

1) BACKGROUND AND SUMMARY

traveltoyourroots.com

a) EXECUTIVE OVERVIEW & GOAL

The emergence of DNA DTC (direct to consumer) tests for ethnicity has given the online genealogy industry an immense push and opened up a large new audience that would have otherwise not be receptive to genealogy. There is an inherent desire in most people to find out more about their origins as demonstrated by the success since the launch of DNA tests: 30 million people around the world have already taken such a test ([source](#)) and the forecasted growth rates indicate that this is only the [start](#).

This opens up attractive opportunities for services docking onto the DNA test industry. In this paper, I will propose an approach that seamlessly adds to an existing experience and fulfills a most relevant need: **the need of not only wanting to know your origins but being able to experience them**. I will demonstrate that **traveltoyourroots.com** is setting itself apart from its competitors by offering a unique experience that has meaning to customers. Traveltoyourroots.com will not be selling journeys, it will be selling stories that are authentic and have huge viral potential which will be the key driver for further growing this opportunity.

Those stories that users learn about their past are at the heart of the marketing machine who will **turn those stories into viral content** to maximize reach and create an endless stream of high-level content. More stories mean more bookings, which means more resources to be invested into further improving the customer experience.

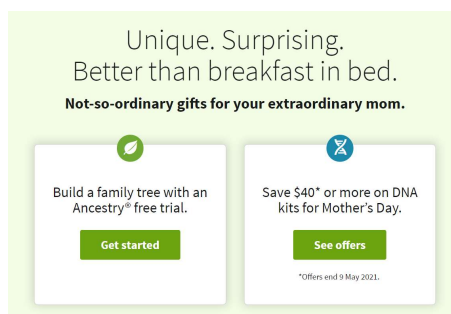
My goal with traveltoyourroots.com is to become the **world's biggest genealogy travel agency** by taking advantage of the current absence of a serious competitor and use the head start to quickly develop an optimized user experience that will be hard to imitate.

b) INDUSTRY CONTEXT:

My fictional start-up is operating in the Gen-Tech industry. The gen-tech industry revolves around two core products right now: **DNA tests for**

ethnicity and **online genealogy**. Though online genealogy is not per se gen-tech it is closely related as the market leaders in the gen-tech sector – MyHeritage and Ancestry – both started with a family tree software and later added DNA testing.

Here is an example of how Ancestry communicates the two products or check www.ancestry.com:



It is also important to know that in both cases the online genealogy product – please check out ancestry.com or myheritage.com – is still the profit driver for this industry as it is recurring revenue while the DNA tests are in most cases one-time sales. As of today, no company has managed to turn DNA testing into a subscription business despite multiple attempts such as by adding health features: <https://www.ancestry.com/health>. The third big player in the DNA business is 23andme, but in contrast to Ancestry and MyHeritage, they only have a DNA product and no family tree product.

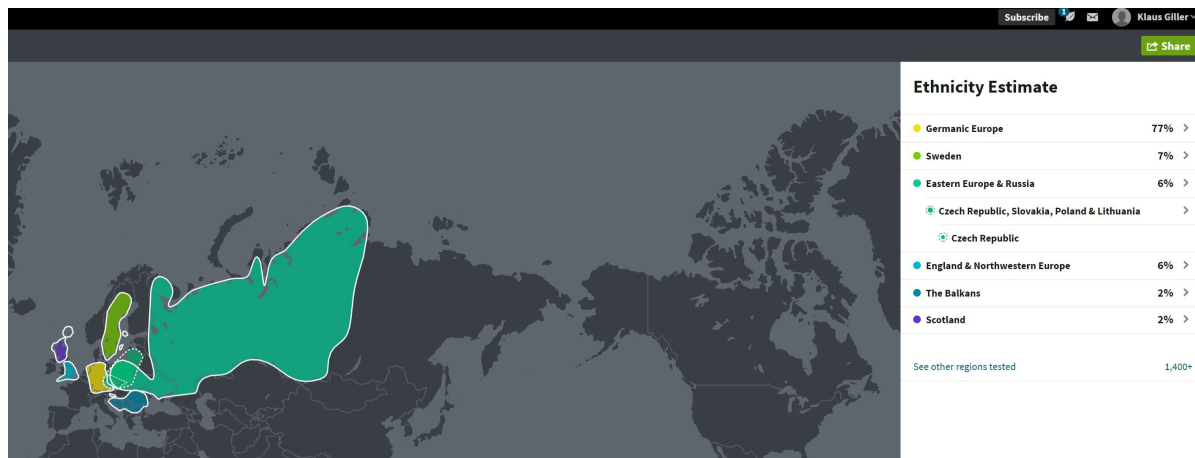
The core product within the DNA product is the **ethnicity test**. It works as follows:

1. You order a DNA kit
2. You spit into a little tube
3. You send the tube back to the Ancestry or MyHeritage Lab
4. The DNA sample is analyzed and after 3-4 weeks you can see the results online by accessing your account (which you set up in the process)

Here is also a video explaining the process for MyHeritage:

<https://player.vimeo.com/video/191543166>

The results can look like that:



You get a pie chart that tells you where your ancestors came from. What is important to know is that the granularity of your ethnicity chart depends on how many DNA tests are available from certain regions. This means that DNA estimates are more accurate and often more granular in mature markets such as the US compared to emerging markets such as Germany.

The core market for DNA tests is the US, followed by other English-speaking markets such as UK, Canada, and Australia.

A second important feature of the DNA test is the **DNA-match**. This shows you other users that are related to you:

List Map				
Filter by: Unviewed Common ancestors Messaged Notes Trees Shared DNA Groups Search Sort				
Extended Family				
	mauraperk	3rd - 4th Cousin 79 cM 1% shared DNA	Public linked tree 17 People	View match
	Yvonne Barton	3rd - 4th Cousin 78 cM 1% shared DNA	Unlinked Tree	View match
	J.T. Managed by Cyndi Thomson	4th - 6th Cousin 57 cM 1% shared DNA	Unlinked Tree	View match
	Daniel Kastenholz	4th - 6th Cousin 54 cM 1% shared DNA	No Trees	View match
	reichinger	4th - 6th Cousin 53 cM 1% shared DNA	No Trees	View match
	Leonard Schantz Managed by PatriciaSchultz24	4th - 6th Cousin 40 cM 1% shared DNA	Public linked tree 3,322 People	View match
	Gregory Graham	4th - 6th Cousin 39 cM 1% shared DNA	No Trees	View match

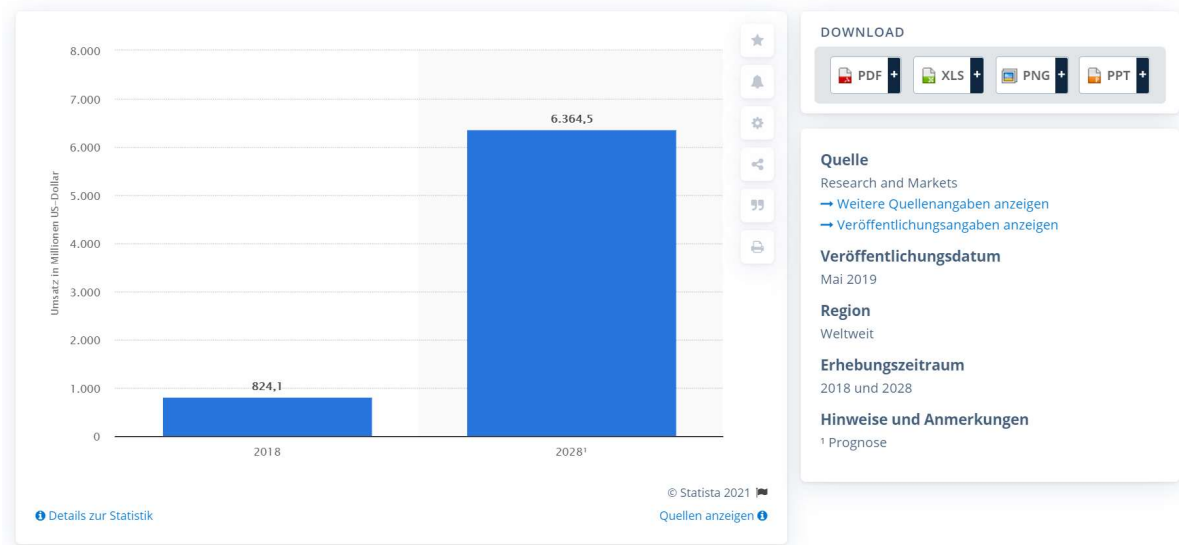
This means that you can find living relatives and contact them should they agree to be contacted.

The DNA market is a fast-growing market and is expected to grow to more than 6 billion USD in 2028 which is a YoY growth rate north of 70%:

Pharma & Gesundheit > Medizintechnik

Marktumsatz für Endverbraucher-Gentests weltweit im Jahr 2018 und Prognose für 2028

(in Millionen US-Dollar)



Source:

<https://de.statista.com/statistik/daten/studie/1119930/umfrage/marktumsatz-fuer-endverbraucher-gentests-weltweit-prognose/#professional>

Everybody's doing DNA tests

Total number of people tested by consumer genetics companies through January 2019, in millions

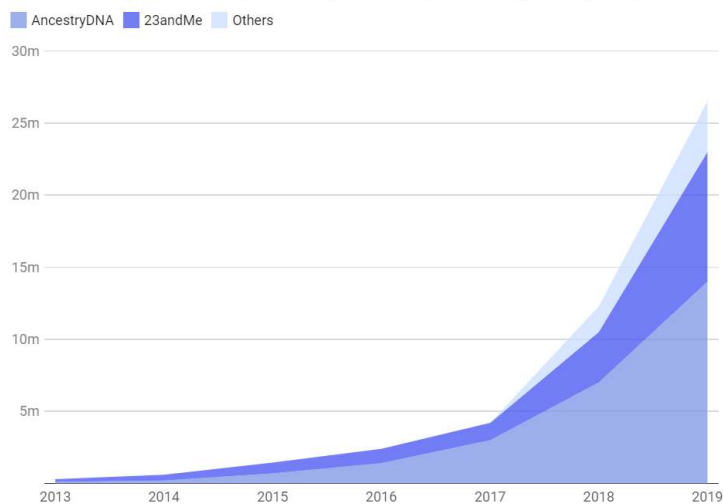


Chart: MIT Technology Review • Source: Company reports, Leah Larkin, ISOGG • Created with Datawrapper

Source: <https://www.technologyreview.com/2019/02/11/103446/more-than-26-million-people-have-taken-an-at-home-ancestry-test/>

The idea for my start-up evolves around DNA traveling, which was expected to be a big new trend in 2019/2020 (of course COVID impeded this development):

<https://www.nbcnews.com/better/pop-culture/why-dna-travel-may-be-big-travel-trend-2019-ncna942161>

<https://www.telegraph.co.uk/travel/comment/dna-heritage-ancestral-tourism/>

c) COMPANY CONTEXT:

This business model could be an extension of the services offered by MyHeritage, Ancestry, or 23andme but I want to approach it from a start-up perspective.

c) NEED & SOLUTION:

As we have seen from the sources mentioned above, **finding your roots is important to people in today's world**. In a highly volatile, consumption-oriented world knowing your roots gives you an anchor and strengthens your identity. DNA tests are available in many countries nowadays and very affordable (around 50 USD for a DNA test).

Knowing your roots however is only one part of the equation. People want to not only know where they are coming from, but they also want to experience their origins by visiting them. My idea is to start a **travel agency specialized in DNA journeys**. The user would share the DNA results with my travel agency - <http://traveltoyourroots.com/> - who would then plan a trip for the customer to the places his/her origins can be traced back to. By not only sharing the DNA results but also sharing the family tree from sites such as ancestry.com or myheritage.com our genealogists can make the journey even more meaningful by analyzing the tree and finding places of

significance that the customer can visit. **This is the most personal journey a person could embark on.**

Need: Getting in touch with your past

Solution: Traveling and Experiencing to your roots

Motto: Discover the stories that made you who you are

2)VALUE CREATION MODEL

a) CUSTOMERS & SERVICE OFFERING

The hobby genealogists: an older audience (50+) with an interest in their family history. They have the money and the time to travel. For them, this journey is not just a vacation. It is a journey that fills the gaps in their family history and lets them feel connected to their ancestors. They don't look for an identity, they want to add flavor to their lives and gather stories to tell. They view themselves as one leaf on the big tree.

The Offering:

- A **unique journey** that no one else will experience.
- **Peace of mind** because the travel agency takes care of everything.
- **Guidance:** through an app, the users will be provided with a plan that lays out what they should visit, which locations, monuments are significant for their family history.

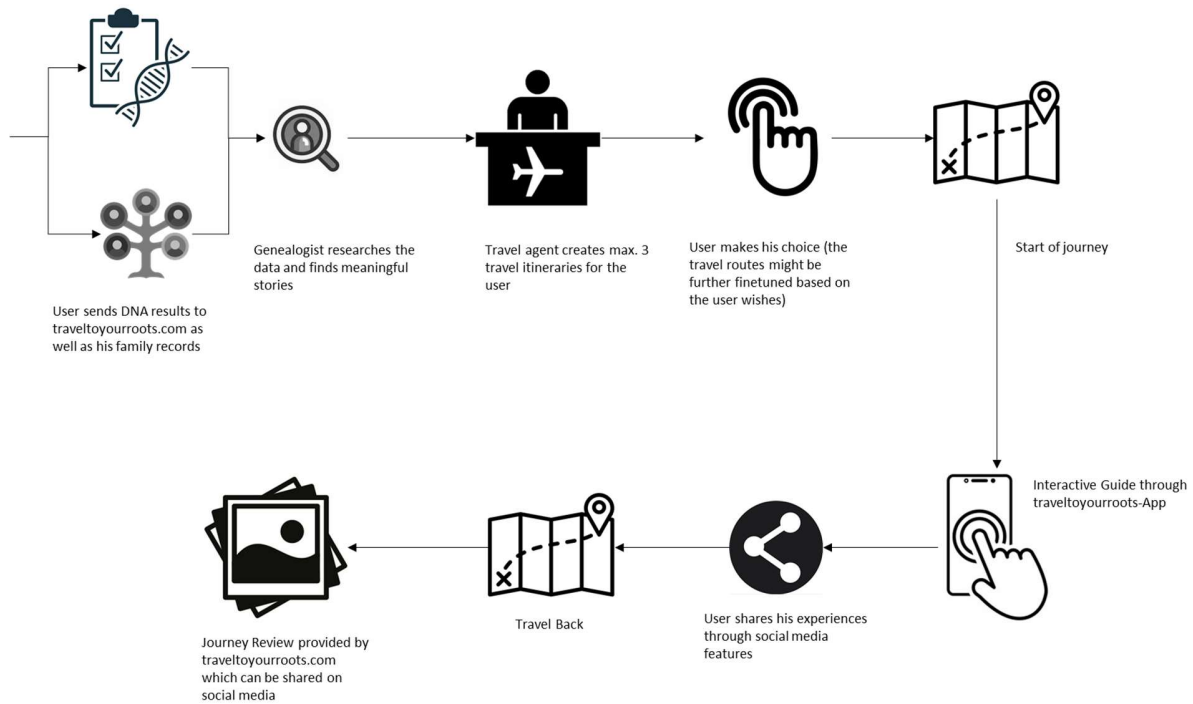
The identity-seeking millennials: Millennials significantly differ from hobby genealogists. Unlike hobby genealogists, they don't respond to the idea of exploring their family history by screaming "I have waited for that my whole life!" They need a reason. They have to understand how exploring one's origins can add meaning to their lives.

The Offering:

- **Adding meaning** to your existence by visiting places of significance
- Rather than going on a dull vacation embark on a **unique journey of purpose**
- Let us take care of **setting the broad parameters** like means of transport and housing.

What do we sell? We are selling stories! With traveltoyourroots.com you will make unique personal discoveries, you embark on an adventure. Stories that you will remember the rest of your life and that you will tell your children and grandchildren.

b) THE USER EXPERIENCE FLOW

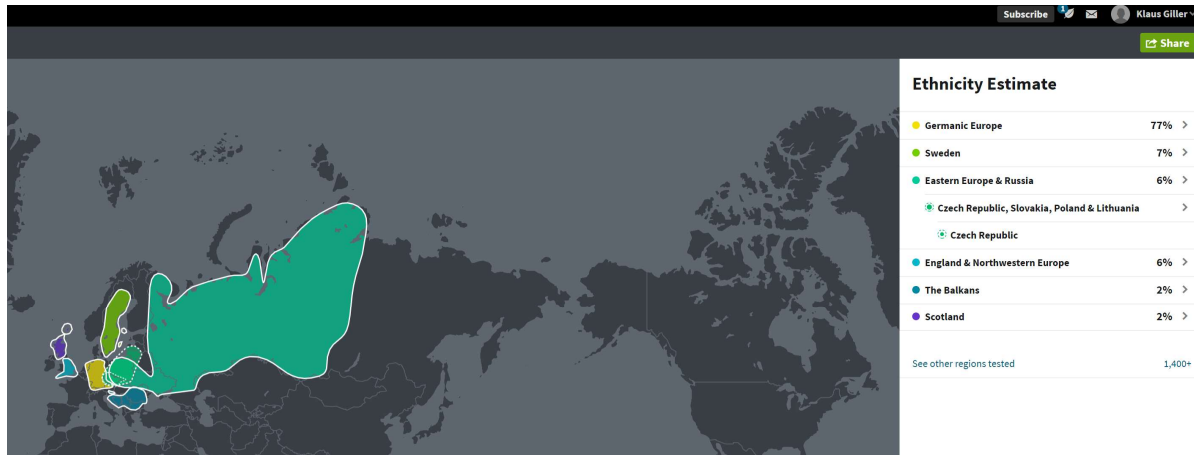


Customization:

The user will have opportunities to customize his journey:

How many places are visited: usually users that took the DNA test have 4 – 6 different DNA regions. Rather than visiting all regions during one trip, the user could decide to visit only one or two regions, making the trip more affordable. This would also turn the once in your lifetime journey into multiple trips over your lifetime which in the end will increase the customer lifetime value.

The user will based on his input receive different possible trips that he can choose from. For example, my DNA results gave me 6 different regions. As I am from Austria we ignore Germanic Europe. I could make a trip to all of the 5 remaining regions or I could only make a trip to one or two regions but may be spending more time there.



c) SOURCES OF DIFFERENTIATED VALUE

Customer Intimacy

Unique XP

This is not an off-the-rack vacation that you do every year. Every journey with us is a unique experience that no other person on the planet will have. Because your origin is unique.

Customization

The data provided by the customer allows us to customize his experience. We further incorporate his wishes to plan the best journey possible.

Enlightenment

Our genealogists use the data provided by the user and further enrich it with new discoveries that translate to special moments that get you in touch with your past.

Adventure

There is always a little bit of adventure involved in our travels. Sometimes the discoveries might lead you off the beaten path.

Service Innovation

Convenience

Planning such a trip is a complex task and time consuming task. We make the process for you as easy as possible and provide you with options to choose from.

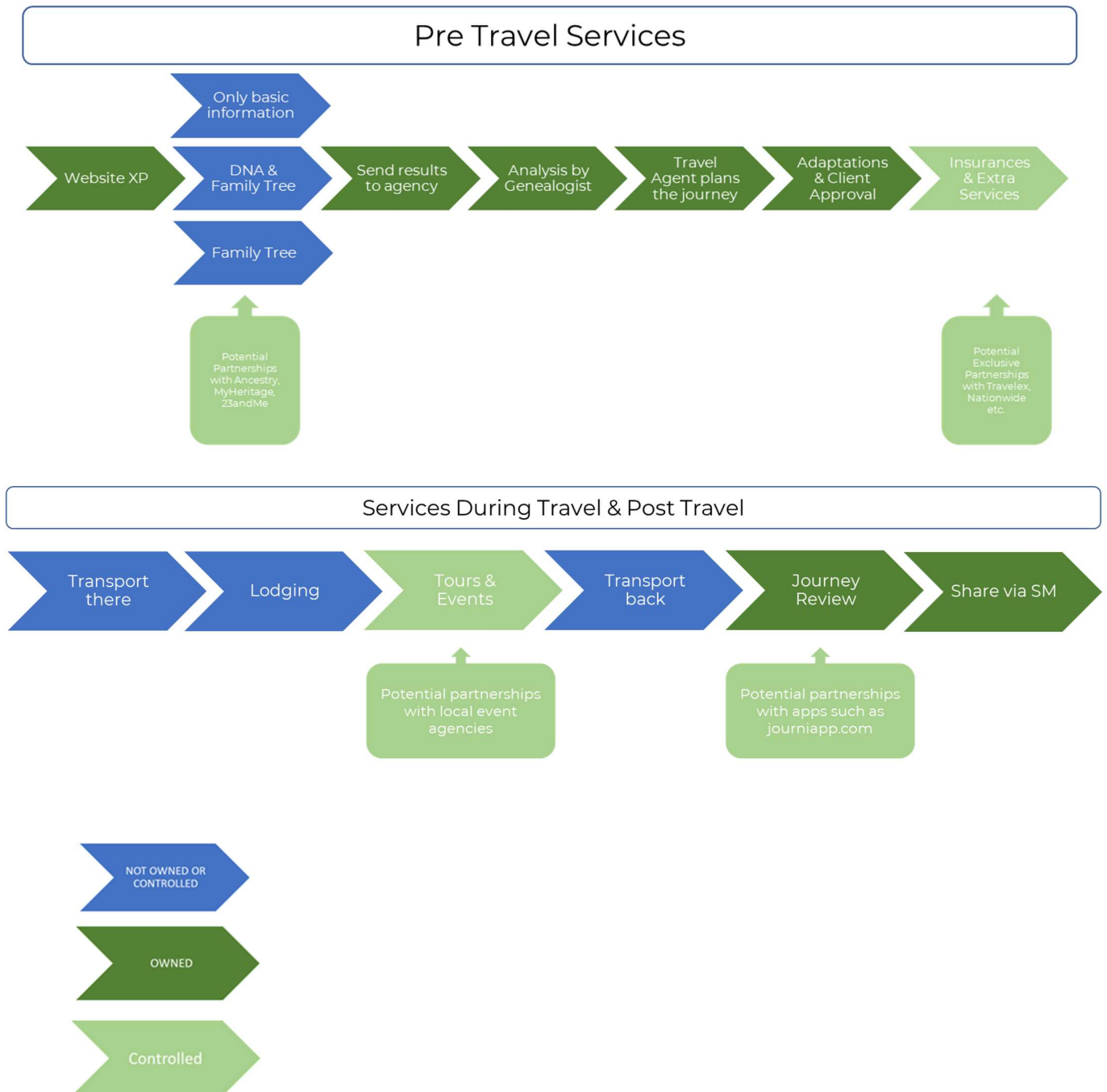
Guidance

A journey of self discovery is nothing without a guide. Our app will accompany you on your travels and provide you with the necessary information that connects your stories to make it one big story.

Stories to Share

Our travel diary will save all your experiences and discoveries and you can easily share them with friends and family. Because good stories must be told!

d) VALUE CHAIN



Step by Step Value Chain:

1. **Website XP:** The users go to traveltoyourroots.com where they educate themselves about the service offering and they can choose between three options to start the experience.
2. **The users can either send a DNA test to the agency, their family tree data, or basic information should they neither have a family tree or DNA test results.** They can also send a combination of family tree data and DNA test results. There could be interesting opportunities to collaborate with DNA companies such as Ancestry, MyHeritage, or 23andMe. Traveltoyourroots.com could for example offer the option to order a DNA test directly from their site and would function as an acquisition platform for those companies. It could also be some kind of cooperation where traveltoyourroots.com benefits from the user base of those companies and uses the databases for acquisition. In return, the DNA partner company could get a share of the revenue.
3. The results of the DNA test, family tree data respectively basic information is then sent to traveltoyourroots.com. This can be done directly online **through the owned website.**
4. **The information is processed by a genealogist** employed by traveltoyourroots.com who based on the discoveries and findings ...
5. ... together with the **travel agent** creates an itinerary draft (max. 3 options)
6. The client can choose one option and **have it adapted** according to their wishes.
7. Extras like **travel insurance** can be added. This a part that can potentially be at least controlled by traveltoyourroots.com which could result in kickback payments or lower prices.
8. Travel by plane, train, car, ship, etc. At least at the early stage, **not much buying power** can be exercised as the travel itineraries will differ from customer to customer.
9. **Lodging:** as with traveling not much bargaining power can be exercised.

10. **Tour & Events:** events and tours such as Vienna city tours might be part of the trip and offers the opportunity for traveltoyourroots.com to get a piece of the revenue cake.

11. **Transport back** to the country of origin

12. **Journey Review:** customers will be offered the chance to have a journey review created which they can then share with their family and friends. Partnerships with Apps such as journiapp.com could make sense.

13. The journey reviews are **shared via SM** on platforms owned by traveltoyourroots.com if the customers agree to that.

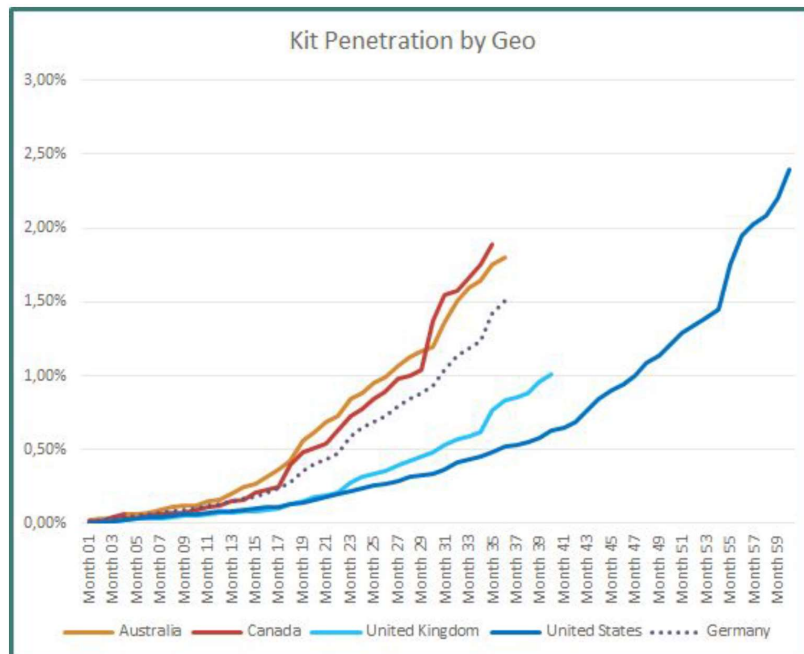
e) GO TO MARKET STRATEGY

I would start in markets where **online genealogy has been already established** by big companies such as Ancestry. Those countries are the US, Canada, UK, Australia. Those markets also have the advantage that they are all English-speaking countries which makes the task less complex in terms of website language, multi-lingual genealogists, etc.

The question is, where to focus the marketing efforts. Among the 4 countries mentioned I would focus on the US first because:

1. High market penetration of DNA testing
2. Long history of immigration which is very important for our product
3. Excellent content coverage in terms of historical data (census)

DE DNA penetration 2021



Source: Private Anonymous Source Ancestry (2018)

	DNA Test penetration	Migration Type
USA	VERY HIGH	IMMIGRATION
UK	MEDIUM	EMIGRATION
CAN	HIGH	IMMIGRATION
AUS	HIGH	IMMIGRATION

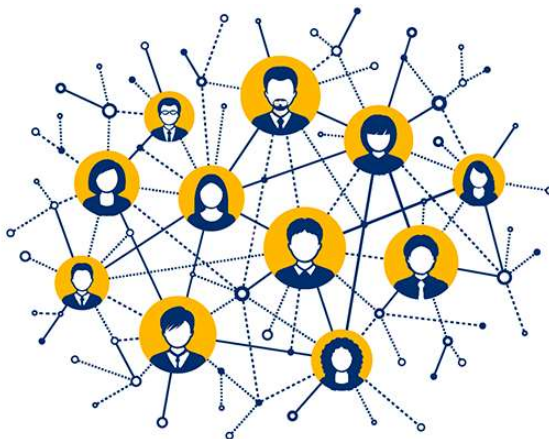
Comparing the two target groups I would most likely target what I identified as the **identity-seeking Millenials**. I think that the hobby-genealogists are more affine by nature but they are not as much socially connected as the millennials and as I want to use my past customers as multipliers, millennials are better multipliers as they are better connected on social media.

I further assume that – apart from traditional marketing channels such as **search marketing, social and display ads, as well as mobile ads** –

influencer cooperations could be a highly efficient channel to create awareness among the target audience.

The marketing approach would be as follows:

1. Cooperations with **selected influencers** with a wide reach in the target market and audience.
2. Influencers will **post from the DNA journey** to their audience and give live updates.
3. After the journey, they will **look back on their experience** and tell their story back to their origins on their social media platforms.
4. Followers will interact with the content, share it with their friends, and by doing so create a network effect:



Another efficient way to communicate the service could be viral video ads such as the ones produced by Ancestry and Momondo:

https://www.youtube.com/watch?v=Fw7FhU-G1_Q&t=5s

f) COMPETITION

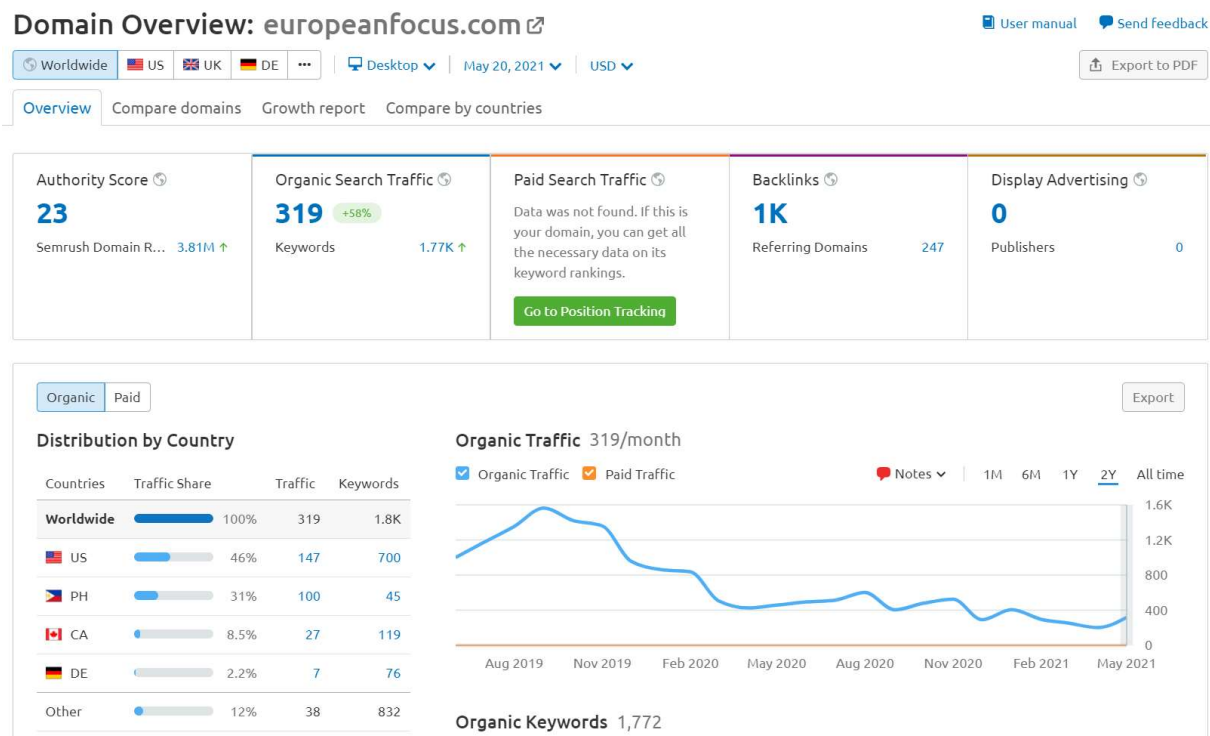
There are a couple of **specialized agencies**: <https://www.europeanfocus.com/>

Those include:

- 1) European Focus

- 2) EF Go Ahead Tours
- 3) Family Tree Tours
- 4) Ancestral Attic
- 5) My China Roots
- 6) My Ireland Family Heritage
- 7) Spector Travel
- 8) Cunard
- 9) Your Travel Services
- 10) Road Scholar

If you however look at the traffic analysis those companies are a niche within a niche:



Source: SemRush

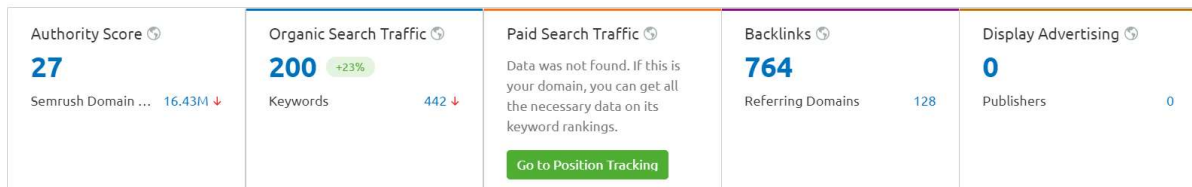
Domain Overview: familytreetours.com

[User manual](#) [Send feedback](#)

Worldwide US UK DE ... Desktop May 20, 2021 USD

[Export to PDF](#)

[Overview](#) [Compare domains](#) [Growth report](#) [Compare by countries](#)



Source: SemRush

So there is **no strong competitor on the market**. Those are all sites with minimum traffic and limited if any marketing.

The big Genealogy/DNA companies such as **Ancestry, MyHeritage, or 23andMe** pose a far bigger threat as those companies have the financial power to create such a business and **they already have a large user base** that they simply could address.

Here are some traffic figures to illustrate the size of those companies:

Domain Overview: ancestry.com

[User manual](#) [Send feedback](#)

Worldwide US UK DE ... Desktop May 20, 2021 USD

[Export to PDF](#)

[Overview](#) [Compare domains](#) [Growth report](#) [Compare by countries](#)

Authority Score 77 Semrush Domain ... 11.06K ↓	Organic Search Traffic 8.6M -0.4% Keywords 4.78M ↑	Paid Search Traffic 250.7K +12% Keywords 2K ↑	Backlinks 84.4M Referring Domains 69.29K	Display Advertising 76.4K Publishers 132.47K
Engagement Metrics April 2021 Pages/Visits 15.08 ↓ Avg. Visit Duration 19:50 Bounce Rate 36.91% ↓ Show all				



Source: SemRush

Domain Overview: myheritage.com

[User manual](#) [Send feedback](#)

Worldwide US UK DE ... Desktop May 20, 2021 USD

[Export to PDF](#)

[Overview](#) [Compare domains](#) [Growth report](#) [Compare by countries](#)

Authority Score 70 Semrush Domain ... 14.48K ↑	Organic Search Traffic 2.4M +0.7% Keywords 2.04M ↓	Paid Search Traffic 2.8M +15% Keywords 24.23K ↑	Backlinks 13.8M Referring Domains 31.46K	Display Advertising 151.8K Publishers 168.82K
Engagement Metrics April 2021 Pages/Visits 5.02 ↓ Avg. Visit Duration 11:10 ↓ Bounce Rate 50.14% ↓ Show all				



Source: SemRush

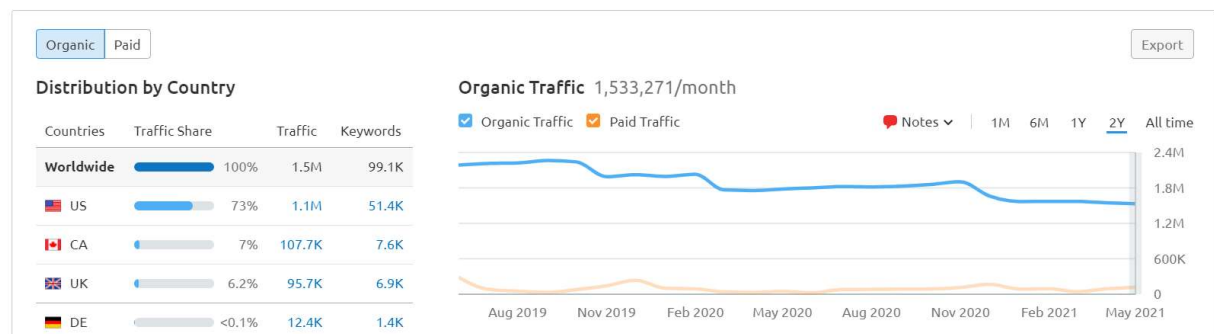
Domain Overview: 23andme.com

User manual Send feedback

Worldwide US UK DE Desktop May 20, 2021 USD

Export to PDF

Overview Compare domains Growth report Compare by countries



Source: SemRush

Other potential competitors include travel sites such as Momondo or kayak.

g) USPs

Versus Existing DNA travel agencies

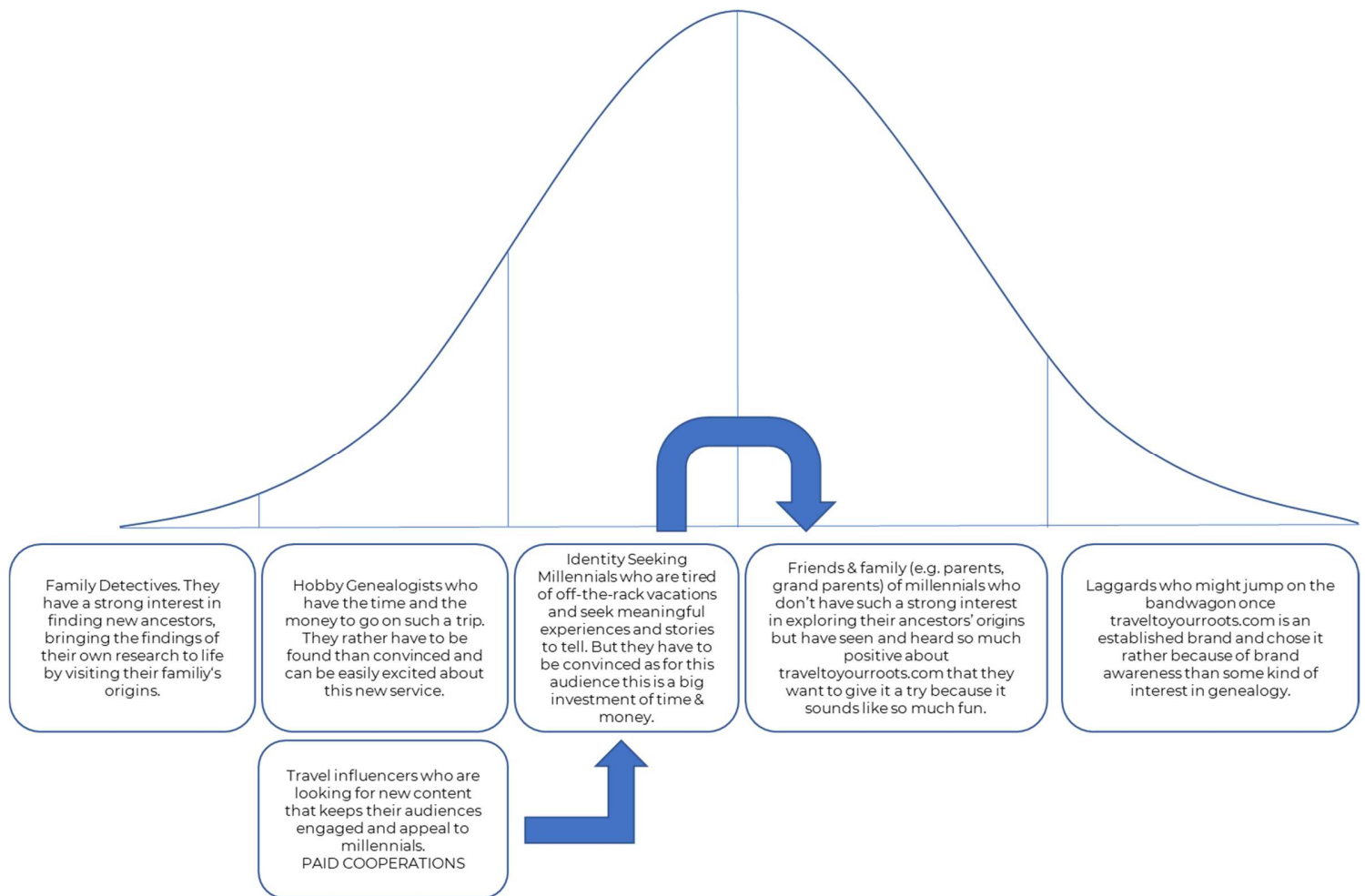
- **We create contagious content:** a big focus will be put on sharing the unique journeys with the outside world through social media channels, apps, etc. Traveltoyourroots.com is not selling journeys, it's selling stories! That's something that the existing travel agencies don't do due to a lack of marketing know-how and resources.
- **Economies of scale:** looking ahead traveltoyourroots.com will benefit from economies of scale which will provide space for lowering prices and attracting a different audience than the existing specialized companies.

Versus Future DNA travel agencies (Ancestry, MyHeritage, etc.)

- **Know-How:** by the time those big DNA companies decide to enter this market traveltoyourroots.com will have already conducted countless A/B tests, will have conducted many user interviews, and will have collected so much customer feedback that it will have an advantage over those big players. For those big companies, the decision will rather be: Shall we really

build this whole business up from scratch or shall we just buy traveltoyourroots.com? The most realistic scenario will be the latter.

h) ADOPTION CURVE



3) PROFIT MODEL

a) GENERAL REMARKS

Traveltoyourroots.com will – at the beginning – be positioned as a premium travel service for a high-income customer segment. The idea has mass-market potential and by streamlining and optimizing the process, a wider audience can be approached.

The key to my profit model is the number of hours genealogists have to invest into research per trip. This will determine how many trips my agency can offer per year. Marketing will be another important part of the profit model and the main source for user acquisition. The marketing costs will be based on the customer lifetime value to control efficiency.

b) REVENUE MODEL

- The primary source of revenue will be the **commission** the travel agency charges the customer. This will most likely be the long-term primary revenue stream for traveltoyourroots.com.
- Long term there will be **outcome-based transactional revenue streams** as traveltoyourroots.com can lead to users taking the DNA test from one of the big DNA companies such as Ancestry, MyHeritage, or 23andMe. Traveltoyourroots.com will be compensated, for example as part of an affiliate program.
- Furthermore, with growing and increasing its bargaining power traveltoyourroots.com can participate in the **revenue generated through insurances, tours, events, hotels, transportation.**

b) COST STRUCTURE

Payrolls & Employee Benefits
Genealogists
Travel Agents
Other
Occupancy Expenses (HQ)
App & Website Development
General & Administrative Expenses
Market Research
Marketing Expenses

The main cost driver is the **costs associated with genealogists** as genealogists are expensive in terms of average salary and I assume that a genealogist will have to invest more time per trip than the travel agent – see Unit Economics.

The Travel Agent costs are also a significant cost driver as well as marketing expenses which will depend on the scalability of the business as well as on the ratio of acquisition costs and customer lifetime value.

c) UNIT ECONOMICS

My unit is **one trip** (from start to finish)

Genealogist	working days	hrs per day	hrs per year	salary per year avg.	costs per hr	costs per trip	Trips per year	Total costs per trip
	260	8	2080	\$71,428	\$34	\$687	104	
Travel Agent	working days	hrs per day	hrs per year	salary per year avg.	costs per hr	costs per trip	Trips per year	\$923
	260	8	2080	\$61,300	\$29	\$236	260	
Revenue	Mark-Up	Revenue per trip		Profit per trip				
	60%	\$1,476		\$554				
Length of a standard research project	hrs total							
	20							
Time to plan a standard trip	hrs total							
	8							
Max Trips	Trips per year	Profit per year	KEY CHALLENGE: How to streamline the process and minimize the hrs needed per genealogist per trip.					
Max. Trips per year 1 genealogist	104	\$57,569						
Max. Trips per year 2 genealogists	208	\$115,138						
Max. Trips per year 100 genealogists	10400	\$5,756,880						
Sources:								
	https://work.chron.com/average-income-genealogists-3549.html							
	http://www.salaryexplorer.com/salary-survey.php?loc=229&loctype=1&job=416&jobtype=3							
	https://support.ancestry.com/s/article/When-why-and-how-to-hire-a-Professional-Genealogist-1460088592248-2563							

<https://docs.google.com/spreadsheets/d/1FBiXGdEnDV9zjFN6eMpP4c1xnNisjrAdSadji8OR8Wg/edit?usp=sharing>

The key challenge will be to **bring the costs for the genealogists down**. There are two levers for that. My costs are based on the US avg. salaries. Outsourcing those costs to countries with a lower avg. income would be one way. The other one would be to streamline the process so that genealogists rather than needing 20hrs for research need only one workday. This would mean more trips per genealogist per year which is the main profit driver. At the same time bringing the costs down would also allow widening the target audience.

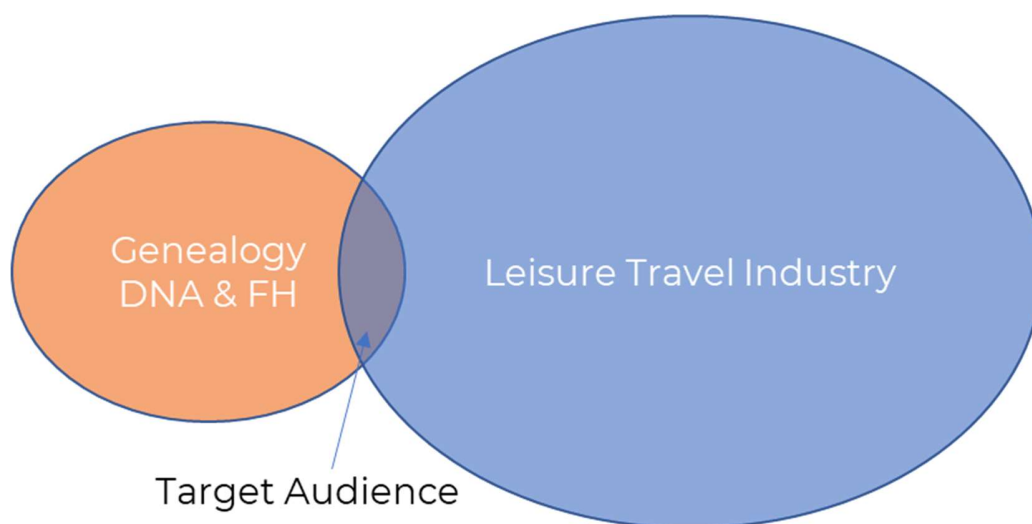
There seems to be a great opportunity for working with Ancestry or MyHeritage. It would allow them to add a step to their value chain and there should be significant cost-saving opportunities given access to their genealogists.

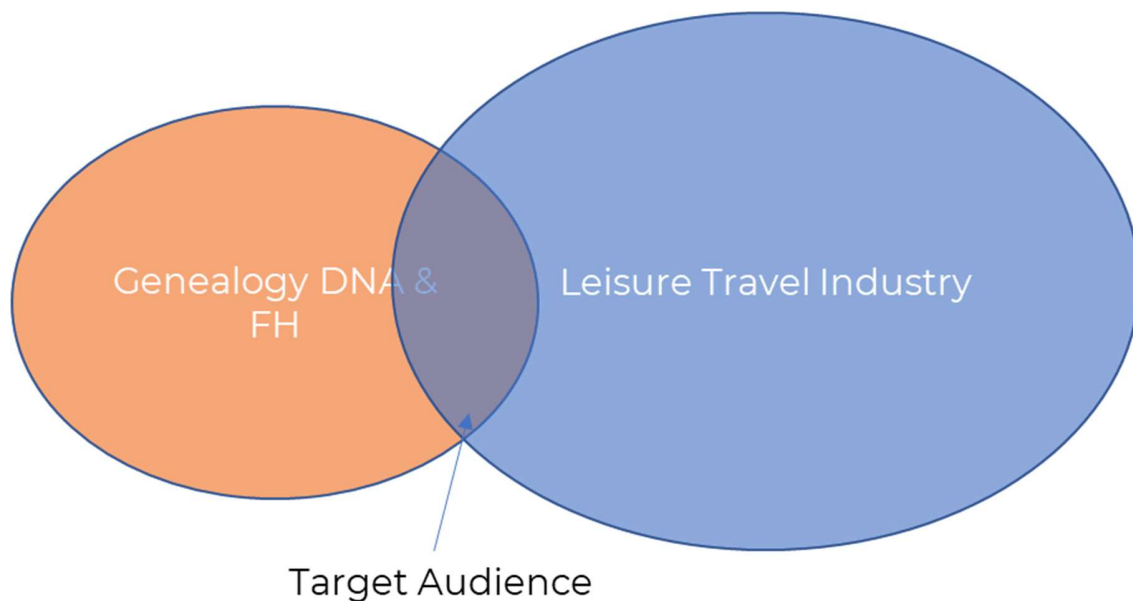
d) SAM & SAM GROWTH

The target audience is the overlap between the leisure travel industry and the genealogy industry. We have to address the audience which is interested in both: traveling as well as genealogy

As the traveling industry, is a mature industry – outside of COVID – of course, the size of the target audience post-COVID will be driven by the growth of the genealogy industry.

The challenge is very obviously assessing the overlap between those two industries:





For simplification, I will focus only on the genealogy industry and within the genealogy industry on the **DNA industry**. The correct procedure would of course be to assess the total market size for genealogy and take into account the overlap with the travel industry. Or in other words: how many genealogists are traveling for leisure as well. In the future, more diligent work has to be done of course.

I first calculated how many users actually will take a DNA test by 2030 and qualified that by assuming that only a portion of those users is willing to travel abroad. Furthermore, I am aware that this is due to the costs involved in a service not everyone can afford. I therefore only included households that earn 75k USD or more which is roughly 37,4% in the US and for simplification I applied this percentage to all countries.

My assumptions:

- Growth rate DNA 24% YoY <https://www.globenewswire.com/news-release/2020/08/14/2078465/0/en/Global-DTC-DNA-Test-Kits-Industry-Outlook-2025-Demand-for-Ancestry-Testing-Expected-to-Increase.html>
- DNA tests sold by 2020: 30M <https://www.advisory.com/daily-briefing/2020/02/20/dna-tests>

- US citizens willing to travel abroad 41.8M
<https://skift.com/2019/04/03/record-93-million-u-s-citizens-traveled-outside-the-country-in-2018/>
- Percentage of population 18+: $41.8/209 = 20\%$
<https://www.infoplease.com/us/census/demographic-statistics>
- I didn't calculate the percentage for the other 3 countries but rather took a slightly higher percentage - 25% - to account for the higher willingness to travel abroad in countries like the UK.
- Based on the percentage of US households earning more than 75k USD per year I applied a percentage of 37,4%: source:
<https://www.statista.com/statistics/203183/percentage-distribution-of-household-income-in-the-us/>

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	
Market Size	30	37	46	57	71	88	109	135	168	208	258	320	
CAGR	24%												
% of people willing to travel abroad*	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	
adapted Market Size	8	9	12	14	18	22	27	34	42	52	64	80	
percentage of HH with income > 75k	37.40%	37.40%	37.40%	37.40%	37.40%	37.40%	37.40%	37.40%	37.40%	37.40%	37.40%	37.40%	
SAM	2.8	3.5	4.3	5.3	6.6	8.2	10.2	12.6	15.7	19.4	24.1	29.9	TOTAL SAM
													140.0

<https://docs.google.com/spreadsheets/d/1FBiXGdEnDV9zjFN6eMpP4c1xnNisjrAdSadj8OR8Wg/edit#gid=269972205>

My total SAM by 2030 is 140 million potential customers between 2021 and 2031.

e) KEY DRIVERS OF PROFITABILITY

The unit economics tells the whole story. The biggest cost driver is the costs associated with **genealogists**. Two variables will determine the profitability of the business:

- Can the costs for the genealogists be lowered?** For example by outsourcing them or recruiting genealogists from countries outside the US?

2. **Can the time needed for genealogists to do the necessary research be reduced** from 20 hours to let's say 15 hours by standardizing and streamlining processes?

I tested the impact of those variables in the unit economics sheet:

<https://docs.google.com/spreadsheets/d/1FBiXGdEnDV9zjFN6eMpP4c1xnNisjrAdSadj8OR8Wg/edit#gid=907991012>

As you can see they have a direct impact on profitability because cost savings and time savings allow us to increase the commission while still lowering the costs for the end-user. By doing so we also increase the potential sales volume as lower costs for the end-user means a bigger target market.

Price Sensitivity will also be a profitability driver and has to be tested. Identifying the right pricing will be an important factor for the size of my market.

Marketing is another profitability factor. Especially marketing in the US can be very expensive as CPC (cost per click prices) for performance channels such as Facebook or Adwords is very expensive. Therefore we have to do smart marketing, using the viral potential of the product to create contagious content that is shared.

f) FINANCIAL MODEL

Traveltoyourroots.com

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Incr. Income Forecast	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Potential Market Size	3 500 000,0	4 300 000,0	5 300 000,0	6 600 000,0	8 200 000,0	10 200 000,0	12 600 000,0	15 700 000,0	19 400 000,0	24 100 000,0	29 900 000,0
Market Penetration	0,000%	0,012%	0,026%	0,064%	0,143%	0,300%	0,582%	1,075%	1,914%	3,236%	5,346%
Cumulative Trips Sold	0	500	1 400	4 200	11 760	30 576	73 382	168 780	371 315	779 761	1 598 511
Business Growth Rate		100%	100%	80%	60%	40%	30%	20%	10%	5%	5%
Annual Units Sold		500	900	2 800	7 560	18 816	42 806	95 397	202 535	408 446	818 749
Avg. Selling Price/Unit		\$1 476,00	\$1 476,00	\$1 476,00	\$1 476,00	\$1 476,00	\$1 476,00	\$1 476,00	\$1 476,00	\$1 476,00	\$1 476,00
traveltoyourroots.com Sales		738 000,00	1 328 400,00	4 132 800,00	11 158 560,00	27 772 416,00	63 182 246,40	140 806 149,12	298 942 285,82	602 866 943,08	1 208 474 190,44
traveltoyourroots.com Cost/unit		\$923,00	\$923,00	\$923,00	\$923,00	\$923,00	\$923,00	\$923,00	\$923,00	\$923,00	\$923,00
COGS	\$	-461 500 \$	-830 700 \$	-2 584 400 \$	-6 977 880 \$	-17 367 168 \$	-39 510 307 \$	-88 051 542 \$	-186 940 196 \$	-376 996 063 \$	-755 705 744
Gross Profit	\$	276 500 \$	497 700 \$	1 548 400 \$	4 180 680 \$	10 405 248 \$	23 671 939 \$	52 754 607 \$	112 002 089 \$	225 870 880 \$	452 768 447
Operating Expenses:											
App & Website Development	\$	-100 000									
Marketing	\$	-	-200 000 \$	-360 000 \$	-1 120 000 \$	-2 268 000 \$	-5 644 800 \$	-12 841 920 \$	-40 507 085 \$	-81 689 288 \$	-122 812 418
Market Research	\$	-50 000 \$	-50 000 \$	-100 000 \$	-100 000 \$	-150 000 \$	-200 000 \$	-200 000 \$	-250 000 \$	-250 000 \$	-250 000
Sales, General & Admin	\$	-50 000 \$	-60 000 \$	-72 000 \$	-86 400 \$	-103 680 \$	-124 416 \$	-149 299 \$	-214 991 \$	-257 989 \$	-309 587
Occupancy	\$	-50 000 \$	-50 000 \$	-100 000 \$	-100 000 \$	-200 000 \$	-200 000 \$	-500 000 \$	-1 000 000 \$	-1 000 000 \$	-1 000 000
Operating Income/EBIT	\$	-250 000 \$	-83 500 \$	-134 300 \$	142 000 \$	1 459 000 \$	4 236 032 \$	9 980 720 \$	32 796 024 \$	70 030 014 \$	142 673 604 \$
Taxes @ 27,1%	\$	-67 750 \$	-22 629 \$	-36 395 \$	38 482 \$	395 389 \$	1 147 965 \$	2 704 775 \$	8 887 723 \$	18 978 134 \$	38 664 547 \$
Net Income	\$	-182 250 \$	-60 872 \$	-97 905 \$	103 518 \$	1 063 611 \$	3 088 067 \$	7 275 945 \$	23 908 302 \$	51 051 880 \$	104 009 057 \$
											239 401 006

Assumptions:

- Market size rates based on: <https://www.globenewswire.com/news-release/2020/08/14/2078465/0/en/Global-DTC-DNA-Test-Kits-Industry-Outlook-2025-Demand-for-Ancestry-Testing-Expected-to-Increase.html>
- Revenue growth rates: the high growth expectations made calculating the business growth rates challenging. I used averages for the growth rate of startups: <https://www.equidam.com/average-growth-rate-for-startups/>
- Avg. Selling Price: I kept it constant for simplicity. That's not realistic and must be finetuned further down the road.
- I applied 27,1% corporate taxes for the US

Payback Period/Break Even:

- The first year I break even is **Year3** which would be 2024

g) LONG-TERM OUTLOOK

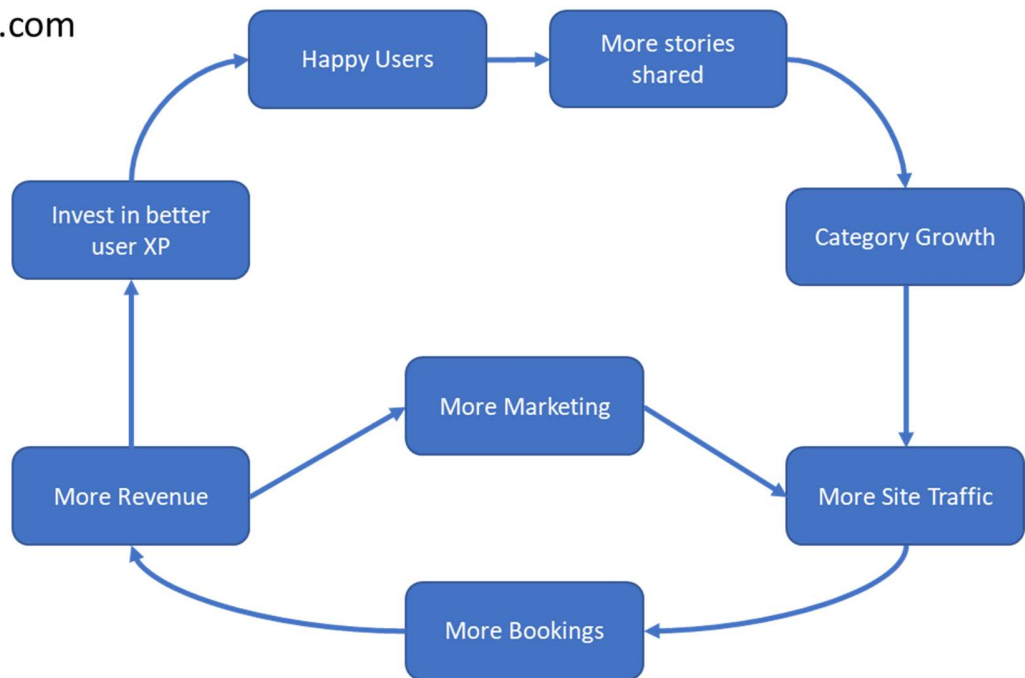
The strong growth rate of the DNA/genealogy market makes traveltoyourroots.com a business opportunity with plenty of upsides. While my SAM in Year 0 is only 3.5M users, by Year 10 it will have risen to almost **30M**.

Though I have chosen a very conservative outlook, economies of scale should allow me to reach a broader audience. Long term if I don't deviate too much from the plan the most reasonable scenario would be an exit as part of an acquisition by one of the big players: Ancestry or MyHeritage

To those companies, traveltoyourroots.com would represent an excellent upsell opportunity and adding another step to the value chain.

4) LOGIC AND STRUCTURE OF THE BUSINESS

Traveltoyourroots.com



My virtuous cycle is focused on delivering the **best and most unique travel experience**. Happy customers will be willing to share their stories which will lead to category growth, which in turn leads to more site traffic, and consequently to more bookings. The additional revenue will be invested into more marketing as well as into the user XP optimization.

5) RISKS AND EXPERIMENTATION PLAN

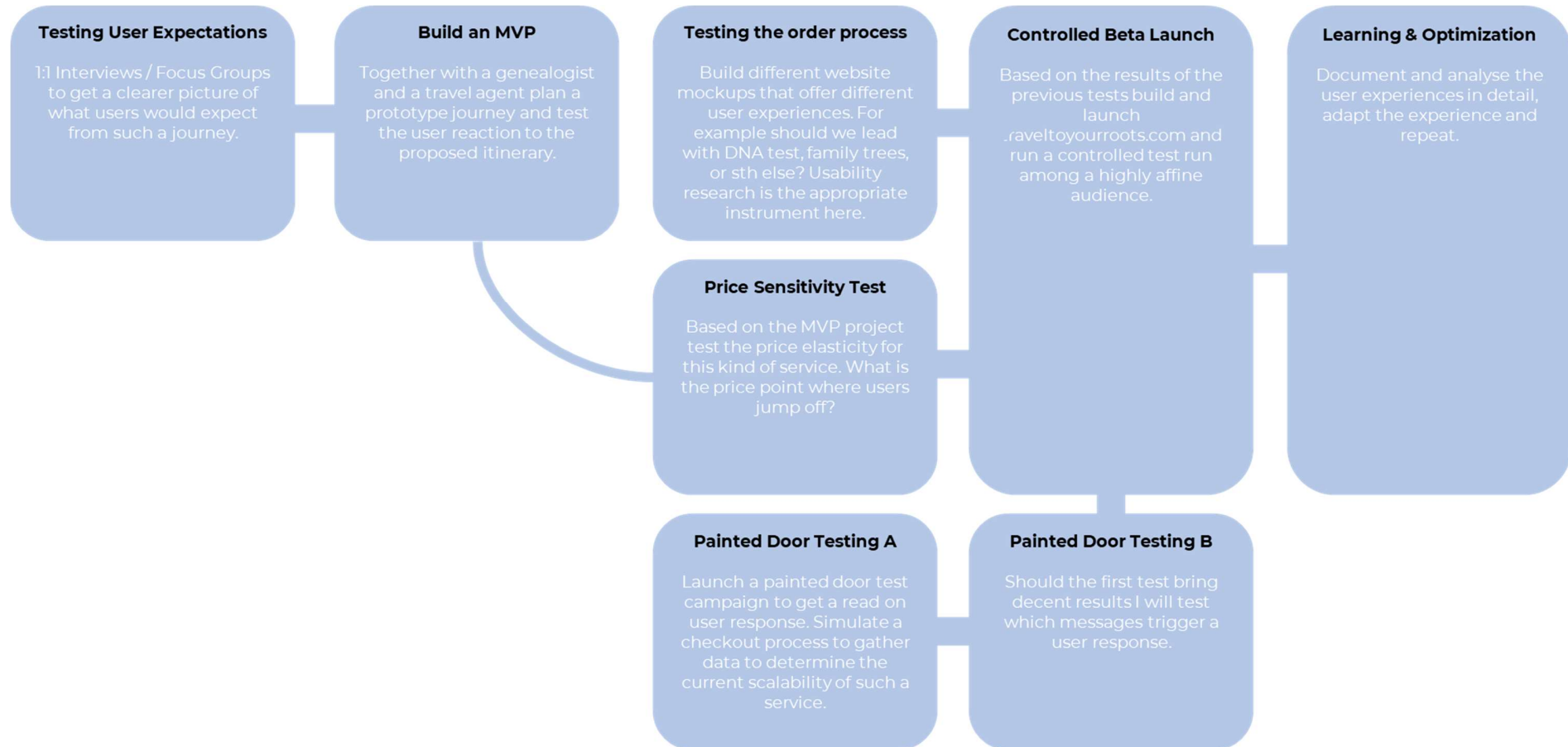
a) RISKS

- The biggest risk is actually that I drastically underestimate the **hours needed to plan such a trip**. Let's say that instead of 20 hours of genealogy research 40 hours are needed, my unit costs would explode and the product would become too expensive for many potential customers.
- I might have also **overestimated US citizen's willingness to travel to Europe** which could result in a more niche market.
- As we know since COVID, a new **pandemic** could or an outbreak of a mutated COVID mutation could put the whole enterprise at risk.

b) MITIGATION

- **Underestimate Research:** I have to talk to a professional genealogist and travel agent to test my assumptions.
- **Overestimate Travel Willingness:** Further market research has to be done to get an appropriate view of this variable. If for example, this should be a substantial barrier for US customers then maybe I should start in a different market.
- I have to **research ways to insure myself against the risk of another pandemic**. Which, right now, could be very expensive.

c) EXPERIMENTATION PLAN



d) 90 DAYS ACTION PLAN

- A couple of my fellow LEADers have shown interest in testing my assumptions. So I will have 1:1 interviews with them to get a read if I am on the right track or not.
- I will ask 2-3 VC investors I know to get feedback on my plan and use their responses to further evolve the plan.
- I will ask my VC investor contact and fellow LEADers for feedback on how and where to properly pitch such an idea and prepare a pitch presentation.
- I will do further research on several of my assumptions and flesh out my plan.

6) CONCLUDING REMARKS

This project has started as an assignment and evolved from homework to an intriguing opportunity. I received so much positive feedback on my initial draft that I think I have found something. During those turbulent times we live in, more and more people are looking for meaning, more and more people want to belong to something bigger. Knowing your origins, knowing how you got to where you are right now can give not only satisfaction but be an anchor in life. The strong growth of the DNA industry has shown that genealogy will not be a niche market for much longer. Soon companies such as Ancestry or MyHeritage will spread to new markets and further grow the category.

However the big genealogy and DNA companies to my surprise stop where genealogy gets interesting. Knowing your ethnic makeup is pretty cool, but experiencing your roots, being able to connect the dots within your family history goes much further and therefore I conclude that there is so much potential waiting to be lifted. Where Ancestry and MyHeritage stops, traveltoyourroots.com starts. We continue the value chain, selling not journeys, but stories that you will tell your children and grandchildren. Stories that educate you about your past, stories that will shape your future.