



June 15, 2006  
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Financial Ticker

index	last	change	vol
CI	889.94	-3.29	1,600,000
Emas	204.97	-0.52	1,090,666
2nd Brd	88.53	-0.04	230,810

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## Business

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### From A Tiny Bedroom To The World's Best Hotels

By Neville D'Cruz

MELBOURNE, June 15 (Bernama) -- From a tiny bedroom in Singapore to the world's most luxurious hotels, Internet entrepreneur Lee Lai-Huat is certainly right on line as far as success goes.

The Malaysian-born chief executive officer of HolidayCity.com has seen his venture grow from a one-man business in 1998 to one that took US\$25 million in transaction value last year.

When he launched the online accommodation reservation service he had just 10 hotels on his books but now he has more than 7,000.

By the end of this year, he expects to be able to offer reservations at 12,000 hotels from Penang to Paris.

"It has certainly been a long and exciting journey," Lee said.

Born and educated in Malacca, Lee worked as a software programmer and engineer before establishing his first Internet venture in 1997, an online restaurant guide in Singapore.

Although well received, Lee said he found it difficult to attract the advertising revenue he needed to continue, so he approached other businesses to try his luck.

One was a movie operator who, instead of paying for an advertisement on his website, gave him free movie tickets, which he promptly distributed online.

"On the night of the screening I was totally amazed to see the number of people who turned up," Lee said.

"It was literally a full house. It made such a big impact on me. I then realised how powerful the Internet was as a tool to connect and bring people together," he said.

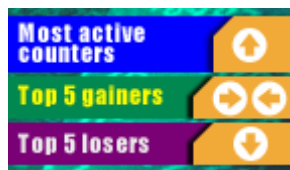
So he approached a resort in Indonesia with a proposal -- instead of paying to advertise on his website, it would



pay him a commission for each booking it received from its online advertisement.

Lee said the arrangement was "a definite turning point", and he decided to launch HolidayCity.com in June 1998 as a business feasibility study "to test the market".

"To my delight it received positive feedback. I realised then the tremendous growth potential and finally moved out of my tiny bedroom which had served as my base all this time," he said.



He moved to an office in Joo Chiat Road and with co-founder Gan Hock Chin, expanded the business to concentrate on the European market, where "Internet penetration is much higher and the market is mature in terms of making online room bookings".

As well as Malaysia and Singapore, HolidayCity now has administrative offices in London, New York, Dublin, Sydney and Auckland, and last year it took 190,000 room nights.



Although only 7,000 of these came from Malaysian customers, and 11,000 from Singaporeans, Lee is convinced that this will change.

"Making online accommodation reservations is still a relatively new concept for most Singaporeans and Malaysians," he said.

"A large percentage of them are first-time users and most of them still prefer to make their accommodation reservation through the traditional travel agents," Lee said.

"Furthermore, there is the prevalent concern among Singaporeans and Malaysians on the need to use credit cards for online transactions," he added.

But Lee has faith in "the emergence of young, working adults who are Internet-savvy with strong purchasing power" and the increasing acceptance of the Internet as a way of life for most people.

"Online accommodation reservation is growing, and one of the key factors is the emergence of the low-cost carriers, which has tremendously increased regional travel due to the attractive rates they offer," he said.

"Major airlines are also encouraging their customers to book online as a cost-cutting measure and to increase efficiency. Thus, it is quite natural for those who purchase flight tickets through the airlines' websites to continue and make room bookings online as well," he added.

There are several advantages to booking accommodation through HolidayCity.com, according to Lee.

These, he said, included attractive discounted rates year-round, reviews of the hotels by previous guests, a choice of more than 400 destinations, and the absence of fees for making, cancelling or amending reservations.

"Most importantly, we have arranged for our customers to make payment to the hotels upon their arrival," Lee said.

"From their feedback it seems they truly appreciate this convenience, especially those who are not comfortable with making online transactions," he said.

Lee strongly believes that the future of the online accommodation reservation industry in Malaysia and Singapore is very promising.

"We are, after all, made in Singapore and Malaysia for the world, and we are poised to bring our global expertise back to our home ground," he said.

According to HolidayCity marketing research, Singapore was the favourite overseas destination of Malaysians last year, followed by Sydney, Hong Kong, Perth and Melbourne.

Kuala Lumpur topped the list of favourite domestic destinations.

Singaporeans also ranked Kuala Lumpur their favourite getaway, followed by Malacca, Bintan and Perth.

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