

Wishbuuk app for Facebook: Sleeping with the enemy?

Facebook, Twitter and Google Plus have become the de facto gatekeepers. How should a start-up work around these digital arbiters?

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The Spanish digital marketing agency Flash2Flash (F2F) had an excellent track record in e-commerce, developing online shops for various brands, and helping them to create Facebook fan pages to attract followers.

With social commerce — using social media to purchase goods and services — predicted to become a \$30 billion global industry by 2015, F2F decided it was time to create a platform of its own.

F2F came up with Wishbuuk, a platform for people to look up opinions from friends and family about certain products they were thinking of purchasing. Users could create and share a wish list of their favorite products from any e-commerce site in the world.

The app was initially designed to work solely inside the Facebook environment, given that it is the predominant social media site in the world.

But with only a few weeks to go before its launch, the Wishbuuk founders, Alonso Colmenares and Vittorio Gerosa, had to figure out a way to convert followers into customers. Otherwise it would only be Facebook that would ultimately reap the benefits of their business idea.

As this case study by IESE's [J.L. Nueno](#) and consultant Mayra Vivo highlights, the dilemma facing F2F is a common one among companies trying to carve out their own presence in the digital world, where social networking sites like Facebook, Twitter and Google Plus have

become the de facto gatekeepers.

Freedom of choice

Brand incursion into social media networks with fan pages has not been very successful, probably because social commerce only works when friends and family recommend products, rather than brands attempting to market their products themselves.

As such, Wishbuuk's strategy was not to force a particular brand or product upon Facebook users, but to let them recommend and choose the products themselves.

Wishbuuk grew its user database through user acquisition campaigns, online and offline PR activities, communications initiatives and through the brands themselves. Furthermore, the Wishbuuk team believed the appropriate growth strategy was to reach out to national markets first, in order to grow globally later.

In Wishbuuk's business model, the key to generating revenue is to increase the number of users and actual conversion rates, so that Wishbuuk can receive a percentage of the final sale from the retailer under a cost per acquisition agreement.

In 2012, besides Facebook, another significant player was Pinterest, which was driving more referral traffic than Google Plus, LinkedIn and YouTube combined. Ninety percent of its 12 million users were female: this was Wishbuuk's target market.

Still having doubts

Wishbuuk had everything it needed for its launch: an extraordinary user interface, flawless navigation tools, reputed international retailers that had already integrated Wishbuuk into their e-commerce offering, and more than 70,000 users as a result of prototype testing.

Even so, the executive team was concerned about Wishbuuk's positioning. How much should Wishbuuk focus on being only a Facebook application? Facebook's stock market debut had been disappointing, and it was still casting about for a monetization strategy.

In fact, Facebook was a potential direct competitor. It had already introduced Facebook Gifts and Facebook Collections, which could harm other brands using Facebook by cannibalizing their sales.

If Facebook was starting to develop its own features enabling users to send gifts to their

friends and businesses and to share information about products, how could Wishbuuk achieve a competitive edge?

Up until now, Wishbuuk had self-financed its developments. But to grow its user base, Colmenares and Gerosa needed to attract external investment, in order to develop the type of app that would make the user numbers grow exponentially.

They were also reconsidering their marketing and communications: For such a social tool, Wishbuuk had a very traditional Web-style communication activity. Which media should they use that would be the most appropriate?

Another issue was the timing of the international rollout. Given the fast-evolving nature of the digital environment, none of these matters could be postponed for much longer.

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