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# New Covid-19 normal unlocks opportunities for some start-ups



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SINGAPORE (May 22): For start-up travel consultancy Blue Sky Escapes, 2020 was meant to be a year of expansion. Having exponentially increased its range of destinations from three to 30 during a strong 2019, the firm was all set to turbo-charge its growth from its expanded office space.

Then the Covid-19 pandemic hit. With global travel grinding to a halt as countries began issuing restrictive travel bans in quick succession, the two-year-old start-up found itself fighting for survival in an economy heading sharply into a nosedive. Yet for founder and director Krystal Tan, the silver lining of the crisis is the opportunity for the firm to consolidate its growth and client base as part of its relationship-driven business model.

“It was no doubt unsettling at the beginning and took some getting used to,” she tells *The Edge Singapore*. “But I’ve since been able to rewire my brains to view this situation as an opportunity to evolve and get creative as a brand. It’s been a wonderful chance for us to connect with our community on a deeper and shared level.”

Despite ferocious economic headwinds, disruption to daily life has unlocked opportunities for ambitious start-ups with the verve and the drive to succeed. Some start-ups, including those backed by big VC names, have been forced to cut back. Yet, drastic changes to how people live, play and work have created significant room for innovation that agile and creative start-ups can swiftly capitalise on

Standing at the pinnacle of workplace practices and technology usage, and staffed by digital natives, start-ups have adapted quickly to work-from-home arrangements demanded by the “circuit breaker” measures. None of the start-ups interviewed for this article saw working from home as a significant challenge — many had even given staff the option of doing so before Covid-19.

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“The lack of face-to-face interaction means having to tweak the way we collaborate together, for example, being more active and never failing to “over-communicate” on our work chat system,” says Tan, whose close-knit team usually works out of a cosy “house office”. “Timelines for projects and campaigns must also be realistic and take into account this new arrangement.”

Vere360, a regional EduTech start-up, has seen a spike in inquiries with the introduction of school closures and safe distancing measures in Singapore. While the firm initially created its product to complement classroom learning in schools, the pandemic has seen even tuition centres knocking on its door in a bid to continue lessons in spite of Covid-19.

“We have had to aggressively change the angle from which we marketed our product. While it was initially intended for the classroom, we now have to reconfigure our product for home-based learning. Our tech team has been tailoring our materials to make learning at home fun for students,” says Vere360’s co-founder Adila Sayyed.

It was the small size of Vere360 — which has a headcount of just five — that allowed the firm to quickly adapt its marketing pitch to the disrupted market conditions and quickly implement work-from-home schemes. “As a small firm, we do not need to go through so much bureaucracy when making a decision, allowing us to respond agilely when faced with a crisis,” Adila says.

Besides affecting worker interactions within companies, restrictions to movement and travel have also hindered start-ups from interacting with clients. While virtual meeting platforms like Zoom or Google Hangouts allow business connections to continue — at times with greater scheduling flexibility — they cannot replace a physical handshake.

“[Movement restrictions] have definitely been a limitation. It helps to meet clients face-to-face when you are selling your product. I have also not been able to hold product demonstrations to allow clients to see how our products can help them in real life,” says Adila, who had lined up live demonstrations for clients in Vietnam and Indonesia, but had to replace these with Zoom sessions following the outbreak of the pandemic.

For FinTech firm YouTrip, Covid-19 has created ample opportunities for the multi-currency e-wallet firm to further hone its product range. While profits have been hit by a reduction in travel spending, the firm is looking to capitalise on a 20% increase in e-commerce revenues as well as relatively consistent demand from local spending.

For example, YouTrip has introduced a more secure feature for online purchases to give users a more seamless online shopping experience instead of using one-time-passwords. “We are also upgrading our user interface and product design to allow users to have a more pleasant online shopping experience with YouTrip,” CEO Caecilia Chu tells The Edge Singapore.

Additionally, in recognition of the growing trend of online charitable donations worldwide, YouTrip has also begun developing a function for the public to donate to community initiatives and charitable causes.

“The most important thing is how to position the company to win when the market comes back,” says Chu. “When everybody is sort of “grounded” as a result of Covid-19, there are fewer distractions, creating a good opportunity to button up operation processes and get finances in order. Crises will also see weaker competitors fade away, so it is a good opportunity to consolidate market share.”

To re-energise its travel spending arm, YouTrip has sought to allow its users to “travel” from the comfort of their homes through the #homebutnotalone social media

campaign to grow pent-up demand for overseas trips. It has organised Japanese and Korean cooking lessons online for its users, hoping that this “cultural immersion” will encourage them to visit these countries after the crisis lifts.

Similarly, Blue Sky Escapes has sought to build brand loyalty by organising wellness-minded virtual experiences for potential and existing clients. Aside from helping people cope with the psychological strain of partial lockdown, such initiatives raise awareness for the young company and showcase its ability to design wellness-centred luxury journeys. “We are giving wellness a holistic overhaul to guide you on navigating these surreal times,” the firm says on its website.

Crucially, the onset of the pandemic has helped the travel start-up refine its business model and introduce greater diversity and resilience into its operations. Besides partnering with other like-minded brands that could provide new business synergies in future, the firm has strengthened ties with trusted risk agencies to improve its resilience against travel risks, helping worried travellers feel safe to explore the world again.

In spite of global pessimism about the Covid-19 recession, Tan of Blue Sky Escapes remains optimistic that the skies will be less gloomy. She is betting that demand for bespoke travel around the immediate region and to more remote destinations will grow quickly following the release of pent-up demand. “We are ready for this,” she says

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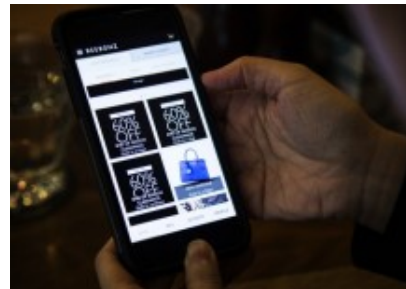
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