

HikeReal Business Model

Value Proposition

- **Collective Conquest:** Transform solitary hiking into team adventures with shared conquest of legendary mountain passes
- **Proven Authenticity:** Unique validation system using geolocated photos that are impossible to falsify
- **Positive Emulation:** Seasonal leagues and team challenges to maintain long-term motivation
- **Adventure Memory:** Automatic creation of "Epic Passes Albums" featuring the best moments of each conquest

Target Market

The global fitness/outdoor app market represents approximately \$10 billion, with the hiking segment estimated at \$800M. With 200M active hikers in developed markets, targeting 1M users represents a reasonable market share of 0.5%.

Growth Strategy to Reach 1M Users

Phase 1: Launch (0-50K users) - 6 months

- Free app with all basic features
- Launch of the beta "Legendary Passes" program with photo verification system by our team to test engagement
- Targeted marketing in 5 regions known for hiking (Alps, Pyrenees, etc.)
- Partnerships with medium-sized hiking influencers
- Social sharing system to celebrate collective pass conquests and invite friends to join teams
- Marketing budget: €20K

Phase 2: Growth (50K-300K) - 12 months

- Introduction of the freemium model:
 - Free version: basic features and limited participation in "Legendary Passes" challenges
 - Premium: full access to "Legendary Passes" challenges, exclusive badges, advanced statistics, GPX export
- Expansion of the "Legendary Passes" program with seasonal leagues between teams and interactive map of conquered passes
- Integration with systems (like Garmin, Strava) and connected products for automatic validation of pass segments

- AI implementation for conquest photo analysis and automatic creation of "Epic Passes Albums"

Phase 3: Scaling (300K-1M) - 18 months

- Expansion of premium offering (€8.99/month or €59.99/year):
 - Offline maps of main trails
 - Detailed weather by route segment
 - Premium community with exclusive challenges
- Partnerships with outdoor brands (Decathlon, Quechua, etc.)
- International expansion
- Marketing budget: €400-500K

Financial Projections for 1M Users

- Freemium to premium conversion rate: 8% (80K paying users)
- Distribution: 65% monthly (52K) / 35% annual (28K)
- Annual revenue:
 - Monthly subscriptions: $52K \times €8.99 \times 12 \text{ months} = €5.61M$
 - Annual subscriptions: $28K \times €59.99 = €1.68M$
 - "Legendary Passes Team" packs (€19.99/month): $5K \text{ teams} \times 12 \text{ months} = €1.2M$
 - Partnerships/Sponsorships: €350K
 - Total: ~€8.84M/year
- Annual operating costs:
 - Cloud infrastructure (photo storage, maps): €300-350K
 - Development and maintenance: €550-600K (team of 7-9 people)
 - Continuous marketing: €1M-1.2M
 - Customer support and community management: €200-250K
 - App store commissions (30%): ~€2.2M on subscription revenue (~€7.3M)
 - Payment fees (3-4%): ~€300K
 - User acquisition costs: €800K
 - Total: ~€5.45M/year
- Profitability:
 - Annual net income: ~€3.4M
 - Net margin: ~38%
 - Estimated time to profitability: End of Phase 2 (18th month)

Additional Monetization

- Merchandise: Physical trophies for teams (€39.99), "Pass Conqueror" t-shirts (€29.99)
- Marketplace for local guides and specialized equipment (18% commission)
- Seasonal events sponsored by outdoor brands with exclusive challenges
- Partnerships with tourism offices to promote regional circuits
- Multi-user subscriptions for hiking clubs (30% discount per member)

Key Success Factors

- Technical reliability in areas where network coverage may be limited (robust offline functionality)
- Effective pass validation system (Proof of Hike™)
- Social experience centered on collaborative pass conquest
- Balance between competition and mutual support in team challenges
- Intelligent gamification that maintains long-term engagement