

URL: <https://stvp.stanford.edu/clips/hipcamps-big-pivot>

Hipcamp founder and CEO Alyssa Ravasio tells the story of Hipcamp's early years and zooms in on a particularly transformational early pivot. Only after years pursuing other solutions and slowly building users did she realize, at a low point, that her business model should focus on preserving ecosystems by helping private land owners host paying guests.



Transcript

- For me, the why was always I wanted to solve this problem 00:00:08,810 which could be distilled as it's just too hard to figure out where to go camping.. Like this is crazy, come on, and again, I always knew that laddered up to like, if we made it easier for people to get outside, more people would go outside.. If more people go outside, they'll fall in love with nature.. We can turn the tide on climate change and things.. So that's kind of the philosophical side, but I was always really focused on like, we just have to solve this very practical, tactical problem, and what happened was for the first year of starting the company, I was very naive and was convinced that if I could just put all the campgrounds on one map, the state parks to national parks to county parks, that would solve the problem.. I thought it was a discovery problem.. I didn't understand there was a supply imbalance.. I just thought that this was too hard to use and I'm just gonna put everything on one map and let people leave reviews and upload photos and that will solve the problem, and that was the first year we were building and, by the way, this is maybe a helpful little side note, I built the website and launched in June 2013.. I was convinced that as long as I hit that deadline it was gonna take off for the summer and I spent the whole summer with one or two people using the website everyday.. So I just want to throw that out there that it's like, expectations are here, reality's just low..

Anyway, so that took a while, but then over the course of the winter and the next spring, people did start using the site.. It did start to take off, partially through SEO, partially because my guerrilla marketing efforts were I went to every free meetup I could and just opened my laptop if people said they liked camping and made them give me their email.. It started to pile up.. So people started to find the site, but we got the same feedback again and again which was, look, your site's cool, it's a nice product, it's much easier to use than, at the time it was ReserveAmerica, but everything's booked up so it's not actually that helpful to me, and what I found, my first reaction to that feedback was, well, I'm gonna get the government to build more campgrounds.. I spent a year or two doing that.. That is like, so I came from, I was at the State Department before this so I believe in the government.. Happy Inauguration Day, everybody, by the way.. So I just was like, they've gotta be able to figure this out, you know? Like up here I'm in Marin, we have Mount Tam State Park, it's massive.. It is less than an hour from a massive urban area and it has like 40 camp sites in the whole park and I was like, you guys, just like build a couple more campgrounds.. What's going on? People need to get outside..

This is public health.. - Yeah.. 00:02:48,870 - And the California State Parks in particular, 00:02:53,025 God bless them, amazing people, they're very patient with me and they let me come up to Sacramento all the time and they would always take my meetings and they would always hear me out, but it actually took a year or two for me to finally learn that the way their budgeting works is just super messed up and really should change.. They don't keep the revenue from camping.. It goes back to the state's general fund.. They've gotta beg for a new budget every year.. Parks are often used as a political chip to signal, hey, austerity times, we need to cut back on spending, and so they're just constantly underfunded, chronically, and so the last thing they want to do is increase their liability by creating more facilities, and it took me like a year or two before someone finally sat me down and was like, let me explain to you the economics of public parks and why that's not gonna happen, and I was pretty devastated when I finally understood that.. We had also been working in parallel to create new precedents around open data which we were successful in doing at the federal and the state level and I was just so invested in this that it was a big setback and it was really hard, and it was only in that moment of like, I have no idea what we're gonna do as a business model.. I literally went to a restaurant with my boyfriend, now husband, and wrote down on a table cloth, business models for Hipcamp.. Mind you, we've raised \$2 million and I have like 10 people working for me and I'm like, I don't know what we're gonna do..

This public land thing isn't gonna work out, and we actually wrote out all these different models.. One was like gear and food delivery, one was an ad-supported Yelp business, and then there was this private land idea which really came from a landowner emailing me and saying, property taxes are tough, maybe people would want to camp here and I could then pay my property taxes and I wouldn't have to sell this land 'cause I don't want to and what helped me make that decision, which ultimately was the most important decision in the company's life, was we went through an exercise where I said, 10 years from now if this model is super successful, what have we accomplished? And it became really clear to me that gear and food delivery while great businesses that help people, at the end of the day, you're helping people trade money for time, right? You're helping rich people save a little bit of time, and in the ad business, I already kind of knew there wasn't enough places to camp.. So while I knew I could build an app that would make some money off ads, it didn't feel like I was gonna make camping that much easier to find, and so private land, it wasn't until I looked at it through that 10-year lens that I was like, whoa, if this works, we'll completely transform how people get outside, we'll radically increase the amount of available places for people to go, and we'll create arguably the most scalable model for protecting land and habitat on the planet, like let's do that one.. So I think it was really by keeping that vision clear where I knew we wanted to go that I was able to choose a business model out of a hat basically.. I didn't have research, I didn't do pilot studies, there wasn't a smart, there probably should've been, but I didn't have a smart MBA student helping map out different strategies for me.. I just went with my gut, and I think, I don't think I would've been able to make that choice if I hadn't been so clear on where I wanted all of this to go...