MIS 6375.502 - TECHNOLOGY AND NEW PRODUCT DEVELOPMENT - F24

FINAL PROJECT REPORT - GROUP 2

Submitted to:

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Product Name:

VibeTribe

Industry:

Travel

Product Definition:

VibeTribe is a travel platform designed for solo travelers. It offers personalized itineraries, AI-driven matchmaking, and authentic local experiences to create meaningful and community-driven journeys.

Problem Statement: The travel industry's focus on standardized packages leaves solo travelers underserved, lacking personalized itineraries and opportunities to connect with like-minded people. VibeTribe bridges this gap with a platform offering immersive, tailored, and community-driven travel experiences.

Vision: To revolutionize solo travel by creating a world where travelers can effortlessly connect, customize, and share meaningful journeys, transforming how people explore and experience the world through personalized, community-oriented travel.

Mission: To empower solo travelers by offering a customizable platform that enables them to design unique experiences, connect with fellow travelers with similar interests, and access authentic local adventures, thereby enriching solo travel with convenience, community, and flexibility.

Core Competency

Value Proposition: VibeTribe aims to create a seamless, personalized travel planning experience that caters to the specific needs of solo travelers. Key differentiators include:

- **Interest-Based Grouping:** Enabling solo travelers to connect with others based on shared interests, such as food, nightlife, adventure, and culture.
- **Customizable Itineraries:** Allowing users to create and vote on itineraries, ensuring trips align with group preferences.
- **Access to Local Experiences:** Partnering with local guides and hosts to offer authentic, offbeat activities, providing an intimate glimpse into local cultures.
- **Flexible Accommodation Options:** Collaborations with budget-friendly

accommodations, like hostels, to offer a cost-effective stay experience tailored to solo travelers' needs.

Value Architecture

- **Platform Design:** A user-centric, mobile-friendly app that offers features for group chat, itinerary customization, and local experience bookings.
- **AI-Driven Matching:** Leveraging AI to recommend compatible travel companions based on preferences and past travel behavior.
- **In-App Community Building:** Features that enable users to join interest-based travel groups and share feedback to improve future experiences.
- **Subscription Model:** Offering free and premium versions, where premium users can access additional group activities, exclusive experiences, and advanced matching features.

Activities: Key activities supporting VibeTribe's growth:

- Building a robust app platform.
- Forming partnerships with local travel providers.
- Marketing through social media, influencers, and content creation.
- Engaging users through gamification and loyalty programs.

Network Effects

- **Direct Effects:** More users enhance the platform's appeal through diverse groups and shared experiences.
- **Indirect Effects:** A growing ecosystem of partners, such as local guides and

accommodations, enriches user offerings.

North Star Metric: Metrics for success include:

- **Customer Growth:** Increase in premium subscriptions.

- **Consumption Growth:** Total trips booked through the platform.

- **Engagement Growth:** Rise in active users and community interactions.

Market Fit and Disruption Strategy: VibeTribe is a low-end disruptor, targeting cost-conscious solo travelers underserved by traditional platforms. By offering budget-friendly trips, accessible premium features, and enabling users to monetize travel ideas, it delivers personalized, community-driven experiences at competitive prices.

Entry Timing: Launch during peak travel seasons to capitalize on demand. The initial rollout will focus on urban centers and high-travel regions such as the USA and Europe.

Intellectual Property: Trademark the *VibeTribe brand* and protect the app's unique features to secure intellectual property rights.

User Persona: VibeTribe's ideal customer is a tech-savvy solo traveler aged 18-35 who seeks personalized, offbeat experiences focusing on adventure, culture, and sustainability, primarily from urban areas with high outbound tourism.

Go-To-Market Strategy: A multi-faceted approach to reach the target audience:

- **Digital Marketing:** Leverage Instagram, TikTok, and blogs for engaging visuals and solo travel stories.

- **Paid Ads:** Target keywords like "solo travel app" and "personalized itineraries."

- **Partnerships:** Collaborate with hostels, local guides, and influencers.

- **Referral Programs:** Incentivize early adopters to invite friends through rewards.

Collaboration (Strategic Alliances)

- **Local Providers:** Collaborations with local hosts, guides, and accommodations.

- **Influencers & Bloggers:** Partnerships with solo travel influencers to enhance credibility.

- **Affiliate Partners:** Associations with travel insurance companies, flights, and gear retailers.

Business Model

Unique Selling Proposition (USP)

- Enable users to **monetize their travel ideas**.

- Provide **budget-friendly trips** and promote travel with **like-minded people**.

- Establish **trust and credibility** through verified influencers and hosts.

Business Tiers

Feature	Free	Basic Plan ($6)	Pro Plan ($10)
Access to Tours	Limited Tour Options	Exclusive VIP Experiences	Exclusive VIP Experiences + Early Access
Customer Support	9 AM - 5 PM (Mon-Fri)	24/7 Live Chat	24/7 Live Chat + Priority Request Handling
Travel	✓	✓	✓

Insurance Integration			
Offline Access	✓	✓	✓
Ad-Free Experience	✗	✓	✓
Planning a Tour / Host Privileges	✗	Detailed	AI-Powered & Dynamic Tools for Updates
Group Matching	✗	✗	Advanced Matching with Filters (e.g., Host Filtering, Women-Only, Skill Level)
Booking Discounts	✗	5 - 7 %	10 - 15%
Loyalty Points System	✗	Standard Accumulation (Points earned on every purchase)	Bonus Points (Additional points for certain activities, such as promotions, special offers, or higher-tier benefits)
Exclusive Content	✗	✗	Premium Travel Guides + Direct Contact with the Host before the Trip

Figure 1

Cost Sheet

Role	Salary (USD)	Total Expense (USD)	# of Employees
CEO	100,000	100,000	1
CTO	100,000	100,000	1
Product Manager	90,000	90,000	1
UI/UX Designer	80,000	80,000	1
Software Developers	70,000	210,000	3
Data Engineer	70,000	70,000	1
Cyber security Engineer	70,000	70,000	1
Customer & Tech Support (outsource)	5,000	50,000	10
Total		$ 770,000	19

Figure 2

Activity	Cost	Qty	Total (USD)
Social Media Marketing	$7,500/month	12 months	$90,000
Influencer Marketing	$7,500/month	12 months	$90,000
SEO + Paid Ads	$3,000/month	12 months	$36,000
Content Creation	$3,000/month	12 months	$36,000
Total			$252,000

Figure 3

Item	Cost	Qty	Total (USD)
Cloud Hosting (AWS/GCP)	$5,000/month	12 months	$60,000
Cybersecurity & Compliance	$2,500/month	12 months	$30,000
Legal Compliance & Licensing	$1,250/month	12 months	$15,000
Partnership and Alliance	$12,500/month	12 months	$150,000
Total			$255,000

Figure 4

Category	Cost (USD)
Software Development	$770,000
Marketing	$252,000
Infrastructure & Operations	$255,000
Total (Year 1)	$1,277,000

Figure 5

Revenue Sheet

Plan	Year	Target Users (Subscribers/Bookings)	Price	Total Revenue
Free Tier	Year 1	20,000 (Active Users)	Free (Ad-supported)	X
	Year 2	50,000	Free (Ad-supported)	X
	Year 3	100,000	Free (Ad-supported)	X
Basic Premium	Year 1	5,000 Subscribers	$6.99/month ($83.88/year)	$419,400

	Year 2	10,000	$6.99/month ($83.88/year)	$838,800
	Year 3	20,000	$6.99/month ($83.88/year)	$1,677,600
Advanced Premium	Year 1	2,500 Subscribers	$8.99/month ($107.88/year)	$269,700
	Year 2	7,500	$8.99/month ($107.88/year)	$809,100
	Year 3	15,000	$8.99/month ($107.88/year)	$1,618,200

Figure 6

Revenue Stream	Year	Target Rides/Bookings	Price	Total Revenue
Accommodation	Year 1	10,000 Bookings	5–10% Commission (Avg. $10/booking)	$100,000
	Year 2	50,000		$500,000
	Year 3	150,000		$1,500,000
Local Experiences	Year 1	5,000 Activities	10–20% Commission (Avg. $15/activity)	$75,000
	Year 2	25,000		$375,000
	Year 3	100,000		$1,500,000

Ads (Targeted)	Year 1	50,000 Ad Impressions	CPM/CPC-Based ($5 CPM Equivalent)	$25,000
	Year 2	250,000		$125,000
	Year 3	1,000,000		$500,000

Figure 7

Year	Revenue Source	Total Revenue
Year 1	Subscription + Bookings	$889,100
Year 2	Subscription + Bookings	$2,647,900
Year 3	Subscription + Bookings	$6,795,800

Figure 8

Year	Revenue	Expenses	Profit/Loss
Year 1	$889,100	$1,277,000	- $387,900 (Loss)
Year 2	$2,647,900	$1,404,700	+ $1,243,200 (Profit)
Year 3	$6,795,800	$1,545,170	+ $5,250,630 (Profit)

Figure 9

Business is expected to become profitable by **Year 2**, generating a net profit of

$1,243,200.

Total Addressable Market (TAM)

Step	Description	Calculation	Result
1. Identify the target group	Total population in the USA and Europe	800M × 40% (aged 18–40 years)	320M people

2. Determine % of travelers	**Percentage of the target group that travels regularly**	**320M × 50%**	**160M travelers**
3. Estimate % of solo travelers	**% of regular travelers who prefer solo trips**	**160M × 20%**	**32M solo travelers**
4. Annual revenue per user	**Average annual revenue per user (subscription + commissions + ads)**	**$100 per user**	**N/A**
5. Calculate TAM	**Multiply potential customers by annual revenue per user**	**32M × $100**	**$3.2 billion per year**
6. Competitive factors	**Estimate obtainable market share based on competition and brand strength (8%)**	**$3.2B × 8%**	**$256M per year (SOM)**

Figure 10

- **TAM**: $3.2 billion per year
- **SOM**: $256 million per year (realistically achievable market share)

Pricing Strategy: Leverage **decoy pricing** (eg. Starbucks methods) to encourage upgrades to Premium Pro.

Launch Strategy

- **Invite-Only Initial Launch:** Verified influencers, travel vloggers, and bloggers will be onboard first.

- **Badges for Verified Hosts:** To build trust, influencers and hosts will wear badges like "Influencer" or "Verified Host."

Post-Launch Expansion: After six months, the platform will allow regular users to host events if they meet the criteria:

- Premium subscription and verification badge.

- Completion of three trips through the app.

- Approval of hosting applications based on VibeTribe's benchmark system.

Revenue Streams

1. **Ad Income:**
   - Ads are shown to free-tier users only (e.g., sponsored videos).
   - Revenue generated through:
     - **Standard Fee:** $150/hour.
     - **CPM Model:** $0.015 per view (to be analyzed for efficiency).

2. **Trip Commissions:**
   - **Take Rate:** 10% of every user transaction.
   - Cost breakdown for trips:
     - Basic event fee (set by the host).
     - Add-ons: flight fees, hostel/accommodation fees, convenience fees, and taxes.
     - Surge pricing is applied based on timing and demand.

3. **VibeTribe Gear:**
   - Income from rentals (e.g., hiking gear) and sales (e.g., caps, water bottle).

- Hosts can recommend gear specific to their trips, encouraging purchases.

4. **VibeTribe Travel Insurance:**

   - Offer insurance as an optional add-on for all trips.

   - Revenue from partner commissions or in-house insurance sales.

User Journey

1. **Free User:**

   - Sign up → AI-driven questionnaire → Recommends free tier tours → Join

     Free tour / Option to purchase premium for exclusive tours.

2. **Premium User:**

   - Early access to exclusive tours, advanced filters, referral programs, and

     discounts on partner hostels.

   - Referral points and rewards for referring friends or booking trips.

3. **Post-Payment Experience:**

   - Access to **VibeTribe group chat** for trip participants.

   - Interaction with hosts for accommodations or gear arrangements.

Platform Features and Engagement

1. **Badges and Ratings:** Hosts receive ratings and special badges (e.g., "Host of

   the Month," "Most Eco-Friendly Host").

2. **Gamified Loyalty System:** Points for referrals and bookings can be redeemed

   for partner hostels, restaurants, or gear discounts.

3. **VibeTribe Blogs:** Blogs and video reviews to promote exclusive tours and

premium features.

Challenges

1. **Budget Constraints:** Managing high initial investment requirements.

2. **Regulatory Hurdles:** Complying with international travel regulations.

3. **Market Competition:** Standing out in a competitive landscape.

4. **Adoption Barriers:** Convincing solo travelers to trust a new platform.

Conclusion

VibeTribe is poised to disrupt the solo travel industry by combining personalization, technology, and community. Its carefully planned business model, robust value proposition, and user-centric approach offer a sustainable path to success. Through strategic execution and continuous innovation, VibeTribe aims to become the go-to platform for solo travelers worldwide.

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