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Madeira Island - The New Home for Digital Nomads?

Liliana Sofia Gomes Faria de Abreu

Mestrado em Gestão de Empresas

Orientador:
Doutor Álvaro Augusto Rosa, Professor Associado c/Agregação
ISCTE Business School

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Departamento de Marketing, Operações e Gestão Geral

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AKNOWLEDGMENTS

"If Somebody offers you an amazing opportunity but you are not sure you can do it, say yes - then learn how to do it later." (Richard Branson)

First and foremost, I want to say thank you to my family who supported me through this journey and for encouraging me to continue my path forward, even when I was unmotivated and felt defeated. To my daughter who does not yet understand that the time I did not spend playing with her, was in fact, for her sake and to be the example of a woman I want her to become in the future. And to my husband, who pushed me to do my best.

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To all,
My Sincere Thank You

RESUMO

É um dado adquirido que a Terra e nós, como seres humanos, estamos em constante mudança e evolução desde o início dos tempos. Assim, adaptar-se a novas condições faz parte da natureza Humana. Parte da adaptação às novas condições que se apresentaram foi o advento do sedentarismo e os primeiros agricultores, uma evolução natural de uma vida nómada. Da mesma forma, a evolução social, a nova era digital e o surgimento de novas tecnologias influenciaram de forma significativa o mundo em que vivemos. Aliado ao efeito da COVID-19 em todo o mundo, e ao seu impacto na mobilidade, esta dissertação de mestrado explorará o fenómeno dos nómadas digitais. Porque, como resultado destas alterações à realidade que conhecíamos, tivemos que, mais uma vez, adaptar-nos e encontrar formas criativas de o fazer.

O foco desta tese será nas estratégias utilizadas e implementadas pelo governo local para atrair talento global neste nicho de mercado que é o nomadismo, e como este projeto poderá ser desenvolvido a longo prazo.

Palavras-Chave: COVID-19, Destino Nómada, Estratégias, Nómadas Digitais, Talento Global.

Códigos JEL: L83; M10

ABSTRACT

It is common knowledge that the Earth and we, as human beings, have constantly been evolving and changing since the beginning of time. Thus, adapting to new conditions is part of the Human nature. Part of that adaptation to new situations was the advent of the sedentary lifestyle and the first farmers, a natural evolution from a nomad life. Likewise, social evolution, the new digital era, and the emergence of new technologies have somehow influenced our world, this time a little in the opposite direction of a sedentary life. Allied to the effect of COVID-19 worldwide and its impact on mobility, this master thesis will explore the phenomenon of digital nomads. The urgency of establishing workspaces with wider distances between workers and renewable sources of fresh air drove companies and employees to consider places with these characteristics, allied to mild weather where it was even possible to work outside. This transformation was a result of human nature: adapting and finding creative ways of doing so, once again.

Henceforward, the focus of this thesis will be on the strategies used by the local government to attract global talent and the niche market of digital nomadism to Madeira Island and how it could be developed further on.

Keywords: COVID-19, Digital Nomads, Global Talent, Nomad Destination, Strategies.

JEL Codes: L83; M10

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CHAPTER 1

INTRODUCTION

Digital nomadism is a new and rising trend in the working scene. It is explained by the expanding number of specialized services that are being provided by companies and/ or individuals, making it easier to transition to a digital work scenario instead of the traditional work scene, meaning, a 9 am to 5 pm job in between office walls. While it had been convenient to many companies to maintain this "old school" way of working, COVID-19 came to shake the grounds of what was considered to be the normal working standards for most companies. The obligation of on-sight presence, rigid working schedules, and inflexible routines were draining most employees and only such a pandemic was able to switch this line of thought and prove it possible to work remotely and, inter alia, without prejudice to productivity.

Promptly companies started to realize that it was not the presence of their employees at the office that guaranteed their quality standards, and with the outbreak of the pandemic most companies even encouraged working remotely, and some yet offered trips to motivate their teams. Many countries spotted a "blue ocean" with such encouragement, but how could they explore this niche market? What was the best approach to attract new visitors, and continue to promote, the destination in a sense that had not been yet explored within the tourism strategy? The answer resided in finding out what were the digital nomads looking for in a destination. Acquiring this type of information would give countries a running start in promoting their digital haven. Imagine sitting all day in front of a computer in between meetings and daily chores. What could be attractive in a destination that allowed workers to continue to perform their day-to-day tasks, but in a lighter, happier, and more productive way?

In what concerned Madeira Island the answer seemed clear: Nature! Nature is the Island's greatest asset, with amazing landscapes, breathtaking views as well as mild temperatures throughout the year, and its privileged location. Close to Europe, but not far from the American or African continent either. Safety was a plus and the official measures to control the outbreak of COVID-19 were crucial, making the island a safe destination. Expeditiously acknowledging the critical success factors and competitive advantage of

the Island, the local government was quick to act on it; they identified what their strategy would be and started promoting the island as a nomad destination by setting up a pilot project in a small villa outside Funchal, named Ponta do Sol, known from that moment on as the Nomad Village.

1.1 Initial Framework of the Theme

Taking into account the impact that COVID-19 is having in the work context and how it changed a whole mindset of working on-site, this master thesis will explore the phenomenon of digital nomads. Despite the growth of the concept and the emerging literature on digital nomads, there is still a lack of understanding of what this phenomenon is and how the emergence of new technologies, the digital world age and uttermost the evolution of society impacted this lifestyle.

1.2 Research Objectives

The focus of this thesis will be on the strategies used by the local government to attract, to Madeira Island, global talent from the niche market of digital nomadism and how it could be developed further on.

An important perspective is also one of the digital nomads. A questionnaire was held to understand the nomad's point of view and what they consider pros and cons, as well as what they would suggest being revised and enhanced to make the Island a more competitive destination for the digital nomad.

Thus, the thesis structure will be divided into six chapters. First, a literature review will be based on academic articles that encompass studies in two main areas: how digital nomads are shaping the world of work and the digital future of work knowledge post-COVID-19. Though COVID-19 helped grow specific markets for some countries, a few governments decided to close their borders to foreigners until the number of cases could be reduced significantly. How the Island benefited from those restrictions and how it thrived by applying safety measures that, besides being essential to contain the pandemic, also made the location feel like a safe one for foreigners, is also another aspect to discuss in this thesis. Additionally, the identification of whose countries could be considered

direct competition and why. Aspects to be addressed and answered by Gonçalo Hall, project founder, and Carlos Lopes, CEO – StartUp Madeira, the entity responsible for the project development alongside Hall.

Thereafter, in chapter 3, the focus of this study will be the context, by framing the island's background in tourism and hospitality and how COVID-19 helped the transition into a digital nomad destination. Additionally, which policies were used by the local government, alongside with regards the extent of the efficiency of those policies, and how they could be improved, for future campaigns. The island's competitors, what are the critical success factors, the island's competitive advantages, and the existing pilot project will likewise be addressed.

Hence, in chapter 4 it will be possible to analyze the methodology that was used. To study and to perceive the behavior of digital nomads and their motivations in choosing Madeira as their "new home", an online questionnaire was conducted. In addition, Gonçalo Hall, a well-known digital nomad and the main driver for the pilot project to be implemented in Madeira Island gave his contribution to this thesis through a personal interview that was essential to understand the concept and the main objectives of this niche market.

Consequently, chapter 5 outcomes in data presentation and the discussion of the results.

Ultimately, in chapter 6 the conclusions of the analysis will be presented, as well as suggestions, based on the feedback of the digital nomads, of future perspectives to further enrich the project.

CHAPTER 2

LITERATURE REVIEW

Digital nomads are people who choose to adopt a lifestyle regardless of their location, aided by technology that allows them to travel and work remotely anywhere in the world (MBO Partners, Inc, 2018). They are individuals who frequently change their location in search of a particular lifestyle (Khazanov; 1994).

Makimoto and Manners (1997) already foresaw in their book Digital Nomads, a technological advance that would allow people to choose a lifestyle of global mobility.

McLuhan (1962) imagined nomads circulating at great speed, using facilities along the way, to the point of almost dispensing with their homes. In his book The Gutenberg Galaxy: The Making of Typographic Man, McLuhan uses the expression “Global Village” as a metaphor for reducing physical distances around the world due to increased communication skills and the exchange of ideas through the Internet.

Toffler (1980) described the Information Age as being characterized by an economy and society based on digital technologies and the removal of spatial boundaries. In his book The Third Wave, he envisioned an "electric cottage" in which workers could work remotely.

However, the increase in the use of mobile devices, such as smartphones, portable computers and tablets (Mackenzie, 2005), in public spaces interrupted the social flow. It was necessary to review behaviors, rituals and communication patterns. As technological spaces evolve, the purpose of using mobile devices for work or leisure is also confused. This evolution puts at risk the “third place” of society, the sacred space that separates home and work. In contrast, the co-work space addresses this risk as it offers a physical space to work while decreasing the use of laptops in public spaces, such as cafes. (Michelle O’Brien, 2012).

In order to assist the digital nomad in their journey, a growing industry is creating a range of products and services that help them overcome the challenges present in the work context as well as in the lifestyle. These services and products include co-working and co-living spaces, remotely possible jobs, talent marketplaces, and online information sites (MBO Partners, Inc, 2018).

Studies on co-working emphasize the importance of a sense of togetherness and community. (Jackson 2017; Mouratidis 2018; Orel 2019). This perspective is important for understanding digital nomadism as well as a lifestyle, in which the community replaces other aspects, such as place of residence, permanent offices and even nationality.

It is crucial that destinations and the hospitality industry understand the importance of co-working and co-living spaces for digital nomadism tourism in order to benefit from this new emerging phenomenon. This understanding of digital nomads' preferences may be an advantage for destinations and companies to attract digital nomads, not only during, but also after the pandemic (Wörndl et al., 2021).

In digital nomadism, both work and life in general revolve around digital technologies, including networking networks as well as other digital tools. (Sutherland & Jarrahi, 2017; Nash et al., 2018).

Current technologies allow digital nomads to work remotely, and also allow for easy adoption of that lifestyle. Social networks such as Facebook and YouTube help immensely to form and maintain professional relationships, thus supporting the mobility of digital nomads (Wang; Schlagwein; Cecez-Kecmanovic; Cahalane, 2020).

The digital nomad chooses the next location based on the possibilities of leisure and lifestyle, instead of this choice being made by the possibilities of employment or work. Digital nomadism is the balance between leisure and work. (Thompson, 2018, 2019)

It is important to distinguish the digital nomad from a professional who travels for work. The main difference is that in the case of the digital nomad, mobility is an option, but for the professional it is a condition or even a requirement of their employment. (Mauratidis, 2018).

The trend indicates that the majority of digital nomads are young men, however all age groups are represented and almost a third are women. Most are identified as self-employed, part-time or full-time, such as freelancers, however some have the so-called "traditional job", with hours from 9 am to 5 pm. The most common professions among digital nomads are in creative areas (writers, designers, content creators, etc.), marketing and communication, IT professionals (programmers, etc.) and also ecommerce

professionals. The link is the fact that anyone can perform their functions remotely, using digital tools and the internet (MBO Partners, 2018).

Some studies present conceptual approaches to digital nomadism, locating it as a leisure activity or a job. Putra and Agirachman (2016) approached digital nomadism as a form of creative tourism and Reichenberger (2018) as a leisure activity, while Orel (2019) positioned digital nomads as a location independent workforce and an alternative to traditional employment.

Wang et al. (2018), propose to look at digital nomadism as a new way of working and organizing life. Other perspectives include digital nomads as a cultural phenomenon and a new form of economic activity, a subculture of new “Journeymen” (Wang et al., 2018).

It is important to note that several destinations around the world responded quickly to this new phenomenon and began to promote themselves as nomad friendly, that is, as being ideal places for that segment, for that lifestyle - to live and work. There are a number of countries that offer tax benefits (Portugal - Madeira Island), visa-free stays, electronic residency and visa “schemes” (Thailand with smart visa and Estonia with digital nomad visa) to receive more temporary residents.

However, digital nomads look almost exclusively for destinations where they can live and run a business at little cost. The most prevalent regions are North America, Western Europe and Southwest Asia (Altringer, 2015).

According to Paris (2011), most digital nomads are "flashpackers", travelers with higher budgets who frequently use technology, while at the same time looking for destinations and lifestyles similar to "backpackers", who look for more accessible destinations.

Ens, Stein and Jense (2018), state that in the labour context digital nomads position themselves differently when compared to other workers in the digital economy, even though sharing similarities. For Hermann and Paris (2020), they adopt the same information technology platforms used by remote workers and other nomadic jobs, Su and Mark (2008), however it is the length of stay in the chosen places, as well as the decision to not having a fixed address, that makes their behavior different (Nash, Jarrahi, Sutherland and Philips, 2018).

As for Jarrahi, Philips, Sutherland, Sawyer and Erickson (2019), digital nomads have more of an entrepreneurial behavior, as well as the intense use of personal knowledge management practices, making them less vulnerable to commoditization and consequent job security, much related to freelancing.

In a shared economy, many of authors already stated above, argue that digital work has transformed the factors of production as of to create digital goods and thus challenge what we know as traditional economy. Wang et al., (2019), point out that digital nomads are in fact changing and transforming the market economy through new practices against norms and regulamentations such as local taxation, border control and other routines, with no need of physical assets.

According to Müller (2016), it is in the cultural context that the identity of the digital nomad arises with more strength. It is their ability to harmonize the will of an independent lifestyle and the pleasure of working and living as location-free professionals that determine the essence of the digital nomad.

For diverse authors (Bauman 2006; Müller 2016; Sutherland and Jarrahi 2017; Reichenberger 2018; Urray 2007) the digital nomads are the representation of the contemporary society in which individuals are always “on the move”. What makes this lifestyle appealing is the combination of globalization, technological innovations and the shifting arrangements of work and social life. These developments have come together to play an important role for the digital nomad who have included this new kind of labour in their quest for more autonomy, flexibility and motivation outside of work (Altringer, 2015).

In order to keep their desired lifestyle, digital nomads shape their lives, professionally and personally, mixing work, leisure and travel. For most digital nomads, the lead factor in choosing a nomadic lifestyle is the desire to travel (Makimoto and Manners, 2007; Urray, 2007).

To support the digital nomads and their pursuit of a location-independent lifestyle, the market has grown in offering support systems. These support systems include mentorship programs, co-living and co-working office space, domain-specific assistance and agencies that help nomads “kick-start” their new mobile lifestyle. This lifestyle has become a “revenue-generating system” as some digital nomads fund their existence by

teaching other how to become a digital nomad - through coaching, organizing evets and retreats and blogging (Mancinelli, 2018).

Mancinelli (2020) claims that digital nomadism is not an alternative lifestyle challenging the status quo, but instead a resourceful adaptation of the neoliberalis order, taking advantage of global inequalities in the capitalist system.

According to Altringer (2015), digital nomadism does not automatically disrupt institutional structures nor the routines that define contemporary life, instead, they use their entrepreneurial thinking and technological skills to adapt to neoliberal changes and build their lifestyle.

The phenomenon of digital nomadism emerged in the 2010s, knowledge workers were adapting a new lifestyle of leisure travelling while working digitally, giving them the possibility to earn a living simultaneously while travelling (Shlagwein, 2017; 2018). This phenomenon has gained strength and attention over the past years. Not only in practice (Everson; King; Ockels, 2021), but also in academia (Olga, 2020).

Richter and Richter (2020) state that the increase of digital nomadism can be pinned on three elements – Individual preference, organizational development and technological advances.

Since COVID-19 there has been a massive and rapid growth as well as a move toward remote work (Everson, King, Ockles, 2021). The rising trend will most likely become more common and largely embraced by workers and organizations in a post-COVID-19 era as there seems to be multiple benefits, both economically as well as the lifestyle wise (Wang et al., 2020).

While COVID-19 resulted in mobility restrictions, with closed boarders and commute restrictions, it also normalized remote-working. Workers and employers realized that most of the time there was no need to be physically in the office to secure a job well done. As such, many companies have extended remote-work beyond COVID-19's initial restrictions, reducing this way overhead costs and supporting employee well-being and productivity. By supporting remote work companies are also helping the tourism industry recover from the outbreak of the pandemic (Hermann; Paris, 2020).

Cohen (2010) normalizes travelling by assuming that travel is the new normal way of life. In 1972 Cohen defined tourists as "drifters" and "explorers", considered to be the

prototypes of today's modern travelers – backpackers and nomads (Cohen,2004; Richards and Wilson, 2004).

For Korpela (2019) nomads are" people from affluent industrialized nations who do not live permanently in a specific location bt move in the global arena and make their living along the way, in the various places in which they reside.

The emerging of hotspots of digital nomads globally that accommodate in a successful way the needs of the lifestyle through co-working and co-living spaces, as Bali and Thailand, are examples of destinations that will continue to attract digital nomads (Thompson, 2018; Wang et al., 2018).

Communities are created when lifestyle and like-minded people bond, sometimes a community is created within the community (Korpela, 2019).

Kannisto (2014), states that the nomads "try to immerse themselves in local cultures in their temporary locations".

CHAPTER 3

THE CONTEXT OF THE STUDY

3.1 Madeira Island Tourism and Hospitality Background

Madeira Island is part of four sets of Islands of which only two are inhabited: Madeira Island and Porto Santo.



Figure 1 - Archipelago Map

Source: https://www.alamy.com/stock-photo-madeira-islands-political-map-with-capital-funchal-portuguese-archipelago-134985825.html

About 90% of Madeira's population is concentrated on the South Coast and 41% of the population lives in Funchal

The tourism sector plays a fundamental role in the Island's economy, involving several sectors: hotels, tour operators, travel agents, restaurants, ports, airport, airline transportation, entertainment companies, transportation companies among others. This sector is responsible for around 15% of regional employment and with an estimated contribution to the region's gross domestic product (GDP) of around 25%. Tourism is revealed as the main engine and lever of regional economy. The gross value added (GVA) maintains its growing trend rising to 8.7%, up to a total of €1.8 billion.

In 2014, even though not fully representative of the tourism sector, the accommodation, food and beverage, and similar sectors contributed approximately 218.5 million euros. This value represents 18,3% of the region's total GVA (Estratégia para o Turismo da Madeira, Região Autónoma da Madeira (2017-2021), p. 24).

The main mean of transportation to the island is by airplane and, around 84% of the passengers that arrive at Madeira airport live outside the archipelago. The nationalities that stand out from this amalgam are German, English, French, and Portuguese (from mainland Portugal). However, Madeira also welcomes many tourists by sea, arriving on cruise ships. In this particular case, the top three tourist outbound markets are the United Kingdom, Germany, and Italy. It is also important to refer that the connection to Porto Santo Island is also made either by sea or by airplane.

Despite all services tourism orientated, Madeira is well known for its human capital. Training and professional qualification are considered priorities and have a great importance in the success of the destination, besides the culture of welcoming its tourists.

According to a study carried out, the estimation of evolution of the main performance targets of the sector is as follows:

- Tourist satisfaction level increase from 70% to 85%
- Tourist input increase from 1.6M to 8.4M
- Overnight stays from 6,4M to 8.4M
- Occupancy rate of 60% to 68%
- Decreasing seasonality rate from 34% to 30%
- Creation of over 3.000 jobs in diverse areas

  Source: Estratégia para o Turismo da Madeira, Região Autónoma da Madeira (2017-2021), p. 24.

Nevertheless, the island also faces competition, starting from the proposed position of "Nature complemented with culture", Azores, Canary Islands, Balearic Islands, Malta, Greece, and Croatia are considered direct competitors of the archipelago.

3.2 COVID-19, Tourism and Digital Nomadism

The surge of the COVID-19 pandemic impacted greatly the tourism industry as it suffered a severe break with all the travel restrictions worldwide and closed borders, as an extra effort to control the pandemic. This impact was also experienced in the corporate world, being that COVID-19 had a strong influence on the shift towards remote work, as an effort to control the pandemic. Consequently, it urged the need to adapt to a different way of working.

Although digital nomadism was an increasing trend before the pandemic crisis, COVID-19 facilitated the growth of this phenomenon which is expected to keep growing in the years to come. The growth of co-working spaces also came to expedite the expansion of digital nomad-oriented companies. The idea of offices has suddenly become less important and the need of working from home is almost imperative (Oxford Business Group, 2021).

Working from home is a phrase much heard since the outbreak of COVID-19 and, it's defined mostly as the employee working elsewhere than the company's offices. Besides working from home, two other terms often heard are: *Telecommuting* and *remote work*.

Due to the impact of covid-19 on the economy, and people's lives, we witnessed a fast digital transformation. This transformation urged companies to change their business models, work procedures and maximize their information technology (Savic, Dobrica, 2020). The impact on the workforce was felt on various levels, requiring the adaptation of a "digital workforce mindset" (Chattopadhyay, Sahana, 2016).

3.3 Digital Nomad Market and Madeira Island's Pilot Project

Although being a niche market, digital nomadism has growing potential. The global digital nomad community's economic value is $787,000,000,000 per year (Carlos, 2022),

calculated as the aggregate of digital nomad spending annually. Just in the US alone, according to MBO Partners, February 2021, the number of Americans that are digital nomads reached 10.9 million in 2020, up 49% in comparison to 2019. This exponential growth was boosted by COVID-19, due to the urgent need of isolation to control the pandemic situation as well as remote work. The expectation is to reach 19 million in the following two to three years. (Gineva, 2022) Others show an intention to transition to this flexible way of working which COVID-19, once again, has contributed greatly to the trend.

Countless companies have decided to keep their employees safe away from the office by working remotely and, others provided the called "workcations", covering the expenses of their employees abroad while still working.

Since November 2020 "Digital Nomads Madeira Island" (Madeira, 2020) enabled the possibility of enrolment. The initiative had a high acceptance rate and until June 2021 there were eight thousand, eight hundred and eighty (8880) applications from digital nomads from one hundred and five (105) countries. This tendency is reflected in the presence of three hundred and thirty-nine (339) nomads in the region.

The countries with the highest number of entries are the United States of America with 1525 entries, Brazil with 1019 and the United Kingdom with 861. In Europe, the majority of entries are from Germany (690), Poland (443), Czech Republic (315); Italy (309), France (254), Slovakia (173), among others. There has been a focus on countries and European citizens by the existence of direct flights, ease of free movement and the fact that there is no need to obtain visas. As of September, there were 4485 Europeans enrolled in the project and the growth of digital nomads has been exponential in the past few months.

With the lifting of travel restrictions, among the United States of America, there was also a greater number of North Americans booking trips. The expectation was that more than a thousand nomads who have registered from the USA could travel to Madeira, already in autumn 2021. In fall and winter, the demand will grow taking into account the favorable pandemic situation both in countries of origin and Madeira Island and the mild temperatures in comparison to northern Europe and the USA. Equally relevant is the increase in the number of remote workers around the world, and the capacity of local entrepreneurs to offer solutions to this market.

Table 1 - Nationalities of Digital Nomad Registration

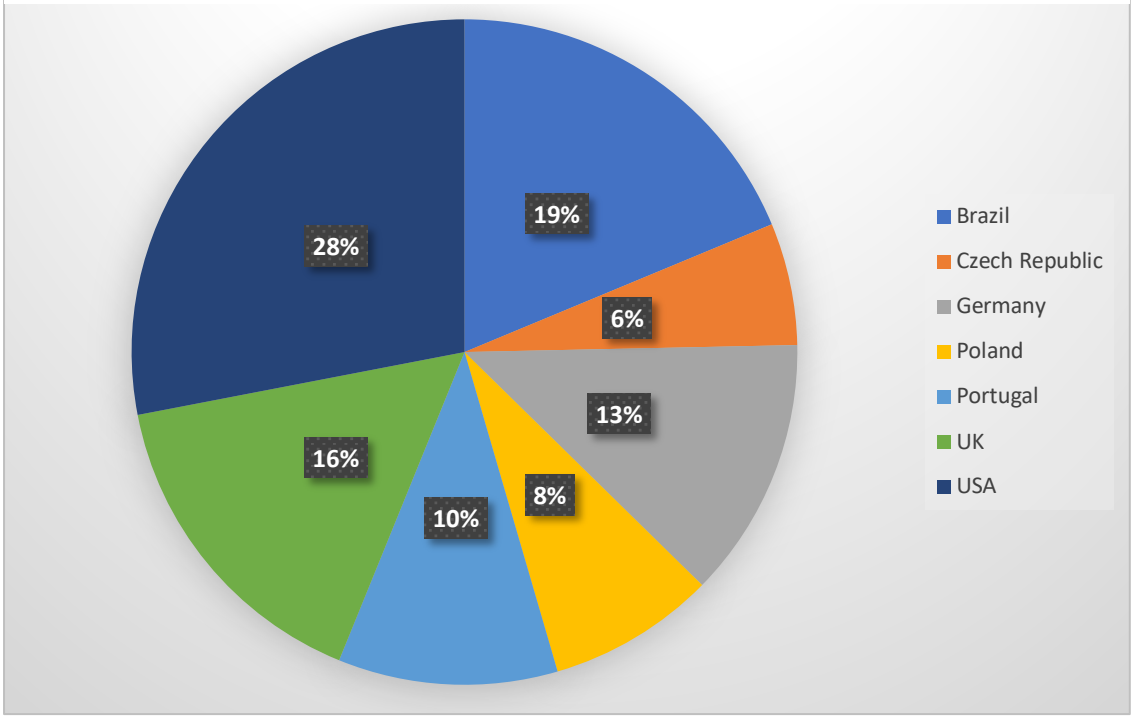
Nationalities of Digital Nomads Registered			
Country	Quantity	Country	Quantity
Afghanistan	1	Lebanon	10
Angola	2	Lithuania	34
Argentina	39	Luxembourg	7
Australia	32	Macedonia	10
Austria	35	Malaysia	6
Bahamas	1	Maldives	1
Bangladesh	10	Malta	10
Belarus	66	Mauritius	1
Belgium	63	Mexico	18
Bosnia	6	Montenegro	1
Botswana	1	Morocco	6
Brazil	1019	Nepal	2
Burundi	1	Nigeria	21
Bulgaria	34	Norway	20
Canada	154	Oman	2
Chile	29	Pakistan	28
China	5	Panamá	3
Colombia	38	Perú	16
Costa Rica	2	Philippines	15
Croatia	25	Poland	443
Cuba	1	Portugal	580
Curação	1	Puerto Rico	2
Cyprus	7	Romania	83
Czech Republic	323	Russia	171
Denmark	34	Serbia	17
Dominican Republic	1	Sierra Leon	1
El Salvador	2	Singapore	8

Egypt	9	Slovakia	176
Estonia	19	Slovenia	18
Ethiopia	1	South Africa	76
Finland	26	South Korea	3
France	267	Spain	172
Georgia	7	Sri Lanka	1
Germany	690	Sweden	56
Ghana	1	Switzerland	65
Greece	56	Syria	3
Guatemala	4	Taiwan	7
Hungary	64	Tanzania	3
Iceland	3	The Netherlands	241
India	125	Togo	2
Indonesia	2	Trinidad and Tobago	3
Iran	5	Tunisia	5
Ireland	116	Turkey	36
Israel	62	UAE	20
Italy	327	Uganda	1
Jamaica	1	UK	861
Japan	3	Ukraine	99
Jordan	3	Uruguay	1
Kazakhastan	7	USA	1525
Kenya	8	Venezuela	15
Kosovo	1	Vietnam	2
Kuwait	4	Zambia	5
Latvia	13	Zimbabwe	3

Table 2 - Nationalities of Digital Nomad Registration

Source: StartUp Madeira PDF Document (2021). DigitalNomadsMadeiraIsland.

Chart 1 - Top 5 Countries with more registrations



3.4 Strategy and Communication Campaigns

The success of the pilot project was due to a strong tripod (Hall, 2022): the local government, that was open minded enough to understand the market and the potential this could represent for the island, especially economically; Gonçalo Hall as the well-known digital nomad with a solid reputation in remote work; and private entity investments.

Besides the influence Gonçalo had on spreading the news on his social media platform, the word was spread on other online media channels to promote the island as a digital nomad destination. Apart from online media, online articles were also published regarding the innovative project Madeira was trying to implement, creating a buzz amongst the community. The bigger the buzz the more the project was diffused, TV channels, national and international, were interested in knowing more and publicized the island. Last but not least, one of the most powerful strategies, word of mouth among the digital nomad community.

3.5 Competitors

Madeira Island has numerous competitors in this segment as there is a myriad of countries competing for this niche market. According to Carlos Lopes, StartUp Madeira's CEO and entity responsible for the pilot project on the island, Bali could be considered a competitor. On the other hand, according to Gonçalo, the most direct competitors are considered to be the Canary Islands and Cabo Verde. However, the strategy taken into account for the future is to avoid the competition between Madeira Island, Canary Islands and Cabo Verde. How? By linking all 3 destinations as a whole, "Macaronesia: Centro do Mundo" (Macaronesia: Centre of the World). This will evade the direct competition between islands and enhance each destination's features.

Furthermore, while COVID-19 helped grow the market for a few countries, some government decided to close their borders to foreign tourists until the number of cases drop significantly. Indonesia, for example, even though closed to foreigners, the tourism minister added that five-year visas would be granted to digital nomads, contrary to Madeira where no visas are needed thus far, but where the maximum stay should not be over 183 days, according to the Schengen Agreement. After this period, and if the digital nomad has the intention to stay for a longer period they need to go to official entities and apply for fiscal residency or pay income taxes in Portugal. For the fiscal residency to be granted there are a few requirements digital nomads need to meet, such as an address, a tax number and a bank statement.

Digital nomad visas are normally used to avoid legal "grey areas", (https://www.etiasvisa.com/etias-news/digital-nomad-visas-eu-countries, s.d.) as remote workers are not eligible to apply to a traditional work visa, which would traditionally require a contract and/or invitation letter, but also have the need to stay in the country for a longer term than a tourist visa would allow. Therefore, the main difference between a digital nomad visa and a tourist visa is the time the visa holder intends to stay in the selected country. While tourist visas are normally granted for an up to three months stay, digital nomad visas allow for a one year stay or even more. Important to note is that neither visa, tourist or digital nomad, allows the holder to be employed by a local company. In order to be employed by European enterprises, non-EU citizens need a work permit or EU Blue Card if eligible.

Not all citizens are eligible to apply to a digital nomad visa, eligibility is dependent on factors such as nationality, petitioner's visa history and whether the applicant is considered a threat to the country's health or security. Each country issuing digital nomad visas may have their own policies and regulations, therefore, citizens eligible in one country may not be in another, and as such, some countries allow an online application process and others require the individuals go through an embassy or consulate.

Aside from Indonesia, countries like Anguilla, Australia, Antigua & Barbuda, Barbados, Bermuda, Costa Rica, Croatia, Dubai, Estonia, Georgia, Iceland, Indonesia, Germany, Mauritius, Mexico, Norway, Spain, Thailand, Vietnam, *et cetera*, are offering long-term digital nomad visas for living and working.

Portugal, as of now, offers no form of digital nomad visas, instead there is the Passive Income Visa and the Golden Visa. The Passive Income Visa is for non-EU citizens who intend to relocate to Portugal. It is intended for cases where a reasonable NET regular income is expected; it does not require a minimum investment in Portuguese territory and may be requested alongside a residence visa at a Portuguese consulate in the country of residency. The Golden Visa, on the other hand, obliges to an investment in Portuguese territory. Depending on the type of investment the minimum amount to be invested also differs. For example, real estate purchases the minimum amount invested should be 500.000€ (400.000€ if in low populated areas). Other types of investments could be through capital transfer, accomplished through financial investments in Portugal or acquisition of shares or quotas of companies, inter *alia*, and entrepreneurship.

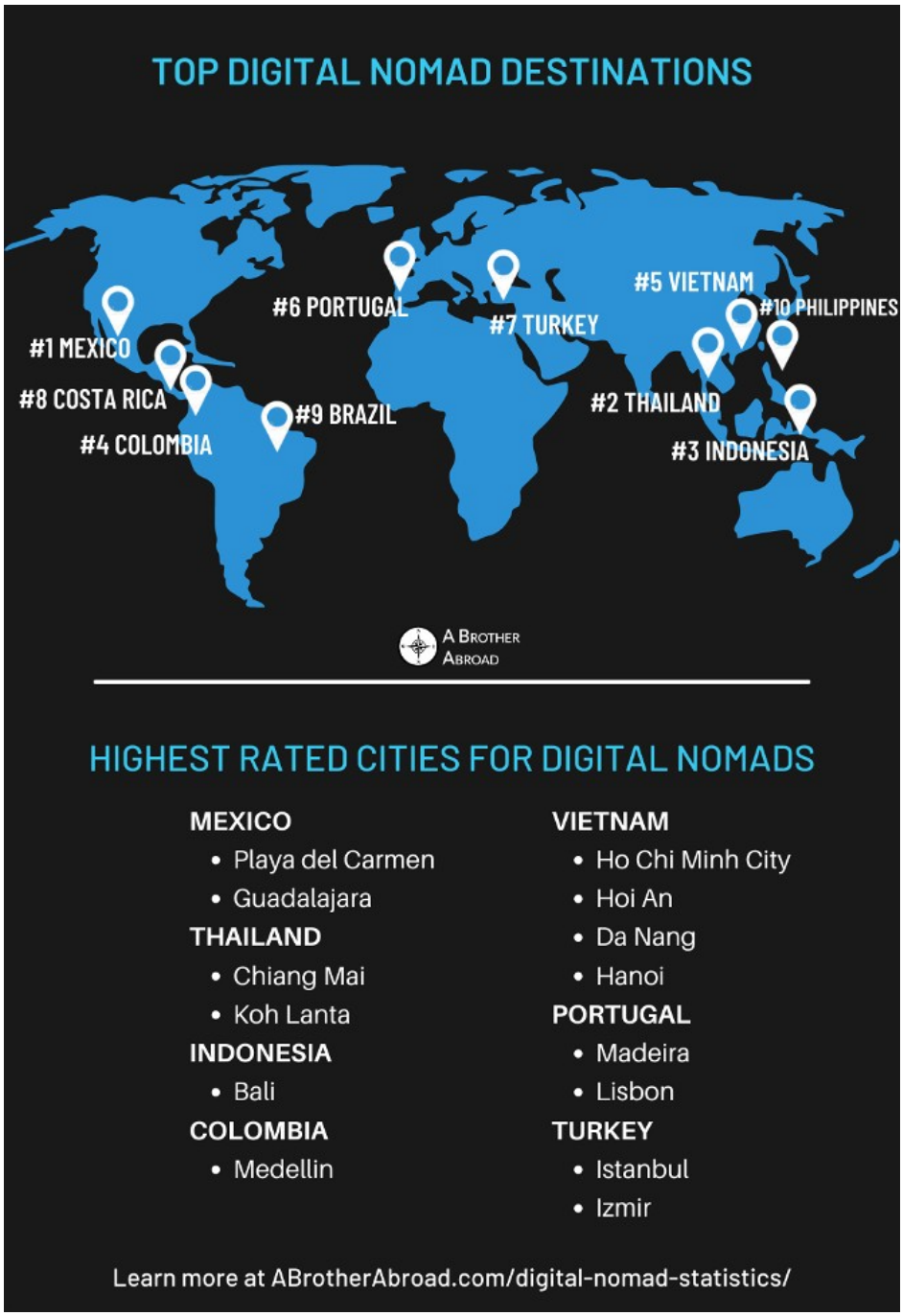
Regardless of the competition, there are factors that whoever applies needs to observe. Some of these requisites overlap with most countries. Compliances like being over 18 years old, proving that you can afford to stay in the country you have selected by providing financial proof, confirming that earnings meet the minimum salary requirements, or even a specific amount of money in your bank account.

Although seemingly obvious, individuals need to prove that they are remote workers. Those who quit or take a month of holidays elsewhere are not eligible to apply for a digital nomad visa.

Interviewing Gonçalo made clear that, in fact, digital nomads are not attracted to visas, fiscal benefits, or even special tax regimes. This means that basically all countries that are offering digital nomad visas, are trying to attract the wrong market. Remote

workers are the ones who should be targeted for visas. The remote worker normally stays for longer periods at the destination comparing with the digital nomad and, therefore looks for benefits that may justify extending their stay.

Figure 2 - Top Digital Nomad Destinations



3.6 Critical Success Factors

According to StartUp Madeira, the official entity promoting the digital nomads' pilot project on the island, there are three main success factors that place Madeira as one of the top destinations for digital nomads: fast internet, outdoor activities and the sense of community.

It's crucial to keep the visitor's satisfaction at high levels, considering that this will translate in the possibility of repeating the destination in the future, as well as influence others in visiting. This is a key factor presented on the official Marketing and Strategy document of Madeira Island's Tourism for 2017 - 2021, a study endorsed by the local Government every four years.

The success factors gravitate around the development and innovation of the "Madeira" product, the alignment of tourists' motivations, linked to new lifestyles, well-being and sustainability.

Another core factor is the collaboration between public and private entities. Facing the Island's economic development, they combine efforts in investment optimization, destination retention techniques, and marketing (Hall, 2022). Additionally, there is another critical factor for the Island's success: the existence of airline accessibility aligned with the growth of demand and target segments. Madeira's proximity to other European countries, with direct flights to many European capitals, is an added advantage (Estratégia para o Turismo da Madeira, Região Autónoma da Madeira (2017-2021). www.visitmadeira.pt).

3.7 Competitive Advantages

StartUp Madeira, as well as Gonçalo Hall, were unanimous about Madeira's main competitive advantage being the official support of the local government in expanding this niche market, betting on a very competitive and targeted strategy. Besides the official support, Madeira has good internet coverage, great weather conditions all year round, offering visitors mild temperatures, even in winter, along with breathtaking views, and is one of the safest destinations in Europe.

The Island has a major plus which is the communication ease that can be found while contacting locals. Communicating in English in Madeira Island is not a problem, opposing to the Canary Islands, for example. Being a renowned tourism destination and having a history of contact with foreigners', locals are friendly and welcoming. Madeira is rich in well-educated youth, with many opportunities to combine offers with locals. This is a characteristic that remote Vietnam or Thailand, do not share with Madeira Island, for instance.

Another aspect referred by digital nomads that have visited the Island is the sense of community. Almost one year into the pilot project this is the most precious advantage Madeira has over some other destinations, the sense of community they find and experience on the island.

As mentioned before, it is important to underline that digital nomads are not remote workers; therefore, it is not the tax benefits that attract them to the destination, mistakenly thought by governments of many countries. According to Gonçalo Hall, nomads are looking for "community, connection, nature, outdoor activities and giving back, instead of nomad visas, tax breaks, as most nomads pay taxes in their place of residence and not where they travel, empty tourism pictures as promotion and empty global promise on how good it is to work from there." In addition, "there is a mismatch between what governments understand, and what digital nomads really are about," Hall said. "Most places are targeting remote workers [like Malta] but then refer to them as digital nomads, and set up a digital nomad visa."

3.8 Digital Nomad Pilot Project: Existing Profiles

According to the information provided by subscribers it is possible to verify an equity of gender (M/F).

Education wise, there is a large scope, from those with higher education (PhD), to those with no academic degree. From students, to professionals who are self-learners, to graduates or masters, the digital nomads are by trend professionals who are always on the look for new solutions, tools and information. The idea of sharing data, knowledge and experiences is the most valued while in community. Skill-sharing moments are seen as essential for these professionals who feel are part of the community.

Although this model of work and life extends to a wide range of professions, the most common among the digital nomads registered are software engineers, CEOs, software developers, project managers, founders and consultants. But it is also possible to find lawyers, yoga instructors, and teachers.

Table 3 - Top 20 Professions

Top 20 : Professions	
Professions	**Registered**
Software Engineer	204
Software Developer	153
Ceo	149
Project manager	106
Consultant	72
Founder	69
Product Manager	66
Entrepreneur	54
Director	52
Student	51
Web Developer	51
Graphic Designer	49
Teacher	45
UX Designer	43
Marketing Manager	40
Lawyer	37
Designer	36
Engineer	34
Data Analyst	33
Writer	31

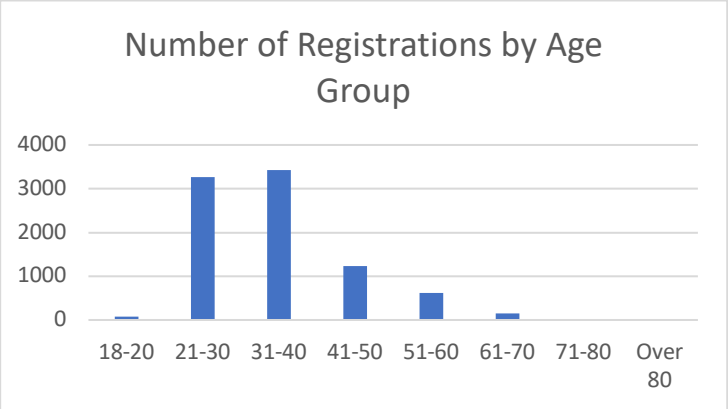
Source: StartUp Madeira PDF Document (2021). 210913_DigitalNomadsMadeiraIslands.

Regarding age groups, there is a significant age gap; applicants' ages range from 18 to 83 years old however, the age group with greater affluence is 30 to 40 years old, having a combined 3000 registrations. (StartUp Madeira PDF Document (2021). 210913_DigitalNomadsMadeiraIslands)

Table 4 - Age Groups

Age Groups Registered	
Age	Quantity
18-20	84
21-30	3262
31-40	3425
41-50	1238
51-60	616
61-70	157
71-80	19
Over 80	4

Chart 2 - Age Group Registrations



Source: StartUp Madeira PDF Document (2021). 210913_DigitalNomadsMadeiraIslands

Indubitably, salary is an important factor as it is also part of the requirements to enroll. The salary of the digital nomads varies greatly among the participants of the pilot project, especially because they come from different countries and their salary depends on their profession. Nevertheless, the average salary of the community lies between 1500€ to 10.000€ per month.

Regarding the stay of digital nomads, it tends to be long when compared to traditional tourists. According to the registrations, 1883 nomads intend to stay between 1 to 30 days, 2398 between 1 and 3 months, while the remaining subscribers have chosen the option of indefinite stay.

Given the travel restrictions between countries, due to COVID-19, it is important to emphasize that Europeans (within Schengen area) continued to travel more easily to Madeira.

This pilot project, due to its natural dynamics, is already being extended to Madeira and Porto Santo, gradually and in a sustainable way, driven by private entities that are choosing the best locations (cost/benefit) to carry out their investments. Local

entrepreneurs created HubRemotely, an organization that promotes the ecosystem of digital nomads and remote workers, stay, tours & excursions and retreat.

The “Nomad Village”, in Ponta do Sol created by StartUp Madeira and Gonçalo Hall, at the John dos Passos Cultural Centre, has been already visited by more than 1000 digital nomads, 250 of whom used the space regularly.

During the summer the space was used daily by 15 to 20 nomads, however, by the fall the expectation is to increase to 50 daily users. Since the working space is based in Ponta do sol, as are most of the users, the space is not exclusive to nomads housed in Ponta do Sol. It is possible to find a movement of nomads housed in other municipalities such as Calheta, Ribeira Brava and Funchal.

During the first 5 months (February to June) of the pilot project, it was possible to discern the needs of the nomads, reinforce the links between them and the local companies, contact investors and facilitate contacts and information. One of the prime goals of the initiative, was to be able to enhance the sustainable economic impact for Madeira.

A few studies indicate that the average amount spent per digital nomad is €1,800 per month, and it is estimated that since February there was at least a regional economic impact of 1.5 million euros/month, directly related to this niche market. (StartUp Madeira PDF Document (2021). 210913_DigitalNomadsMadeiraIslands) This is the result of the needs of nomads, reflected in the solutions presented by local businesses and e local entrepreneurs, who provide services throughout the island, from local accommodation, hotels, rent-a-car, restaurants and cafes, work spaces, accounting support, lawyers, among others.

Having established that this is a global trend and that it will keep growing in the next decade, the pilot project in Madeira Island is often mentioned for marketing purposes. The intention is to make the Island a reference and an official itinerary for digital nomads. An example of this strategy was the position of the archipelago on the dynamic platform nomadlist.com which rose more than 40 positions, to number 15. The cultural impact of this initiative has been enormous, due to the activities that have been practiced by digital nomads both on the island of Madeira and Porto Santo. During the past months there have been numerous activities of skill sharing, through in-numerous workshops, which enrich the experience of all those participating.

CHAPTER 4

METHODOLOGY

In this chapter the research design and sample are explained. The study is built over a questionnaire studying the opinion of digital nomads about Madeira Island as a digital nomad destination. Part of the method whirls around the emphasis of the strategies used by the local government to attract global talent and especially the digital nomads, to come to Madeira Island, and how these strategies and approaches could be developed further on.

Details of the sample are summarized regarding digital nomad's opinion in regards to quality of life, cost of living, healthcare, leisure and nightlife.

It was important to understand how the digital nomads shape their lifestyles, professionally and personally, while mixing leisure and work alongside travel.

Are they the representation of contemporary society in which individuals are always on the move and what makes it appealing, or is it the combination of globalization, technological innovations and shifting around work and social life? Is it the desire to travel that shape the lives of the digital nomads or the characteristics of the destination that is a leading factor? (Makimoto and Manners, 2007; Urray, 2007).

Therefore, the survey was designed to answer specifically what Madeira Island, as the destination, had to offer and in which way it had leading factors that helped make the decision in choosing the island to the detriment of other places.

To resume the study, a descriptive analysis will be done, supported by graphs and charts displaying the most relevant results.

4.1 Sample

The sample considered for this study was based on the digital nomads already working in Madeira Island. The sampling frame had no specific target, the intervenients were selected randomly as the aim of the study was to understand the opinion of digital nomads regarding the Island as a destination.

Out of around five thousand digital nomads that have already passed by Madeira Island, and without the possibility to question such a great amount of people, a sample of 50 people were inquired.

Although all nomads responded online to the survey, a small number, around 15 of them, answered independently via the URL shred on social media, and the others, the majority, replied to the questionnaire in person. This was due to the poor adhesion of nomads answering to the survey via the URL shared on social media. The solution was going to the co-working space in Ponta do Sol and asking them the questions of the survey while introducing the answers myself on the device.

All answers were treated anonymously.

4.2 Interview

Gonçalo Halls interview was prepared according to the main aspects and goals of this project. It was important to understand his point of view and his vision, how he came to realize the island's potential for digital nomads and how he presented his idea to the local government.

After understanding the first steps that were taken towards the creation of this project, it was mandatory to learn about the sense of community that all digital nomads and social media claim that Madeira Island has. Is it possible to work and develop the sense of community or is it "organic"? According to Gonçalo it was worked on closely, in order to make the project prosper and turn in to a must-see, must-go destination for digital nomads.

Questions like what are the Island's competitive advantages and how the project could be enhanced were also covered, as well as the process of choosing Ponta do Sol and the *Centro Cultural John dos Passos* for the first digital nomad village.

Other aspects like how partnerships were made with co-working spaces and accommodation were also approached.

The interview ended with the explanation on how private investment would be the next step to elevate the project.

4.3 Survey

The survey was prepared keeping in mind the key aspects of this dissertation, namely the marketing strategies and the nomad's overall opinion about the Island as a destination for the digital nomad's lifestyle and needs.

It was mandatory to understand their point of view on aspects like the quality of life, internet connection and speed, safety, cost of living, local's level of English, weather, sense of community among others. These opinions were rated on a scale of 1 to 5 (one to five), namely one being very bad, two bad, three normal, four good and five very good.

Complementary questions were also asked, like how they found out about the project, what attracted them immediately, what they would consider to be cons and pros of the project (they were asked to name three each), how they thought the project could be enhanced and if they had any suggestion to present.

CHAPTER 5

DATA PRESENTATION AND DISCUSSION OF RESULTS

5.1 The origin of home making for the digital nomads

The interview with Gonçalo Hall, a Portuguese well-known digital nomad, was intended to understand his perspective and how he was able to persuade the local government to take a chance on him and grasp his vision to put Madeira Island out there and promote it as the digital nomad haven.

Therefore, Gonçalo was in fact the creator of the Digital Nomad Village in Ponta do Sol – Madeira and Cabo Verde Remote Work. He is currently the CEO at NomadX and is involved in multiple other projects related to digital nomadism and remote work. He describes himself as someone that "builds and transforms interesting places into digital nomad hubs with a positive local impact" and aid to companies, helping them implement remote work successfully with "quality and proper systems".

His educational background is in Marketing and Languages and Editorial Studies.

5.2 Madeira as a shelter for digital nomads

A fundamental part of this study was to gather the opinions of the digital nomads. As consequence, the questionnaire was created to have specific questions answered. This set of answers would be indispensable to understanding the point of view of the intervenients. The research was based on the website https://nomadlist.com/, that operates as a platform where digital nomads look for what they consider to be essential in a destination; it was possible to concoct the questionnaire with two sections.

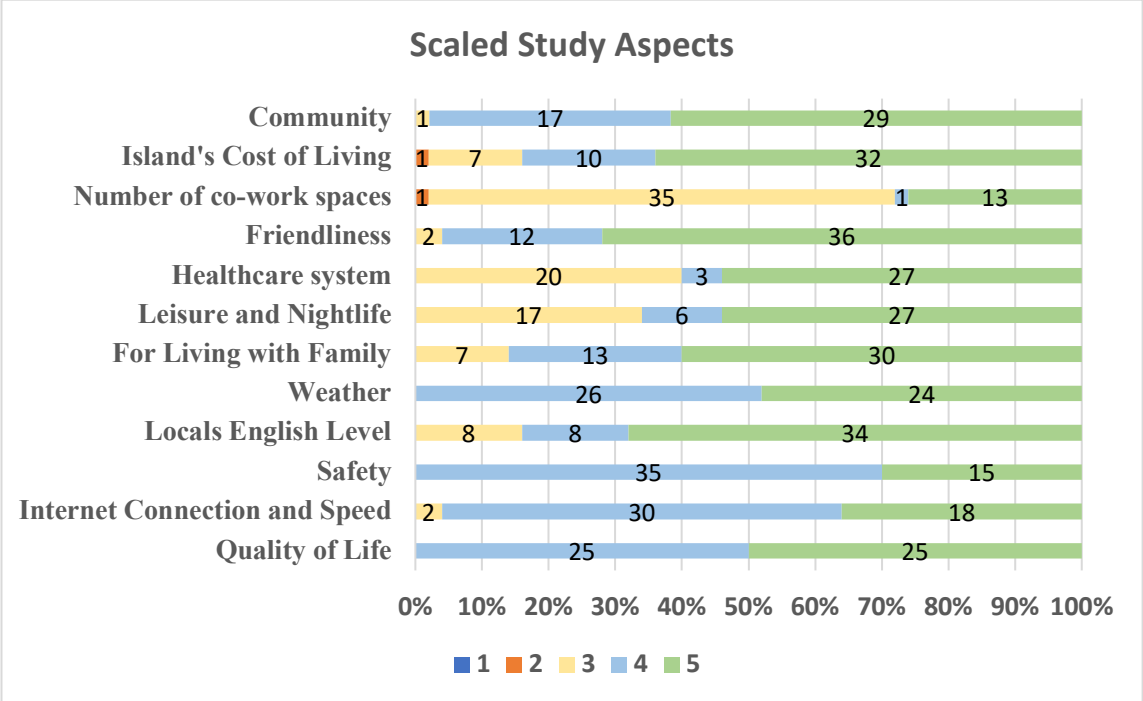
The first section's questions aim to understand how the digital nomads classify Madeira Island on several aspects, such as cost of living, locals' friendliness, weather, among others, on a Likert scale from one to five, being 1: very bad; 2: bad; 3: normal; 4: good and 5: very good. And if it is in the cultural context that the identity of the digital nomad arises with more strength (Müller, 2016).

The second section was to understand how the digital nomads found about the pilot project in Madeira Island, making it possible to infer what attracted the nomads the most, and what they would consider to be the top three pros and cons of the island. What makes this lifestyle appealing and which developments have come together to play an important role for the digital nomad who have included this new kind of labour in their quest for more autonomy, flexibility and motivation (Altringer, 2015)

The last questions of the section were on how the pilot project could be improved and augmented, and eventually provide other suggestions that would improve the digital nomad experience, as individuals and as a community.

5.3 Results – Discussion and Descriptive Analysis

Chart 3 - Scaled Study Aspects



According to the chart above it is possible to visualize the answers given by fifty nomads regarding some important aspects of island living.

The top three aspects rated as very good are the friendliness, the island's cost of living and the quality of life.

On a scale of four, as good, nomads highlighted the safety the island offers, internet connection and speed, as well as the weather, described as being mild all year long. Very much contrasting to most of their origin countries where severe winters are felt, for example, Poland.

Considered as a three scale, are aspects like the number of co-working spaces, the healthcare system which they considered could be ameliorated and not so bureaucratic, and the few options of leisure and nightlife given, especially the latter.

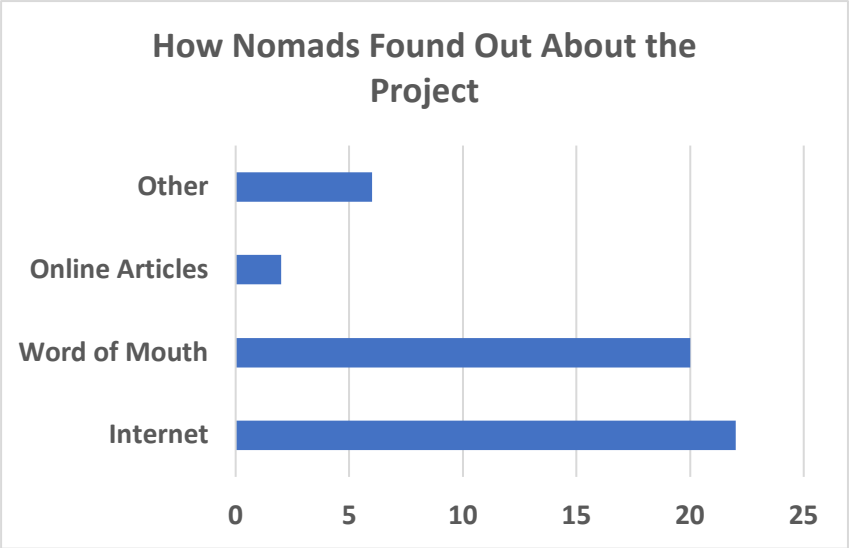
Although most aspects measured and enquired were positively rated, there were two answers that classified the island's cost of living and number of co-working spaces as bad.

None of the enquired classified any aspect as very bad.

The second section was composed by questions with open answers, meaning that the nomads had to freely share their experience and opinion on the project.

The first question was how they found out about the project and the two options that stood out were the internet, in first place with twenty-two answers, right after word of mouth with twenty answers. When answered "Other" digital nomads were asked to specify, and answers like LinkedIn, social media, television and friend recommendation were given. It would be safe to consider social media as internet and friend recommendation as word of mouth, making these answers the top two of the nomads enquired.

Chart 4 - Divulgation of the Pilot Project



Regarding the perception of the nomads of the island and what attracted them immediately was the weather, community, landscape, island's location and safety.

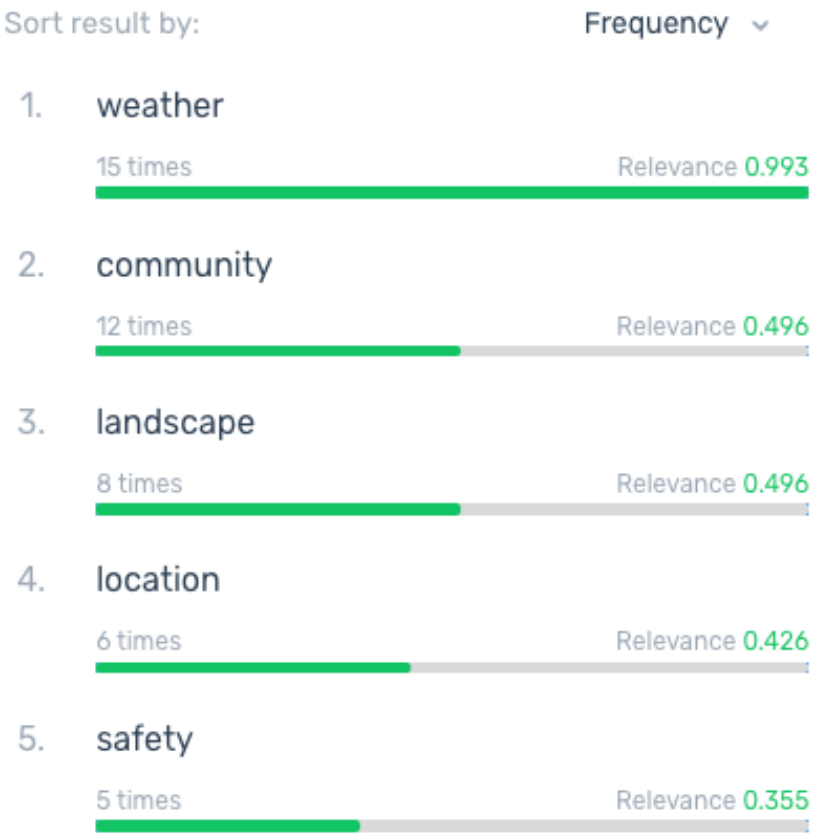


Figure 3 - What Attracted Nomads Immediately



Figure 4 - Word Cloud of What Attracted the Nomads Immediately

Table 5 - Top 5 Pros and Cons of Madeira Island as a Nomad Destination

Top 5	
Pros	**Cons**
Weather	Need to have a car
Landscape	Few weekend activities
Community	Few co-working spaces
Nature	Poor public transportation out of Funchal
Europe	Humidity

The majority of nomads were aligned with most of the answers given. Regarding the advantages of the Island, most of them mentioned the weather, the island's beautiful landscape, the community built for the digital nomads, how the island is surrounded by nature and its closeness to other points in Europe.

As for the disadvantages, the same pattern was observed. Most of the nomads complained about how commuting without a car outside of the city is hard. The lack of public transportation to support out of the city commuting is also not considered a positive feature, most consider public transportation to the smaller villages poor and on weekends almost non-existing. Other aspects like the humidity, few co-working spaces and the lack of weekend activities were also poorly rated.

Once the pros and cons were answered the next question focused on trying to have the nomads name aspects that could be refined and enhanced. How, in their opinion and experience thus far, could the official entity managing the project improve the positive aspects of an overall very good and well lived experience. The most relevant answers were that there needs to exist more options of co-working spaces around the island, not only in the bubbles created for nomads. Renting prices have also increased, both for cars as well as housing, and digital nomads believe that these prices need to reflect their needs and differentiate them from the "normal" tourist that will only visit the island for a very short period, whilst nomads stay for longer periods. Some were already staying in Madeira for three months. Another important aspect was the idea of private investment as well as more partnerships, private or public, needed to help the project grow.

In this sense, the questionnaire validated more than the expectations of the local government in relation to the investment made on this niche market. The hope and belief that Madeira Island would captivate the nomads with its unique landscapes, mild weather and the feeling of home away from home was confirmed by the increasing number of registrations. The number of nomads willing to come back another time to the island proves the success of the pilot project. The enormous economic impact the project brought to the island was the culmination of the experience, further validating the bet on this niche market.

Although COVID-19 brought along many travel restrictions and limitations, it was also a kick starter for the project. Even before boarders were completely open the list of subscribers was growing day-by-day. November 2020 was when the project "Digital Nomads Madeira Island" went live and 1 month in there were already 232 candidacies. Over the following 2 months the number of registrations was over 4000.

Surprisingly, the United States was the country with the highest number of registrations, and their borders were closed during COVID-19. As soon as the restrictions

were lifted a great number of Americans booked their stay. The expectation was that the registrants were from European countries, closer to the Island, benefiting from direct flights, free circulation within the EU community and no need to obtain visas. However, the initiative counted applications from all over the world.

Despite believing in the project and expecting it to be well accepted in the community, the results were beyond satisfactory.

The immense work put into building a solid community, creating working spaces, as well as innumerous partnerships with several entities around the island was equally important to captivate the market. Even more so when the efforts put in the project brought the island more visibility and exponential economic growth for local businesses such as car rentals, housing and co-working spaces. The increase was in such a way higher than expected that more solutions need to be created to respond to the rising demand of nomads. More houses, more cars and extra co-working spaces, at user-friendly prices, have been requested in order to meet demands and expectations. Obviously, with the high demand there is a deficiency in the supply of determined goods, like the ones stated above, and as such, the local government and other entities, public or private, need to unite forces and try to answer to these needs. Being able to respond to these requirements will also amplify the project, the island and the economy.

Besides these needs, the nomads also showed interest in having more activities that allow them to interact more with the locals. An aspect to be considered by the competent entities.

CHAPTER 6

CONCLUSIONS

6.1 Main Aspects

The main aspect of this project was to understand the impact of the attractiveness strategies to promote Madeira Island as a top destination for digital nomads.

The concept, although not recent or new to some digital works, was with no doubt enhanced by the outbreak of COVID-19 and augmented by the restrictions of the pandemic.

Gonçalo Hall's fresh eye and impact on this project was crucial to help the local entities place the plan in action. It was after a visit to the Island that he went to the local government and promoted the idea, with the guarantee that the project would work if endorsed by this entity and worked on side by side with him and other remote companies / entities, like remote.eu, to place the island on the map of digital nomads and an *en-route* destination.

The promotion of the pilot project by the local government and StartUp Madeira, represented by Carlos Soares Lopes, CEO, was decisive to its success. Marketing campaigns, international television documentaries, social media posts and most importantly, word of mouth gave the project the extensive visibility it needed. The number of digital nomads that have come to Madeira Island prove the project was well defined, planned and disclosed. Over 5000 digital nomads have been on the island since the project was publicized. These aspects demonstrate that the strategies used were successful and help consolidate the theme of this thesis.

The digital nomads are those who promote the island the most, by sharing their experience and advice on online platforms, like nomadlist.com. While discussing this phenomenon with the nomads, especially when personally inquiring some of them, it was clear that a significant part of them have the intention to come back to the island, others had already postponed their departure and some had the intent to set roots.

Even though most of the restrictions due to the pandemic have been dropped in several countries, the pilot project has proven to be solid enough to continue after a whole year of experience.

6.2 Project Limitations

It is said that our most valuable asset is Time. Ergo, it was not completely unexpected that the main constraint to the development of this project was indeed time; specifically, the time needed to approach the digital nomads on the island and, in the meantime assure that they answered the online survey. All the attempts to share the survey URL on platforms to facilitate the answers were proven unsuccessful and fieldwork was required.

Although digital savvy, most digital nomads do not take the time to answer online surveys.

6.3 Future Perspectives

As mentioned formerly, for every project there is a margin to improve. From a future perspective, the local entities and the government could try to explore more opportunities to develop and upgrade the project. Further private investment in areas like housing, car rentals, and co-working spaces needs to be explored. These private investments would only be possible with the support of the local government, by disposing of incentives to help develop and encourage locals to, perhaps, invest in this niche market, raising the economy.

Being able to merge the digital nomad community with the locals would also be an enriched experience for both ends. Culturally such diversity would only be beneficial for the island, opening its horizons and creating a multicultural population. Furthermore, this is one of the enhancements the digital nomads asked for when approached and inquired about what could be improved.

Although not the main aim of digital nomads, fiscal incentives could also be thought of to attract them permanently. If not as individuals, maybe as companies, preparing and offering incentive packages to corporations that would like to move their

companies to the island. Again, elevating the diversity of the island and uplifting its economy, not only with more cashflow, but with jobs and specific know-how.

6.4 Conclusion

The aim of this study was to understand how the digital nomadism market was developed and explored in Madeira Island. How, or not, did the direct influence of the local government and public entities impact the image of the island internationally while promoting the destination.

Aided by the questionnaire and Goncalo's interview, as well as, all the other personal contacts I was able to collect while studying the phenomena and whom gave precious insights about the theme, the goal of this theses was reached.

It was possible to determine that Madeira Island was successfully promoted and the strategies used by the local government and entities were proven successful. The Island has a solid reputation among the digital nomad community and keeps promoting itself via word of mouth.

Internationally, as well as locally, Madeira Island is referred to as an example when promoting itself as a digital nomad destination. The support of the local government, the initial endorsement of public and private entities, as well as the goal-oriented strategy were crucial for the success seen within weeks of the project launch.

Perhaps, the digital nomad visa could moreover be improved, taking into consideration what the nomads really need, what they look for and what would interest them the most when applying for a nomad visa. The application, by its very nature, should likewise be simplified, avoiding complicated bureaucracy and grey areas concerning taxes. Making the visas for the nomads, whilst protecting the destination.

An aspect seen throughout this study was the fact that in Madeira Island, Ponta do Sol was selected as the digital nomad villa, however, expanding this strategy to other rural points on the island could equally be beneficial and expand the project further. Distributing the impact of this market to not only one area. Hence, a way to fathom this aspect could be by supporting with transportation, providing thus way a solution to the dissatisfaction of the nomads concerning the lack of public transportation outside the city

and the difficulty they face when commuting without a car. Such support could be in the form of a shuttle bus, subsidized by the local government, to assist commutes in between project villas.

Undoubtedly, the project has great potential to grow and evolve. Most nomads guaranteed to return to the island in the future and some were even trying to extend their time on the island. This singly proves the success of the project and opens doors to future perspectives, with numerous opportunities to be seized by public entities, as well also private.

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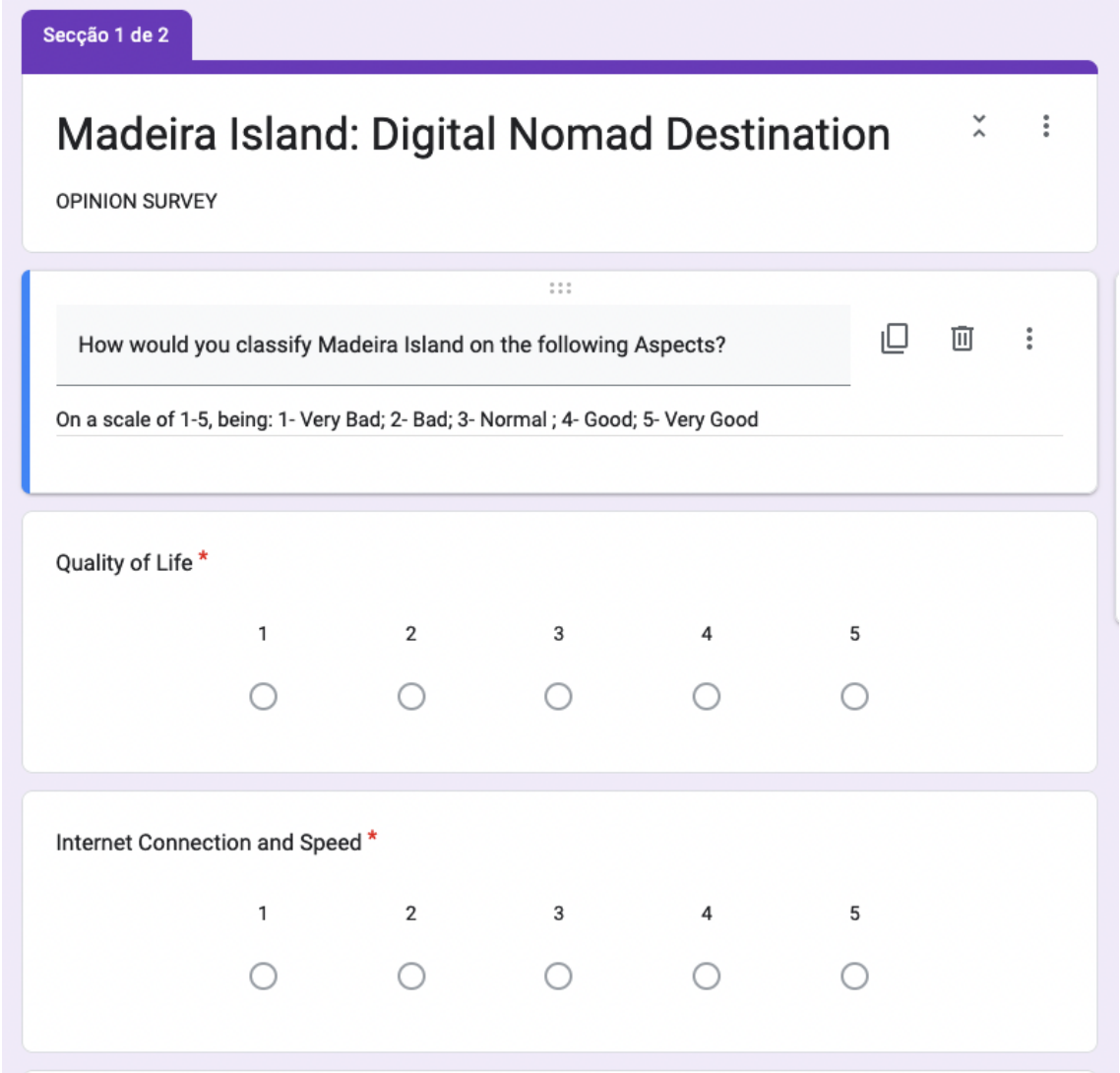
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APPENDIXES

1. Questionnaire https://forms.gle/Ut6vKkNs9Tq4vM5V6



Safety *

1	2	3	4	5
○	○	○	○	○

Locals English Level *

1	2	3	4	5
○	○	○	○	○

Weather *

1	2	3	4	5
○	○	○	○	○

For Living with Family *

1	2	3	4	5
○	○	○	○	○

Leisure and Nightlife *

1	2	3	4	5
○	○	○	○	○

Healthcare system *

1	2	3	4	5
○	○	○	○	○

Friendliness *

1	2	3	4	5
○	○	○	○	○

Number of co-work spaces *

1	2	3	4	5
○	○	○	○	○

Island's Cost of Living *

1	2	3	4	5
○	○	○	○	○

Community *

1	2	3	4	5
○	○	○	○	○

Após a secção 1 Continuar para a secção seguinte

Secção 2 de 2

Complementary Questions

Descrição (opcional)

How did you find out about the Digital Nomad Project in Madeira? *

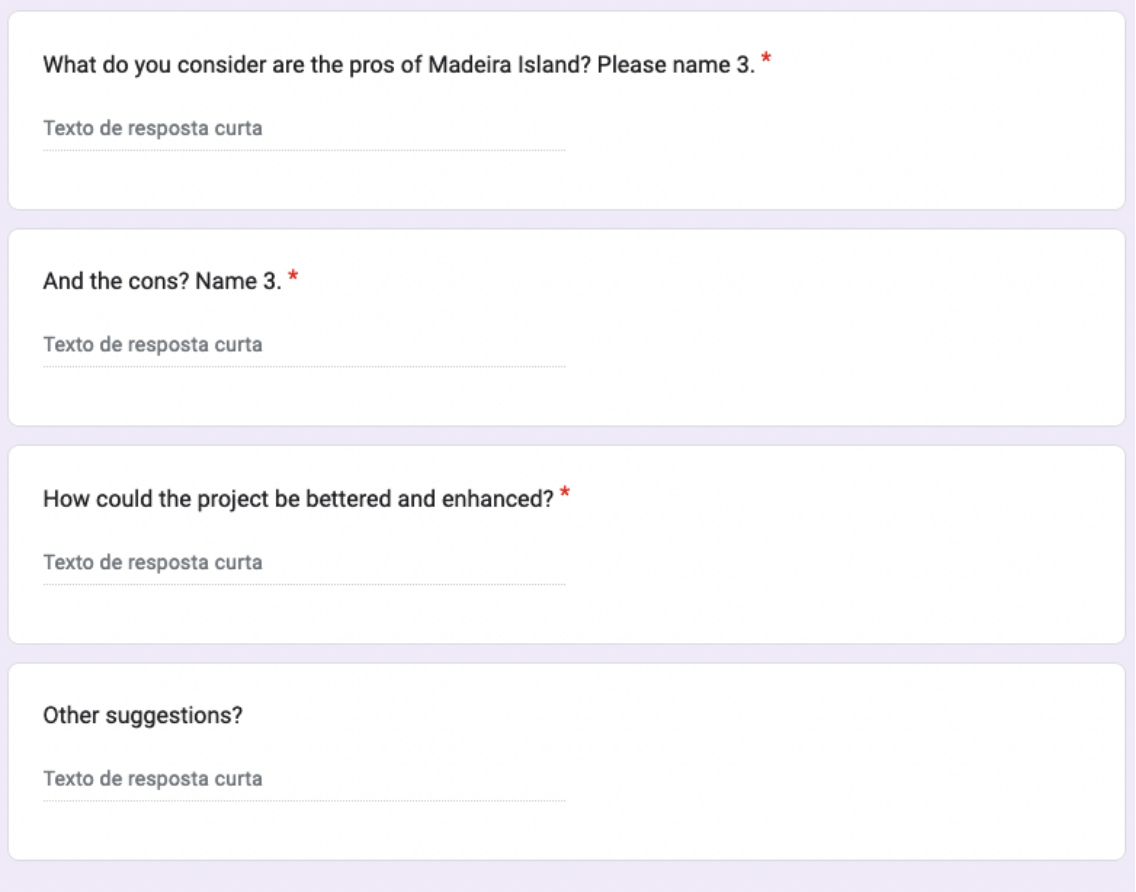
- Internet
- nomadlist.com
- Word of Mouth
- Online Articles
- Other

If you selected "Other" previously, please name it here.

Texto de resposta curta

What attracted you immediately? *

Texto de resposta curta



2. Interview Gonçalo Hall

1- When you arrived at Madeira Island, what immediately caught your attention? Where or in what did you see the potential of the region?

I immediately realized that the island had huge potential for nature and outdoor activities and that that strand was not being fully promoted. The island has what I call a great tripod: fast internet, outdoor activities with amazing landscapes and mild weather and the community. Besides those factors, the island has a good living cost.

2- How and what was it like to explain your vision to the local government and entities?

It all started at a conference about the future of work in Portugal, I was invited by Carlos Lopes, CEO of StartUp Madeira, to attend. After exchanging a few ideas, it was obvious what to do

next, we took the idea directly to the regional minister of economy, Rui Barreto, and from there to the president of the local government Miguel Albuquerque.

3- How did you come to the conclusion about the funding policies for the project?

First of all, myself, I have a solid reputation on social media for remote work and am a reference in the sector. Then we were able to establish an important partnership with NomadX that followed an important article on 150 sec that caused great impact and buzz.

4- In your opinion, what makes Madeira Island better than other destinations?

The extraordinary landscapes and the fact that Madeira is faced to nature and outdoor activities. Also, the support of the local government that was a huge facilitator when it came to connections, not only in the public sector, but also for private investments.

5- Is it possible to work the sense of community? Which apparently is what attracts digital nomads.

Yes! The sense of community is accomplished by creating meaningful events, helping the nomads come together and meet each other, have them find others with similar beliefs. We were able to achieve this by creating events like sunset parties, yoga, skill sharing events, wellness retreats, among others among the "tribe".

6- Are there any improvements still possible to better the project?

Absolutely, all projects have space to grow. As of now we want to connect the nomads with the locals, make them feel at home as well as, sharing the same experiences. However, the pandemic has made it more difficult for us, but that's the next aim of the project.

7- In your opinion, what is the biggest competitive advantage the island has?

Nature and the support of the local government, which was always open-minded about the concept helping and facilitating connections.

8- How was the process to pick the digital nomad village in Ponta do Sol? What criteria did you take into account?

We wanted to promote nature, an ecosystem and small villas are perfect. Most nomads come from big cities; they don't look for that in other destinations. Funchal promotes itself, and that was not our aim as well. We want the nomads to have the most real experience of the destination, which is not only it's capital.

9- How were the partnerships with co-working spaces, housing, etc., established?

Going directly to the places and talking to the owners one by one.

10- Is private investment the next step? in what areas?

Yes, private investment is key going into the future. In areas such as housing, co-living spaces, co-working spaces. Basically, help create a "community bubble".