Sri Lanka's Transition to a Digital Nomad Hotspot: A Netnographic Analysis

D I Kalansuriya [a]*

[a]Department of Estate Management and Valuation, University of Sri Jayewardenepura, Sri Lanka

Abstract

Digital Nomads, a growing global community of professionals who leverage technology to work remotely while maintaining a location-independent, travel-centric lifestyle, boost local economies, and promote cultural exchange while diversifying income sources for host countries in the global economy. This study explores Sri Lanka's potential as a hotspot for digital nomads through a netnographic approach, analyzing secondary data from blogs and community-driven resources to gauge the attractors that draw digital nomads to the country. The findings show that Sri Lanka offers cultural richness, affordability, and scenic landscapes, but faces challenges like unreliable internet, limited coworking spaces, and bureaucratic visa processes. The study concludes that improving digital and physical infrastructure and administrative procedures could make Sri Lanka a more competitive destination for digital nomads.
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Introduction

The shift toward remote work, accelerated by technological advances, has given rise to a new category of workers known as digital nomads. These individuals leverage technology to work remotely while traveling and living in various parts of the world. Digital nomadism has emerged as a significant trend in both the modern workforce and the tourism industry, with over 35 million digital nomads worldwide as of 2021, doubling in the USA alone since 2018 (Fikriy et al., 2023). While many countries have capitalized on this trend, Sri Lanka remains relatively underexplored, despite offering key features of a digital nomad hotspot such as rich culture, stunning landscapes, and affordable living costs (Zhou et al., 2024).

The potential of attracting digital nomads could offer Sri Lanka a competitive edge in generating foreign revenue and developing local economies, especially as the country formulates new policies to revitalize the tourism sector (SLTDA, 2024). Despite these advantages, research on Sri Lanka's potential as a digital nomad destination remains limited, presenting a clear research gap. This study addresses that gap by evaluating the factors that influence digital nomads' choice of destinations, particularly focusing on how Sri Lanka can position itself as a preferred hotspot.

Objective of the study

Accordingly, this study attempts to investigate,

1. What are the defining characteristics and motivations of digital nomads that influence their choice of hotspot?
2. What are the strengths, weaknesses, opportunities, and threats (SWOT) of Sri Lanka as a potential digital nomad hotspot?

Corresponding author: divya@sjp.ac.lk

Literature Review

The Concept of Digital Nomad

Makimoto & Manners (1997) are credited with coining the term "digital nomadism," as a category of mobile professionals, who perform their work remotely from anywhere in the world, utilizing digital technologies. They envisioned a future where technology would enable people to be liberated from fixed locations, leading to a more fluid lifestyle of constant movement and digital connectivity (Müller, 2016).

This concept was further expanded to include a blend of work and leisure, where digital nomads utilize technology to work remotely while traveling across various destinations (Hannonen, 2020). Several scholars have emphasized the independence and flexibility that define digital nomadism. Thompson (2018) describes digital nomads as remote workers who deliberately choose to blend work and travel, escaping the traditional office environment by utilizing digital platforms. Whereas Šímová, (2023), categorize digital nomadism into three research nodes: the digital work environment, nomadic lifestyle, and the blurring of distinctions between digital nomadism and other forms of remote work. Similarly, Reichenberger, (2018) provides a more structured definition, identifying levels of digital nomadism based on the degree of location independence, with higher levels representing more extensive travel and less reliance on a fixed residence. Unlike remote workers, digital nomads frequently relocate while maintaining productivity, creating a unique work-life balance that prioritizes freedom and autonomy (Mouratidis, 2018).

Another critical perspective is provided by (Schlagwein, 2018), who defines digital nomads as professionals who use information systems and digital tools to work remotely, thereby enabling a lifestyle of perpetual travel. This definition underscores the technological dependence that characterizes the digital nomad lifestyle. UNSW Business School, Australia et al, (2018) further describe digital nomadism as a hybrid form of working and organizing, where individuals combine economic activities with a strong emphasis on travel and personal growth. While there is no single accepted definition, the consensus highlights the motivations for digital nomadism such as reliance on digital tools, and flexible work structures, making it a distinctive phenomenon in the global labor market. Future research should aim to unify these diverse definitions to better understand this evolving lifestyle as it continues to impact work and travel worldwide (Hannonen, 2020; Reichenberger, 2018).

Motivational Factors for Digital Nomadism

According to Hensellek & Puchala, (2021) motivations behind digital nomadism can be categorized into four key factors: digital work, flexibility, mobility, and identity & community. Digital work is at the core of this lifestyle, enabled by technological advancements such as cloud computing and mobile internet (Dery et al., 2014; Nash et al., 2018). Digital nomads, often freelancers in fields like programming or design, rely on result-oriented work that allows them to operate outside traditional office environments (Jacobs & Gussekloo, 2016; Thompson, 2018).

Flexibility is another major driver, as digital nomads seek control over their schedules, blending work and leisure in a way that traditional office jobs do not allow (Reichenberger, 2018; Thompson, 2019). The gig economy has provided opportunities for personalized work arrangements, making it easier to work remotely while pursuing travel and leisure activities.

Mobility plays a central role, with digital nomads taking advantage of their ability to work from anywhere. This mobility allows for personal fulfillment through travel, cultural experiences, and recreation, contributing to a more satisfying work-life balance (Makimoto & Manners, 1997; UNSW Business School, AU et al., 2018).

Lastly, identity and community are key factors. Digital nomads seek out like-minded individuals, often through co-working spaces and online communities, forming connections that enhance their professional and social lives (Orel, 2019; UNSW Business School, AU et al., 2018). These

communities provide support, collaboration, and a sense of belonging, which are crucial for sustaining the digital nomad lifestyle.

Digital Nomad Hotspots

The growth of digital nomadism has led to the rise of specific destinations, or "hotspots," that cater to this lifestyle. Digital nomads seek mobility and flexibility, selecting locations based on factors such as cost of living, accessibility, amenities, and social networks. Cities that can accommodate these needs foster productivity, creativity, and well-being, making them attractive to the nomad community.

One major factor is the cost of living, as digital nomads are highly price-sensitive due to often irregular incomes in the gig economy (Thompson, 2018). Affordable destinations like Bali, Thailand, and Vietnam provide low-cost housing, often through platforms like Airbnb, which offer stability and flexibility (Green, 2020). The ability to maintain a comfortable lifestyle without high expenses is crucial for extending stays in these locations (Liu & Lin, 2017) making cities like Chiang Mai and Canggu are consistently top-ranked Digital Hotspots in platforms like Nomad List (Nomad List, 2024).

Networking and social opportunities also play a role. (Bloom, 2018) highlights that nomads prefer destinations with communities of like-minded people for both professional and social interactions. Established co-working spaces facilitate collaboration and productivity, creating hubs that attract new nomads (Orel, 2019).
Reliable internet connectivity is essential for digital nomads, as fast Wi-Fi is crucial for maintaining professional responsibilities (Nash et al., 2018; Richards, 2015). A stable internet connection is a key criterion when evaluating potential destinations, as it supports remote work and live communication needs (Haking, 2017).

Natural attractions and climate are also important. Destinations offering warm weather and scenic beauty, such as Bali and Mexico, are favored because they provide a balance between work and leisure (Beeching, 2019). Places that inspire productivity through natural surroundings are particularly appealing (Green, 2020).

Safety and accessibility round out the key factors. Digital nomads prefer safe locations with low crime rates and easy access to healthcare and transportation (Beeching, 2019). Visa ease also influences choices, as many nomads frequently move between countries (Nomad List, 2024). Thailand's introduction of digital nomad-friendly visas is an example of how destinations are adapting to attract remote workers (Thompson, 2018).

As preferences evolve, new hotspots are emerging. Cities like Tallinn and Tbilisi are gaining traction due to affordable costs, fast internet, and visa incentives (Bloom, 2018). These locations offer a balance between professional opportunities and cultural exploration. As the digital nomad population grows, cities are likely to continue improving infrastructure, offering co-working spaces, and developing nomad-friendly policies.

The factors influencing digital nomad hotspot selection are multifaceted, including cost of living, internet access, natural attractions, and community support. As the nomad lifestyle grows, new destinations are emerging, shaping real estate and tourism. Future research should explore the sustainability of these locations and the impact of nomads on local economies.

Methods

This study employed a qualitative approach, using a literature review and the analysis of secondary data found on the internet. Specifically, the research incorporated netnography, a qualitative research method used to study online communities and their digital interactions (Kozinets, 2015). Netnography was particularly useful in this study for exploring the experiences and insights shared

by digital nomads. A total of 23 blog articles written by 15 digital nomads about their experiences in Sri Lanka were analyzed, alongside various websites and platforms catering to the digital nomad community, such as Nomad List, Digital Nomads World, and other community-driven resources. These sources provided firsthand, user-generated content that allowed for an in-depth understanding of the digital nomad experience in Sri Lanka. By using secondary data, through a thematic analysis, this study captured real-world experiences and trends, offering authentic insights into the factors influencing digital nomads' destination choices. Kozinets (2015) highlights that netnography is ideal for examining virtual communities, making it a suitable method for studying how digital nomads interact, share experiences, and decide about their destinations. This method was further justified as it offers access to rich, context-driven content that reveals the practical and personal aspects, which traditional research methods might overlook (Bowler, 2014).

Table No. 01 on destination attractors categorizes key themes that highlight what attracts and challenges digital nomads in Sri Lanka. Table No. 02 on SWOT analysis is used to evaluate Sri Lanka's strengths, weaknesses, opportunities, and threats as a digital nomad hotspot, linking the thematic analysis findings to factors impacting its competitiveness.

Results and Discussion

Table No. 01 gives a summarized view of the statements extracted from the blog articles categorized under Digital Nomad Destination attractors identified by (Zhou et al., 2024).

Table 01: Destination Attractors

Categories of destination attractors	Specific destination characteristics	Quotes from Data
Culture and history	• Culture • History • Food • Events	"Sri Lanka has a rich history and a vibrant culture." "Sri Lanka ticks all the boxes... full of culture." 'Sri Lankan cuisine is a delicious blend of flavors and spices"
Nature and Climate	• Weather • Landscape • Natural attractions	"The country boasts a warm and sunny climate, making it an excellent location for those who enjoy outdoor activities." "Being able to surf, eat, work, sleep, and repeat day after day is very appealing." "Sri Lanka has more than its fair share of stunning natural beauty, from pristine white sand beaches to lush tea plantations, rugged mountains, and breathtaking national parks"
Infrastructure	• Public transport • Cosmopolitan/ Urbanity	"Getting around Sri Lanka is both super easy and affordable as well as mildly frustrating at times" "Digital nomads will be satisfied with the cafe and coworking options they have to work from." "Sri Lanka experiences power outages from time to time, especially in rural areas"

Work facilities	• Co-working space • Internet speed • Technology hubs	"Most of the digital nomad hotspots are located along the south coast of Sri Lanka." "You'll find small towns with trendy cafes, co-working spaces, boutique shops, and a range of guesthouses." "While Colombo has a good selection of coworking spaces, there aren't many in other parts of the country" "Wi-Fi and internet connection in Sri Lanka is generally not very good." "I found co-working spaces and cafes offering high-speed internet popping up everywhere along the south coast."
Service amenities	• Accommodation • Laundry • Restaurants and Pubs • Leisure and recreational facilities • Nightlife	"But right now accommodation is designed and set for shorter stays" "Sri Lanka is an adventurer's paradise, with a huge number of outdoor activities on offer" "It's one of the best surfing destinations in Asia" "The county's economic hubs are also home to amazing fine dining eateries, bars, and other local specialties." "A night on the town, with a nice dinner, and drinks at a fancy bar begins at USD 50 depending on your taste and who you're with"
Economic and Financial aspects	• Cost of living and Affordability • Visa application and extensions	"The cost of living in Sri Lanka is very low overall, comparable to other Asian destinations, making it a great place for nomads on a tight budget" "However with recent inflation and price increases, it's certainly not as cheap." "Another love/hate relationship I have with Sri Lanka is the fact that the visas here are both extremely easy, as well as unnecessarily annoying"
Social and Political aspects	• Political stability • Safety and security • Friendliness of local people • Language • Inclusiveness, • Digital nomad community	"Chilled-out vibes, friendly people" "The country's safety and friendliness of local people, language, inclusiveness, and a digital nomad community make it appealing." "It's not uncommon for traffic police to stop drivers on the road and ask for a bribe" "There are way fewer scams and insecurities here than in many other destinations I've visited, and the people of Sri Lanka are welcoming and kind" "a small but friendly community of digital nomads"

Table No. 02, SWOT analysis provides a comprehensive view of Sri Lanka's strengths, weaknesses, opportunities, and threats as a digital nomad hotspot, based on the available literature, digital nomad experiences, and the motivational factors identified previously.

SWOT Analysis for Sri Lanka as a Digital Nomad Hotspot

Table 02: SWOT Analysis

Strengths	Weaknesses
Affordable Cost of Living	Inconsistent Internet Connectivity
Natural Beauty and Lifestyle	Limited Co-working Spaces in Remote Areas
Emerging Expat Community and Co-working Spaces	Visa Complications and Bureaucracy
Strong Travel Connectivity within the Country	Urban Amenities and Nightlife

SWOT Analysis for Sri Lanka as a Digital Hotspot

| Opportunities	Threats
Development of the Digital Nomad Visa	Competition from Established Digital Nomad Hubs
Expansion of Co-working Spaces and Digital Infrastructure	Political Instability and Safety Concerns
Leveraging Natural Attractions and Adventure Tourism	Environmental Degradation and Over-tourism
Growing Global Trend of Remote Work	Inconsistent Quality of Services

Sri Lanka presents an alluring proposition for digital nomads, characterized by its affordable cost of living, which significantly undercuts pricier destinations like South Korea, Japan, or Thailand (Refer Figure 01 & 02). The allure extends to housing, food, and transport, making it possible for digital nomads to maintain a comfortable lifestyle while enjoying the scenic beaches, mountains, and wildlife that foster both productivity and creativity, especially in coastal regions such as Weligama and Mirissa. As indicated by the findings from Liu & Lin, (2017) and echoed in concerns about recent inflation and price increases, maintaining cost competitiveness while ensuring the stability of prices is crucial for retaining and attracting digital nomads in the long term.

Figure 01: Food and Beverage Cost Per Meal (USD)
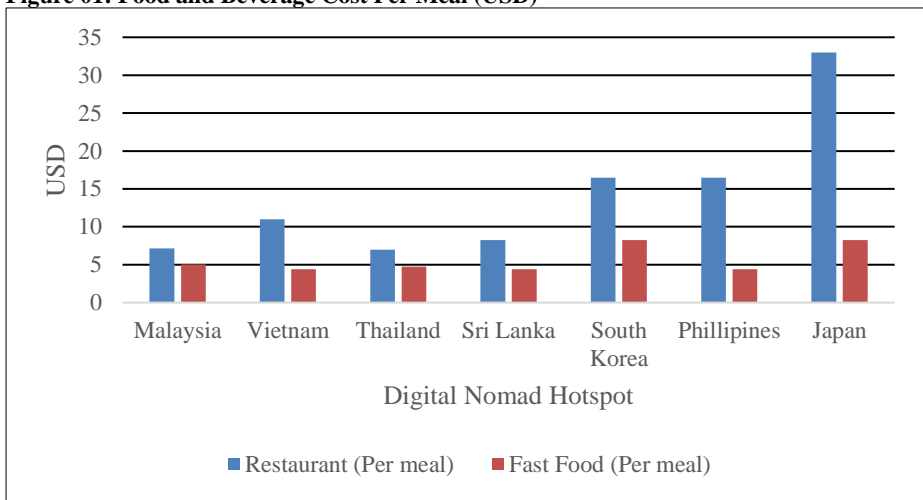
Source: Kalansuriya, 2024

Figure 02: Accommodation Cost Per Month (USD)
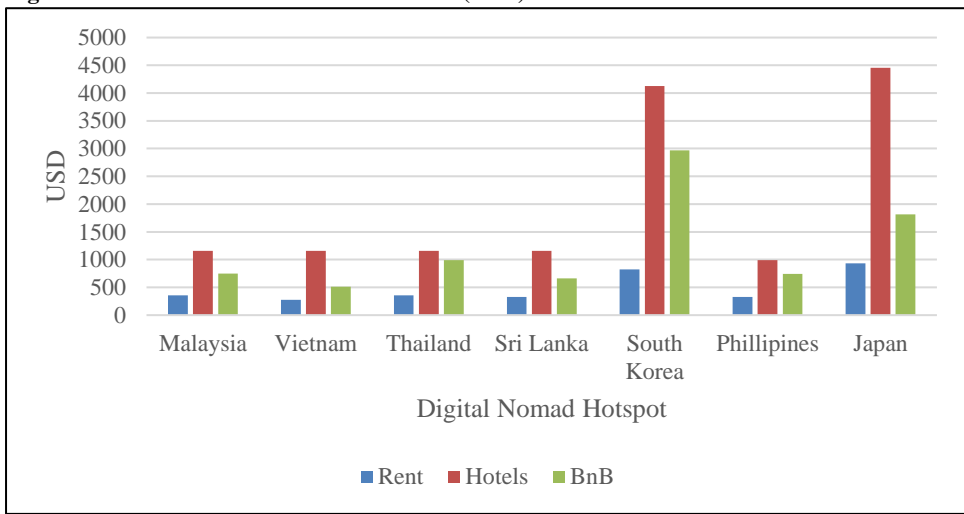
Source: Kalansuriya, 2024

The growth of the digital nomad community in Sri Lanka has led to the proliferation of coworking spaces in urban areas like Colombo and Galle, catering to the needs for high-speed internet and networking essential for these remote workers. The average mobile internet connection speed in the country via cellular networks is 18.91 Mbps whereas the average fixed internet connection speed is 20.10 Mbps (Kemp, 2024). This is significantly low compared to high-ranked countries like Thailand, Japan, and Spain which range between 75-85 Mbps among the digital nomad community (Nomad List, 2024). However, rural coastal areas are further behind, with limited facilities that hinder their potential to attract digital nomads who value both connectivity and scenic environments (Hannonen, 2020; Orel, 2019). Expanding coworking spaces to these less developed areas could enhance their appeal, support local economies, and distribute the benefits of the digital nomad lifestyle more evenly across the country.

Sri Lanka's digital nomad visa, introduced in 2024, offers a renewable one-year visa for $500, covering both the applicant and dependents, aimed at remote workers and freelancers with non-Sri

Lankan clients. However, despite these advancements, the visa's implementation highlights significant challenges. The bureaucratic nature and slow processing times remain hurdles, as efficient administrative procedures are critical factors for nomads when selecting a destination (Thompson, 2019). This is particularly crucial in comparison to other Asian countries, some of which offer digital nomad visas with more straightforward and quicker processes, as seen in Thailand and Malaysia where the infrastructure and administrative systems are more robustly aligned with the needs of digital nomads.

On the positive side, Sri Lanka's cultural and natural offerings—identified as strengths in this study— are frequently highlighted in the literature as key attractions for digital nomads. Zhou et al. (2024) found that destinations with rich cultural experiences and natural beauty, such as Bali and Chiang Mai, consistently rank highly among digital nomad hotspots. This aligns with the current study's findings, where respondents praised Sri Lanka's scenic landscapes and cultural vibrancy, indicating the country's potential to become a popular digital nomad destination if infrastructural and administrative improvements are made.

The study corroborates findings from (Hannonen, 2020; Nash et al., 2018), emphasizing the necessity of reliable digital infrastructure and efficient administrative procedures as pivotal factors influencing digital nomads' destination choices. Moreover, the cultural and natural offerings of Sri Lanka, while being strong draws, need to be coupled with infrastructural improvements to sustain and enhance its attractiveness as a nomad hotspot. Issues such as the variability in service quality, especially in transportation and healthcare, and potential political instability, could impact the overall experience for nomads accustomed to higher standards (Zhou et al., 2024).

Investing in digital infrastructure and promoting adventure tourism alongside co-working facilities could attract nomads interested in integrating work with outdoor activities. Furthermore, addressing the sustainability of natural attractions and enhancing urban amenities could help Sri Lanka remain competitive against well-established hubs with larger communities and better infrastructure.
Overall, while Sri Lanka offers numerous attractive features for digital nomads, such as its rich cultural heritage, scenic landscapes, and low living costs, significant challenges remain. Addressing these issues through strategic improvements in digital infrastructure, administrative efficiency, and resource management can transform Sri Lanka into a more competitive and desirable destination for the global digital nomad community.

Conclusion

This study has critically evaluated Sri Lanka's potential as a hotspot for digital nomads through analysis of secondary data sources by digital nomads and relevant communities. The unique blend of rich cultural heritage, affordable living costs, and picturesque landscapes positions Sri Lanka as an appealing destination for digital nomads seeking both adventure and a conducive work environment. The netnography approach utilized provided insightful revelations into the authentic experiences and perspectives of digital nomads within Sri Lanka, highlighting the strengths and opportunities that the nation presents as well as the areas where improvement is necessary to enhance its attractiveness as a digital nomad destination.

Despite its numerous attractions, several challenges such as intermittent internet reliability, limited coworking spaces outside urban centers, and bureaucratic visa processes have been identified as significant deterrents. These challenges are exacerbated by the global competition from established digital nomad hubs with robust infrastructures and comprehensive support systems for remote workers**.** The study sets a foundational understanding of the digital nomad phenomenon in Sri Lanka and outlines critical areas for future investigation that could help stakeholders harness the full potential of this growing segment of the tourism sector. Addressing the identified gaps through targeted research and policy adjustments could help Sri Lanka to gain a competitive advantage in the region for the digital nomad landscape, benefiting both the nomads and the local economies they inhabit**.**

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