

# EXPLORING GLOBAL EXPANSION OPPORTUNITIES FOR COLIVING COMPANIES

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## **Abstract: -**

*This study is based on exploring the Global opportunities for coliving industry by understanding consumer's expectations in terms of amenities and their willingness to pay and comparing it with the actual coliving scenario and conditions across the globe in order to understand the expectation and reality gap in the coliving industry. It is focused on understanding the coliving market scenario to come to a consensus about unique offerings coliving companies can offer to their prospective customers. Through structured interviews of 100 respondents of which 50 were students and 50 were working professionals, who were aspiring to go abroad and the ones who are currently residing there. The research methodology is qualitative and the Likert scale data was analysed in IBM SPSS. Factor analysis was conducted to extract the prominent factors, which were sharing bathroom, sharing belongings, loneliness, currency exchange, opposite gender and feeling safe; of which 'SHARING' emerged as a crucial outcome. The results of the study showed that the actual expenses were 38% lesser than the expected expenditure on shelter. It was established that Coliving companies which are planning to expand into the global market, should plan on bringing an Indian touch to their services such as offering Indian meals, celebrating Indian festivals, promoting Indian community living together and the Indian culture. They could also provide facilities like selection of roommates based on cultural aspects, economical and pocket-friendly prices, etc. in order to cater to Indian students and working professionals intending to go abroad.*

## **Keywords**

*Coliving, Internal respondents, External respondents, Global expansion, opportunity space*

## 1. Introduction:-

This study was directed to know the consumer perspective towards co-living services offered outside India. The collected information will feature essential variables like inclination of respondents towards various amenities, desire for amenities and attributes when making a decision, awareness about coliving spaces, how much are respondents currently spending and where are they residing and what other amenities they would like to have.

This research study, along these lines, will help coliving companies to comprehend the consumer point of view towards co-living services offered, help to understand the gap between expectations and the actual reality of coliving industry and explore expansion opportunities globally.

**Coliving-** Co-living is a community living model that accommodates two or more people. Coliving is a type of shared housing for people with shared likes, similar values and intentions. People across countries are getting attracted to this model and adopting it because of its various benefits which include comfort, affordability and social belonging.

Coliving as a concept can be traced back to shared living models adopted in the UK, USA and India in the 19<sup>th</sup> and 20<sup>th</sup> Centuries. It gained significance in recent years because of the increasing cost of living and increased affordability rates.

There are different types of modern coliving concepts which are a form of communal living although it can vary based on different characteristics like the length of stay, building type, size of the community and the demographics of residents.

Types of coliving spaces are as follows-

1. **Urban Apartment**
2. **Business Traveller**
3. **Digital Nomad**
4. **Community Seeking**
5. **Cost-Conscious**

**1. Urban Apartment:** This type of coliving is focused to attract people who want to live in urban areas(cities), who believe in convenient, community-centric, and affordable type of living. There are many organized companies in this industry. These companies own residential places with 50+ residents and generally attract a younger audience. This type of coliving is like single room occupancy and typically exchanges bedrooms and has common areas such as living rooms and shared kitchens.

**2. Business Traveller:** This type of coliving is focused on traveling workers who wish to have a luxurious and comfortable stay. Many coliving companies in Netherlands and Singapore are customizing the whole living experience to fit the needs of new-age business travellers. These coliving spaces are located close to the city's central business district and

offer organised events and fully-serviced co-working spaces.

**3. Digital Nomad:** This type of coliving model is focused on people who are frequent international travellers who desire flexibility. It provides short-term stays and therefore is compared with hostel-style of living, although both are two different models. The duration of stay ranges from one to three months. Many such coliving companies operate a network of locations in popular travel destinations across the globe so that customers can stay with the same operator as they move across countries.

**4. Community Seeking:** This category focuses on providing residents a true value of intimate communal living surroundings. Various coliving operators contribute to fostering an intentional community by maintaining a thorough application process. These communities are generally small in quantity and driven by people sharing similar interests.

**5. Cost-conscious:** As the home prices have exceeded wage growth in the US by 80%, there has been an increase in the number of people looking for economical living spaces in urban areas. This opportunity has been seized by various coliving operators who provide relatively more affordable spaces centred around the community to cost-conscious residents.

**Shift towards coliving-** Mark Twain once famously said: **“Buy land, they’re not making it anymore.”** According to a report by IBEF land report, the estate sector in India is expected to reach US \$ 1 trillion by 2030. This is estimated to represent 13% of the total GDP by the year 2025.

### **Reasons for companies:**

**Growth driver of shared economy-** There are 34 percent millennials in India, within the age bracket of 18-37 years, with 36.6 million students. This makes India, home to major chunk of millennial population globally (440 million).

**Traffic congestion in metro cities –** As per TomTom Traffic Index (January 2021), three Indian cities have come in the top 10, indicating that traffic congestion is a concern for metros. Commute time has become a vital influencing factor in the current fast-moving world. Working professionals are looking out for modern spaces with modern facilities and closer to their offices at affordable prices.

**Migration-** There has been an increase in migration observed in India, which has pressurized existing rental housing set-up in order to cater to their demands. As a major part of millennials are entering the workforce, their lifestyle choices incline towards better and organized rental housings.

**Reasons for customers:**

**A Social Community:** Coliving communities want to highlight the emotional connect that their residents would be sharing by staying and building memories together with their co-living members. This aspect of coliving is regarded as a benefit to its residents.

**Location:** Coliving spaces can be located at the most desirable areas of massive cities.

**Privacy and Collaboration:** Coliving can help calm anxieties and hesitations of staying with a stranger, even for everyone including introverts. Some spaces of coliving also provide private furnished rooms to give the feel of “own” space.

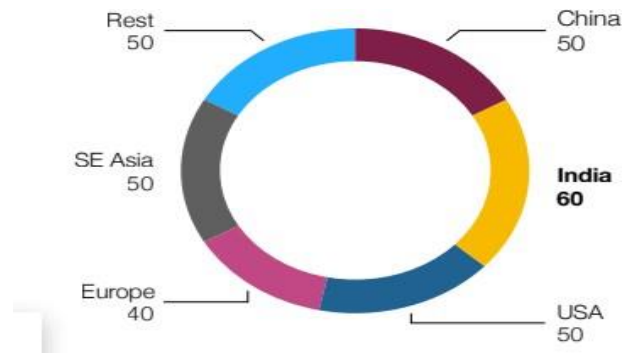
**Save Money:** Coliving helps save a lot of extra costs and shares it among a number of people living together. These spaces have amenities included with the base price like housekeeping, common kitchen, Wi-fi, Security, Household supplies, maintenance, etc.

**Sustainable Living:** Coliving can be seen as a sustainable method of living as it saves energy consumption and the resources are used in the most efficient way. It is also located in the city centres majorly, hence makes travelling easier as inhabitants can walk, cycle, or use conveyance to move around.

**Coliving Scenario Globally-** According to Gui Perdrix Founder of Coliving Dairies, Coliving industry is at its very early growth stage and currently appeals to the audience which are the millennials. As coliving grows, it'll change the way people check out the benefits of communal living, and attract a more diverse audience.

Co-living industry in India is growing at pace and its market size is estimated to double by 2025 at nearly USD 14 billion, consistent with a report by global property consultant Cushman & Wakefield. Demand for co-living is predicted to grow to 5.7 million by the year 2025. During a report, Cushman & Wakefield has estimated the market size is USD 6.67 billion in 2019 and this may grow to USD 13.92 billion by 2025. The market will witness a (CAGR) of 11.2 per cent.

According to a report by the house monk, there are nearly 2.9M people that live in coliving spaces across the world. It also reported that the market share of its nearly \$7.5 BN. China is the major market share holder globally covering quite 70% of the entire market. There are approx. 300 coliving operators globally. they're divided as follows:



Source: House Monk

Fig 1: Coliving operators Globally

This Study covers various aspects of consumer perspective towards co-living services offered by Coliving companies and how they can enhance it as per global scenario and expand globally. This study was conducted in various parts of the world and hence, the study is geographically non-restrictive. The results may vary as per the particular geographical location chosen by the respondent. To collect the data about consumer perspective and other research project objectives, two structured interviews were taken. Analysis of that data is presented further in this report and interpretation of the same data further helps us to derive the results. This would further help companies to understand the consumer perspective towards co-living services offered by them in a better manner, help to work on shortcoming of any of the amenities, if any and explore new opportunities globally by formulating future plans.

## 2. LITERATURE REVIEW

Coliving, which was initially termed cohousing, is a concept that emerged in Denmark in the 1970s. This can be considered as a shared living space that allows people with similar mindsets and interests to stay together. The Coliving model tries to focus on key factors such as comfort, affordability and sense of belonging. Community engagement and collaboration between the residents' help promote building up of relationships that make it stand out from the regular stay apartments as per 'The Secret Agent Report', 2017. This concept has been resonating well with the younger generations, especially millennials who are either students or working professionals, as this provides attractive houses with prices much lower than regular apartment stays and paying guest accommodations (Rishi H Sanghani, 2020)<sup>[1]</sup>. Around 264 million people all over the world consisting of all age groups suffer from depression as per World Health Organization report 2020. This further increases the importance of coliving as it could help reduce and gradually mitigate the feeling of isolation and depression, by inducing like-minded individuals to connect and collaborate together.

### **Factor Analysis affecting Coliving decision**

**Rishi H Sanghani, Co-living spaces in India, International Journal of Management, 11 (10), 2020, pp. 1561-1577 <sup>[1]</sup>**

Young professionals move to new cities seeking jobs and this creates an emotional isolation and lack of familiarity with the new environment for the current millennial workforce. Rent just a house has been replaced by renting a lifestyle. The current generation views coliving spaces as a go to solution due to the various benefits offered by them. The research conducted in this paper made it evident that co-living spaces in India are viewed as temporary solutions for accommodation problems. The millennials prefer co-living spaces when they are moving to other cities for work as they like to network and meet people and also save money. A major factor affecting the living preferences for the long term are marriage and relationships. Throughout research, it was seen that once the respondents were in a serious relationship, they preferred to rent or buy an apartment for various reasons; the major reason being privacy. As they get married and start their family, the interests and choices of these millennial change and they no longer wish to live in co-living space. Another finding was that these millennial wishes to buy their own accommodation once they have crossed their mid-30's.

Research Hypothesis: How many components might be identified among the X variables that are analyzed.

Statistical Hypothesis:

H01: There are no latent underlying structures and that all variables load equally H11: There are latent underlying structures and that all variables do not load equally

### **Expected vs Actual amenities**

**Hercog, M., van de Laar, M. Motivations and Constraints of Moving Abroad for Indian Students. *Int. Migration & Integration* 18, 749–770 (2017) [2]**

Coliving provides individuals a private bedroom in a fully furnished home with common areas which would be shared amongst the house-mates. The basic facilities offered are shared kitchen space, utility space, work area and few additional facilities such as entertainment, housekeeping, service maintenance, launderette and smart security. As per statistics, a single working person spends roughly 9 hours in their bedroom and less than three quarters of an hour in their living room and kitchen. Coliving aims to share the rental on these shared amenities and provide affordable stays. Availability of facilities such as access to medical facilities, social equality, family friendly environment, safety, etc influence the decision of individuals while shifting abroad. This emphasizes a significant relationship between an individual's expectation with regard to amenities and the actual amenities available to them.

Research Hypothesis: Amenities preferred by students/working professionals planning to go abroad and the ones currently staying there is expected to differ

Statistical Hypothesis:

H02: Amenities ranked by sample population interviewed in India has no association with the

amenities ranked by sample population interviewed living in abroad

H12: Amenities ranked by sample population interviewed in India has association with the amenities ranked by sample population interviewed living in abroad

### **Effect of gender on stay preference chosen**

**Osborne, Rachel, "Best Practices For Urban Coliving Communities" (2018). Interior Design Program: Theses. 16** <sup>[3]</sup>

Demographic variables, especially gender can alter the selection of stay preference such as Coliving space, rental house or university residence. While choosing a housemate, gender plays an important part in attracting an individual to a community. Women tend to be choosier while picking up their housemate due to the compatibility and equation involved. Even parents of girl students are highly concerned with the people in the house, different cultures, men and women sharing the same house, etc. Studying the choice of amenities as per the gender wise selection would help companies offering coliving spaces to offer exclusive packages with select amenities as per the gender of the individual.

Research Hypothesis: Impact of gender and its effect on individual's decision making while choosing their stay is expected

Statistical Hypothesis:

H03: Stay preference opted by students moving abroad is independent on gender  
H13: Stay preference opted by students moving abroad is dependent on gender

### **Expected and Actual spend for shelter**

**Ramalhete, F., & Gato, M. A. (2015). Students Living Abroad: the art of home sharing. *Students living abroad: the art of home sharing*, (2015)** <sup>[5]</sup>

Home sharing experience includes aspects like quest for the most suitable place to rent. Shelter is one of the most crucial factors that individuals consider while moving to any new place as cohabitation of rented houses or apartments is essential for students/working professionals who have no family ties in foreign countries. Students avail bank loan keeping in mind the amount of probable overall expenditure which they could incur. This amount would also be covering their stay expenses. It is crucial to study the relationship between the expected shelter rent and the actual rent, in order to match the gap between the two.

Research Hypothesis: Perception of students and working professionals travelling abroad expect that there is high cost of expenditure of shelter

Statistical Hypothesis:

H04: There is no significant difference between the Actual spending on shelter than their estimated spending

H14: There is significant difference between the Actual spending on shelter than their estimated spending

### 3. RESEARCH DESIGN

Research methodologies are used to give a proficient method to manage research and helps in asking for the data assembled, making it easy to inspect the accumulated data and wrap up whether it reacted to a particular request or not. There are in a general two types of research, fundamental research and assistant research.

There are two sorts of research techniques- Micro and Macro. These procedures can be used together or freely, one should pick the method most reasonable to the inspiration driving the hypothesis. The two approaches overwhelmingly shift in how to gather and separate data.

#### 3.1 Types of research:

**Quantitative Method:** It centers on factual instruments and how to demonstrate relations between different factors, further it is described by an expansive example which is inspected by means of structures, quantifiable strategies and investigation of the information.

An Advantage of Quantitative Research: It is the high level of objectivity and because of this expansive extent of perception it is conceivable to make speculations.

**Subjective Method:** It implies look into that creates descriptive information. It is said that the subjective technique reflects after something and that the information gathering in this strategy is concentrating on supposed "soft" information.

The purpose of theory is to get real opinions and examine them. Thus, Subjective method is used.

Consumer's opinion is exceptionally important for this study. Aspects of consumer preferences about various features and amenities of Coliving are highlighted in this study.



### **3.2 DATA COLLECTION**

1. **Primary Research:** Primary Research is directed utilizing different research tools. Essential Research conveys different meetings and surveys. It's essentially taken from two points of view; one is the organization viewpoint and the other is the customer point of view.

The method which was used for data collection of Primary data was taken in two rounds of structured interviews with 50 people giving each interview. The interview contained demographic and geographic questions along with their preferences about different amenities and how much they were expecting/actually spending on their shelter which helped in getting insights of consumer perspective about co-living and amenities offered by coliving companies and its economic impacts.

2. **Secondary Research:** Secondary Research is required in the study, in order to understand all the previous researches, studies and induction in the above field of consumers point of view. In optional research, we had studied different research papers of various creators and publications to get the bigger image of the circumstances. Secondary research has been referred to in different places in research paper. The essential reason for the optional research was to back up the activities behind the essential research with the information.

The study was mainly Exploratory study, in nature of its research. The data was collected Primarily using structured Interviews. Since this was an exploratory study, collection of primary data was very crucial for better understanding of the problem statement of the research.

### **3.3 Sampling Technique**

The current study was conducted globally and through Purposive sampling method, a sample size of 100 respondents was interviewed through structured and scheduled interviews. The interviews were divided into two parts, first part covering the students/working professionals going abroad and second part covering the students/working professionals currently residing abroad. The main focus through the interview was to identify from the first survey the expected amenities and estimated expenditure on shelter and the second survey to map the actual amenities available and the actual expenditure incurred on stay.

Initial interviews of 50 respondents were studied to understand the coliving preferences of students and working professionals who are planning to move abroad for pursuing higher studies or work. It can be observed that around 64% of the respondents belonged to the age group of 18-25 years, followed by 24% of the range 26-40 and 12% who were below the age of 18 years.

The other demographic variable noticed was gender, which covered 50% Female and 50% Male.

The latter part of the interviews covered 50 more respondents to understand coliving

preferences of students and working professionals who are residing abroad for pursuing higher studies or for work. The demographic variables involved were age and gender. 72% of the respondents belonged to the age group of 26-40 and 28% were in the age group of 18-25 years. Factor of gender was aimed to maintain an unbiased split, which included 50% Females and 50% Males.

The study measures various parameters considered by students and working professionals which influenced their stay selection.

Structured interviews were conducted and were mapped to a ranking scale which is considered as a close ended scale in order to compare different responses from different interviews cumulatively and rank them as per their preference. They were allowed to give only one rank to one particular amenity.

### **3.4 Fieldwork details**

Interviews were taken on two different question sets as the primary instrument to collect data. One was directed towards students and working professionals living in India currently who are planning to go abroad and the other interview question set was directed towards students or working professionals already living abroad. Along with this, unstructured interviews were taken of parents and counsellors to understand the market reality.

### **3.5 Limitations of the study**

The research on opportunity space for Global expansion had to be completed in a span of one month. Given the time constraint, posed challenges in extent of expansion of our scope of study. This report covers our findings in two parts, 'internal sample' - the former research includes understanding the expectations of students/working professions who are in India currently and are aiming to go abroad in the near future and 'external sample' latter research includes the students or working professions who are currently residing abroad. The best way for us to get detailed observations was through conducting structured interviews through calls with both the set of individuals, which restricted our sample size to 100 interviewees. There were also few concerns raised by few respondents regarding Coliving concept due to the fear of Covid scenario which instilled a sense of uncertainty of shared facilities.

## **4. Methodology: -**

**Coliving-** Co-living is a community living model that accommodates two or more people. Coliving is a type of shared housing for people with shared likes, similar values and intentions. People across countries are getting attracted to this model and adopting it because of its various benefits which include comfort, affordability and social belonging. Coliving as a concept can be traced back to shared living models adopted in the UK, USA and India in the 19<sup>th</sup> and 20<sup>th</sup> Centuries. It gained significance in recent years because of increasing cost of living and increased affordability rates.

Co-living industry in India is growing at pace and its market size is estimated to double by 2025 at nearly USD 14 billion, consistent with a report by global property consultant Cushman & Wakefield. Demand for co-living is predicted to grow to 5.7 million by the year 2025. During a report, Cushman & Wakefield has estimated the market size is USD 6.67

billion in 2019 and this may grow to USD 13.92 billion by 2025. The market will witness a (CAGR) of 11.2 percent. This evolving sector is built on the concept of openness and collaboration, with the residents often sharing similar philosophical values. The concept resonates well with mostly millennial comprising of single, young working professionals and student population.

This segment of individuals also forms the largest set of immigrant population who go abroad for either their higher education or for work. More than 18 million Indian people were living outside the country in 2020 and India was the second largest exporter of students with numbers estimated to stand at 10.9 lakhs, only after China. These group of individuals prefer shared economy where their demand is to have their own bedroom and bathroom but with shared common areas like cooking and living spaces. This could be a perfect target market for Coliving companies as capturing this untapped market can increase their customer base and also help the Indian population get decent and affordable stays.

The trend observed was that majority of the students preferred few countries such as United States and Canada due to the universities there and the job opportunities available after completion of their higher studies. Despite the uncertainty involved due to the Covid 19 pandemic, 91% of Indians, who had plans to go abroad for higher education are still willing to go, although the concerns of such students are on the amenities provided to them, culture of their roommates, spending on shelter and food facility.

The solution to most of their concerns could be through Coliving spaces which acts as an affordable, convenient and community driven place. Community concept helps these new immigrants to gel well with likeminded individuals which help their transition easier. Sharing common areas also adds the practical level of expenses being shared between all the residents. This makes it a more economical choice, although its price would vary depending on the city.

The objectives of the research which would help us understand the opportunities available globally and would help us conclude our research and understand the global scenario of coliving from the customers themselves. Following are the objectives:

- To study the awareness and consumer perception about co-living Globally
- To study reasons as to why respondent may prefer certain amenities
- To study spending behavior of respondent's preference of stay
- To understand spending and financing behavior of consumers

### **1. To study the awareness and consumer perception about co-living globally-**

In order to expand, having a detailed knowledge about the market is necessary. Our first objective was focused on understanding whether or not our potential customers or users in general are aware of the coliving services which prevail in the market. There are different types of coliving services, so it was very important for us to understand if there was awareness

among users about the type of coliving facilities which we are offering which generally comes under the “Urban Apartment” category. Urban apartments are generally run by big time companies in the market which typically operate buildings with 50+ residents and generally attract a younger demographic. This type of coliving was similar to single room occupancy and typically exchanges private space (bedrooms) in favor of common areas such as living rooms, shared kitchens, or rooftop.

## **2. To study reasons as to why respondent may prefer certain amenities-**

Amenities are the game changer when it comes to service providing industries like coliving. It's the amenities which make or break a user's decision as there aren't any other things which could be covered under the companies' points of differentiation. Understanding what amenities are currently offered in the global market and what were the amenities which would be required by our potential customers was an integral part of our research as it would help us fill the expectation or need and reality gap which exists in the coliving industry. We also aimed to understand the expectations of the respondents who were planning to go abroad. This research objective would help us understand the gap in the market better and how we can use this as an opportunity to expand.

## **3. To study spending behavior of respondent and their preference of stay:**

A very important aspect of any expansion plan is to know the demand of your product/service which you are planning to bring in the market and also have a rough idea as to what value does your service hold in eyes of consumers which in monetary terms will help you understand how much consumers will be willing to spend on your service. Similarly, it was important for us to understand the current market scenario and the preferences of consumers when it comes to choosing shelter. Expanding wouldn't have had any meaning if there was no demand in the market. Even if there is no demand in the market, knowing this would help us dive deep into this and understand as to why aren't consumers choosing coliving spaces. This research objective helped us understand the preferences of different individuals. It also helped us understand the spending behavior of consumers. This research objective helped us understand how much consumers are actually spending on their shelter today and that expense is what percent of their total annual expense and also how much would they be willing to spend if they get all the amenities they want.

## **4. To understand spending and financing behavior of consumers-**

Studying abroad is very expensive compared to studying in your home country and understanding the financing of helped us understand consumer behavior better. With this research objective we intended to understand a correlation between the source of finance and the spending behavior of respondents. While going through various research papers we found this topic missing and saw it as an important part of the research to understand the consumer better. This research objective helped us understand what do students or working professionals prefer as their source of finance along with what was the difference between the spending habits of both.

The research aimed to understand the intricacies of Coliving Market Globally through customer's point of view and captured the expectation gap currently faced by users of Coliving spaces. In order to achieve the above objectives, exploratory research was conducted in two parts covering various aspects of our study. An initial study involved the viewpoints of individuals planning on going abroad on topics such as awareness of Coliving concept, the expected amenities, expected expenditure on shelter etc. The study was further expanded to capture the views of individuals currently residing abroad about the actual scenario of the amenities available and shelter cost.

Structured Interviews were the source of the study's primary research to get in-depth information from both the sets of individuals that our study was based on. This qualitative research method helped derive significant insights on Coliving concept and expectation and reality related to amenities and spending on shelter. Through detailed analysis, the study also tried to relate and establish relationships between variables such as source of financing and spending on shelter, preference of amenities, expected and actual expense on shelter, demographic variable like gender and its effect on choosing preference of stay. Focus group interviews were conducted on parents of students willing to go abroad for higher studies, in order to understand the concerns arising due to the concept of Coliving such as culture, food preference (Veg or non-veg), stay expenditure, amenities provided, safety factors, etc.

Through the findings of the research, Coliving companies can expand its services globally by providing customized options of choosing roommates, inculcating more Indian based themes and festival celebrations to the Indian students going abroad. They can also fill the gap between the expected and actual amenities provided to these individuals at more economical rates to attract more customers.

## **5. Data Analysis and Inference:-**

**Internal interview:** Research conducted to understand the expectations of students/working professions who are in India currently and are aiming to go abroad in the near future

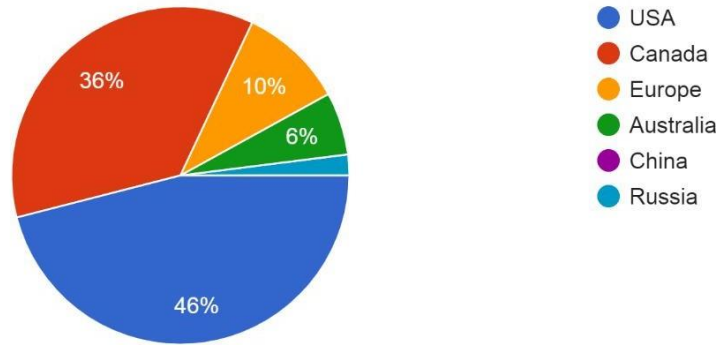
**External interview:** Research conducted with the students or working professions who are currently residing abroad

### 1) Country preferred by respondents

#### Internal Interview

Which country would you prefer to go ?

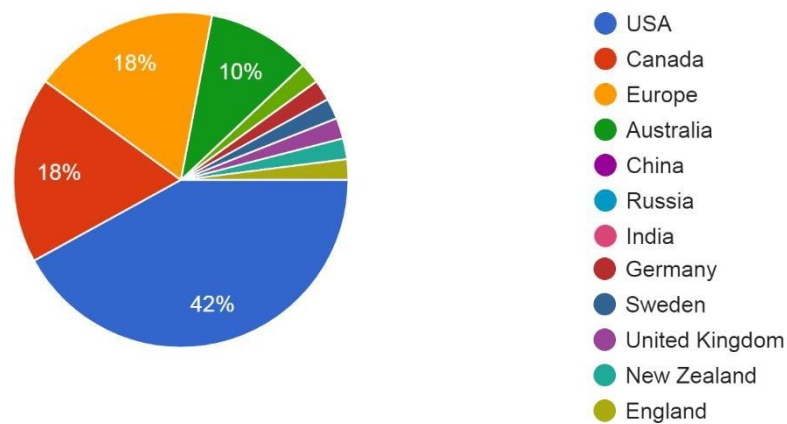
50 responses



#### External Interview

5. Which country do you stay in?

50 responses



**Fig.2 Preference of country**

One of our questions in our internal interview was to know the country which the interviewee was planning to go in order to understand their further choices and expenses better. As we can see, majority of the interviewees are planning to go to the USA followed by 36% planning to move to Canada.

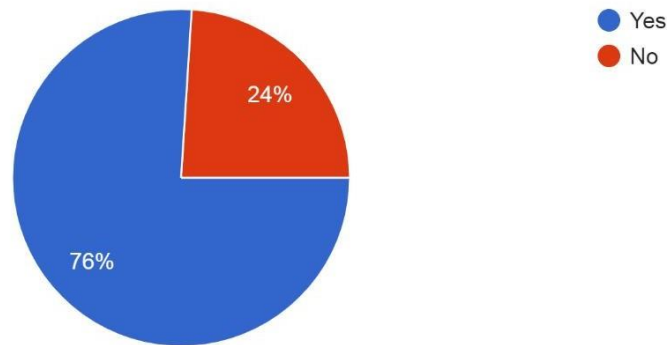
Similarly, the same question was asked to interviewees about where they are currently living and 42% of them responded USA. Followed by Canada with 18% of the respondents living there.

## 2) Awareness about Coliving

### Internal Interview

Do you know about coliving?

50 responses



### External Interview

7. Do you know about coliving?

50 responses

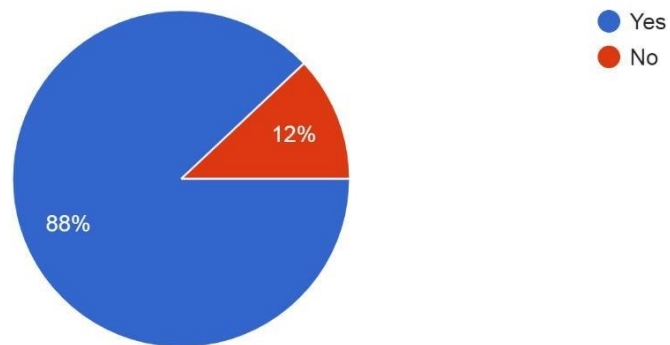


Fig 3: Awareness of Coliving

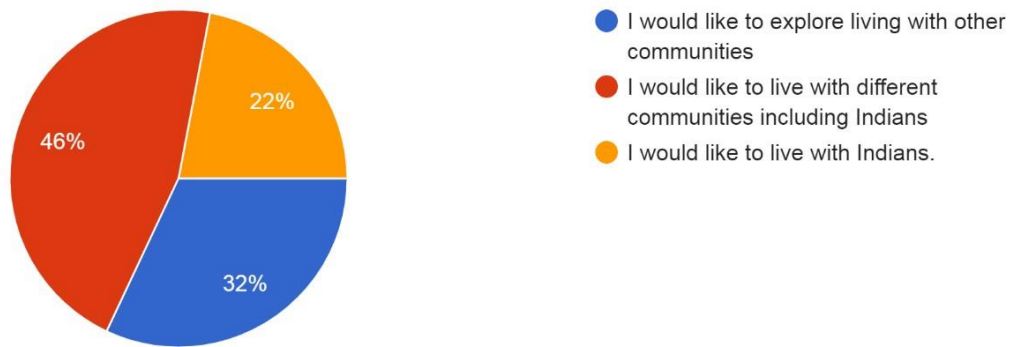
As a part of both our interviews, we wanted to know if interviewees are aware about coliving facilities and the different services and advantages of coliving facilities. As we can see, majority of the respondents knew about coliving which helped us get better and credible insights.

### 3) Preference of roommate

Internal interview

Would you like to stay with like minded Indians in a coliving space?

50 responses



External interview

9. Would you like to stay with like minded Indians in a coliving space?

50 responses

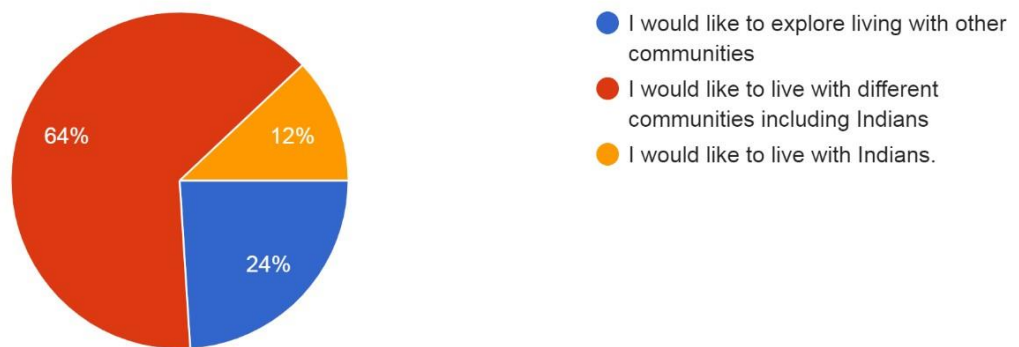


Fig 4: Preference of Roommate

One of the questions which we asked to the interviewees was whether they would like to live with only Indians, Indians as well as others, only others and as we can see the responses are very similar. Majority of the interviewees prefer to stay with Indians and people belonging to other communities together although it can be seen as many of the respondents who were planning to go abroad preferred to stay with people belonging to other communities only.

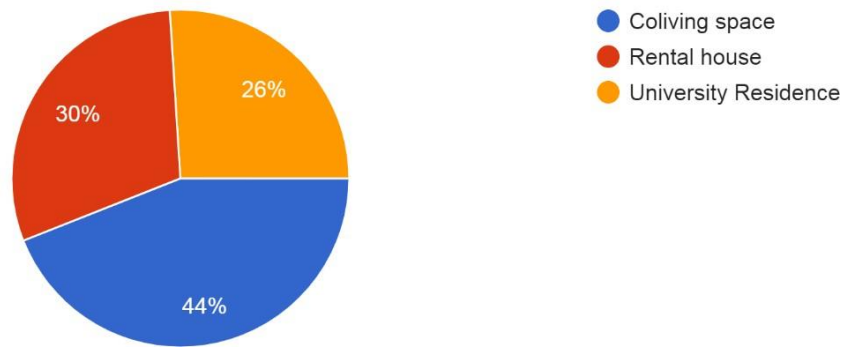


#### 4) Stay Preference

##### Internal interview

Where would you prefer staying?

50 responses



##### External interview

8. Where are you currently staying?

50 responses

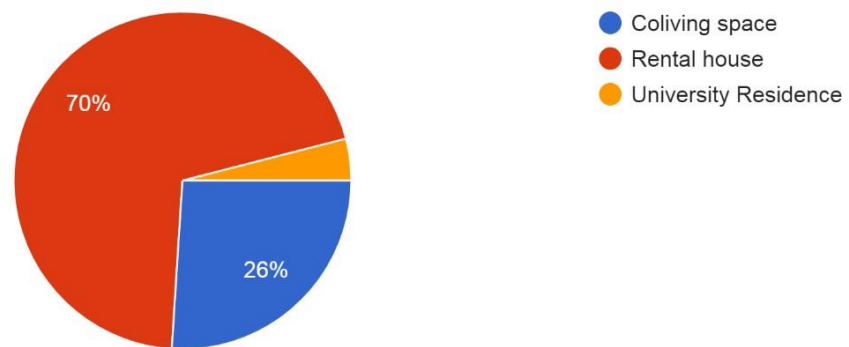


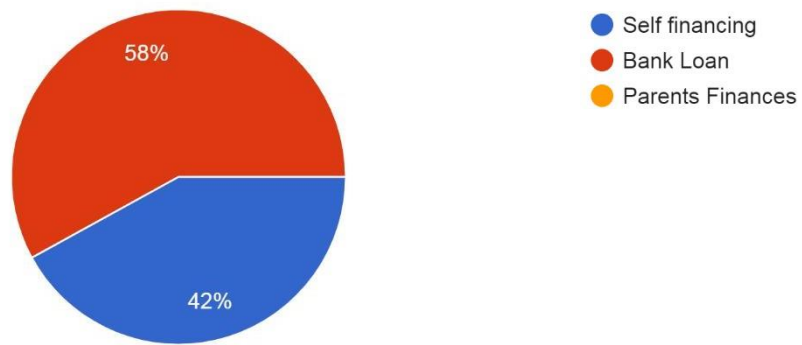
Fig 5: Preference of Stay

As a part of our interview, we wanted to know the preferences of the ones who are planning to go abroad in terms of where would they prefer staying and as the chart above shows nearly 44% chose coliving as their most preferred place to live but when we asked the same question to the external interviewees who are currently living in abroad, we found out that 70% of them were living in rental houses. We tried to find out the reason between this gap between the preference and the actual place and got to know that the coliving spaces available are comparatively expensive and the services provided by them are limited.

### 5) Source of financing

#### Internal interview

How are you financing the expenses?  
50 responses



#### External interview

16. How are you financing your expenses?  
50 responses

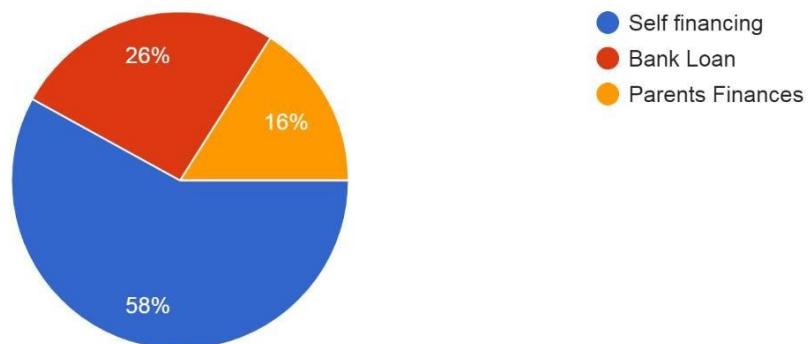


Fig 6: Source of Financing

In order to understand the spending behavior of interviewees it was important for us to know how they are financing their stay. As seen in the above charts, the ones who are planning to go out have covered their expenses with a bank loan and just 42% are actually financing it by themselves but when we talked to the interviewees already living there, we found out that 58% of them were self-financing their expenses. According to them, they started their journey with the help of bank loan itself but with passing time they started working and doing part time jobs and found out affordable places which made it easy for them to finance their stay.

## 6. RESULTS Hypothesis Testing

### 1) Factor Analysis

	Component Matrix					
	1	2	3	4	5	6
Ready for sharing of Washroom	0.727	0.191	-0.201	0.199	0.19	-0.077
Comfortable sharing their belongings	0.683	-0.225	-0.078	-0.088	-0.155	-0.323
Comfortable with Opposite Gender	0.659	0.225	-0.075	0.244	-0.2	0.111
Currency Exchange problem (Solved with Coliving)	0.653	-0.045	0.025	-0.046	-0.137	0.508
Avoid loneliness or feel homeliness	0.573	-0.216	0.621	0.144	-0.146	-0.01
Can share the common expenses	0.558	-0.269	0.075	0.455	0.3	-0.253

Table 1: Factor Analysis of Top 6

Output interpretation: KMO measure of sampling adequacy reported value greater than 0.6, hence can go for factor analysis. Also, chi-square p significant 0.000 confirms that our factor analysis gives useful information.

Eigen values for 6 factors are more than 1 indicating there are 6 factors extracted out of 15 and these are prominent factors.

Following are the prominent factors listed out for which eigen values are more than 1:

1. Ready for sharing of Washroom
2. Comfortable sharing their belongings
3. Comfortable with opposite gender
4. Currency exchange problem can easily be solved while sharing the shelter
5. Avoid loneliness or feel homeliness
6. Can share all the common expenses

Thus, all these can be fabricated to the common Theme "**TO SHARE** "

H01: There are no latent underlying structures and that all variables load equally H11: There are latent underlying structures and that all variables do not load equally

**H11 Accepted**

21

## 2) Preference of amenities ranked

Rank	Internal Rank on Amenities	External Rank on Amenities
1	Indian Meals	Indian Meals
2	Option to choose your roommate	Club Colive
3	House Keeper	Option to choose your roommate
4	Common Kitchen	Gym + Recreation Room
5	Gym + Recreation Room	House Keeper
6	Club Colive	Common Kitchen

Table 2: Amenities preference

The internal ranking is by students/working professionals who are planning to go abroad and the external ranking is by individuals who are currently residing in abroad. The amenity ranked as the highest preference by both the set of individuals is 'Indian Meals'. There is a significant difference in the ranking pattern of the rest of preferences of amenities chosen by individuals. Using spearman's ranking correlation, there seems to be a very weak and positive correlation of 0.257 between the preferences of amenities chosen by internal and external respondents, due to which we reject Ho2.

H02: There is no significant impact of Amenities preferred in India and abroad

H12: Amenities ranked by sample in India has association with the amenities ranked by sample living in abroad

**H12 Accepted**

## 3) Impact of gender on Stay preference

Gender	Coliving Space	Rental House	University Residence	Total
Male	11	7	7	25
Female	11	8	6	25
Total	22	15	13	50

Table 3: Contingency table of Gender and Stay preference

Considering the level of significance to be 5% and degree of freedom to be 2, it can be noticed that Critical Chi-square value comes out as 5.99. As the calculated Chi-square value (2.8) is lesser than the critical Chi-square value (5.99), it can be concluded that stay preference is independent on Gender and we reject H02. The number of male and female respondents planning to go abroad, prefer to stay at 'ColivingSpaces' with an equal count of 11. This indicates that Coliving can act as the preferable stay option for individuals irrespective of gender.

H03: Stay preference is dependent of gender H13: Stay Preference is independent of gender

**H13 Accepted**

#### 4) Expected and Actual spending on shelter

Code	Range	Estimated spending by individuals going abroad	Actual spending by individuals residing abroad
1	100000-300000	0	10
2	300001-500000	4	18
3	500001-700000	8	10
4	700001-900000	15	7
5	900001-1100000	11	1
6	1100001-1300000	8	1
7	1300001-1500000	2	1
8	1500000 and above	2	2

Table 4: Expecting and Actual spending on shelter

Descriptive statistics shows that mean expected spending on shelter is 38.19% higher than actual spending on shelter. Out of the actual spending of individuals on shelter, around 76% spend between the range of INR 100000 to 700000 and majorly based out in USA.

H04: There was no significant difference between the Actual spending on shelter than their estimated spending

H14: Actual spending on shelter was significantly less than the estimated spending

**H14 Accepted**

#### Managerial Implications :

The research helped us attain our objective of the study. With the help of interviews, we understood that there is awareness about coliving among customers. They very well know the concept of coliving and they showed keen interest in it.

1) To study the awareness and consumer perception about co-living Globally:

Our objective was to understand whether or not consumers were aware about coliving and what is their perception on coliving. With the help of the interview, we were able to find out that majority of the respondents were aware about the coliving services offered by different companies in their locality. Although they were aware about the services, their perception towards it was very different compared to the ones who were planning to go abroad. The ones planning to go had a very positive outlook towards coliving where as the ones living in abroad perceived it as expensive and less value for money. They were getting better services at cheaper rates and even after being aware about the services, they chose to live in rental homes.

2) To study reasons as to why respondent may prefer certain amenities:

Our interview helped us understand the customer preference for various amenities and through our data analysis there was a very slight difference which was observed among amenities chosen by the ones planning to go and the ones who are already there. Interviewees living in India chose Indian meals as their most preferred amenity along with the interviewees living abroad who also chose Indian meals as their most preferred amenity. The reason for this being the most preferred amenity is the cultural differences, eating preferences (Veg & Non veg), higher costs for Indian food and very average taste.

3) To study spending behavior of respondent's and preference of stay:

We wanted to know the spending behavior of the respondents as to how much are they actually spending on shelter per annum along with their stay preferences. Our interview helped us cover this objective and understand it. With the help of interview, we found out that the majority of the respondents were willing to live in a coliving facility who were planning to go abroad but majority of the ones living there had different opinion on this. Majority of the respondents who were living in abroad chose to stay in rental houses and not coliving spaces. We also gained insights about their spending behaviour with the help of our interview. We came to know that respondents who were students were spending nearly 35 to 40% of their annual expenditure on shelter compared to the working professionals who were spending about 50 to 55%.

4) To understand spending behavior w.r.t their source of finance:

With the help of research, we found out that on an average most of the respondents were spending nearly 40 to 45 percent of their annual expenditure on shelter who were financing their expenses with bank loan but the ones who self-financed their shelter spent between 51 to 55% on shelter. Parental finance individuals were spending 40 to 45% on shelter out of their overall expenditure. One reason for this could be that the majority who self-financed their expenses were working professionals and they didn't have any college fees to pay so their yearly expense was low. Also, the research helped us find out a relation between the spending habit and the source of financing. It was found that the ones who were self-financing their stay spent comparatively more from the ones financing their stay with the help of bank loan or parental financing.

## 7. Conclusion

Based on the primary research study findings, we conclude the following –

Due to covid we saw a huge dip in the number of students going abroad to study. In 2019 nearly 6 lakhs students went abroad but due to covid we saw a roughly 50 percent fall in this number and only 2.5 Lakhs students opted to go abroad. This number further reduced to 75,000, which is a nearly 70% drop as compared to the previous year. But as students going abroad are getting vaccinated on priority basis and the covid scenario is getting better across the globe, it can be used as an opportunity by coliving companies to increase their market share and customer base.

Also, as a part of our research we interviewed a few students and working professionals and understood the gap between what consumers are expecting and where the coliving companies are falling short. It was observed from our interviews that majority of the respondents residing abroad were initially staying at coliving spaces during their education and shifted to rental houses on bagging a job, indicating financial independence bring the transition of preference from coliving spaces to rental houses. The stated reasons for the shift were due to commute distance to workplace, staying with colleagues and higher spending capability. This trend could pose a problem to coliving companies as they are unable to retain their customers for long. The other major problems highlighted in the interviews are high costs and limited amenities. The coliving companies can work on these grounds and grab this opportunity.

As per our research the two most favorable places where students or working professionals are opting to go are the USA and Canada. Companies can focus on demographic variables such as gender and provide

Unique offerings of amenities to such groups. Option to choose your roommate should be given by companies in order to eradicate the difficulties which arise due to cultural differences.

## 8. Recommendations:-

As a part of our research, we interviewed 50 respondents who live in India and are planning to go abroad and 50 respondents who already are living there and the most respondents who were planning to go and who were already living there belonged to the USA. It can be an ideal avenue for expansion along with Canada which stands second on this list. Coliving companies can focus on filling in the expectation and reality gap which we found in our research. Interviewees showed keen interest towards living in coliving facilities but the ones already living abroad had opposite views, the reason being cost, quality and types of amenities provided. To overcome this hurdle, coliving companies can offer better packages with better amenities, spacious rooms, recreational area, locate near major work locations, to students who graduate and join corporate. The students living in abroad longingly remember Indian culture and festivals, and coliving companies can tap on this by creating a whole Indian

community co-living which gives customers a homely atmosphere which in turn will make them feel comfortable and their transition a lot easier. Indian meals were the amenity which was given rank 1 by majority of the interviewees and hence coliving companies can include this as an essential commodity. Coliving companies can have tie ups with consultation agencies, counselors and foreign institutes in order to reach out to the target market which is Indian students and or working professionals planning to go or living in abroad.

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### 11.1Annexure

#### 11.1 APPENDICES HYPOTHESIS TABLES

##### 1) Preference of amenities ranked

Rank Correlation

$$\rho = 1 - \frac{6 \sum d_i^2}{n(n^2 - 1)}$$

$$= 1 - ((6*26)/(6(36 - 1))) = 0.257$$

##### 2) Impact of gender on Stay preference

Chi-square calculation table

O	E	O-E <sup>2</sup>	(O-E) <sup>2</sup> /E
11	8.333333333	7.111111111	0.853333333
11	8.333333333	7.111111111	0.853333333
7	8.333333333	1.777777778	0.213333333
8	8.333333333	0.111111111	0.013333333
7	8.333333333	1.777777778	0.213333333
6	8.333333333	5.444444444	0.653333333
<b>Total</b>			<b>2.8</b>

##### 3) Expected and Actual spending on shelter

Descriptive Statistics

<i>Expected spend on shelter by Individuals planning to go abroad</i>	
Mean	940600
Standard Error	47622.80366
Median	900000
Mode	850000
Standard Deviation	336744.0741
Sample Variance	1.13397E+11
Kurtosis	4.46230421
Skewness	1.489886479
Range	1900000
Minimum	400000
Maximum	2300000
Sum	47030000
Count	50

<i>Actual spend on shelter by Individuals currently residing abroad</i>	
Mean	581300
Standard Error	52227.89348
Median	500000
Mode	400000
Standard Deviation	369306.9765
Sample Variance	1.36388E+11
Kurtosis	4.545751564
Skewness	1.922610559
Range	1850000
Minimum	150000
Maximum	2000000
Sum	29065000
Count	50