

Third Places

A healthy alternative to working from home?

An investigation into the rising trend of using hospitality venues as casual places of work.

February 2023



EXECUTIVE SUMMARY

The rules guiding how many of us work have significantly changed over the past few years. More knowledge workers now have access to flexible work arrangements than ever before, and hybrid work models have become commonplace around the world.

This research investigates the evolution of third places – such as cafes, restaurants and bars – as a potential alternative to working from home. It discusses the findings from a series of semi-structured interviews with third place users and venues, which took place between September and December 2022.

Whilst working from cafes and pubs has been commonplace amongst freelancers for many years, it is the newly-hybrid workers who are driving recent growth in this trend, capitalising on the newfound flexibility they now have.

On average, we found they use third places between 2-3 times each week, stay anywhere from 15 minutes to 4 hours, and spend between AU\$4 and AU\$30 of their own money each visit. They are particularly attracted to venues where they are made to feel welcome, that offer easy access to Wi-Fi and a power socket, and where this working behaviour is normal and accepted.

Users typically visit third places for a mental break, organic social interactions and spontaneous conversations, which they believe help them to think more creatively and re-focus on work tasks.

When asked - *to what extent do you think working from third places contributes positively to your overall wellbeing?* – the average answer was 4.3 out of 5.

Third places are great for deep individual work, creative thinking/work,

reading, admin tasks, emails, and small meetings, but not for larger meetings, tasks which require bulky equipment, or confidential work which might carry security or privacy risks.

This interest in using third places as a casual modern work location provides an opportunity for hospitality venues to position themselves as attractive destinations for hybrid workers, who can provide a steady revenue stream during traditionally quieter times of the day. Customised worker bundles, special deals, and loyalty programs might help them capitalise on this opportunity.



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INTRODUCTION

The COVID-19 pandemic has fundamentally changed the way we think about work (Moglia, Glackin, & Hopkins, 2022). Work arrangements for many have shifted away from the 'fully office-based model' to new hybrid ways working, which combine time spent in the traditional workplace with time working remotely (ACAS, 2022; Bloom, Han, & Liang, 2022; Future Forum, 2022; Wigert & Agrawal, 2022).

Instead of being central to everything we do, visits to the office have now become more *intentional*, for specific purposes like collaboration, training, and meetings, with other tasks now being primarily conducted remotely. Whilst working remotely is often synonymous with working from home (WFH), it can also involve a range of 'third places' - such as cafes, restaurants, libraries, and even pubs (Gordon-Wilson, 2021).

Third places like these have historically played an important role in community building (Sandiford, 2019), but are now featuring more prominently as alternative work locations, as digital technologies and hybrid work arrangements make working more location-independent than ever before.

Increasing interest in third places provides an opportunity for hospitality venues to position themselves as attractive destinations for hybrid workers, and an opportunity to help the hospitality sector recover from the devastating impact of COVID-19, by offering a possible new customer segment.

The research presented in this report was conducted by members of Swinburne University of Technology's Customer Experience and Insight (CXI) Research Group and investigates the appeal of working from third places, what workers like about them, the benefits they offer, and why they are attracted to certain venues (and not others). It looks at how frequently workers use them, how long they stay each time, how much they spend, and the types of work tasks suited to third place settings.

This research is partnered by [Third-Place.org](https://www.third-place.org) – Australia's largest digital platform for remote workers 'looking to find and book inspiring hospitality spaces to work remotely' – and via a series of in-depth interviews with third place customers and hospitality venues, seeks to understand both 'user' and 'venue' perspectives of the role hospitality venues play, as third places for remote work.



THE EVOLUTION OF THIRD PLACES

The concept of 'third places' was originally proposed by sociologist Ray Oldenburg in his seminal book [Great Good Place](#), as a term to describe those places between home (the first place) and work (the second place), where people “exchange ideas, have a good time, and build relationships” (Oldenburg, 1997, p. 7). Informal and relaxed environments, that provide a sense of community for the people who frequent them, they were seen as important places for building social capital and promoting a sense of belonging and civic engagement. Examples include cafes, bars, beer gardens, diners, shopping malls, main streets, book shops, libraries, parks, town squares or beaches.

Oldenburg argued that all communities must find a balance in the three realms of experiences for its members: the first is domestic (the home), the second is productive (work), and the third is “inclusively sociable, offering both the basis of community and the celebration of it” (Oldenburg 1997, p. 14). Third places, therefore, typically existed outside home and work where people gathered voluntarily, informally and frequently, to socialise and build relationships. The business model of international coffee retail chain, [Starbucks](#), is centred on this very premise, with a guiding retail philosophy of “creating a third place for customers, a place of social identity apart from the home and workplace” (Rice, 2009).

Third places are steadily declining in modern society, with people becoming increasingly isolated and disconnected from their communities, partly due to physical in-person interactions being replaced by online social networks and communities. However, increased access to remote working and flexible work arrangements are starting to blur the function of some third places, positioning them as attractive work destinations - places which are less formal and more convenient than the office, but less isolating than working from home for long periods.

Whilst working from cafes and pubs has been commonplace amongst freelancers and digital nomads for many years, it is the newly-hybrid workers who are now driving significant growth in this trend, capitalising on the greater workplace flexibility they now have access to. Recent research from [OpenTable](#) has revealed that almost half of remote workers now spend time each week working from cafes or other third places (Ahwan, 2022), a practice particularly popular with Gen Z workers, 10 per cent of whom say third places are now their preferred place to work (Giuliano et .al, 2022).



TYPICAL USER HABITS

When it comes to third place work venues, cafes were the clear favourite, but participants mentioned they sometimes also use other third places, such as libraries, pubs, parks, and coworking spaces.

On average, we found that workers typically use third places between 2-3 times each week, stay anywhere between 15 minutes and 4 hours, and spend between AU\$4 and AU\$30 of their own money each visit. They predominantly visit third places alone, or for small meetings, but the size of these gatherings rarely goes above 2 or 3 people.

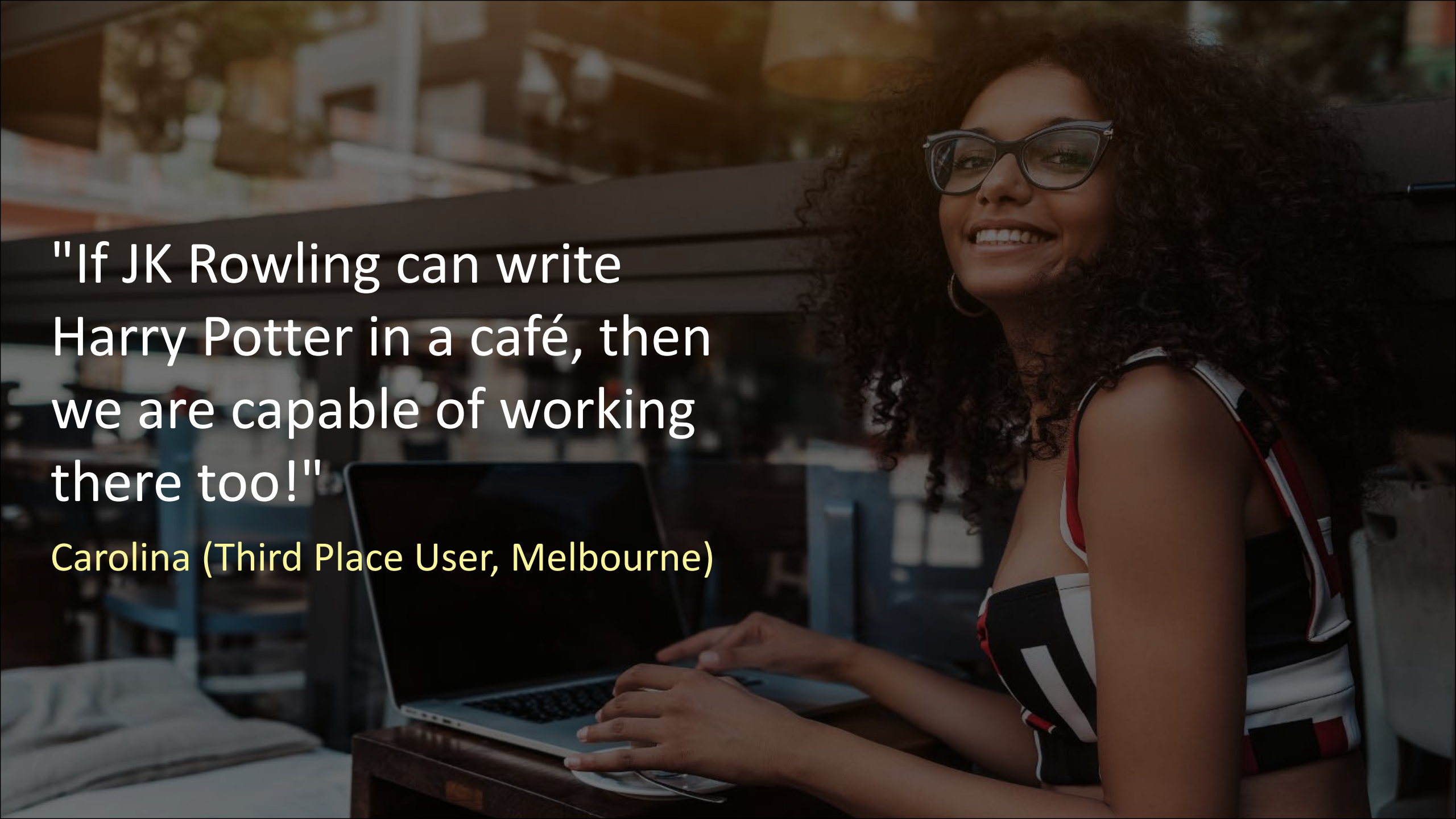
The most common work tasks, identified as being suitable for a third place setting, included: deep individual work, creative thinking/work, doodling, reading, admin tasks, paperwork, emails, small meetings, and informal phone calls.

However, it was found that not all work tasks are suitable for third places, and participants said that when they work from a third place they strongly avoid: work of a confidential nature (or with security or privacy risks), longer meetings, large meetings and tasks that require a bigger or multiple screens, or other specialist equipment.

Participants were split when it came to making video calls - with some saying it was *okay* to participate in a video call when visiting a third space, whilst others said they would 'never do it' out of respect for the other customers.

In terms of purchases, workers tend to opt for coffee, snacks, and light meals, and more than half of users interviewed said they would only ever buy something they could 'eat with one hand' - with sandwiches, pastries, cookies and muffins being the most popular choices.





"If JK Rowling can write
Harry Potter in a café, then
we are capable of working
there too!"

Carolina (Third Place User, Melbourne)

TOP 3 FEATURES THAT ATTRACT WORKERS TO THIRD PLACE VENUES

We identified a broad range of features, which help attract laptop workers to a third place venue – including good coffee, cost, nice music, privacy and outdoor space – but by far the most popular were:



1. Feeling Welcome

Without doubt, the number one feature we found attracts laptop workers to a particular venue, is the fact that it is somewhere where they feel *welcome*. Venues which have a nice friendly atmosphere, that aren't too crowded or noisy, where customers don't feel increasing pressure to leave after a certain amount of time, are perfect for third place work.

Users might decide that somewhere suits their needs based on the fact that they can see other people with laptops in there, if there is signage welcoming laptop workers and advertising the Wi-Fi password without having to ask, or if a venue has a dedicated space for this kind of customer.

Special bundles aimed at third place workers, which include clear information regarding price, service offering and duration of stay (e.g. AU\$15 for 2hrs, unlimited tea/coffee and a sandwich), were seen as being extremely attractive by all our participants, due to the transparency they offered.

2. Reviews

In addition to Third-Place.org, participants indicated they also used reviews on Google, Facebook and Yelp etc., to help them choose suitable third place venues in advance.

3. Wi-Fi and Power Sockets

When it comes to physical infrastructure, the two key features that laptop workers desire are strong wi-fi, and somewhere to plug in their devices.



To what extent do you think working from third places contributes positively to your overall wellbeing?

4.3/5



4.9/5



How likely are you to continue using third places as a location for work in the future?

TOP 3 BENEFITS OF WORKING FROM A THIRD PLACE

We identified a broad range of benefits that users associate with third places, these included a break in the daily routine, a change of environment and the ability to socialise – with the top three responses being:



1. Mental Reset

Many third place users highlighted the importance of the change of scenery it offers them, and the ability to give oneself a mental reset, which enabled them to think more creatively and better focus on their work tasks. Indeed, [Harvard University](#) researcher and psychologist [Shelley H. Carson](#), has underlined the important role distractions like a change of scenery can play in [being creative](#).

For some, trips to third places also provide a break from technology, and the omnipresent video calls and screen-scrolling, often associated with negative physical and mental outcomes.

2. Community and Social Connection


WFH can be quite an isolating experience, and a number of our participants identified the organic social interactions and spontaneous conversations they have with staff and other guests, as another key benefit of visiting third places. Several users revealed that they regularly frequented the same venue, where they know the staff, and get to see other regulars.

3. Great Food and Coffee

As well as the change of scenery and sense of social connection they offer, cafes in particular have one other key attraction... great coffee!

Access to barista-served coffee, delicious food and snacks, is seen as another big drawcard for third places, and a nice way to 'treat oneself' whilst working. Scientifically, drinking coffee has been linked with many positive benefits, such as increased energy levels, improved brain function and lower levels of depression (Aten, 2020).



A barista in a white shirt and apron is handing a coffee cup to a customer. The background is a cafe setting with a counter and various items.

“It’s my mental health boost...
I'm gonna get something done,
and not feel guilty about giving
myself a treat!”

Logandran (Third Place User, Melbourne)

THIRD PLACE USER PERSONAS

The research revealed a range of different third place user types, based on their typical customer experience, as well as key personal and work characteristics. Importantly, these user personas provide insight into who third place customers are, including their needs, goals, thoughts, feelings, and behaviours.



Device Disconnecter

Device Disconnectors are workers who like to visit third places to take quick breaks away from technology. Rather than sitting behind their laptop they use this time to clear their heads, catch up on some reading, or to write down new thoughts and ideas in their notebooks.



Caffeine Creative

A Caffeine Creative is somebody who visits third places for a mental reset and loves environments that offer the right level of ambient noise, where they can work comfortably, and think creatively. Quality coffee is an essential part of this ritual for these users!



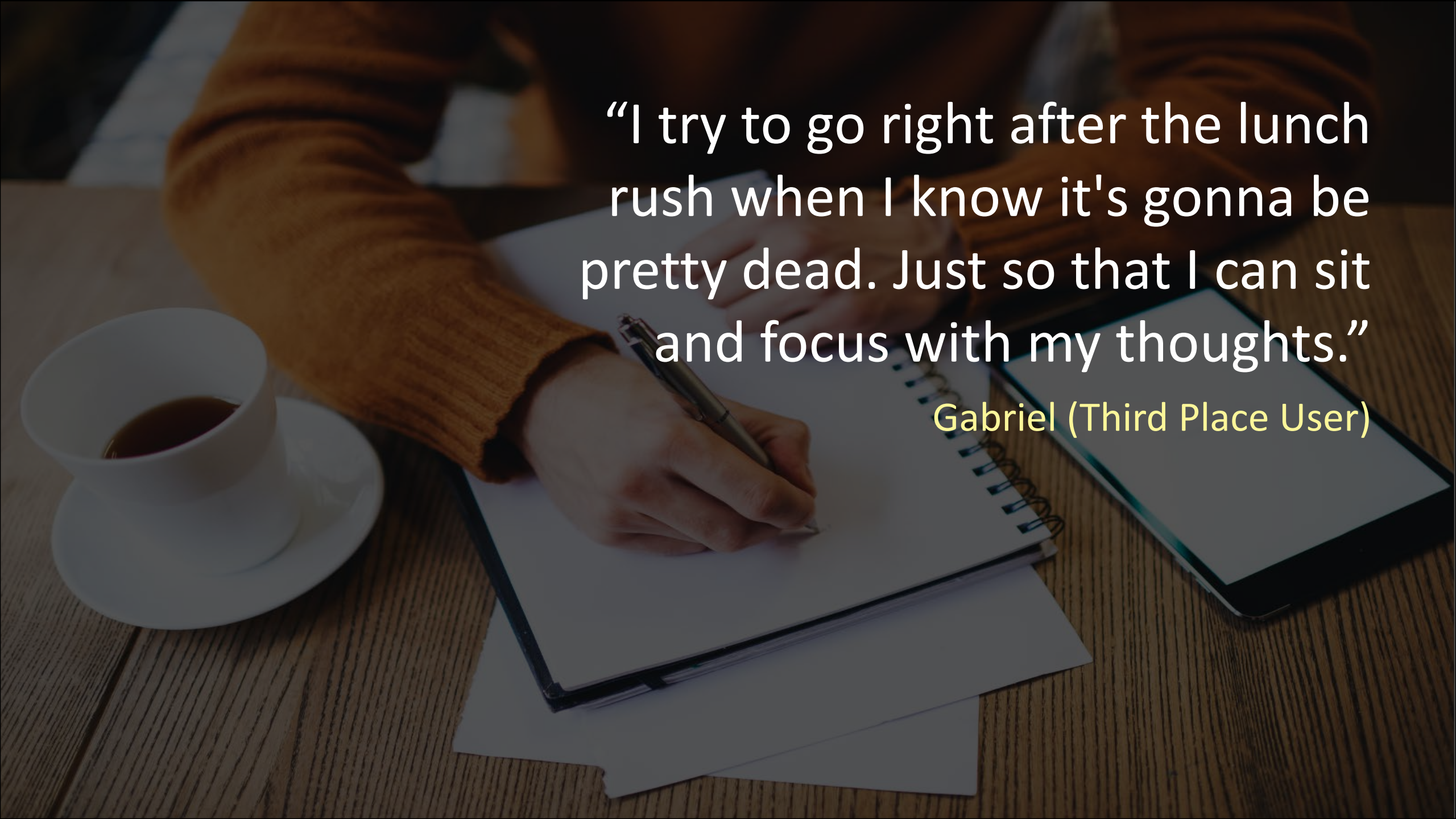
Suburban Socialite

WFH for long periods of time can sometimes lead to loneliness. Third places can offer an opportunity for social connection, and Suburban Socialites like to break up their day with short regular visits to a local third place, to engage in casual conversation with staff and other patrons.



Lunchtime Liaison

Lunchtime Liaisons are workers who like to utilise third places as informal venues for small work meetings, and for catching up with clients and colleagues, on a regular basis. These users often combine this meeting with a lunch or breakfast.

A person wearing a mustard-colored sweater is sitting at a wooden table, writing in a spiral-bound notebook with a silver pen. To the left of the notebook is a white cup of coffee on a saucer. To the right is a tablet computer. The scene is dimly lit, creating a focused and quiet atmosphere.

“I try to go right after the lunch rush when I know it's gonna be pretty dead. Just so that I can sit and focus with my thoughts.”

Gabriel (Third Place User)

VENUE PERSPECTIVE

We also interviewed a range of hospitality managers, to ask them what trends they had noticed with 'laptop workers' visiting their venues, what advantages and/or challenges they created for their business, and whether they were doing anything special to cater for this type of worker.


All the venues we spoke to had seen an increase in laptop users and business meetings at their establishments, over the past 12 months, and believe the greatest value they offer is providing steady custom during quieter periods. Most hospitality venues have peak and off-peak times, for a café this might be between breakfast and lunchtime, or mid-afternoon. Third place customers visiting the venues at these periods are seen as an alternative source of income to the traditional 'food/beverage and socialisation' market.

The current challenge for venues, seems to be understanding exactly what this type of customer is looking for, and training their staff to support them appropriately. Creating a bespoke experience, to specifically cater for this type of customer – as happens, for example, when staff automatically bring a colouring sheet and pencils over to groups who have children with them – is something most venues are still working on.

Historically, people using hospitality venues as somewhere to work have attracted a bit of a negative reputation, associated with sitting in venues for hours on end, using their wi-fi, power and space, whilst nursing a solitary drink. Whilst there is evidence some venues still *don't* want to attract laptop workers for this reason, the venues we spoke with said they didn't see it as a big problem and were usually happy for these people to be there, as long as the venue wasn't too busy, and that particular table wasn't needed for another group. They indicated that common sense seems to prevail when instances like this do arise, and laptop workers are generally happy to move to accommodate larger groups.

As mentioned earlier, having people in a venue during quieter periods might also attract more customers to come in, and doesn't pose much of a cost to the venue.





“We're retraining the hospitality brain, to understand that there's an additional stream of income here, from a different type of customer.”

Sam (Henry and the Fox, Melbourne)

TOP 3 WAYS TO MAKE THIRD PLACES MORE WORKER-FRIENDLY

1. Clear Signage

Having appropriate signage (physical and/or digital), welcoming laptop workers and providing the Wi-Fi password without having to ask a member of staff, was seen as one key improvements for making third places more user-friendly.

2. Power and Wi-Fi Access

The ability to provide access to power points enables workers to stay and work in confidence, without worrying about the battery life of their device.

Wi-fi and the provision of the internet is critical for today's knowledge worker, as such one of the most important things venues can do is provide a reliable and secure internet connection.

3. Customised Bundles and Deals

We found that third place customers really like the transparency offered by 'worker bundles' - e.g. AU\$15 for 2hrs, unlimited tea/coffee and a sandwich – as they know in advance exactly how much they will be paying, what they are going to get, and how long they are welcome to stay (before staff start giving them funny looks!).

Loyalty cards and special deals aimed at workers, such as 'off peak' discounts during quieter periods of the day, are also appealing to third place customers.



FINAL THOUGHTS & PREDICTIONS

Reflecting on the findings of this investigation into third places, as a potential healthy alternative to working from home, we would like to finish by making the following predictions:

🚀 Flexible work arrangements are here to stay, and third places will play an increasingly important role in the future of work, as a viable alternative to WFH for hybrid workers.

🚀 Third place users believe that the ability to utilise these venues, as an alternative to the office and the home, makes a significant contribution to their overall wellbeing.

🚀 WFH for long periods of time can be isolating, and lead to sedentary behaviour and other unhealthy outcomes in some cases, so the simple act of taking a break and walking to a nearby third place offers workers both physical and mental benefits.

🚀 The change of scenery provides workers with a mental reset, organic social interactions and spontaneous conversations, which they believe helps them to think more creatively and better focus on their work tasks.

🚀 Attracting third place customers presents an opportunity for hospitality venues to expand upon traditional revenue streams and increase takings during quieter periods.

🚀 Wi-Fi, somewhere to plug in a laptop, good coffee and, most importantly, being made to feel welcome, are critical to attracting and retaining third place customers.

🚀 More venues will respond and adapt to the demands of third place workers; customised worker bundles, special deals, and loyalty programs will help them do that.





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AUTHORS & METHODOLOGY

The authors conducted a series of semi-structured interviews with 11 x third place customers and 5 x third place venues, via video conferencing platform Microsoft Teams, between September and December 2022. Semi-structured interviews were selected as the most appropriate method for this research, as it is a flexible and versatile technique for collecting both qualitative and quantitative data, which allows researchers to improvise their line of questioning based upon the responses of each participant.

The third place users participating in the research were based in a range of different countries around the world, including Australia, USA, Canada, India, Italy and Germany, whilst all the venues interviewed were located in Australia. 50% of the interview participants were female, 50% were male, and represented a range of different industry sectors; including IT, state government, financial services, higher education, and healthcare.

The interviews lasted between 26 and 46 minutes long, were automatically transcribed using the built-in Microsoft Teams live transcription tool and analysed independently by the three researchers, to identify the key themes discussed in this report.

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