



E-INNOVATION
WEEK

How to launch an international eCommerce Strategy

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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!









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 (distributors > shops > consumers) was/is still functioning very well for us.

Until end 2017, through the basic e-commerce section of our website, **we were selling only to Swiss customers.**

E-commerce sales represented in 2017 0,3% of our annual turnover.

Truth is, we didn't want to compete with our distributors by selling directly to "their" customers.

Besides, Swiss Customs and high shipping costs looked like insurmountable obstacles for sales to international consumers.



Our steps towards e-commerce

#2: learning more

In October 2017, we realized that several brands in the bicycle business were embracing the “omni-channel” approach: 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 internationally, with the right partners.



Our steps towards e-commerce

#3: preparing to launch

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

- in November 2017, **we hired a Marketing Assistant with Digital competence** and experience;
- talking with **Asendia**, we discovered **competitive shipping rates** for our typical shipments to consumers (below 2 kg);
- we officially opened our online sales to “the World” starting January 1st 2018.
- we had our company **website re-done**, integrating **WooCommerce** module and optimizing the user experience (live on April 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 11 months of 2018, **representing 1.7% of our total sales** so far, with a **growth exceeding 560% over our 2017 e-commerce sales.**

Looking at e-commerce sales, **80% is international** (20% in the domestic Swiss market)

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



Interlude: 3 positive aspects of 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, **the long term advantage** of direct consumer sales is the **creation of a community of loyal customers**;
3. in our case, **direct feedback from consumers** is important for constant product improvement.



Interlude: 3 negative aspects of direct e-sales from Switzerland

1. Because of Customs, **shipping from Switzerland is more expensive and shipping time are longer** than within the EU;
2. buying directly from Switzerland, **the customer will have to pay VAT upon delivery** (plus sometimes random “custom costs”); this is sometimes a surprise for the EU customer;
3. **DDP solutions** offered by shipping companies are currently both **expensive and rather complicated.**



Interlude: 3 unavoidable aspects of e-commerce we have to deal with

1. Especially from Switzerland, **each sale involves much work**, (customs declaration, detailed shipping docs, communication with customers). Some tasks can be automated, but customer service is a must... and doing it properly is time consuming;
2. even if you do everything right, **sometimes goods get lost, or the customer get annoyed because of unexpected costs**. Being a Swiss Company ensures (most of the time) that we don't get accused of negligence;
3. **you will ship to uncommon places** (like Batam Island, Indonesia, or Bermuda!).



Interlude: 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 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.



Our steps towards e-commerce

#5: the future

We are planning several improvements to our e-commerce strategy:

- leverage more on **sales through social media** and on **content creation** for YouTube (technical seminars) with product placement;
- reward loyal customers with special offers, limited edition products and qualified technical support straight from the product creator;
- increase our focus on the domestic market .

It would be ideal if **the Confederation eased the process of cross-border selling for SME active on e-commerce...** a fast track for small value items would greatly increase the competitiveness of Switzerland as base for e-sales.

Thanks for your time!

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