

Hotels.ng gets \$1.2 million investment

Hotels.ng, the Nigerian hotel booking website, has secured an investment of \$1.2 million from the EchoVC Pan-Africa Fund, a seed-stage technology fund, and Omidyar Network, the investment vehicle of eBay founder Pierre Omidyar. The funding round follows the company's 2013 seed investment of \$225,000 from Lagos-based Spark.ng.



Spearheading Africa's e-commerce revolution, Hotels.ng has built its hotel network to cover 7000-plus hotels in 21 regions across Nigeria, Africa's largest economy and most populous country. The team of 34 has overseen one million-plus hotel searches and ended 2014 with an operating profit. Having closed on this investment round, the company is now in a position to invest further in its technology capacity and look to expand in Ghana and French West Africa.

Mark Essien, Founder & CEO of Hotels.ng said: "We're forging ahead into relatively uncharted territory; e-commerce in Africa is a massive market to conquer, but there are no hard-and-fast prototypes from which to follow - we cannot simply replicate Western models here, we have to build our own blueprints from scratch, which takes significant investment, both in terms of time and money. This additional capital will allow us to realise the next stage in our ambitious growth plans, which will see us consolidate our position as Nigeria's market leader in online hotel bookings, with a view to expanding our service into other African markets, such as Ghana."

Internet access growth

Internet access in Nigeria is predicted to grow from 16% of the population to 50% by 2025, propelling the country's digital economy forward and driving more people online to facilitate offline activities. Hotels.ng is looking to capitalise on Nigeria's growing tourism industry, which currently represents 3.2% of the country's GDP, the company is now tasked with facilitating millions more online transactions for the buoyant hospitality market.

Jason Njoku, Managing Partner of Spark added: "Mark and his team are the future of Africa's digital economy - they are hungry for success, innovative in their approach to building their market and rigorous in their business execution. Closing on this funding round is a big win, not only for Hotels.ng, but for all African internet start-ups. It is proof, if any more were needed, that the internet market in Africa is extremely appealing for VCs, more of whom are now looking to create value and build big on the continent."

Ory Okolloh, Investments Director of Omidyar Network added: "Omidyar Network knows at first hand the power of e-commerce to drive social and economic development. Hotels.ng hits all the marks of an investment with positive impact by leveraging online technology to connect buyers and sellers, supporting local small and medium businesses, and boosting consumers' confidence in digital channels."

Vision, leadership and integrity

Eghosa Omoigui, Managing Partner, EchoVC Pan-Africa Fund added: "We were attracted to the Hotels.ng opportunity in part due to the vision, leadership and integrity of its founder Mark, and the relentless execution the team displayed in building a profitable and robust e-commerce business in a challenging, but ultimately exciting, market. Mark represents the type of high-quality and high-conviction African techpreneur that our fund is tasked with investing in. Hotels.ng is now in the very best position to continue on its upward trajectory of being West Africa's foremost online travel and hospitality platform. Following a competitive selection process, we're delighted to be an integral part of helping fuel their next stage of meteoric growth."

Located in Yaba, Lagos, Hotels.ng provides safe, secure online booking for both tourist and business travellers. It provides detailed information on over 7000 hotels, including images, price per night, availability, hotel amenities, location as well as a comprehensive user review and rating system. It has a safe-and-secure online payment portal, but also allows customers to pay on arrival. All hotels on the site have been vetted by Hotels.ng staff to ensure they are clean, safe and of a good standard.

Essien concluded: "We've spent three years travelling extensively across Nigeria, meeting and speaking to hoteliers, guest house owners and travellers alike. Using this intelligence, we have built a platform centred on what works for them; user and product are core to every decision we make. Our mission was to 'build local' as a springboard for international expansion and this has resulted in really encouraging traffic and conversion figures so far. This new investment gives us the confidence and foundation on which to build out our vision for Nigeria's e-tourism market."

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