

Returned Peace Corps Volunteers Travel Guides

Executive Summary

Returned Peace Corps Volunteers Travel Guides will be formed as a non-profit organization that markets travel guides to backpackers who journey to developing countries where Peace Corps Volunteers (PCVs) are currently assisting development efforts. Content for the travel guides will come from PCVs and Returned PCVs (RPCVs) with extensive experience and knowledge of the target countries. Proceeds from sales of travel guides will be used to fund PCV-initiated development activities, with a focus on economic development and developing the capacity for supporting socially-responsible, sustainable tourism. The initial focus will be on countries with larger, more profitable tourism industries. A portion of the revenues from these countries will be used to subsidize the creation of guides and funding of development efforts in future target markets.

The Social Problem

Local populations at periphery of developing tourist markets need assistance in creating new income opportunities.

In developing countries, tourism can be a significant source of revenue. However, in developing tourism economies, revenue from tourism is often distributed unevenly throughout a region, as tourists have only limited familiarity with all the resources within an area. Oftentimes smaller communities have a hard time marketing themselves as travel destinations, despite investing in tourist infrastructure.

Peace Corps volunteers guiding economic empowerment projects in the developing world need a source of insightful funding to make sensible, incremental changes in infrastructure..

While there is often a need for community development projects in the developing world, international aid projects often suffer from inefficiency when funding is not managed by those who are familiar with the customs of an area. Funding is funneled directly into larger aid projects at a high level, making impact uncertain and difficult to measure. Moreover, it is unclear whether these large-scale projects take into account the culture, skills, and values of local communities.

While organizations such as the Peace Corps support volunteers who develop the local knowledge necessary to execute programs successfully, obtaining sufficient funding in a timely manner for specific projects can be difficult. Volunteers need more direct access to a funding organization that understands the context in which they operate. What is needed is a funding organization with decision makers who have the on-the-ground experience in developing countries necessary to discern the most realistic and culturally-sensitive projects with the highest impact potential. Such an organization could recognize the complex social and environmental factors that impact their decision making.

Backpackers visiting the developing world need a more sophisticated source of regional travel information.

While the travel book industry is becoming more saturated, the current offerings of backpacking guides do not meet all the demands of contemporary Western backpackers. Backpackers are becoming increasingly more adventurous and socially conscious in their traveling habits, while the established players in the guidebook industry consistently build content to target the larger mainstream tourism market.

A market has developed within the backpacker travel book industry for guides that show a different side of popular travel destinations; tourists want to get off the beaten path and have cultural interactions, not just photo opportunities. Tourists need both access to information about new places *and* insights about appropriate local behavior and local culture. However, the established guidebook suppliers primarily employ freelance traveling authors who lack intimate knowledge of remote locations, local languages, and cultures, and thus cannot adequately address this need.

Industry Analysis

Industry Overview

Travel Guide Industry: The travel guide industry generates approximately \$250MM in annual sales. Established competitors include for-profit corporations such as Lonely Planet, Rough Guide, Moon, and Let's Go, who together generate over 1000 titles covering over 100 countries. Travel guide publishing is known as an 80/20 industry, where guides for "hot" areas generate the lion's share of revenues while other guides take years to recover publishing costs.

Community Development: The Peace Corps is an entity of the U.S. government. Established in 1960, the organization has since sent thousands of American civilians abroad to serve as volunteers in developing countries. Volunteers serve on most continents, often in rural areas helping communities as teachers, engineers, and agriculturalists. More recently, the Peace Corps has begun economic empowerment projects. Many volunteers now work full time on small business development, eco-tourism and urban development projects.

The program is funded entirely by the U.S. government. Volunteers are paid a stipend, but are expected to live close to the local standard of living. Volunteers who want to access funds to support secondary developmental activities must apply for loans or grants. The Peace Corps continues to stand out from other aid organizations because volunteers spend more than 2 years aboard, learning local languages and living as an active member of their communities. This is unlike many employees of developmental organization who live and work within the urban centers of their host country. This arrangement often precludes the opportunity to develop intimate knowledge of more remote areas of a developing country.

Barriers to Entry/New Entrants

Travel Guide Industry: New entrants are possible because start up costs are low. However, a new entrant will have to overcome existing brands with strong customer loyalty, extensive industry experience, and superior financial resources. It will take time to develop market awareness and create a knowledge base that is relevant and accurate. Moreover, since book distribution is becoming increasingly consolidated, it will be necessary to secure distribution contracts with substantial wholesale and retail entities.

Community Development: New entrants are only likely from similar development organizations such as Japanese Cooperation Volunteers or the British Volunteer Service Organization. Few organizations have the infrastructure or reputation to deliver a similar product.

Substitutes

Travel Guide Industry: Reasonable substitutes that can reduce demand for travel guides include the availability of free information online, digital media and information spread by word of mouth.

Community Development: Peace Corps currently has a number of donor programs available to volunteers to raise funds to support secondary projects. However, there is often a lack of funds or it is difficult to access these funds in a timely manner.

- Small Projects Assistance (SPA) Grants: PCVs write grants to request funds to support secondary projects. Examples of projects range from digging wells, building latrines, organizing gender and youth education programs.
- Peace Corps Partnership Program: Online/Corporate program where volunteers can post solicitations for donations in support of specific volunteer initiated activities.

Funding Group: Consumers of Travel Guides

Backpackers are a market segment consisting of young (average age is 25), male and female, budget-conscious travelers from Europe, North America, and Australia who are typically studying for undergraduate or graduate degrees, or in between jobs. They are young, adventurous individuals who want unique, authentic cultural experiences. Backpackers compete with each other to see who can visit the most exotic destinations or participate in the greatest adventure.

Market research has shown that travel guides are the second most important source of information for backpackers (behind only word-of-mouth). Consumers want relevant and accurate travel information and suggestions for locations and activities. Loyalty to brands is strong.

Success of this venture also requires financial support from publishers. If a publisher is convinced that early support of the project can lead to profitable publishing opportunities, then a publishing advance can provide initial support and funding for the venture.

Suppliers

Collaborators: The Peace Corps community is a vital to the success of this venture. In exchange for development assistance to the volunteer's country of service, volunteers will provide free extensive, timely and accurate travel knowledge to aid backpackers pursuing adventures off the beaten tourist path. Nobody knows how to travel on shoestring budgets better than the volunteers who dedicate two years of their lives living in rural communities and on local wages. This source of free knowledge is a key competitive advantage to the success of this venture.

There are risks associated with collaborating with volunteers because they may not commit the time and effort required to write quality content that consumers finds valuable and personally touching. By relying on the impressions of more than one person, this travel guide also incurs some risk of encountering inconsistency between contributors. However, when one notes the proliferation of PCV internet content documenting their journeys and anecdotal feedback of recent RPCVs upon hearing about this idea, there are indications to suggest that PCVs will enthusiastically support this venture.

In addition, the Peace Corps governmental organization has a number of rules and regulations in place regarding the use of the Peace Corps brand and image. Success of PC travel guides will rely heavily on the use of the positive associations between Peace Corps and adventure in developing countries. The organization also could pose significant restriction to the access of volunteers who wish to support PC travel guides. Both of these conditions make Peace Corps a very powerful supplier. However, preliminary contact with Peace Corps headquarters in Washington D.C and the National Returned Peace Corps Volunteer Organization indicate that it is technically illegal to sell travel guides under a direct association with the Peace Corps brand. However, there are established rules and regulations in place to tie into the brand through the National RPCV non-profit organization.

Distributors

Support of distributors is needed to ensure that shelf space is allocated to our products. Until the backpacker community recognizes the inherent quality of Peace Corps Travel Guides, consumers will need the opportunity to physically compare products with competing travel guides. In recent years, the internet has enabled distribution through online retail stores and downloadable e-books. The internet channel will only be a great aid to increasing sales after credibility has been established with the consumer. The e-book channel is unlikely to be promising because of the incompatibility with the travel habits of one trekking through developing countries.

The Venture

We propose to create a series of travel guides whose content is produced by Peace Corps volunteers to compete against the established travel guides for backpackers. The volunteer will be hired upon completion of his or her Peace Corps service for one year and funded to travel within the country and collect and organize relevant information for the travel guide. The guides will be written first in the countries where the tourism industry is developed and vibrant. The guides will be published and sold in the large markets – the United States, Europe, and Australia. Initially, only 1-2 guidebooks will be produced and published, in English only.

Our services are in line with a venture capital development model. The differentiating aspect of the venture is that the profits on these guides will be channeled back to the volunteers in developing countries where the tourism industry is underdeveloped but shows potential and readiness to grow. Current volunteers seeking capital aid for tourist projects would apply for a grant from the Travel Guide Fund. These funds, in conjunction with tourist-income-generation activities will enable communities to be better prepared to earn and responsibly invest tourist dollars that the guides will attract. RPCVs sitting on the board would consider and issue supervised funding grants to the community, based on the recommendations of the current volunteer. This will put us in a position to compete with existing organizations for donor funds. Access to the Travel Guide Fund will also make projects supported by our grant attractive to NGOs who wish to collaborate and develop sustainable tourism or further the Peace Corps mission.

The impact of these guides will directly benefit the developing country's tourism industries that are targeted, as under-visited destinations. The locations are in need of the tourist dollars which would aid in the development of the country's tourism industry as a whole. The other related benefit will come in the growth of a sustainable tourism industry as a result of the tourism-related projects that will be funded through the profits of this venture. The growth of the tourist economies will increase the wealth of these countries and, in turn, the nations' per capita incomes allowing for a higher standard of living for its people.

There are two main sources of competitive advantages for this venture in terms of the travel book industry. First, the Peace Corps brand has high awareness and enormous trust behind it, which allows potential customers to view the guides as a reliable source of information. There has always been an importance on image in travel; and choosing the Peace Corps brand would identify you as a rugged individual who embraces alternatives to mainstream travel. The second advantage is the fact that it is volunteers who write the guides. They have lived and worked in these countries for at least two years, and the depth of accurate local knowledge cannot be otherwise replicated. The target customer for these guides will be more culturally sensitive and curious with a desire to be able to communicate more proficiently with the host country nationals. Our proposed guides can offer the intimate cultural knowledge, including personal anecdotes, which no other travel book can offer to this backpacker segment. The grassroots connections with

the villages and communities of developing countries that the volunteers form while living in the environment for two years constitute a competitive advantage. These relationships with the nationals and communities give the volunteers an entirely unique perspective and insights that would be impossible to gain by a member of an guide author during one or two short visits. Additionally, the development of the volunteer’s knowledge base is essentially subsidized by the ongoing operational activities of Peace Corps.

Our operational model creates a self-perpetuating cycle where the guides help, directly and indirectly, to build the tourism industry of less developed countries. The revenues from these guides will then help to fund the growth of tourism industries in even less developed countries. Figure 1 captures the social impact and operational details of this venture.

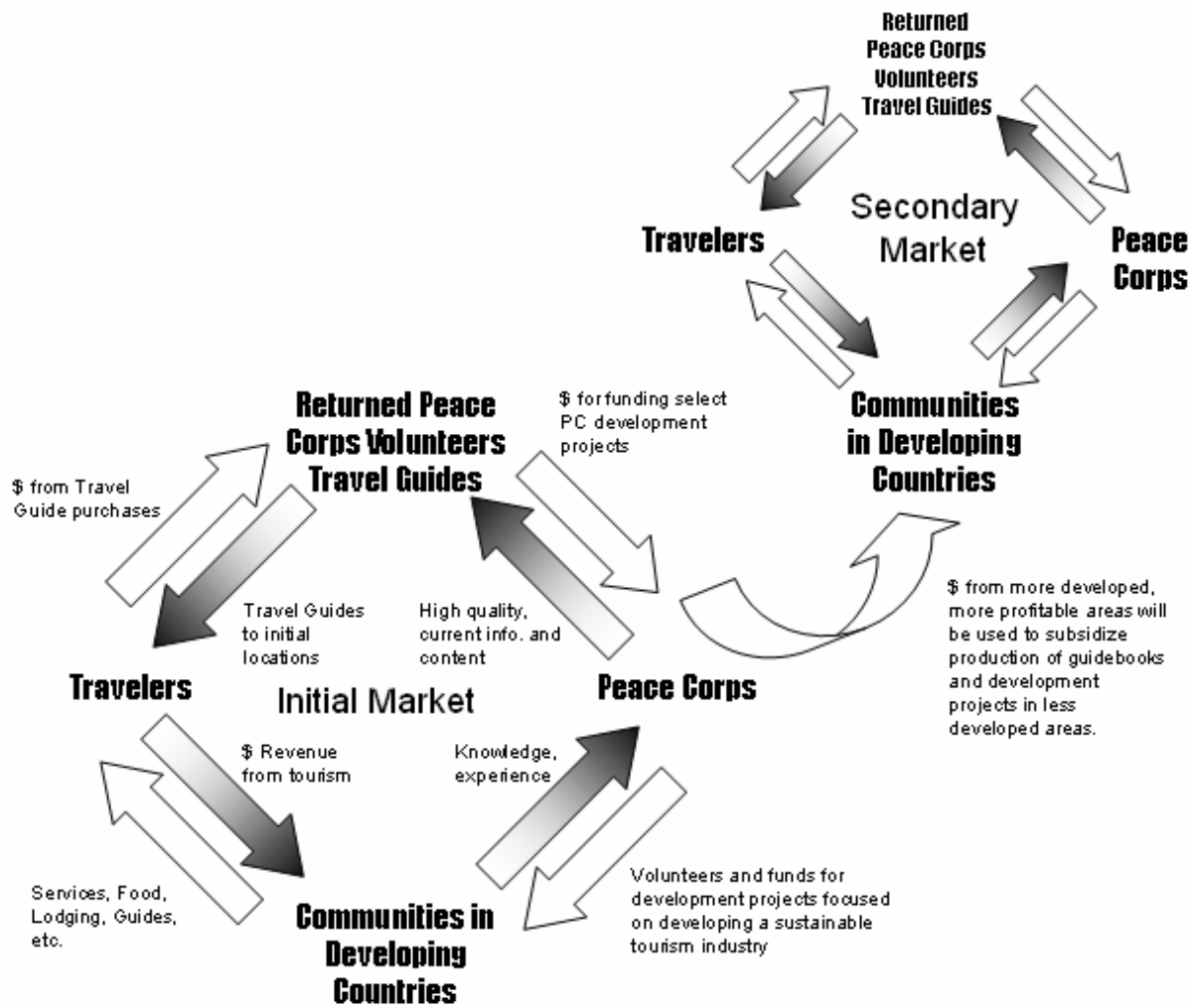


Figure 1. Social Impact/Operational Model of RPCV Travel Guides