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INDUSTRY NEWS

Travel Startups Say Omicron Disruptions Create Opportunities

People are so eager to travel that after the new Covid-19 variant led customers to cancel trips abroad, many booked U.S. vacations instead, says the CEO of travel agency Fora



Henley Vazquez, chief executive and co-founder of travel agency Fora.

PHOTO: ALISSA MICCIULLA

By [Yuliya Chernova](#)

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Americans are taking their vacations, despite the rise in Covid-19 cases caused by the Omicron variant. But they want greater flexibility and are taking more precautions, which is benefiting startups that aim to help people navigate the new realities of pandemic travel.

Executives at startups offering services such as flexible booking, apartment stays and touchless hotel check-in say business is holding up so far.

“Weirdly, Omicron and [travel] changes and cancellations have created a lot of opportunity,” said Henley Vazquez, chief executive and co-founder of venture-backed travel agency Fora. The company, launched this year, wants to bring the travel agency into the digital age, helping people sell travel, whether as a full-time job or in their spare time.

Ms. Vazquez said Fora, whose legal name is Greenwich & Warren Inc., generated higher revenue in December than she expected. About 20% to 30% of Fora's clients—most of whom are in the U.S.—canceled travel plans over the past two weeks, Ms. Vazquez said, many of them worried about getting stuck abroad due to a positive Covid-19 test. But “almost none of them ultimately stayed home,” she said, with most rebooking to domestic destinations, and paying top dollar for last-minute accommodations.

Even the spate of flight cancellations in the U.S. didn't deter Fora clients, Ms. Vazquez said, with some taking advantage of refundable fares and booking several flights just in case one gets canceled.

“Demand is there and travelers are tenacious as hell and they want to get somewhere,” Ms. Vazquez said. At the same time, she added, “it's never been so confusing to travel,” so people are turning to travel agents to help navigate pandemic-related restrictions and other travel surprises. Some of Fora's new agents were able to start generating business faster than Ms. Vazquez expected this month, because they were helping find alternatives for friends whose plans changed because of Omicron.



Roman Pedan, co-founder and chief executive of Kasa Living.

PHOTO: KASA LIVING

according to STR.

The rise in Omicron cases has had a limited negative effect on the business of Mint House Inc., a startup founded in 2017 that manages about 2,000 short-term rental apartments in the U.S. Amenities at Mint House properties include kitchens stocked with groceries that visitors order before their stay.

All but two of Mint House's 15 U.S. markets had steady business in December, said Will Lucas, the company's founder and chief executive.

The outliers were New York, where occupancy rates declined to 60% amid cancellations, and Denver, where occupancy fell to 54%, he said. Mr. Lucas said that before Omicron, Mint House expected occupancy in those cities to be 70% or higher this month.

Overall, Mint House's 2021 revenue quadrupled from 2020 levels, Mr. Lucas said. The pandemic has reshaped how people work and travel in a way that has benefited the company, the CEO said. People who work remotely, for example, are tacking on a few days around a weekend away, while working part of that time, which drives demand for apartment stays, he said.

“The way the world is changing in response to Covid is perfectly aligned with the product we are offering. It's been a great year for us,” Mr. Lucas said.

“People are starting to shift to: How do I keep my life moving, while trying to lower my overall risk?”

— Kasa Living CEO Roman Pedan

Fora raised a \$5 million seed round led by Forerunner Ventures earlier this year.

Hotel performance in the U.S. overall was higher in the week ended Dec. 18 than in the same week in 2019, before the pandemic, according to the latest data from hospitality industry data provider STR. Across the U.S., occupancy stood at 53.8% for the week, and the average daily rate was \$121.87, up 7.7% and 11.6% from 2019, respectively,

Mint House has raised

about \$50 million from venture investors including Revolution Ventures, the firm started by AOL co-founder Steve Case, as well as Ingleside Investors and NextView Ventures.

Kasa Living Inc., a startup founded in 2016 that offers contactless check-in at hotels and apartments it manages in about 45 U.S. metro areas, hasn't seen a dip in demand amid Omicron, said Roman Pedan, Kasa's co-founder and chief executive.

Even the Duffy, its location in Midtown Manhattan, where some Broadway shows have been canceled, has kept occupancy above 80% this month, he said, with average rates rising to about \$198 in December from about \$163 in November.

Kasa Living has also had more requests from hotel owners who are rattled by the continued Covid-19 uncertainty and are looking for another company to manage their properties. That is helping Kasa sign new property deals, the CEO said. The company operates properties on behalf of owners, and generally pays the owners a portion of the revenue that comes from guest bookings. It raised about \$56 million from investors including Ribbit Capital, Zigg Capital, FirstMark Capital and others, according to data provider Crunchbase.

Even as the pandemic drags on, people want to travel, Mr. Pedan said.

"People are starting to shift to: How do I keep my life moving, while trying to lower my overall risk?" he said.

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