

Featured interview >>

GEMMA SORIGUÉ, EXPERIENCE E-COMMERCE ENTREPRENEUR
AND MEMBER OF THE FOUNDING TEAM AT LETSBONUS



The future of E-commerce in Spain

Gemma Sorigué is an experienced entrepreneur, who has spent over 12 years playing a major role in launching and growing online companies such as Atrapalo, Emagister and most recently LetsBonus, a collective buying service which was bought by US giant Living Social in 2012. >>



Here she chats about the challenges of working in a start-up culture, what to look out for when selling a business, as well as her views on

the next major trends that will impact the E-commerce industry.

You were part of the founding team at LetsBonus. During the early years, what were the key challenges you faced and how did you overcome them?

For any new company, the most difficult challenge is always getting potential customers to trust in your brand. In our case, we needed to convince merchants that our platform was going to bring them a lot of new customers. The other stakeholder we needed to influence early on was our investors. Although we were

the first collective buying site in Europe, it wasn't long before a number of other sites appeared, so we had to invest heavily in marketing campaigns aimed at making sure customers came to us first. The final challenge was identifying and attracting talent. We had to be really creative when recruiting, because our modest budget and the fact that we were a recently established company made it difficult in the beginning.

What brands or business models inspired you when you were setting up LetsBonus and how did you seek to differ from them?

We were obviously initially inspired by LivingSocial and Groupon, but we wanted to differentiate from our local competitors by offering a more premium platform, working with big brands that only offer quality

products. We also chose to invest in offline advertising to attract customers and we were also the first collective buying site to use TV advertising. Furthermore, we emphasised our superior customer service and sought ways to diversify into new business channels such as travel, events and learning. These factors, as well as our talented, committed and motivated team, helped us to very quickly stand out in the market

LetsBonus expanded rapidly following its launch in 2009. How did you preserve the entrepreneurial culture of the organisation during that early period of rapid expansion?

It's not easy. During the early stages of development, you have a number of equally important but competing priorities such as raising money, acquiring customers and gaining market share in new countries, as well as trying to attract and retain talented people. We put a lot of effort into building our team from the start, making sure that we had the right kind of skills and commitment from our people to enable our business to grow. Crucially, we only recruited people who demonstrated entrepreneurial behaviour and

understood the start-up mind-set and way of operating. At the same time, we invested in our brand so everyone in the business, as well as our customers, knew what we stood for and what our ambitions were. This helped LetsBonus establish a strong and recognisable culture.

Similarly, how did you seek to maintain high standards of customer and employee satisfaction when chasing aggressive growth targets?

LetsBonus's principle focus is to satisfy users who purchase products. Therefore, we constantly asked users for feedback about their shopping experiences and conducted mystery shopping exercises, acting immediately to rectify any usability issues. We also tried to compensate anyone who had a particularly bad experience with the site. Selecting the best merchants was equally important and we put a lot of effort into researching different markets and categories to make sure we were partnering with the best companies. Merchants were also our customers though, and we worked hard to understand their needs and make sure that the relationship was entirely reciprocal. We had to keep our employees happy too. We utilised a variety of motivational initiatives such as team building activities and staff parties, as well as bonuses and stock options. All of these things helped LetsBonus achieve consistent growth.

Living Social acquired a majority stake in LetsBonus in 2012. What were the main challenges you faced when preparing for the acquisition? What would be the key pieces of advice you would give to other similar businesses that are considering takeovers from larger companies?

Living Social was obviously a great match for LetsBonus and the sale helped significantly with the growth of our business. When this kind of merger takes place however, there is always going to be risk involved. For LetsBonus, a key risk was migrating our entire platform across because doing so would mean that we would essentially have to stop all innovation initiatives for twelve months. Both ourselves and Living Social therefore took



Gemma Sorigué

the collective decision to delay the platform migration process while the business was still growing rapidly. The key piece of advice I would give to other businesses would be 'don't lose focus' on growing your business. Furthermore, always be absolutely clear from the start what sort of support you require. Do you simply need financial backing, or are you seeking a strategic partnership with a business that knows your industry? By deciding this early on, you will ensure the best solution.

Many professionals today are attracted to working for a 'start-up' enterprise. You've worked for three; what it's really like?

There are positive and negative aspects about working in that kind of environment. The positive things are the fact that you learn far more quickly than you typically would in a larger, established business. This is because you get to work in a variety of different roles in a very short period of time. Also, on a day

to day basis, you work more closely with the founders of the business, enabling you to gain greater insight into how things work. Actually getting to see the results of your efforts and then being able to make strategic changes quickly makes it very exciting too. Your colleagues essentially become an extension of your family and going to work is more like a hobby than a job. This can also be a bad thing though because it begins to completely take over your life. There is also a distinct lack

"Consumers are increasingly worried about their privacy and consequently companies are having to work harder to reassure customers that their personal data is safe and can't be compromised."

of procedure and protocol, especially early on, which can sometimes be frustrating. To succeed in that environment you must be flexible, positive, eager to learn, love team building and not be afraid of change, because there are a lots of changes taking place every day.

You've worked in the E-commerce sector your whole career, what excites you the most about working in that sector?

The most exciting thing about the sector is the enormous amount of potential there still is to develop and grow it. This is especially the case in Spain where the market is changing quickly. It's true that the majority of Spanish people still prefer to visit actual stores, rather than shop online. This is partly due to a pervading fear of fraud, as well as the fact that getting online in Spain is also still fairly expensive compared to elsewhere in Europe. The reality is though that it's only a matter of time until Spain catches up with the rest of its peers in Europe, and the world. E-commerce sites continue to provide consumers with greater convenience, speed and usability features that are evolving and improving all of the time, which makes them very hard to ignore. The biggest opportunities perhaps exist in mobile commerce, which grew from 5% to 13% between 2013 and 2014.

What trends do you anticipate impacting the E-commerce sector over the next few years?

I think privacy, personalisation and segmentation are the big trends beginning to impact the E-commerce sector. Consumers are increasingly worried about their privacy and consequently companies are having to work harder to reassure customers that their personal data is safe and can't

be compromised.

This is actually becoming a key point of differentiation in company marketing strategies. Furthermore, consumers are demanding more niche products and services today that

are specifically tailored to their individual needs. Customer segmentation for companies, therefore, is becoming increasingly complex. The other aspect in this regard is a need for greater efficiency in logistics. E-commerce businesses must ensure that purchases are delivered in a shorter time; this is a key driver of growth in the sector.

What motivated you to step down from your role at LetsBonus? What's next for you?

Every phase of your career comes to an end eventually. I'd been with the business since the start and helped it to consolidate its position as a market leader around the world (opening eight new markets in LATAM and Southern Europe during my first 12 months) and it just felt like the time was right to move on. People typically stay at internet start-ups from between one and three years; I've had the pleasure of serving LetsBonus for five. My next step in 2015 is to launch a new E-commerce venture with two other partners, one of whom is also a founding member of the LetsBonus team. It should go live within the next two to three months and we believe it will be a revolutionary new development in the Spanish E-commerce sector. I can't say anything else at this stage!

Market snapshot

SPAIN

The Spanish economy has undergone a major turnaround since emerging from its worst recession in decades last summer. A marked rise in household consumption, as well as growth of the country's gross domestic product rate, is evidence that the environment has changed for the better.

A Eurostat report published last year revealed that Spain was the third biggest job creator in the Eurozone between April 2014 and June 2014. As such, the number of people in work during the second quarter of 2014 compared with the first quarter grew by 0.7%, almost half a per cent more than the Eurozone average.

Despite product prices still falling and high unemployment in Spain, economists are hopeful that reforms enacted over the past two years will continue to enhance growth over the next few months.

What is the best piece of advice you have received in your career?

Always listen to common sense first.

What brands or businesses do you look to for inspiration?

Big brands that I admire include Amazon, Trip Advisor and Booking.com. Some other niche E-commerce sites that I've been impressed by in recent years are Westwing (furniture), Privalia (Fashion), El Tenedor (Restaurants).

How do you keep yourself busy outside of work?

I spend my weekends skiing during the winter and on the beach in summer. I enjoy travelling and discovering new restaurants and hotel. I love to spend time with my family and friends, listen to the music, go to the theatre and watch movies.