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# Business Plan

# travelfanatic.com

*travel, 'trav-el: a journey esp. to a distant or unfamiliar place*  
*fanatic, fe-'nat-ik: marked by excessive enthusiasm*

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**“Life is either  
a  
daring  
adventure or  
nothing at  
all”**

■ Helen Keller





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# Executive Summary

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The travel business is booming, to the tune of more than \$515 billion in the United States alone. Not only are we traveling for pleasure in larger numbers than ever before, but business travel is growing as well. Technology and infrastructure improvements have created widely available and affordable travel.

Information is central to the successful travel transaction. Although there is a plethora of travel information in various forms, **no one has tackled the travel arena in an experiential manner.** No one combines original content, time-saving information, interactive media and expert guidance with a “personality,” an attitude, a human face and a trusted voice.

Enter the Travel Fanatic . . . The Travel Fanatic is more than a brand. It’s about passion not only for the destination, but for the whole process: the anticipation, the packing, the getting there and the coming home.

**The Travel Fanatic’s vision is to create a lifestyle brand encompassing a Web site, books, a newspaper column, a magazine, a radio show, a television series and travel-related products that will generate substantial revenues and many opportunities for growth.**

Specifically, [travelfanatic.com](http://travelfanatic.com) will provide a fast, comprehensive alternative to the ever-multiplying online traveler, with fresh, compelling content and a true sense of community. The site will revolve around a central character, the Travel Fanatic, who will guide the user through the site. The Travel Fanatic’s voice, Anat Baron, has lived internationally, traveled the world, worked in the hospitality industry and as a Hollywood producer. [travelfanatic.com](http://travelfanatic.com) **will be THE place for travelers to find a unique point of view and shared experiences.**



# The Travel Fanatic Brand

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- ② The Travel Fanatic is evolving into the complete, interactive travel source, reaching out to both an online and offline audience and enticing people to travel more.
- ② Just as “Martha Stewart” is equated with gracious living and “Motley Fool” with investing, the “Travel Fanatic” will become synonymous with travel.
- ② The Travel Fanatic’s strong, personality-driven brand image will make it ubiquitous in every medium.



# The Travel Fanatic Personality

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- ② [travelfanatic.com](http://travelfanatic.com) focuses on a central character, the Travel Fanatic. She plans your trip, packs your bags and talks it over when you return. She uses her superb organizational skills and network of contacts to create unforgettable travel experiences.
- ② The Travel Fanatic is Anat Baron, who is extremely knowledgeable and highly opinionated. While she doesn't claim to know "everything," she happily dispenses travel advice to anyone who will listen.
- ② Anat is quickly establishing herself as a travel personality – writing books, newspaper columns and magazine pieces, hosting a television series, as well as a radio talk show. She currently is developing a line of travel-related merchandise. All of this offline activity will provide marketing support and unique content to the Web site.
- ② The Travel Fanatic will imbue users with her passion for travel and create a community of loyal "travel fanatics" who will support the site.



# The Travel Fanatic's Philosophy

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## Travel is ...

- ② about the **EXPERIENCE** – how it makes you feel.
- ② not only photographs and souvenirs, but your memories and impressions.
- ② part of your daily life – you're either fantasizing about it, planning it or anticipating it.
- ② about the familiar and the exotic. It's going home and, other times, it's discovering new places.
- ② uncovering something new about yourself.
- ② affordable to almost everyone.



# The Travel Fanatic's Raison D'etre

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***Leisure and business travelers are looking for a one-stop, full-service resource to fulfill their travel needs and expectations. The Travel Fanatic is the new “face of travel,” building long-term relationships through its unique content and brand.***



# The Travel Fanatic Components

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## Online

- [www.travelfanatic.com](http://www.travelfanatic.com)
- Provide original, branded content through strategic alliances with established Web sites and portals

## Offline

- Print
  - Books, magazine, newspaper columns and newsletters
- Television
  - Series, travel-expert interviews
- Radio
  - Talk show

## Merchandise



# The Travel Market

## OVERVIEW

- Global tourist receipts totaled **\$450 billion in 1999**.
- Global spending on travel and tourism has more than **doubled** in the 1990's as the standard of living for most people in the world has risen, and more countries have become accessible to tourists.
- U.S. resident travelers spent **\$440 billion** on transportation, meals, entertainment and recreation services within the U.S. and **\$75 billion** traveling in foreign countries in 1999.
- *Futurist Magazine* predicts that the **new leisure economy will drive consumers to buy experiences** instead of things. A boom in adventure and thrill seeking will increase travel to other parts of the world.

## ONLINE

- Travel made up **35% of all online sales** in 1998 (See Appendix C). Jupiter Communications predicts that the travel market will make up **nearly 50% of online sales** by the end of 2000.
- GartnerGroup expects online travel to reach **\$30 billion** by the end of 2000.
- According to a more conservative forecast by the Travel Industry Association of America, online travel will top **\$9 billion** by 2002 (See Appendix D).
- Airline tickets will make up 73% at **\$6.5 billion**, hotel and car rental bookings will total **\$2.2 billion** and online advertising on travel Web sites will be **\$282 million**.



# Current Internet Travel Models

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## [travelocity.com](http://travelocity.com)

- Ⓜ A Sabre company
- Ⓜ Air, hotel, cruise and rental-car reservations
- Ⓜ Merged with [previewtravel.com](http://previewtravel.com)

## [expedia.com](http://expedia.com)

- Ⓜ Controlled by Microsoft
- Ⓜ Known for its cruise outlet

## [priceline.com](http://priceline.com)

## [cheaptickets.com](http://cheaptickets.com)

## [concierge.com](http://concierge.com)

## [fodors.com](http://fodors.com)

## [lonelyplanet.com](http://lonelyplanet.com)



# The Big Idea

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## [travelfanatic.com](http://travelfanatic.com)

satisfies the ‘where to,’ ‘how to’ and ‘where to buy’ needs of travelers on the Internet

- @ No competitor is creating an online personality to work directly with consumers to manage the vast array of travel options.
- @ [travelfanatic.com](http://travelfanatic.com) will become the ultimate **travel infomediary** by building a seamless site merging entertainment, information, elearning and ecommerce.
- @ The site will provide **PERSONALIZATION** of the travel experience using proprietary technology. This unique feature will propel users to bookmark and return to the site — their one-stop, shopping destination for travel services and products.



# The Objectives

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**Turn visitors into better travelers –  
for business and/or pleasure.**

- ② Plan their trip, from conception to completion, including all travel arrangements down to the Travel Fanatic toothbrush (See *Appendix A*)
- ② Encourage them to share their travel experiences with other visitors – creating interactive, long-lasting travel communities
- ② Save time and avoid information overload by providing:
  - ② Recommendations for books and travel-related merchandise
  - ② News they can use: TV shows, newsletters, magazines and fun travel trivia



# The Target Market

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The site will attract a wide range of travelers. Some will have specific needs or interests, such as a quick weekend getaway, hot “new” destinations or a luxury indulgence. [travelfanatic.com](http://travelfanatic.com) will also entertain “virtual travelers” who seek an armchair experience without the jetlag.

## Corporate Travel

- Ⓢ Meetings
- Ⓢ Conventions
- Ⓢ Seminars
- Ⓢ Short term (one-nighters)
- Ⓢ Extended stay
- Ⓢ Combining business with pleasure

## Leisure Travel

- Ⓢ Honeymoon/ romantic getaway
- Ⓢ Holiday weekend
- Ⓢ Family vacation
- Ⓢ Island escapes
- Ⓢ Ecotourism
- Ⓢ Cruises
- Ⓢ Spas



# The Strategy

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- ② The site will be launched in three stages:
  1. Pre-Launch February 2000
  2. Soft Launch August 2000
  3. Full-Blown Site November 2000
  
- ② The full-blown site will encompass the following layers:
  - ② ecommerce
  - ② Personalization of the travel experience
  - ② Predictable modeling (Based on user preferences)
  - ② Complete destination database
  - ② Broadcast-quality video and audio streaming
  - ② Content management
  - ② Loyalty program



# The Strategy

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- ② The site will meet customer expectations by:
  - ② Being fast and easy to navigate
  - ② Supplying deep, broad and personalized content
  - ② Providing a sense of community
  - ② Offering fresh content every day
  
- ② The site will focus on attracting customers to the brand quickly and early by:
  - ② Developing key strategic alliances
  - ② Implementing a strong, front-end marketing push
  - ② Communicating in a conversational, non-authoritative tone, encouraging repeat visits and customer retention



## travelfanatic.com's Edge

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- Ⓢ Personality driven
- Ⓢ Strong brand identity through cross-media exposure
- Ⓢ True interactivity – both real world and animation
- Ⓢ Personalization of travel experience
- Ⓢ Breadth of travel expertise
- Ⓢ Real-time information exchange
- Ⓢ The Hollywood connection — celebrities sharing their travel experiences



# Meet The Travel Fanatic

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The travel fanatic is Anat Baron, a woman in motion since early childhood. If there is a travel gene, Anat has it. Her father was an airline executive, owner of a travel agency and incurable globetrotter. The Baron family moved, often, all over the world.

With a background like this some people might want a more stationary career, but not Anat. She . . .

- ② earned a Master's Degree from the Cornell Hotel School
- ② held management positions at Four Seasons Hotels and Commonwealth Hospitality
- ② started her own consulting firm in which she advised both Fortune 500 corporations and start-up companies
- ② moved to Los Angeles to seek new creative challenges including a successful career as a television producer

Anat's multimedia career has brought together her vast knowledge and love of travel with the ability to interact with millions of potential users. She is the Travel Fanatic's voice and style, destined to become the world's foremost travel infomediary.



# The Team

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[travelfanatic.com](http://travelfanatic.com) currently is managed by its founder, Anat Baron. She is assisted by technical and marketing consultants who will convert to full-time staff upon funding. Key members of the team include:

**CTO (Chief Technology Officer)** who has an extensive engineering and consulting background, and experience as VP of Engineering/CTO for several L.A.-based Internet firms. The CTO leads the technical team of project managers, programmers and html editors.

**Web Designer** who has created, designed and produced various ecommerce and elearning sites. A creative, award-winning documentary filmmaker, the Web designer brings a distinctive multimedia flare to the site, along with guiding the online producer, Web art director, researchers, writers and content editors.

**Web Developer** who is an experienced Web site developer for corporate sites and home pages. The Web Master brings a unique design and feel to the site, implementing the latest technological tools, while maintaining the integrity of the brand.

**Sales and Marketing Director** who is a creative business developer with online service marketing and ecommerce experience.

**Animators** who are experienced in freehand, illustration and flash-animated technologies. The animators have created an original cartoon series, characters and commercials, primarily for the Web.

**Writer/Editor** who has an extensive background in the print media and in creating original Web content.



# Advisory Board

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- ② Ayelet Baron, IT Executive, Cisco Systems — *Online Community Builder*
- ② Dean David Dittman, School of Hotel Administration, Cornell University — *Industry Insider*
- ② Tamara Lawson, CFO, Chapters — *Financial Maverick*
- ② Professor Alva Taylor, Kellogg Graduate School of Business, Northwestern University — *ecommerce Strategist*
- ② Anthony von Mandl, president & CEO, Mark Anthony Group — *Entrepreneur Extraordinaire*
- ② Sandy Weinberg, agent, Summit Literary & Talent Agency — *Hollywood Connections*



# Revenue Sources

[travelfanatic.com](http://travelfanatic.com) has a diversified revenue model:

- ④ **Advertising sales**
  - Airlines, hotels, cruise lines, all-inclusives, restaurants, car rental companies, tourism boards, credit card companies, bricks-and-mortar and online retailers
- ④ **Merchandise**
  - Strategic links to the Travel Fanatic's recommended sites and products (short term)
  - Travel Fanatic branded "everything" (long term) (*See Appendix B*)
- ④ **Commission/transaction fees from travel sales**
  - [travelfanatic.com](http://travelfanatic.com) will be linked seamlessly to an online travel booking engine for back-end transactions including airline tickets, hotel and car reservations
  - Exclusive travel packages offered on a daily and weekly basis
  - Distribution fees from partner companies that connect to the site
- ④ **Strategic alliances**
  - The Travel Fanatic brand will be displayed prominently on a major portal which will pay for original, branded content, as well as providing a link back to the site, resulting in revenue opportunities
- ④ **Affiliate programs**
  - The site will join existing Internet merchant affiliate programs which pay commissions to Web sites that deliver customers



# The Funding

- ② [travelfanatic.com](http://travelfanatic.com) will raise approximately \$7,500,000 for its development phase financing. The development phase budget includes:
  - ② Office space rental and operation
  - ② Technical consulting fees, salaries and benefits for key management and staff to design and build the site
  - ② Development of proprietary personalization technology and database
  - ② Legal advice
  - ② Hardware and software for in-house team members
  - ② Public relations and marketing initiatives

② <u>Financing</u>		<u>Projected Capital</u>
Round One	June 2000	\$ 7,500,000
Round Two:	March 2001	\$15,000,000

The first round financing will result in proof of concept. The second round financing will be used for extensive site marketing and strategic acquisitions and alliances.

Financial projections and assumptions are available upon request.



# Key Success Factors

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- @ Develop ‘relational’ content that goes far beyond ‘informational’ content and creates ‘stickiness’
- @ Provide useful, interactive content in an entertaining manner (sometimes off-the-wall, always with a sense of humor)
- @ Create a community of “travel fanatics” by fostering a sense of ownership and generating word-of-mouth attention to the site
- @ Offer a dynamic database of information
- @ Evaluate destinations with online multimedia tools
- @ Ruthless execution
- @ Create new intellectual property: metrics, tools and processes



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# APPENDIX

- A. The Travel Fanatic's Approach**
  - B. The Travel Fanatic's 'Favorite Things'**
  - C. Online Sales**
  - D. Online Travel Market Revenue**
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# Appendix A

## The Travel Fanatic's Approach

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### *The complete HOW TO guide to travel*

- @ **Fantasize** — It starts in your mind
- @ **Plan** — Think ahead
- @ **Pack** — It's in the bag
- @ **Get There** — Hassle-free travel
- @ **Settle In** — Make your hotel room your home away from home
- @ **Do** — Sleep, Eat, See, Buy. Make the experience count
- @ **Leave** — Go home happy
- @ **Fantasize** — Plan your next trip



# Appendix B

## The Travel Fanatic's 'Favorite Things'

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### *Ecommerce opportunities*

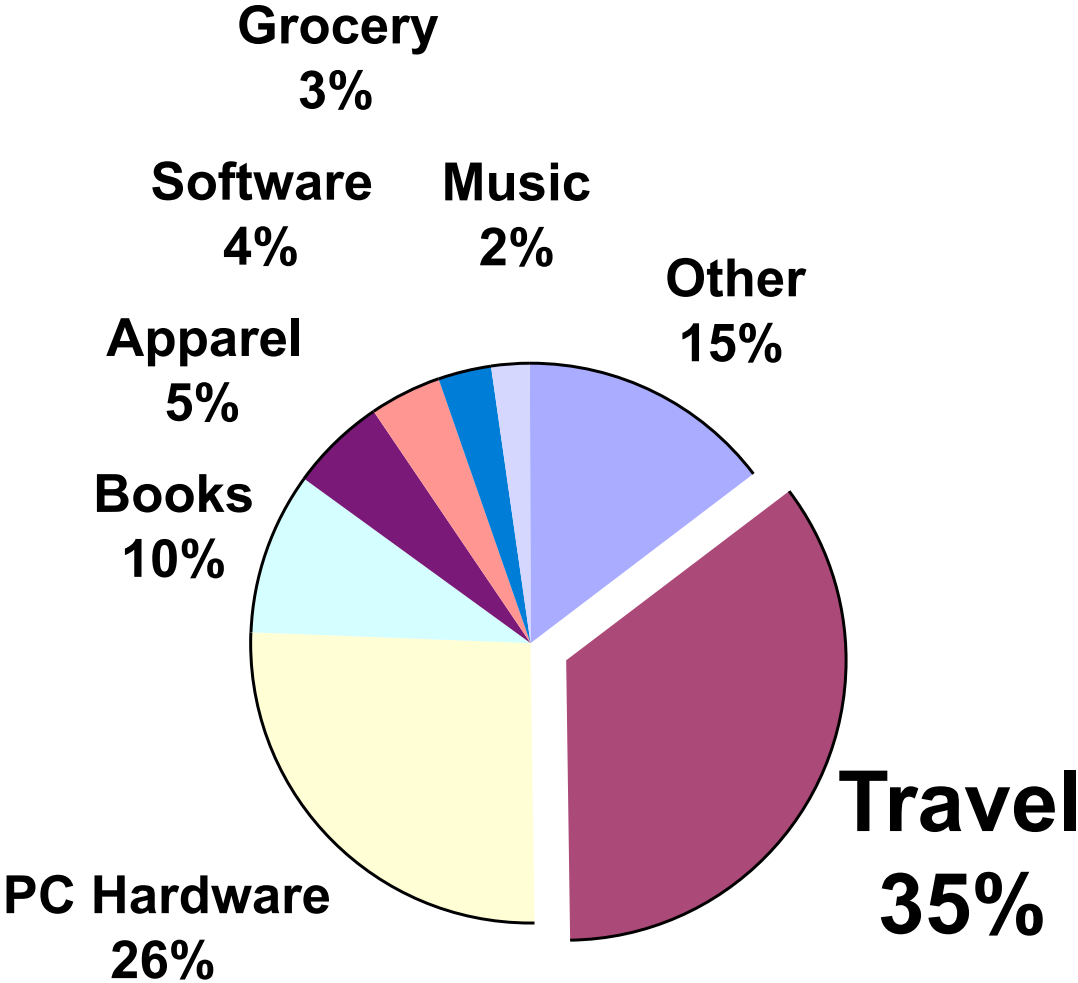
- ② Luggage
- ② Clothing
- ② Accessories
- ② Beauty products
- ② Health and nutritional supplements
- ② Travel books and magazines
- ② Music to go
- ② Travel videos



# Appendix C

## Online Sales in Millions

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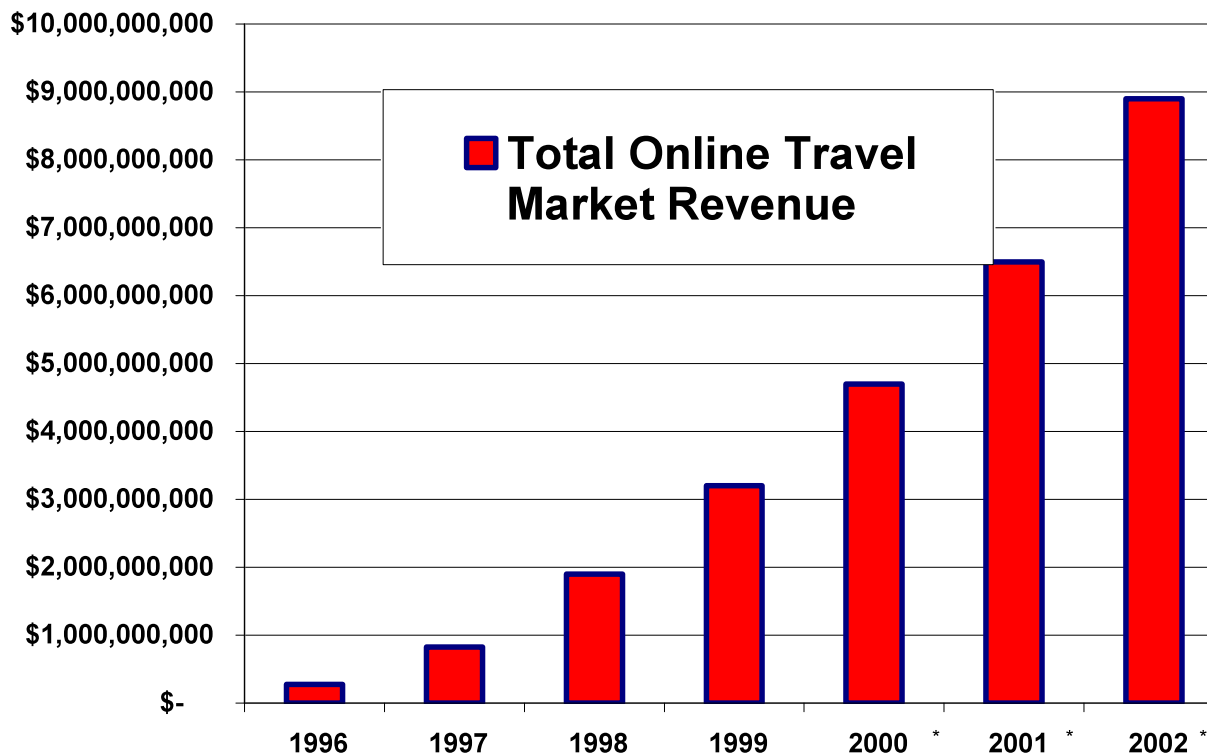


Source: Jupiter Communications 1998 data



# Appendix D

## Online Travel Market Revenue



Source: Travel Industry Association of America

Online travel revenue has grown **41%** in just four years and is expected to grow another **25%** by 2002.