

# Travel and leisure into the future with Yanolja

In conversation with Jong Yoon Kim, Chief Executive, Yanolja



Founded in 2005 with the launch of its first accommodation portal, Yanolja (which means “Hey, let’s play!” in Korean) has become the largest travel, leisure and hospitality platform in Korea and a major player around the world. Its technology powers the global hospitality market with cloud-based platforms for hotels, restaurants and leisure facilities.

Yanolja’s app has been downloaded more than 59mn times, and 20mn members use its platforms.

## Yanolja has experienced rapid and significant growth in recent years. Why do you think it’s been so successful?

Most companies bringing digital solutions into the travel, leisure and hospitality industry have focused on one aspect of the customer experience, whether hotels, travel or restaurants. Rarely do they focus on the business-to-business exchange of data and transactions across the value chain. This results in a disconnected experience for consumers, as the different elements of their travel experience are not joined up. For example, you may have already submitted your identification and card information when booking a hotel, but you then have to produce this again when you check in.

Conversely, our focus at Yanolja has been to provide an end-to-end solution across the travel, leisure and hospitality ecosystem, bringing a wide range of categories, from flights and hotels through to rail tickets, restaurants, and rental cars into a single experience. We have expanded the traditional flight-and-accommodation model to embrace a full range of leisure categories, including concerts and theatre, restaurants and event spaces. By expanding and diversifying, we can improve the customer experience,

encourage loyalty, and substantially improve the lifetime value per customer.

To do this requires an end-to-end flow of data, which we enable through our cloud-based global data platform, underpinning a smooth experience for consumers, as well as for the providers who sell their services through the platform. This also allows us to distribute inventory in an efficient way. To remain competitive, platforms need to continue to expand their inventory of hotel rooms or other

categories relevant to their sector. Typically, this would rely on employing a sales team. Our platform automates this process. It also enables diversification into new categories, with inventory available from more than 90 booking platform partners. As a result, while a typical hotel booking platform might have 5,000 hotels in its inventory, we can offer five times as many.



We can improve the customer experience, encourage loyalty, and substantially improve the lifetime value per customer

## Why did you select Citi as your banking partner?

At the start of our journey, our aim was to support Korean customers in their outbound travel, and provide an inventory to platforms helping inbound customers travel to and around Korea. However, right from the beginning, we kept an eye on the future. We knew that to create the growth story we were



seeking, we'd need to tap into the global travel market. This strategy underpinned the development of our cloud-based platform.

To support this strategy, we needed a global banking partner rather than appointing banks in each country. This was a difficult ask as a startup company, but we were rapidly building credibility in the Korea market and we worked closely with Citi to build mutual trust and a strong relationship. Citi understood and invested in our vision and had the confidence in Yanolja and the team to help enable our global expansion.

### How has the relationship with Citi contributed to your success?

The result of our partnership has been transformative. With Citi's help, we've been able to expand both regionally and globally. We have complemented our global data platform with Citi's virtual card solution to enable the smooth, efficient and secure flow of funds across the ecosystem. The platform now supports 60 languages and is used in 170 countries. We have over 50,000 hotel clients globally, with over 70 percent of our clients located outside Korea, particularly in South East Asia, India and Africa, with expansion now into the Americas and Europe.

There are three further factors I would highlight. First, the Citi team has been quick to understand our business strategy and risk, and to present and implement solutions that meet our needs. This speed of decision-making and execution is essential for a fast-growing business. Second, the partnership

between Citi and Yanolja has built confidence among our global customers, particularly as a new business expanding into new markets.

Thirdly, our working relationship has been open and collaborative. Citi and Yanolja have different strengths and areas of expertise, and we are very comfortable asking questions and relying on the bank's problem-solving abilities as we seek to maximise our impact in new markets.

### Yanolja has grown through acquisition as well as organic growth. What opportunities - and challenges - has this created?

Yanolja is both a travel and technology solutions business. To diversify across new travel, leisure and hospitality categories in an organic way takes time, so acquisitions have helped us to build capacity quickly. From a solutions perspective, we pride ourselves in the strength of our cloud-based technology. When we acquire a business in a new location or category, migrating from their on-premise or hybrid solutions to our platform can be transformative. At the same time, we benefit from their local expertise and insights so that we can deliver better solutions in that category or country.

Mergers and acquisitions can bring challenges, too, not least the need to avoid fragmentation and loss of cultural,

financial and technical cohesion. Citi has helped significantly with this through its consistent global solutions and platforms

so we can maintain the same processes and reporting across our footprint. We've set up an internal team that is dedicated to post-merger integration, to make sure we derive the best value from acquired entities and vice versa.

Business culture is an important aspect of successful post-merger integration. We educate our new and existing employees to take a

"Lego" approach to change: if the blocks that make up a new process or idea don't work, we change them. This is important both for "business as usual" and in the way that we integrate and expand our business in future.

### What major changes do you see coming up in travel, leisure and hospitality?

I see the industry evolving in two key areas: improving customer experience through greater personalisation and automation, and embracing net zero carbon emissions objectives. Yanolja is taking a leading role in both of these areas.

We gather the wealth of data that is exchanged on our global platform into a data lake that forms the foundation of sophisticated AI capabilities. This will allow us to create an increasingly personalised experience for customers, allowing them to book everything they

“  
I see the industry evolving in two key areas: improving customer experience, and embracing net zero carbon emissions objectives

need for their vacations or business trips quickly and easily by presenting options that fit their preferences and budget. New opportunities through blockchain, big data and the metaverse will also become increasingly important, and we are putting significant investment into these areas. For example, by decentralising customer identification using blockchain, it will become far easier for accommodation and transportation providers to access this information. Hotel key cards become obsolete with access through a mobile phone based on the identity of the owner.

Currently, the global travel and tourism accounts for 8-11 percent of global carbon emissions<sup>1</sup>. As the World Travel & Tourism Council report emphasises, "Travel & Tourism has both a responsibility and an opportunity to be a catalyst for change."<sup>2</sup> For example, we can use our technology and wealth of data to help customers make choices that reduce their environmental impact, including minimising carbon emissions and eliminating waste. This is a major area of ongoing focus as we look to achieve net zero carbon emissions by 2050, and limit global warming to 1.5C this century in line with the Paris Agreement.

### What new demands will these shifts place on Yanolja and your banking partners?

Credit is essential to enable travel, leisure and hospitality companies to invest in their customer solutions and services. However, it is not always easy for financial institutions to calculate the appropriate credit risk to providers or customers. By leveraging our data and banks' balance sheets, we increasingly see a role in helping to provide credit and liquidity throughout the value chain.



we can use our technology and wealth of data to help customers make choices that reduce their environmental impact, including minimising carbon emissions and eliminating waste

### Based on your experience, what would your advice be to CEOs of other digital companies embarking on a rapid growth trajectory?

Two things: focus on global, and focus on technology. Too often, companies look at short term returns in their chosen industry, but to achieve significant and sustainable growth, senior managers need to focus on fundamentally changing the industry. Taking a global perspective, rather than limiting solutions to what fits a single market, is a helpful way to do this. Next is technology. If a manufacturing company has an efficient factory producing a high-quality product that people want, it is likely to be successful. For a platform business, your technology is the factory. Without good technology, it is impossible to create high-quality, repeatable and scalable solutions. This is not a one-off project, but a continuous process of research and development to upgrade and remain competitive.

<sup>1</sup> Source: World Travel & Tourism Council (WTTC) [https://wtcc.org/Portals/0/Documents/Reports/2021/WTTC\\_Net\\_Zero\\_Roadmap.pdf](https://wtcc.org/Portals/0/Documents/Reports/2021/WTTC_Net_Zero_Roadmap.pdf) Page 13  
<sup>2</sup> WTTC, *ibid.* Foreword



## Disclaimer

IRS Circular 230 Disclosure: Citigroup Inc. and its affiliates do not provide tax or legal advice. Any discussion of tax matters in these materials (i) is not intended or written to be used, and cannot be used or relied upon, by you for the purpose of avoiding any tax penalties and (ii) may have been written in connection with the "promotion or marketing" of any transaction contemplated hereby ("Transaction"). Accordingly, you should seek advice based on your particular circumstances from an independent tax advisor.

This communication is provided for informational purposes only and may not represent the views or opinions of Citigroup Inc. or its affiliates (collectively, "Citi"), employees or officers. The information contained herein does not constitute and shall not be construed to constitute legal, investment, tax and/or accounting advice by Citi. Citi makes no representation as to the accuracy, completeness or timeliness of such information. This communication and any documents provided pursuant hereto should not be used or relied upon by any person/entity (i) for the purpose of making regulatory decisions or (ii) to provide regulatory advice to another person/entity based on matter(s) discussed herein. Recipients of this communication should obtain guidance and/or advice, based on their own particular circumstances, from their own legal, investment, tax or accounting advisor.

Any terms set forth herein are intended for discussion purposes only and are subject to the final terms as set forth in separate definitive written agreements. This presentation is not a commitment or firm offer and does not obligate us to enter into such a commitment, nor are we acting as a fiduciary to you. By accepting this presentation, subject to applicable law or regulation, you agree to keep confidential the information contained herein and the existence of and proposed terms for any Transaction.

We are required to obtain, verify and record certain information that identifies each entity that enters into a formal business relationship with us. We will ask for your complete name, street address, and taxpayer ID number. We may also request corporate formation documents, or other forms of identification, to verify information provided.

Certain Services and/or products mentioned in this communication may contain provisions that refer to a reference or benchmark rate which may change, ceases to be published or be in customary market usage, become unavailable, have its use restricted and/or be calculated in a different way. As a result, those reference or benchmark rates that are the subject of such changes may cease to be appropriate for the services and/or products mentioned in this communication. We encourage you to keep up to date with the latest industry developments in relation to benchmark transitioning and to consider its impact on your business. You should consider, and continue to keep under review, the potential impact of benchmark transitioning on any existing services and/or product you may have with Citi, or any new services (you avail) and/or product you enter into with Citi. Citi does not provide advice, or recommendations on the suitability of your service and/or product choice including with respect to any benchmark transitioning on any existing service and/or product you have with Citi. You should obtain professional independent advice (tax, accounting, regulatory, legal, financial or otherwise) in respect of the suitability of your service and/or products in light of benchmark transitioning as you consider necessary.

Citibank, N.A., organized under the laws of U.S.A. with limited liability

© 2022 Citibank, N.A. All rights reserved. Citi, Citi and Arc Design and other marks used herein are service marks of Citigroup Inc. or its affiliates, used and registered throughout the world.

© 2022 Citibank, N.A., Singapore branch. Regulated by the Monetary Authority of Singapore. All rights reserved. Citi and Citi and Arc Design are trademarks and service marks of Citigroup Inc. or its affiliates and are used and registered throughout the world.