them if they want to (S3, E). Sometimes we see – because we talk to our members – when there is a specific demand or need by one member we could say 'but why don't you talk to X, because they are doing this'. And they have started to work, a lot of the people that have one-man companies they have gotten a lot of work by sitting here. If you go out there, I know that some of them have various clients that they didn't have before. Because like when you do web design, or you do other things, graphical design and whatever, a lot of people here have that demand, so it's just easier to go across the table. For those smaller companies, they get a lot of business from the bigger companies. We have some strategy consultants here, they work for big companies outside, so it's different. But they use some of the small companies here. We still have work to do on that as well, but within this software and stuff, people started to put in their profile and what they do. And everyone has access to that, so they can go and see what other people do and stuff.

**So, it's like an internal intranet in a sense? So, if I'm a member I can login and then see all the other members?**

You can see them by company, by name, and you, of course, they have to update their profiles. You can see what they do, and stuff like that. So, it's probably the same with the others, it's the basic in the software that I've seen at least. And I know that some of the others, they use the same software. It's fairly simple, but we can develop it much more, much much more. I think that some of the other coworking spaces are doing much better than us probably. I know some from Norway and stuff like that, and I see that they have gotten much further on that. And member like it – they like it when things are happening, and they get to interact. So, it's definitely something that we have to do more of, doesn't have to be advanced, but it needs to happen.

**Fintech Lab - Oliver**

**So, can you just tell me a bit about the company – how did you guys start and where did the idea come from?**

So, we are a little bit of a special organization. It was started in October 2016, it was started by looking at a problem. So, we looked at the finance industry and we could see that it was kind of stagnating with the growth in Denmark, and a lot of jobs and so on, so there wasn't a lot of growth happening. But then we could see that there was something happening across the world that was called fintech, that was growing like crazy. So, we thought "why aren't we getting any of this growth in Denmark?" and then made a study. We looked at all of these fintech hubs, like Singapore, New York, around the world together with some research partners, and then we found out that okay, this is what it takes to build an ecosystem. And that was a combination of factors, and from there we started Copenhagen fintech as a non-profit association with the goal to build a thriving fintech ecosystem. So, we have a public purpose of fintech growth, which is measured by jobs and a number of companies in fintech. So, in that sense we are a little different from any other coworking space.

### **As in you are a non-profit?**

We're non-profit. Of course, we can make profit, but we just reinvest it into the community. And the way that we're funded is that we were started with corporate partners, so this building belongs to the financial union of Denmark, who are right next to us. So, they were one of the partners who started. The municipality of Copenhagen was the second partner, and then the bankers' association was the third partner. We now have 9 partners and 21 sponsors, so there are all big organizations that have an interest in the community growing here. That was back when we moved in to this floor with like 5 people, and a year and a half later we are 170 people over 5 floors – full house – so we have had a lot of growth. Of course, we can't take credit for all of the growth in fintech – this fintech has been like a very high-growth sector in the Nordics. Now this year it was the most heavily invested vertical when it comes to risk capital, for example. So, there's a lot of growth happening here. And this space is for fintech entrepreneurs – so startups within fintech industry, which is the financial industry, but also pension and insurance. And the people that live in the house are all startups. But this is also kind-of the house of our ecosystem. That means that all of our corporate partners come in here as well, we do events with them, they can sit here a little bit, we bring them closer to the startups as well. And that is interesting for the startups, because in the financial industry most or all startups are looking for a partnership with a bank. Because there are very high entry barriers to come in as a startup, so usually you need a big institution to give you the infrastructure, or deal with the legislation or what that is. So, half of the startups have a collaboration with the bank already, and many more are looking for one.

### **So, the banks in return get...?**

The get innovation, growth basically. They get to be a part of the change instead of being disrupted by it. So that is the general storyline. There's a lot of other stuff that we do – we build the innovation network, we fund academic research, we bridge internationally with all the fintech hubs around the world and take trips and so on. We run an incubation program for listed startups for three months, and then we do a bunch of different activities in the house.

### **So, laser-focused on Fintech.**

Yes, focused on Fintech and I think the interesting point is that this is the first coworking spaces in the Nordics that only has one vertical. So, all other ones are kind-of general "we are tech coworking space" – yes, every coworking space now is basically a tech coworking space, right? We were the first ones who said let's take this Fintech and see if that works (A2). And a lot of people said "hey, this could be very competitive, it's just going to be a bunch of people that compete with each other".

### **Because of the same vertical?**



It's one industry, right. But we took that leap and we said no, it's going to be collaborative, and it's actually worked out very collaborative. Because it is such a massive potential in the industry – the startups here they don't have to fight over market share among themselves.

**You haven't had that?**

No. and often startups who are competitors end up collaborating. So, if we take an example from the crypto industry, we had a crypto exchange on the ground floor that moved in, and then we have a crypto exchange on the top floor called Bitcoin Suisse and now we have Wemovecoins on downstairs. And then they thought they were competitors, but then because they were forced to meet each other and talk to each other here, they figured out that they serve different types of customers. Bitcoin Suisse, they have about 10,000 minimum limits as an investment, while Wemovecoins – their customers are way way way lower than that. That means that they could do a partnership – so Wemovecoins send their big requests to Bitcoin Suisse and vice versa, so they start collaborating like that. And there's many examples of 4-5 startups coming here to do a project. The first ICO in Denmark that was a legal ICO called "blockshipping" was the result of the efforts of maybe 5-6 companies in here that collaborated on the project. So, it's been very collaborative here. And many of them have partnerships with each other.

**So yeah. On your homepage it says that you're a coworking space dedicated to fintech entrepreneurs. Does that describe you as an organization?**

Yes.

**And also, that's what sets you apart from coworking spaces – this laser-focus on fintech.**

Yes.

**Is there anything else that sets you apart?**

Yes, the fact that we have a laser-focus means that we can offer completely different things none of the other coworking spaces can offer it means that all of a sudden, it's very relevant for specific corporates to come in here. Because if you are a bank, you might not just want to sponsor a random coworking space, as they have fashion startups and other startups. So, they can come in here and they know that all the startups are relevant for their business. And this focus allows us to do a community that is relevant for everyone **(A1, A2, A3)**. With people in the house we can have events that are relevant for everyone, the talent that moves around in the house are all in the same field, so there's a lot of benefits in pooling it together. The focus allows it to become more collaborative, I think. Then of course we should not neglect that we also work with other industries – we make bridges to other fields, like the impact field where people are looking for impact investments, but also charity investing. What they do is just move money from one part of the world to another part of the world and then try to create some trust there. That's something that fintech startups can help with, so that's one of the fields that we bridge here.

**But you're also part of the Rainmaking, right?**

Yes. The way that it's organized is that we have one organization called Copenhagen Fintech which is a nonprofit association – the CEO is Thomas who is standing over there – and they own Copenhagen fintech lab. But they decided – hey we need some help, working with startups, how do we do that, how do we run an incubator and all that. So, they partnered up with rainmaking, who do all that. So, my position is that I'm on the lab, on the incubation side. So, my key concern is how can I help the

startups. And then I have a community manager on the team, who works on the community aspect, more focused, with the events as well.

**You have one community manager for the whole house?**

Yes, and then we have four-five other people as well. So, we're like 8 people here.

**Okay. So, since you're so focused, would you say that you have competition in your field?**

We don't compete as a coworking space in that sense (CR). I have had a meeting with CSE not that long ago, I'm meeting Symbion and Univate and those guys next week. I've met many other coworking spaces – we don't compete with them. People who contact us – if they're not fintech enough – we can send them to those spaces. Everyone knows that if you're a fintech, then this is the best place to be. None of them are trying to compete on that. So, no, we've been in a very fortunate position where we've had a full house and a lot of growth. We can be very friendly, we don't have to do aggressive marketing trying to steal startups from other spaces. Because we've in a nice position.

**So, it's a well-defined niche.**

Yea.

**Do you guys make profit? Is the space profitable?**

We do, but it's basically around breakeven with a little bit of buffer. The business model is sustainable, but it's not focused on coworking space. It is the fintech growth that we are working towards. And to get that, we offer them coworking space.

**So, the space is not the end, it's the means towards the end.**

Right, so it is the way that we solve the problem, it is the key ingredient in order to create growth.

**Okay, can you tell me a bit about your community management?**

Basically, the way that we work with the communities – our goal is that we can help startups help each other. That is kind-of what we want in a community. And then we try to, because we sit on this overview level, that means that we have contact with the corporates and also the startups, so we can do a lot of the matchmaking, which is what we spend a lot of our time on. Connecting people to collaborate on things – people who have similar interests, businesses that could collaborate and so on, then we try to matchmake those. And engage the community as much as possible. So, we do over a hundred events each year. We have a fintech week with thousands of people coming in. we have demo days for our corporates. We have like these community events where founders tell their stories. We have breakfast meetings, Friday bars, all of those things that you would expect a coworking space to have. Our next step for the community is to bridge it even more internationally (S3, E).

**Internationally?**

So, every company that wants to go into the Nordics can come through us. If they're a fintech startup. We do that already – like Silicon Valley startups that want to go into the Nordics in Fintech – they come through here. I have a call in an hour with a New York startup that wants to come in here. We had another one from New York in here just on Friday over the weekend, in blockchain, who also wants to start here. So, we do a lot in this direction, but that also means that because we have partners around the world, we can send Danish and Nordic startups for example to Canadian market. Then we have a partner there who can help them have a soft landing.

**Partner as in a coworking space?**

Could be coworking space, could be global bank, could be a fintech hub. It depends on the country.

**And all this community management, the events and everything, it's done by the team of 8 people, right?**

Exactly, so we all help with that. Everyone works with community management basically.

**I was in Talent garden rainmaking, talked with Cirkeline, she's a community manager there. She says she spends a lot of time talking with people, just getting to know them. She gets to know what they're interested in, what they're doing in their life, and then based on that she kind-of brings them together. Is that how you approach it too?**

It's the same approach. We collaborate in Rainmaking and Cirkeline is a colleague of mine, we had a new community manager who just started this week and Cirkeline was here to talk about her experiences. So, we do a lot of knowledge sharing among the community managers that we have in rainmaking and then in this space. Because a lot of the activities – you know, if they have a big event on funding – which could be interesting for some startups here, then of course we want them to have the opportunity to participate. We work both ways, it's only like 15min away, so it's quite close.

**The rainmaking network, yeah. Okay, so the image that you have – the fintech lab – it's more startup than corporate, right?**

Yes, it's startup. So, it is an ecosystem kind of organization. We work with a lot of different stakeholders, internationally. The startup that is sitting behind us – it's a professor from KU in blockchain who the founder of that is, and he is also from Israel, so I think they're all in Tel Aviv now. So, this is a blockchain startup that is split between Israel and Denmark basically. We have another startup from another professor, basically, so we also try to bridge with the academic world whenever possible.

**Design – one last thing. So, the interior design, do you have a philosophy here?**

Yeah, basically there many places for people to work and have random conversations. So, you can have a private meeting or a phone call, but the basic thing that I like is that the environment should encourage people to meet new people and talk to them. So, it should be that everyone meets by the coffee kind of thing. So, you should bump into people and then have conversations start that way. And all the walls are glass, so we want transparency that way. And people shouldn't shut themselves off in their office (S2, E). We also interview everyone who wants to sit here, and if they're the kind of startup that just wants to keep to themselves, then we don't let them sit here. Because we want this to be a community place – if you're not going to be a part of the community, you might as well have your own office. So that is how we look at the startups that want to come in here – that's like the criteria if they want to come in. They need to want to be a part of the community.

**Do you have an onboarding process for new members? Could you describe it?**

It's fairly easy – we have a pre-onboarding when they come in here and we do a tour. We tell them how we can help them and tell them about the different connect programs that we have and so on. And then with the contract they get the guide to the lab and all the practicalities. The Wi-Fi and all that stuff. And then when they come here we grab a coffee with them and take them around the building. And we introduce them to some of the other people. And then at the next morning meeting that we have, we introduce them to the rest of the lab. And then we try to, especially in the beginning, make sure that they meet the people that they should meet. So, if it's a blockchain startup it's natural

for us to take them around the other blockchain startups and say – talk to all these guys. They can take it from there (S2, E).

**Makes sense. Okay. Do you gather feedback from members in any way?**

Yes, we do regular one-on-one meetings with all the residents. So, the community manager has previously been doing these one-on-one meetings with coffee, just reaching out to them, all of the 50 startups, and then continuously having coffee with them and seeing how's it going. How's your business, what do you need help with, and so on. Because we see the whole house not as just coworking, but like incubation. So, if we know that a startup here is struggling, with a partnership with a bank, or a specific bank, we can talk to that bank basically. Or maybe have an event that's about partnership, and then invite that startup to pitch (S1, S2, E).

**That's cool, so you keep the conversation going at all times?**

It's ongoing, but it's not like it's only 2 months and then we don't support them anymore. It's like ongoing support.

**How often are the meetings?**

Those are monthly or something, coffee meetings. But we're eight people in the team, so we interact with all the startups as often as we can. We try to walk around and talk to people around (S1, E).

**So – you basically don't have customer retention problems.**

We don't, but we also don't strive not to have it. Our goal is for startups to move out of here. So, we have a bit of a different philosophy (CR).

**But your goal is for people to move out...**

Because of growth.

**Yeah, so that they get too big for this space?**

They get too big. We could have just let some startups get 2 offices, and then have that, but we prefer that this is the place where we support them while they need support. We had a startup move out a while ago and they got a 100 million kroner in funding and they needed to go up to 100 people. So of course, that is a success for us, as that creates 100 new jobs in Denmark. And they're just moving across the canal, basically. And then we have that ongoing, we have another startup called carney. That are also going to be in the lab now. So, they're moving to the building right next to us, and some of them are moving to Pier47 also where we've put a few startups. So, the goal for us is not that they stay here, but we want them to stay in our community, right. So, the ones that 100 million kroner funding, they got that maybe 4-5 months ago, and now in September we're doing an event with their founder who is going to give his advice on how you get funding and his experiences and so on. So, we keep them all in the community that way. So just because they don't live with us, that doesn't mean that they're not a part of Copenhagen fintech. So, the coworking space is only one part of the community, but we want retention in the sense that we want them to be the part of the community.

**Do you have formal values – mission, vision? Or just basically what you've told me so far?**

We've been talking a lot about this and will now work to formalize some values together with the residents instead of us imposing on them. But we have some things that are keys to our success. We succeeded because we stayed neutral in the sense of not doing exclusive partnerships. We had law firms coming in here who wanted to become exclusive partners pro bono, but we said no. So now we

have 9 law firms that come in and do counseling. And people coming in saying – but if I’m partner and I pay you this much, I don’t want that bank to be a part of this. And we say that no, this is a neutral space where everyone should meet and collaborate. And that has been really good for us in the long term, although it required some tough conversations. And another thing is that we put the startups in the center. We really work on promoting the startups and helping them as much as possible. We see them as a source of innovation, and that the corporates should learn from them. You have to be very aware of the startup’s interests to find the correct people for them to pitch to. So, we have to be very critical in how we take up the startup’s time as well. So that’s been kind-of key success for us, but we’re currently in the process of talking about our formal values. But we want to make them together with the startups.

**Makes sense, considering that you’re a non-profit.**

\*After the interview, I asked Oliver if he thinks that the Fintech lab could have been as successful if they weren’t a non-profit organization. He said no, partly because they wouldn’t have had access to funding from governmental entities.

## **Appendix 6: Interviews Coworking Space Members**

### **Brainsquad – Talent Garden Rainmaking**

**So, you guys were talking about coffee cards before – how does that work?**

M: I guess you just saw it. You get the card when you help out by giving a talk to these high school students that come here to hear about the coworking space or companies. And then you just get free coffee (E, S2, S3).

**So, you participate in the community in exchange for these small tokens?**

M: Yeah, and we would gladly do it without the coffee too, I guess. It’s just the way they show appreciation to us (S2).

S: Actually, I have a little fun comparison. We’ve stayed at another coworking space called Singularity University. It was nice as well, but there I also did a presentation for one of the companies at Singularity University event. And rather than giving us a coffee card, they paid us. That was nice as well, but it also gives sort-of the feeling that it’s sort-of a business transaction when they pay me for that. And, I mean, this coffee card is worth a lot less, but it gives you the sort of the feeling that ‘we do this for each other’ and not for the transaction (E, S2).

M: And in terms of money it was not really well-paid anyways, right?

S: Well, it was 1000DKK.

M: You’re anyways doing it for... it’s your chance to practice your talking and presentation skills and maybe get some feedback.

S: But it’s just I think, the nice thing about it here is that, because you get this coffee card it’s more the feeling that, you know, you’re doing this for each other, it’s more like a family in some way (E, S).

**Why did you guys pick Rainmaking? Say, from all the other spaces.**

S: So, I think, I mean, we’d already been at a few spaces, doing consultancy or just when we moved in we were staying at singularity, we were staying at Scion at DTU. Obviously, we didn’t visit all the spaces, but we just came here, and we just felt there was a good vibe, and you don’t have many

obligations – it’s end-of-month lease, so you can leave whenever you want. It was really an easy decision – we just came here, okay, we don’t have to search anymore. Because it had like all the facilities you need, and it felt like a good vibe here. Also, she did something that was really nice – Cirkeline, the community manager here – a few weeks after we moved here we did a tour with Cirkeline, just visiting all the offices, just saying hi to everybody, just so at least you got a kind-of an idea of what people do and you’ve met everybody (**E, S2**). So, I think it’s a good way to promote the community and we realized that a lot of the people were doing stuff that was kind-of relevant to us. So, I think that there is a lot of potential for actually collaboration also.

S: Something that is really refreshing about this space is that, you know, a lot of the other places, especially the Singularity University, they’re following this Silicon Valley way of thinking very much. You know, like, it has to be exponential, you have to go out and impact a billion people. You have to make an application to go in there, and then they select you if they think you’re cool enough. And here it’s more like, you know, there’s lots of small companies and one-person companies doing some web development. There are also some really big companies – Labster, for example – they got a lot of funding. And then the cool thing about this place is that it can handle everybody. And to me, it gets a little tiring always to listen to these ‘we’ve to go raise 10 million’ – you know – all this Silicon Valley fluff. And it’s like, you know, my plan now we are working with...

*\*spills coffee on the table\**

S: So, what I was going to say is that Michael and I, we work with a hot topic, and we see a lot of interest from investors and all that. And it’s definitely something we’re contemplating, but what I really like about here is that it’s actually okay just to be, you know, to be a company that wants to, you know, develop a business and improve things for customers. And that’s fine (**A1, A3**). For example, at Singularity University, we had these events often. And people would say the coolest thing that had happened to them in the past week, or something like that. And it was always, like – it was really like, some pretty exciting and cool stories. But you know...

**So, like bragging?**

M: It really was very American.

**So, this place is humbler in a sense?**

S: Yeah, but as I said, it’s a great place to grow. If you want to grow – for example, Labster, they received I think \$10M in investment – they’re definitely hammering on and they’re doing that. I like that you’re doing it more for this, you know, you’re doing it for the sake of actually making it.

M: For me this book – winning without losing – that’s actually a bit in line with that. So, it’s very much about keeping the balance, yeah, definitely (**A1, A3, S2**).

**Do you see Rainmaking, in some sense, similar to yourself? Not in what they do – of course you are AI, they are a coworking space – but in how they do things and their approach?**

M: I like the idea that they’re very much promoting this idea of not working too hard. In the end, I guess, we put in quite a lot of hours. And I like the idea of that (**A1**).

S: I would say one thing where we definitely match pretty much. They trust us. When we came in the first day, we didn’t know Cirkeline. We just walked in the front door, and we left with two keycards. She was like ‘here, here’s your place, you can just come’. And we hadn’t even created a company yet, we hadn’t signed a contract. And we had the keycards. And the way we do business with others is often the same way – we often put in a lot of work even before – because some of the customers we

work with are so big, that getting us signed up in their vendor systems sometimes takes a long time. For example, at Novo Nordisk, we still invest a lot of time in them, and so we trust that they will definitely come back. I think the trust is one thing **(A1)**.

M: And I think, what do you call it... I like the way they look at life. It's a good ideal to set for yourself. It's not so easy to implement it in practice.

### **The balance?**

M: Yeah, the balance, I think it takes a lot to start a company. And especially when you love what you do... it's not so easy to say no to things that are interesting, and you feel that are pushing you forward **(A1)**.

S: But it's funny how you realize – I think it's a pretty good match. But to start out, we were like 'it seems fun and we like Cirkeline'. And no big commitment.

M: I think we'll stay here a long time.

### **Would you describe Rainmaking as prestigious?**

S: Now I think it's pretty prestigious, in some circles at least, even to be a startup, and to be in these kinds of communities **(A3)**. I think it's much better where we were 2 years ago. We had like a small office, a little out of town, it was very cheap and a lot of square meters, but we had to do everything ourselves in terms of lunch, cleaning, you know...

M: And it was more expensive.

S: And it was more expensive – we had more square meters and more privacy, but it was like... yeah.

S: Instead of explaining that you have crappy offices, it works much better to say that you're a part of the Rainmaking **(A3)**. Everybody's just like 'hey, that's cool' when you're working with them. So, they realize that you're a startup, but I think nowadays we work with a lot of big customers that I think... 10 years ago they would probably not even talk to us if we were the same company that we are today. But now it's kind-of accepted that, hey, it's cool to get new energy from smaller teams. And then we'll have to make it work in terms of guaranteeing reliability and continued... when you put things into production, how do you ensure that the company, or the solution, will still run in 5 years?

S: Something that I think is actually more relevant for us, but something we didn't think about in the beginning, is, since we work with these large companies – Novo Nordisk and Danske Bank and all that – I think that being here is little bit a part of our brand. Imagine Novo Nordisk – they are out in Bagsvaerd, outside of Copenhagen – and you know, I think when they are thinking of us they are thinking of these two AI guys who are placed right by the opera in the city, you know, kind-of like these cool guys **(A3)**.

M: And this, you know, this coworking space is definitely a part of the... so I think if we were trying to be a consultancy company and had offices somewhere, I think it would not be good for the brand.

S: Actually, we had one of our really good customers here – they like to do these workshops about once per quarter. Normally we do them in different places – last time we did it at Google and last time we did it in that room there. And, you know, we had a tour, we asked Cirkeline to take them on a tour of the building. And they were so impressed... we didn't do this to promote ourselves, we just wanted

to change the atmosphere, something like that... but in the end, I think they thought of us as being even more cool. Definitely it works in that sense (A3).

M: I would say it has brand value, definitely (A3). In some sense, Singularity University is more prestigious... it's more exclusive. In here, you just walk in, ask Cirkeline for a keycard, and you're in. So that's in.

M: And also, Singularity try to promote themselves as university... or as a place where they have, I guess, this all AI stuff and research going on. And all these speakers that supposedly know a lot about it. But I guess they are not famous enough, in Denmark at least, that people actually know them. So it's not like you have to explain where you work... then you'd have to tell them what Singularity is... we don't go to our customers and pitch Rainmaking, I mean, we just say we live in a coworking space and they say 'cool'. So I think in that way, Singularity doesn't have enough brand to actually make a difference, and neither does Rainmaking. A few people know them maybe. It's just nice to be in a place that you like.

**Do you feel a part of Rainmaking? Kind-of like belonging, in that sense?**

S: It's actually funny, 'cause right where we are there's already been two or three generations of people...

M: That's a lot of turnover, right.

S: And we've only been here five or six months – and we're already some of the older guys here. And, I mean, we've been to all social events so far. And we like to talk a lot to Cirkeline. We use the café, when we have guests, when we have guests we take them for a coffee (E, S1).

S: So actually, it's not something that I've thought explicitly about, but I think that there's actually something to it. For example, when I worked for Microsoft, it quickly sort-of becomes your identity in some way, also because they're really good at brainwashing when you're there, but you know you're a part of this big brand. You go to the U.S. all the time – always at these shows where there is the CEO, or some top guy says, 'you're the most exclusive employees in the world', that kind of stuff. So, you feel so much a part of that. And so, when I quit from the company... in some way there is this sort-of gap, void in some way.

**'Who am I, right?'**

M: Yeah, especially when you move to

S: And then we had these crappy offices, the old DR building outside of Copenhagen – the windows were broken and all. I think that's why actually a lot of people... it requires a decent sort-of self-esteem to do it, because when you disassociate with something... especially in Denmark, maybe also in other countries, people ask, 'who are you' and you immediately start responding with what you do. So, I think when you start a small company, you know, there isn't much to begin with [in regard to who you are]. But so being a part of Rainmaking, in some way fills that void.

**What's your favorite thing about Rainmaking? I guess that's way out there, you already told me so many things.**

S: Something you can't disregard as well – we're talking about all these cool things about it – but now that we've been in some really crappy places where we had to take care of cleaning and lunch and all that – I mean the fact that the basics are *just working* and they're working really well – is really good.



M: Also, as you mentioned this – of course, it was fun to be ‘it’s out place’ when we had this crappy office – but, you know, after a few weeks it would be nice if we were more people and if we were a more diverse group of people. So, in that way it’s nice that we work in a bigger place. A little bit like if we were employed in a cooler place than if we were just the two of us in the small office with friends visiting once in a while.

### **Ulrik – Talent Garden Rainmaking**

#### **Why did you choose to be in Rainmaking, as opposed to other spaces?**

We started with a government grant in a coworking space targeted at sound – Lydens Hus. It was nice, but we felt like we didn’t fit in there. Then after that we became a part of a coworking space that is a part of the health faculty at the KU. It’s a very good place for health startups, also free. The concept is that it’s always free – but it’s only for companies that are associated with KU (students or alumni) and that are doing something for health. And as it’s free, in exchange they expected us to participate and help to do all sorts of things – from moving furniture to cleaning to participating when they needed to represent the office or whatever. That was really good, because that created a really strong bond, but also, we were working with other people in the health space which created a difference (A1, A2). And I’ve gotten a lot of very very good contacts out of that. Right now, we’re talking to some very interesting b2b clients that I met there, that are looking for some good b2b solutions. And the affiliation to KU creates trust for these companies. I was also introduced to someone who manages research and connects startups to the researchers. It’s important to have an office that is representable – as a startup you always want to show that you’re doing well. And if you’re a part of that office space that is respectable, that means a lot, at least to some of the investors. It’s not a bad thing anyway (A3).

#### **That’s for KU, yeah?**

Yeah. But when we were done there, we didn’t have any free office space anymore. So, we were looking for someplace to stay. We were bootstrapped and were even fundraising to find a place that was affordable. So, we looked around and realized that unless you want to move out of town to some shady little basement, it’s all going to cost. It’s always at least 2500 – 3000 – 4000. So actually, I was at the Rainmaking loft 2 years ago. Through my personal network I know one of the guys who helped to find the place and he is situated here with his company. And so, I entered and thought ‘what a nice place’ and always kind-of dreamt of being here. Because it seemed so cool (A3).

#### **So, you had a connection in here?**

Yeah, we had a connection and we thought this was a cool place (A3). We also liked Founder’s house, Founders as well, but one of our competitors is there so that’s not an option. And then we looked at some other places – Soho/Noho – but it’s way more expensive there and it’s not as nice here, so it doesn’t make sense. We looked at Singularity University and I thought that was pricey and not our style. And so basically, I ended up thinking ‘wait a minute, I always thought Rainmaking would be too expensive, and then I realized it cost the same as everyone else’. So, I contacted Cirkeline, and she gave us a tour, and they were really friendly (S1), and also – I hope it’s okay if I say this – they gave us a really good deal to start off. And that meant a lot to us – it was very heartwarming at the time (S2, A2). And so, I was really really happy that we were able to move in here. Before we thought we could not afford it, but they helped us. In the big scheme of things, it’s not a lot of money, but for us it was a lot of money. Without that help we wouldn’t have been able to sit here the whole summer, which we really enjoyed. And I think, for us the big difference is that actually now we’re mature enough as a company that we don’t really need to talk to other companies on a daily basis – we just

want to work. And the work environment here is really nice, because it's so... there's music here, you can talk... but it's quite a concentrated feeling, and that's nice (A1). I think that's one of the things that I appreciate the most.

### **The concentration?**

Yeah, I'm able to concentrate, and it's not that I feel that it's particularly stiff, but I can focus here.

### **So very professional?**

It's professional, but at the same time they hand out books that describe the culture out here, which is relaxed, work-life balance etc. And I think that's really good, for me personally (A1, A2). I haven't even read the entire book. Most days, the open office space is empty by 4-5. There will be one or two guys, and then by 7 it's definitely empty. And that's good – because it means that you don't just kill yourself by working too much. And I've noticed that it is the same on the other floors. Of course, that's not something that they can mandate to everyone, but it just is. So, in some ways you could think – I'm not sure, because we haven't been to founder's house – but it's different in a sense I think it's rough, the design and the ceiling.

### **This place?**

No, Founder's house. It's more like hardcore entrepreneurs. I don't know if they stay longer there or what they do, but here it's a little bit neater, more professional, more pretty, more delicate, slicker. And although I'm in some ways a little bit unorganized, I think for a work environment it's really good when you're in a place where you can step into your routines. I think that's what I really appreciate about this place (A1, A2).

### **And the environment facilitates stepping into your routine.**

As I said before, we've been to other office space where there was a lot more interaction between the teams because it was mandatory. It's so nice that I don't have to, you know, do all that (A2). Especially for me, because I'm the CEO, we're three partners that are equal, but as the CEO I'm always the one that has to represent. So, when the manager of the last space asked me to do something, I always had to do it, you know? And it's very nice that there's nothing that I have to do here. Just participate in the events when you want to (E, S3).

### **But you pay for that, right?**

Yeah. So, I think there's a lot of network opportunities here, but it's not something that we have to be a part of. And I think that it's – when you've been a bootstrapped startup long enough – this is kind of a luxury, so you also appreciate that. There are things that we help out with – I did a presentation for high school students, for example (E, S3). And there's a reward that I got out of it – a coffee card with 10 free coffees (S2). I like that they don't just ask us for favors, but that they actually reward us. And it's not a lot of work for them. That does make me feel like my time is valued (A2).

### **That's actually something that the guys next to you mentioned as well – they're called Brainsquad and they sit across from you. About the coffee cards.**

It's small things, right? And I know that it really does help, and I feel that the staff here, they're... it's when you're a part of the startup world, we're quite young, a lot of us are trying to build companies that will someday become big – like very big – so we're trying all the time. And so, when you step into your space then it's all business and serious. And so, it's always nice that they bring something

else around – doing something nice for us. It's nice that they reward us – because you always have to be serious, on your A-game, and so it's nice when our time is valued (S2, A2).

**You haven't been here for a long time, right?**

Since April.

**That's not a lot. Do you feel like you're a part of the place, the community?**

I feel like that's our office. [...] We're here and that's cool, we're a part of it. Also, you know, I think we are a part of it, but we're just a new part of it (I).

**If Rainmaking raised prices, would you stay?**

Yeah, depends on what we could afford. We probably would, because we're probably going to be able to afford it, but if we had to pay the price from day one, we probably wouldn't.

**Kasper – Talent Garden Rainmaking**

**So, I'm interested in why you chose Rainmaking as the space for your company?**

We had some good friends from our studies who are sitting up here, and so it was an easy move. Basically, just shared a room down there, so the economy makes sense.

**You didn't explore any other coworking spaces?**

Yeah, we went to one in Nørrebro... very expensive... Nomad Workspace. That was very expensive – we had a talk about having a private room for six persons, private office I mean, and here the price is 16,000 which is quite a lot for startups as well. It's like a premium startup space, I wouldn't say this is a space for small startups. But the Nomad Workspace I think was around 21,000. So, I mean as a startup environment community... I wouldn't say it's a startup environment, more on the small company business side.

**It's interesting that the difference is so big. So, you just went to the two spaces, and chose rainmaking from the two?**

Primarily because we had some friends sitting here as well. They're sitting down at the free seating floor in the basement. And then we just decided to move together and have our own room in here.

**How do you think people view the loft in general? Is it a kind-of prestigious, well-known place?**

Well it is a fairly well-known place actually for people out here in Copenhagen. Not internationally, but nationally it's a fairly well-known space, at least in Copenhagen. And people regard it as a nice place. It's a premium place, as I said before, there's design chairs here and all that. They have some good events as well (S3) – they're backed by some good corporations, Danske Bank and Tryg. Basically, just a well-known brand (A3).

**You participate in the events?**

Yeah, we do participate (E, S3). Mostly for seeding – so events for raising money and how you should approach seeders and so on. But we've been there so we're not really participating in those ones. But you know, we're bartenders from time to time, it is nice with the social events. But it's a shame that it's so far from the city center – so people don't come out here for all the events. It's still city center, but it's across the bridge and there's nothing out here. So, if people should come for tech&tonic – which is tomorrow, for instance, they really need to go here for tech&tonic and not

anything else around here. And when it ends at 8, we'll need to leave here and bike all the way back. So that's a bit of a shame.

**Do you generally feel like you belong here, or that you're a part of this space?**

The thing about it is that it's a coworking space. So, people might have an idea that there's a lot of mingling and knowledge sharing around different companies, but there's actually not. People play table football together, but that's it. People don't talk with each other, they don't mingle around, there's no collaboration between people. And we don't as well. It's nice people, but it doesn't, from a professional perspective, there's no coworking as I would say. We're basically just sharing offices in a big building.

**So, you just come and do your work, basically?**

Yeah.

**If Rainmaking raised prices, would you stay?**

No, definitely not. First of all, I think it's crazy... it was our decision to come here, obviously, but it is very, very expensive to stay here. I mean, okay, I don't remember what the free seating prices are for one person, but a six-person room for 16,000... and then when you want to have lunch, you pay 80DKK per person per day. So, it's 400DKK per week. It's very, very much. It's a lot of money. So, we decided to skip lunch, we do our own. For four people we have to pay 10,000DKK per month for lunch. So, I'm a bit upset about the prices here, and we are moving within months. I mean, 16,000 can get you a pretty decent office. Of course, you'll have to clean it yourself.

**So, you essentially came because you had friends here.**

Yeah, we had friends and we were only three people back then, so having our own office would be a bit too much. So, we still needed to share an office here as opposed to growing somewhere else. But now we're enough people to have our own office now.

**Katherine – Talent Garden Rainmaking**

**You're one of the biggest companies at Talent Garden Rainmaking, right?**

I think we're the biggest. We have around 91 team members worldwide, and here in Copenhagen we have about 35 full-time team members.

**It's also interesting that you're working from a coworking space as such a large company, right?**

Yeah, well, we have a very remote culture. So, people work from home, and they work from wherever in the world. So, it's very rare that we're actually 30 people in the office. And it's financially and resource-wise it's very heavy to have your, full-blown offices, so to speak. So, in that case it's convenient for us to have a halfway solution.

**So, you don't actually have 35 spaces here?**

We have 35 desks, but we're typically only around 20 people on a good day. And then everybody else is working from wherever.

**And that ends up being cheaper than having your own?**

It gives us more space – I must admit that Rainmaking is very expensive, so we have looked into the option of finding our own. Simply because there's some costs that would go significantly down. For

instance – standing desk is like 300DKK per month per desk, and it's not being devaluated as time flies by. Which of course it would be if we buy it ourselves. But then there's the whole convenience of having everything taken care – if one of the desks breaks, we call someone here, and it's their problem. This also saves us from having a part-time or having a student assistant who would take care of those things.

**Have you looked at other coworking spaces in Copenhagen?**

We used to be in Founder's house – I haven't been there myself, I started after they moved to Rainmaking. It is my impression that the Founder's house is a little bit smaller. But aside from that, if we moved, we would move to our own offices.

**Do you know why you moved from Founder's house to Rainmaking?**

I think that was a space issue. They don't have quite as much space. We have an entire section on the third floor, so we have one entire office instead of dividing people in different small offices.

**So, in your case it's not really a matter of picking between coworking spaces. In your case is whether we should stay here or move to our own office.**

Yeah.

**So, you're kind-of odd-one-out with the interviews, because I have questions like 'if the space raised their prices, would you stay here'?**

Well, I don't think we would.

**I was at Nomad Workspace yesterday, and they said that the larger the company, the more expensive it is for them to stay in a coworking space. It makes sense for small companies, but for you guys it's already...**

I think, in all honesty, part of the story for us is that we're swamped all the time. So, we haven't had the capacity to sit down and figure out how do we go about finding our own space, getting the furniture and getting the coffee, installing coffee machines and all those practical things. We're just so busy all the time that moving is a massive project – getting all the interior and all the furniture – there's much more to it than it sounds like. So, in that case it's just been convenient to be around without moving.

**How long have you been at Rainmaking?**

We've been here for 2 and a half, 3 years.

**That's quite a lot. Is there anything you specifically appreciate about Rainmaking – how they do things? It'll probably be different for you than for the small companies.**

I think that for us it's more about the... for instance that there's café, there is a space where you can get a good cup of coffee, they used to have sandwiches that you could buy. So that's nice as well, to have access to these things. But I'm not sure if they do things that other coworking spaces don't.

**How about community management, events?**

Well, I think Labster is a little bit special because we're that many people. So, we probably have our own community in a different way than a two-person company has. There's Friday afternoon events and there's some Christmas parties that we usually get tickets for as well for all the team members. So, we go as a team.

**So, you participate, but *as* a community.**

As a community, yes. Of course, we also talk to other people, but I don't think we have the same need for social events in the same sense that the small companies do. We have our own social events as well. So yeah.

**So, there's no actual reason for you to stay here, in that sense.**

Not besides it being convenient. Like, things are taken care of and we don't have to do it ourselves.

**But as you said, this convenience comes at a cost.**

Yes, yes it does. At a very high cost. But it is a very high cost, it is very expensive.

**What's your favorite thing about the space – let's say if we set the basics aside?**

Well, for me personally, I have a tendency to move around across the workday. I'm not very good at sitting at one desk for 8 hours. And of course, a house like this kind-of helps you to move around a little bit. And there's different corners, and little nooks that you can go and work from. And there's meeting rooms. So, you automatically have more square feet to move around on. Unless you have a max office on your own.

**What could Rainmaking to better?**

It's my impression that there's not enough commercial help. Like organizational help, which is a shame.

**Like accelerators or something?**

Yeah, like I used to work with the Danish Trade Council where we helped Danish companies set up in the U.S. and that also included having contact to a great immigration attorney, having access to a great taxation firm, being able to recommend HR agencies. All these various service providers that small companies need as well, but for smaller companies it can seem as a very big task to find a CPA that is reasonable in price but also knows what he or she is doing. So, I think it's a shame that Rainmaking don't facilitate that kind of context. Rainmaking as a company and as a coworking space could, for instance, find a great CPA and then say 'well, we have these contacts and if you want us to, we'd be able to introduce you'. And then you'd have a certain stamp of quality as well – you have someone who tested that person before you. Those smaller commercial organizational contacts and aspects are very important, but also very overwhelming for smaller companies to kind-of stress-test a little bit on their own. That is true in general, but coworking spaces could definitely up their services by thinking what a smaller company needs from an organizational standpoint as well, besides from you know 'we have coffee' and 'we have beer on Fridays'. Of course, the social aspect is very important, and the atmosphere, but I think they're lacking the business side of things.

**The foundation.**

Yeah. They're lacking being able to help their customers from a business standpoint as well. We've finally grown into a place where we have all those service providers, where we also spend a tremendous amount of time on finding the right ones because we don't have any references or contacts that could say 'well, in U.S. I used this CPA, he's really great' and introduce you. Because that's what it is. In the U.S. I would send an email saying, 'hey Elena, meet Soren, he's the CEO of this company, they're looking for U.S. CPA and I recommended you guys, please take contact directly'. And then my job was done – from that point they would take care of it. So, the effort that I

had to provide was minimum. But for the Danish company it had a massive value, because they knew where to go to. And also the service providers we had attached, they knew what kind of quality of work we were looking for on behalf of our Danish companies. You have no idea when you first begin your business. Sure, you know that there's something about taxes, there's something about employment law, something about all these things. But from that point, and then getting to the point where you have to do it and team up with someone to help you do it... that's a lot of work and it's so important that you do it right. So just the resources you spend on finding the right contact – that's overwhelming in itself. And I think that it would be a massive help for the small companies – saying 'this is our list of service providers, we stress-test all of them, they know what we're looking for, they know what kind of companies we represent, let me know and I'll put you in contact with them'. And that would be it, really. And that's business for the service firms as well – so they're interested in that as well. We have a Wednesday breakfast thing once-a-month here in Rainmaking, and they had various contacts coming in saying 'hey, I work for Danske Bank, I do this, if anyone wants to talk to me I'll be in the café, just drop by' – and I think that it's a great idea as well, but why not include those contacts in the 'Welcome to Rainmaking Loft' book that they have anyway? And then say, 'we can also help you with the business side of things, we have these business providers, this is what they do, and this is where they work, and if you need to find someone, let us know, we'll make it happen'. It's just such a small effort-level service that they can provide that has a massive value for companies. Because when someone comes in for 10 minutes on Wednesday, you go upstairs and start working and then you forget – you don't go down to the café and say, 'by the way, I need to do taxes this year'. So, it doesn't take much, but I think that that would set them apart. But it's interesting because they do that at Langelinie – the new office that they have out there – I'm not 1000% certain, but I think they have similar services up there, but that's for big companies that already have their accountants, taxation, law and so on. The real need is for smaller companies that are venturing out like that.

### **Have you thought about why they don't do that?**

No. About a year ago I talked to someone from Rainmaking when they were planning Pier47, and they were interested on getting feedback on what they can do for large companies as well. And I mentioned that, because I knew that that was something that would have helped us a lot. And then what happened from there, I'm not sure, but I know that it has been introduced at the Pier. Whether they took the idea with them to the pier, but I don't know. It could be that Rainmaking decided not to do it, I don't know.

### **Philip – Soho**

#### **So basically, why did you choose Soho over the other coworking spaces here?**

We're from Sweden, me and my colleague. And we moved to Copenhagen around 2 years ago. First of all, we wanted to be at a coworking space because we didn't know anyone. We are not from here, and we're a small team of two people. So, we need help from graphic designers and accountants, web designers, all kinds of people. So, we thought that if we sit in a coworking space, we could use each other's skills, basically. Before we moved here we went down to Copenhagen and visited the different coworking spaces, but I guess... we got a good feeling from this space. And we produce handmade neon installations for businesses. So, it's everything from stores to restaurants. And the meatpacking district has a great history of neon, and there is a lot of neon here (A1, A2). So, one of the reasons we chose this place was to get more business as well. And practically, it is a good place, because sometimes we get huge shipments of neon in big pallets. And this place is great, because you have the reception, but you also have the backyard where big trucks can come. It's easy for big trucks to come

and deliver. So first we were at Noho for a month, but then we moved here, because we wanted our own space.

**Noho is shared, and Soho is more of offices?**

Most of Noho is shared, but they have some small offices. We thought that this place – it has a more creative vibe to it. In some of the other spaces – for example, because we also went to the Rainmaking Loft – it's a great space and it's a great venue, but it's more focused on tech. And we don't work in tech. We sell handcrafted neon. So that was also one of the reasons – this felt more creative and it's also many different businesses here. Not only tech or making apps. Here are lawyers and accountants. And that's a big upside – I think (A1, A2). Because of course it's nice to sit in a place where everyone is doing kind-of the same thing, but it makes more sense to sit with people or to meet people in the corridors or the café that do more different stuff. In terms of inspiration, you also help each other in a more interesting way, I believe.

**So practical considerations, right? Is it something that you feel – the vibe, as you said – or is there something else?**

I think you can feel it. And it's a more humane vibe, I think. Because we've been to the rainmaking loft, and I've also visited some other coworking spaces in Sweden. And I have a feeling that there people are sitting there to create a next unicorn company. It's a lot of stress – and stress can be good or bad – but people here have a saner approach and view of creating and building a company (A1, A2).

**Do you see the space as prestigious?**

I think Soho has a little bit of that vibe. It's in a central location and the offices look nice, so I could see why some people might see it as prestigious (A3).

**How important are community and events to you in a coworking space?**

Now we've been here for over 2 years. And of course, in the beginning we attended everything. And we still do, as much as we can. We could be better at mingling, but even though we don't go to all events, it's nice that you can go to the events. That you have the opportunity. It's me and Max here, and if you work alone in the office you can always drop by the café. It's nice to have the opportunity to talk to others. But they have a lot of events – besides the Friday bar and the breakfast – they have a lot of seminars and workshops, so that's great (E, S3).

**Okay. Do you feel like you belong here? You've been here for two years; do you feel like this place is a part of you as a company to some extent?**

Now we're moving, actually. We're moving to a new office on a street level so that we can have a showroom, it's going to be our own office. But otherwise it's a great place to start. Of course, it differs depending on the kind of work that you do. But since our product is about design and visual experience, it's important for us to have an office that also works as a showroom.

**So, you're stepping up, essentially.**

Yeah.

**Maury - Republikken**

**You guys are multiple people in the company, right?**



Yeah, Standley is six people and five-six owners – I’m the founder. We’ve been here for four months, and we started here in their open areas. So, we just sit all around. So, Rebecca is from Standley, also Chris, Daniel.

**So, what do you guys do?**

Lifestyle inventions – so, products that have never been seen before. So, we patent it and brand it and then get it to the market.

**Sounds cool, I’ll check your website. So, you’re six people and you’ve been here for 4 months. Did you visit other coworking spaces before settling down?**

No.

**For real?**

I’ve been to Republikken before about 4 years ago and I liked the atmosphere. And Chris was working here, so he was actually the main reason why we chose Republikken in the beginning. Just connections and one good experience.

**Okay, so you haven’t even been to other places?**

Afterwards, because now we’re looking for an office. So, we went to some of the communities you mentioned before – Founder’s House and we visited Rainmaking. And Soho/Noho, I didn’t go there personally, but Chris visited it. And we chose to stay here because of the atmosphere and the people, it’s not as competitive. Some of the other spaces are more competitive, but we don’t compete here. Here we help each other, although we don’t do the same. A lot of freelancers here, and single-man companies, but not so many big, scalable companies. It’s a more open, friendly environment. People are very friendly. Because we are very creative, we need to keep getting ideas and executing, so it’s important that people are relaxed, not stressed (A1, A2). So, another reason is the location – for me, it’s very important that it’s a space close to the station Vesterport. So, it’s a combination of everything [why we chose the space].

**Do you participate in the community events?**

Yeah, we actually had a community party called Standley Party. We paid for it, and we are going to do another one now. Obviously, it’s to have fun and to drink and to talk to people, to get to know them, but also to brand Standley indirectly (E).

**Do you feel like belonging, in this space?**

Yeah, a lot. It’s like a big family, or like a high school (I). Because you’re looking forward to going for work, and not only the work itself, but all the interesting things that Republikken can offer. So, talking to people, hearing about how their vacation went, or how their business is... just having good time. It’s actually surprising that there is this nice high-school feeling. It’s called gymnasium in Denmark. Not the university feeling, but the high school feeling. University is not the same, it’s more competitive.

**Community is the focus, huh. But now you’re planning to move out?**

Actually, we’re going to have an office at Republikken. They’re building new offices, I don’t know if you’ve seen them. It’s really nice, so we’re actually going to combine this open space with the office where you can just have all your stuff and be alone, have meetings, it’s more professional when you have finance and investors.

**But for office, you pay per person or for the office?**

We pay for the office. We went to the aforementioned communities, and I think the price here was actually better and more affordable for us. And better located.

**You feel like you belong – if Republikken raised its prices, you'd stay?**

Probably, but not much [of a raise]. It also depends how it goes – it's my first office. So, depends on how it goes, because if we are more productive, the office is a very good idea. So, it depends on how good the office is for us.

**Magdalena – Republikken**

**Why did you choose this space from all the other ones? Why Republikken, basically?**

Well, so I moved to Copenhagen 4 months ago and I was doing a lot of research on various coworking spaces. Some were not that open in having me because I'm not a startup, and I'm certainly not a tech startup. I work for a global corporation. And some coworking spaces won't have that, because that kind-of messes with their concept. They want the people to be able to get ideas from each other, but I'm not here for ideas, I'm just here to do my own stuff. I had to narrow down the choice from that perspective (A1, A2). And then I like the hygge-like feel of this place – it's not too big, so it kind-of feels like a family – we all know each other, we go for lunch together. So, I like that thing (A1, A2). So, based on that and based on several interviews and round tours that I did with various places, this one had the best feel.

**So just the feel, the vibe?**

Yeah, I met with Evelina, who is one of the office managers, and she took me around (S2). And I thought, that yes, this is it. So literally two weeks after getting to Copenhagen, I started working here.

**Okay, cool. Do you see this place as prestigious in any way?**

No, not at all. It's kind-of rustic – you can see it by the state of the furniture and toilets and all (S2). Soho is just down the road in Kødbyen and it's a much fancier place, but we don't aspire to be prestigious here. Everyone is kind-of relaxed. You can see some people, they take their shoes off when they walk around, totally hippy kind-of thing. It's totally down to earth here (A1).

**Okay. Community – events, participation, Friday bars – do you participate in that?**

Yeah, we had office parties here and this Tuesday – two days ago – we did a DHL run together. So, there were two Republikken teams, and I think there is another office party being planned for late September or early October where people will go from office to office and drink a shot at every office. So, there is a lot of that sense of belonging, which is why I chose to be here (E, S3, I).

**You feel belonging, in a sense?**

Yeah, totally. With the community here and all. There are downsides as well – for example for my job this environment is a little bit too noisy. But I prefer to tolerate the noise if I have the people around me (I).

**Makes sense. If this place raised prices, would you stay?**

Probably, but depends on how much.

**Jesper - Republikken**

**Why did you choose Republikken?**

I've been to a few other places – I'm new here, it's only been a few weeks – it's a nice place, good atmosphere. It's close to where I live, that's also important. I can just take a bike in the morning and be here in 15 minutes.

**So, location.**

Location is important, the environment is important. Atmosphere – it's a nice, calm atmosphere. It's like a café here (A1). Location, atmosphere. And there are people down here that I do jobs with sometimes. At the moment I have a project with another guy who works from Republikken, so it's nice that we can have our meetings here.

**And compared other places, what made this one stand out?**

It's a good question, I think it's a combination of location, atmosphere... it's also cheaper than Soho in here. It's a nice place and it's cheaper, which is a plus for this place. I was to another place, but it was much smaller. So, there was no space for food (A2).

**Do you see Republikken as prestigious in any way?**

No, I don't.

**What was that other space called?**

It's at CBS actually – creator's floor. People there were generally younger, and it was smaller, so it was not the same, the facilities. Where you have more people, you can do more common stuff.

**You've been here only for two weeks, right? Have you participated in the community, in events?**

No, I haven't yet.

**But you've met some people, collaborated?**

I knew him before I came here.

**Do you plan to participate?**

Yeah, I do. I usually participate in these events.

**I know it's a bit early, but do you maybe feel belonging to this space? Or it's early to say?**

It's a bit early to tell, yeah.

**Emilia Nomad Workspace**

**Why did you guys choose Nomad Workspace?**

We chose Nomad Workspace because we needed a coworking space and we thought that it would be nice to be somewhere with other creative people. Before the company was at another coworking space in Frederiksberg with a lot of writers. We moved here because we needed a space closer to the city and we wanted to be in the space with a lot of creatives that we could be together with and be inspired by (A1, A2).

**So, you actually changed coworking spaces?**

Yeah.

**Because it's more creative here?**

At least that's our opinion. Before there were a lot of people writing – journalists, writers, or people writing their thesis. Whereas here you have more diverse kinds of people – designers, actual interior designers as us. And then we have clothing shops, craft designers – which is very cool, because we can share our ideas with other people and also collaborate across our branches (A1).

**Do you see Nomad Workspace as a prestigious space to work from?**

Price-wise it is not the cheapest and it's a very nice space. But it's not something that we thought about before moving here.

**How did you know that all these people are here? Did you come here and talk to the people, or?**

My boss came here, and he was shown around the building and he liked it a lot, and then he heard a bit about the people who were here – which companies were here – and then he thought that it would be nice to be here instead. Also, because it's so close to the inner city. And all the rooms, the interior design of the rooms – you can change the room according to your mood. So that's why we're here. It's nice, because when you want to have a meeting you can sit on the couches, you can relax there. Or you can sit by the tables where you can collaborate with other people. Usually my boss sits where you sit, and I sit across, so we can talk. Or if you want to work by yourself then you sit by the window in the room next to this one where it's more like your own working space, and you don't really have to talk to anyone else (S2).

**It's two of you in the company, right?**

Yes, there are more people, but they are part-time.

**And you've been here for how long?**

We've been here for 4 weeks.

**Do you participate in the community events?**

Yes, I went to the Friday bar. That was very fun, yeah. And then I don't know a lot of other community events that have been here yet. But Friday bar was awesome and it's good to know people. I mean we just chat with people that we know and that we don't know about what they are doing. I'd like to do more community events (E, S3)

**Do you have a feeling of belonging in a community here? Or is it too early to say? Or is it more like everybody works by themselves in the common space, and interacts as needed?**

I think it's more like everybody works on their own and then they interact as needed. Or when they get a break, they get to know other people. I lived in a dorm before, so I have the same feeling with this place. You know you have your own thing, but you are together. So, you talk with other people, yeah.