

## Exclusive Dialogue with HomeAway's Dan Lynn



*Dan has spent most of his career in online travel. He currently leads the HomeAway APAC business, which incorporates Stayz in Australia, Bookabach in New Zealand, and HomeAway Asia as well as a stake in Tujia in China. Dan started his career with McKinsey UK and spent 8 years at Expedia in different countries, later coming to Singapore as the 1<sup>st</sup> CEO of AirAsiaExpedia where he set up its Asia Pacific operations.*

*Dan offers his thoughts on the global online travel markets and how rapidly these have evolved.*

**In today's travel market, competition is stiff and consumer expectations continue to rise. In an industry where the experience is everything, how does a portal like HomeAway differentiate itself from the competition?**

I think principally in three ways.

The most important way is we have inventory that nobody else has. Most online travel players have the same standard hotel rooms. With vacation rentals you get to stay in unique homes, and get a vastly more unique, private and comfortable experience. There are almost no global players with the breadth and depth of the very best whole homes that we have. We have more than a million beautiful homes all around the world, and these offer a more affordable way for a family to get the space they need than a hotel.

The second way we differentiate ourselves is the types of homes that we go after. Some businesses will list any inventory. They will put travellers in a bedroom with the owner of the property in another room, and dirty clothes in the cupboard. We are much more focussed on whole houses where you get the whole space to yourself. Our homes are typically investment properties or second homes, so there won't be out-of-date food in the fridge or socks in the sock drawer! Our homes are spaces that will be ready for you to move into on day one, and they will become your home for the duration of your trip.

The third way we differentiate ourselves is the way we support the experience, and I think it's pretty unique for an online travel company. We believe it's really important to help the travellers throughout their travel experience; whether during the booking process, or once they get into the trip process itself.

**As the global travel market expands, how does HomeAway meet the demands of different countries or regional markets?**

I think one of the unique things about HomeAway is we are both a global company, and a series of local companies. We have grown over the years by integrating local companies, and we did that as we believe that understanding a local market is critical to ensure we have the very best travel experiences for our travellers, and recognising that travellers have very different demands wherever they come from.

So, in Australia we bought the market leader Stayz, in New Zealand, we bought the market leader Bookabach, in Europe, we bought the market leaders such as Abritel in France and OwnersDirect in the UK, and in the US we bought VRBO. We did that because those businesses really understand exactly what sort of homes people want and exactly how the locals like to travel. We then make available the homes that each of these businesses bring to our global network, so that we have an offering that's both global and local.

**What do you think were the game changers in the online travel business in the last few years and what do you foresee could be the key developments that are brewing ahead?**

The biggest change in the travel industry has been the growth in alternative accommodations; and that moving from an offline business to being an online bookable business. The idea of staying in a house versus staying in the hotel is not a new idea. But, up till now, it has been difficult to book this online, and I think we've driven the acceleration of this to being an online process over the last few years.

I think the second big change we have seen with online travel is that you see in Asia, more and more people comfortably travelling abroad independently. Previously, people were relatively comfortable travelling independently domestically, but when they went abroad, they often went on packages or organized tours. I think online travel has been able to give people all the information that they need upfront, and made them more comfortable going abroad without being part of an organized tour.

I don't think we are by any means close to seeing the impact of these two changes fully play out. If you look at the alternative accommodation sector, it is a very small part of the overall travel market. There are still many people who go on organized tours and book their travel offline so these changes will continue to evolve.

**What do you think are key success traits of your top managers in this fast-changing world of online travel?**

I think they have to be very global in their mindset. We are dealing with a market that's moving quickly, and ideas move quickly across borders. What's interesting to a Chinese consumer today becomes interesting to the Indian consumer tomorrow, and what's interesting in Singapore today becomes interesting in Indonesia tomorrow and it doesn't flow in one direction. So I need leaders who are constantly looking and understanding the global travel market and the local trends within that, and that can adapt and anticipate what's going to happen next in a certain market. You also need people who are fast to learn. We like people who can show a continual ability to learn and to reinvent because the industry is moving too fast. What worked five years ago isn't necessarily going to work today and you need to be able to adapt to that.

**Reflecting on your own experience, having run 2 large online travel companies, what tips would you like to offer someone who is entering this sector?**

The most important tip I'd give, would be not to pick your company or the opportunity based on short-term financial considerations. You should pick your opportunity based on growth potential and the investment appetite of the company. Your personal development in terms of your skills and also in the long term your financial rewards, will be much, much more driven by being in a company that's growing quickly, moving into new markets, or investing in their current businesses. This will drive much more in terms of opportunities to take on more responsibility, to change roles, to grow, and that will bring huge long-term rewards in terms of skills, and also financially. I think picking your first company just based on how much money they going to pay you in the first couple of years is a very short-term optimization.

Personally, I benefitted from being at Expedia, which is a company that's grown by multiples over the past few years, and now again at HomeAway, we are looking to invest and grow very quickly in Asia Pacific. The set of opportunities I've been given, early in my career, is much greater than potentially more financially lucrative decisions I could have made.

**The e-Commerce sector seems to undergo a very high level of M&A, consolidation, etc. Do you feel such changes allow true value to be realised?**

I think in some cases, M&A realises huge value, such as when it allows a company to work across markets, across geography, across businesses and share its capabilities across a bigger opportunity. But I think when you look within e-Commerce, most of the value that's actually created, is created by the e-Commerce businesses organically scaling. Most e-Commerce businesses really scale as they grow, and leverage as the investment in technology is spread across an increasingly large business, and this scale of business funds more engineering investment in conversion and monetization, which allows greater scale to be profitably achieved in a flywheel effect. I think that's what creates the most value. I'm not dismissing M&A, but I think it is organic growth that really drives the most value creation.