

**Effetto Mariposa:
my personal experience on how to launch
an international e-commerce strategy**



effetto
mariposa

Effetto Mariposa...?

Since 2007, Effetto Mariposa products help cyclists to:

- avoid punctures (tyre sealant *Caffélatex*)
- protect their expensive bicycles from impacts/scratches (protective films *Shelter*)
- safely tighten bolts (torque wrenches *Giustaforza*).

Effetto Mariposa is a mix of Italian (*Effetto* = Effect) and Spanish (*Mariposa*= butterfly).

Effetto Mariposa states its mission in its name: as in the *butterfly effect*, details and small changes can make a huge difference... also for cyclists!



Effetto Mariposa
Effetto Mariposa.com

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PREVENZIONE FORATURA CICLO
PREVENZIONE PNEUMI TIPIRE SEALANT

29X2.40
60 PSI



SWITCH
INFINITY
YETI PATENT 77007182



Our story in 4 sentences

Effetto Mariposa was founded in 2007 in Italy by Alberto De Gioannini.

In 2014 the Italian company was closed and Effetto Mariposa Sagl - with offices and own warehouse - was opened in Lugano, Switzerland.

Effetto Mariposa is a family business, with direct national distributors in over 50 countries.

Effetto Mariposa products have a solid reputation among cycling enthusiasts for their quality and effectiveness: designed in Switzerland and made in Italy.

Our steps towards e-commerce

#1: impossibility

The traditional distribution model (national distributors > independent shops > consumers) was/is still functioning very well for us.

Until end 2017, we had an e-commerce section on our website, selling only to Swiss customers. As our shopping cart was not geographically limited, we were often refunding international consumers who had bought from us, encouraging them to get Effetto Mariposa products in their country.

Our main worries were:

- we didn't want to compete with our national distributors by selling directly to "their" customers;
- Swiss Customs and high shipping costs looked like insurmountable obstacles for sales to European consumers.

We knew demand was there, but we didn't want/couldn't fulfill it directly.

Our steps towards e-commerce

#2: learning more

In October 2017, we realized that most of our competitors and other brands in the bicycle business were embracing the “omni-channel” model: all of a sudden, selling directly to consumers became accepted.

More or less at the same time, I got an invitation by NetComm Suisse to attend “The Swiss E-commerce Conference” in Baden, on November 16th.

There I discovered that it was indeed possible for a company based in Switzerland to sell consumer-direct, with the right partners.

Our steps towards e-commerce

#3: preparing to launch

Here's what we did to open our e-commerce:

- we hired a Digital Strategist (we needed his expertise for anything “digital”... but his skills proved very important also to properly set our e-commerce up);
- talking with Asendia, we discovered competitive shipping rates for our typical shipments to consumers (below 2 kg);
- we had our company website re-done, integrating WooCommerce module and optimizing the user experience;
- we officially opened our online sales to “the World” starting January 1st 2018.

Our steps towards e-commerce

#4: how it is going

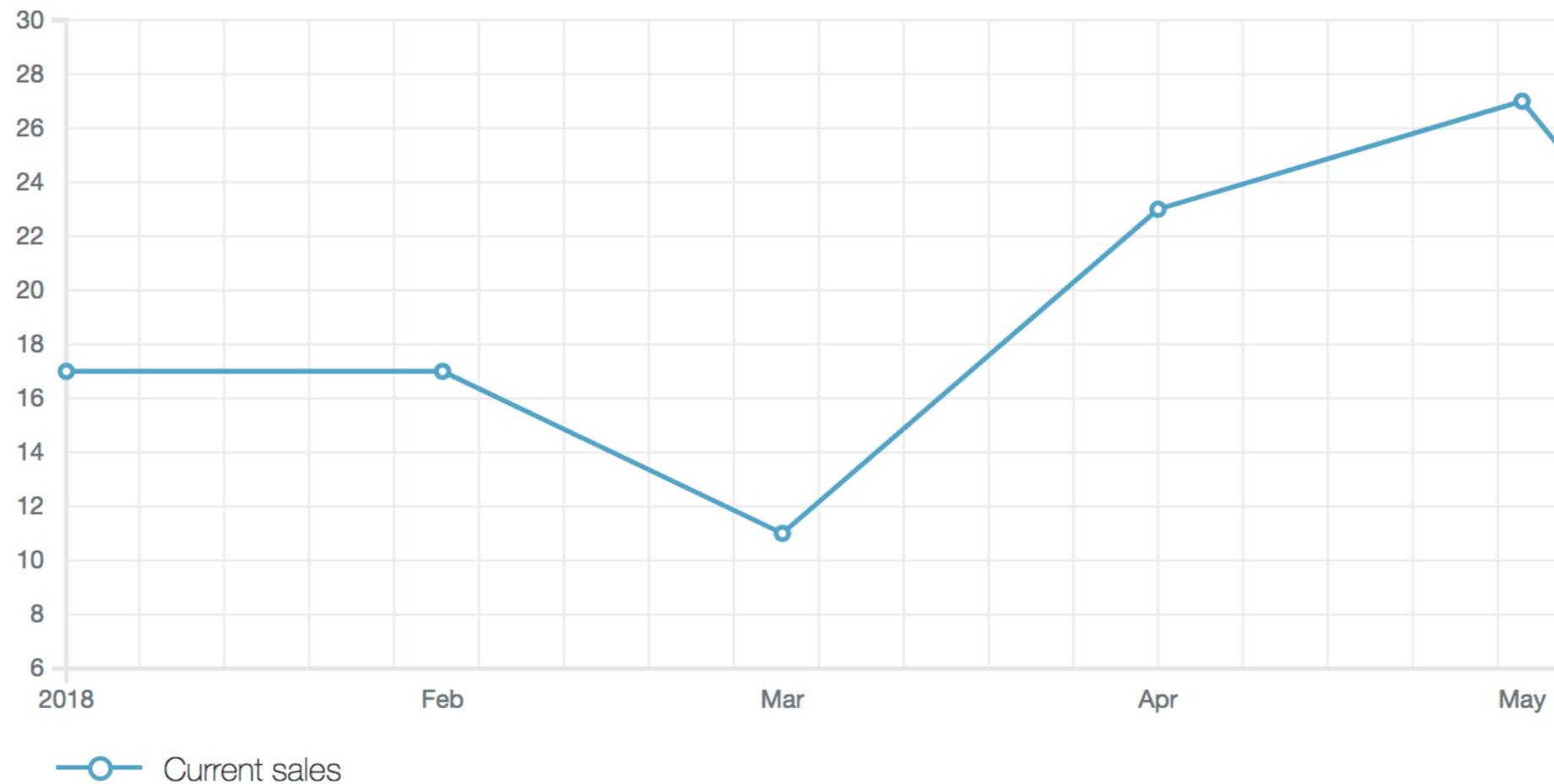
While our sales to distributors are still representing the ‘bulk’ of our turnover, e-commerce has been going well for us in these first 5 months, representing 1% of our total sales.

Considering this is achieved without any specific promotion (scheduled for later this year) and that we just started, it’s a good result.

Consumers buying from us are “true believers”: they could buy our products at a lower price from other e-shops. They buy from us because they prefer to get EM products from the source.

Our steps towards e-commerce #4: how it is going

Number of transactions, 2018



Source: Effetto Mariposa's Paypal Sales Insights

Our steps towards e-commerce

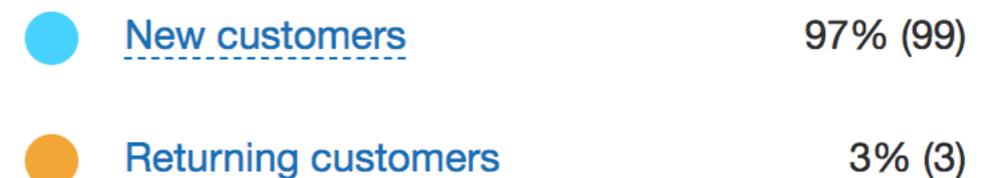
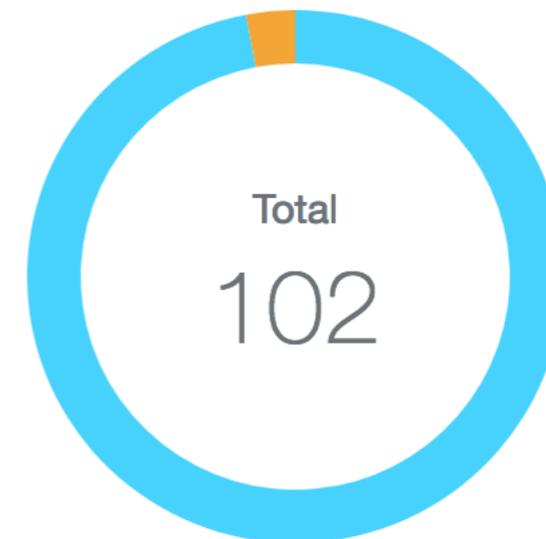
#4: how it is going

Top customer countries by sales

Ranking	Country
1	Switzerland
2	Italy
3	United States
4	France
5	Australia
6	United Kingdom
7	Germany
8	Netherlands
9	Indonesia
10	New Zealand

Customers

Showing data for
2018



Source: Effetto Mariposa's Paypal Sales Insights

3 positive things about direct e-sales (and Switzerland)

1. Switzerland has a worldwide reputation for being a reliable country, and that trust extends to e-shops based in Switzerland;
2. beside the economic side (always important), the long term advantage of direct consumer sales is the database of customers sincerely caring about the brand;
3. in our case, direct feedback from consumers is important for constant product improvement.

3 negative things about direct e-sales from Switzerland

1. Customs costs are there, so shipping price from Switzerland is higher than within the EU;
2. shipping time is longer (than within the EU) and sometimes unpredictable (due to national Customs);
3. buying directly from Switzerland, the customer will have to pay VAT upon delivery (plus sometimes random “custom costs”).

3 unavoidable sides of e-commerce we all have to deal with

1. A lot of work is involved in one sale, from shipping labels, to customs declaration, to shipping docs, to communication with customers. Some tasks can be automated, but customer service is a must... and proper customer service is time consuming;
2. sometimes goods get lost, people get pissed off because of unexpected costs. Again, being a Swiss Company ensures (most of the time) that we don't get accused of doing bad things on purpose or because of negligence;
3. orders may come from places seldom heard about... we recently shipped some tire sealant and tubular tape to Bermuda.

3 tips based on what we've learned so far

1. It's always good to add a personal touch or a little gift. We welcome new customers with a free EM-branded neck-warmer added to their order. It's seen as a nice detail and it's also perfectly in line with "Swissness";
2. it will never be enough, but you should try to be as transparent as possible on critical aspects, like shipping time (expected, based on the country), eventual VAT and similar costs;
3. complying with GDPR is important and can be done with the right tools. The precious database of customers' email addresses should be used with care and only for the specific purposes customers have agreed upon.

Thanks for your time!

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