

Learning from mistakes

BY **KHAIRANI AFIFI NOORDIN**

Companies usually expand overseas after first securing a relatively strong presence in the local market. But this was not the case for personalised photo book service provider Photobook Worldwide.

Being a fully-digital company, it had to go abroad to find more business, said CEO Leow Wee Jonn at *The Edge-Digi* forum on Digital Transformation: Myths, Reality and Relevance.

“A lot of people would naturally think that companies only expand overseas when they are already doing well. For Photobook, it was the complete opposite. Malaysia was a tough place to run an online business in the mid to late 2000s.

“The business was fully online from day one. Back then, getting people to send their most private photos and provide their credit card details to another party online was very tough. However, we took the risk because we believed we had a solid product. And being a fully digital company, scaling up was not as challenging as it would have been if we were an offline business.”

That is why the company expanded to Australia and Canada, which proved to be much better markets than Malaysia. “It was only in 2013 that the proliferation of internet, logistic providers and payment options made Southeast Asia a very good market for e-commerce players like us,” said Leow.

Now, the company has shifted its attention to Asia-Pacific, which is gradually dethroning the Americas as Photobook’s most important region, he added. The company is currently ramping up its presence in markets such as Thailand, Indonesia, Vietnam and Taiwan to tap the huge opportunities it can capture in the region.

Although Photobook is statistically successful today — having completed more than five million orders to date — it had not been easy. It took the company almost a decade to hit a million orders, made possible through countless “crazy deals” on bulk-buying deal sites such as Groupon.

“We constantly dish out deals on sites like Groupon. In fact, I have directly communicated with general managers of Groupon in more than 30 countries, across more than 15 time zones. At any one time, we probably have at least 20 deals on a Groupon platform [or Fave in Malaysia]. This is one of the ways we scale across different markets. We just keep trying and will not take no for an answer,” said Leow.

“Thankfully, business has continued to grow. We hit our second millionth order in 2017, two years after our first million. Today, we are 280 people-strong, having completed over five million orders for more than one million customers worldwide.”

Running an e-commerce platform can be quite challenging as the digital market is very difficult to predict, he said. Anything can happen. For instance, what the company thought would be its best-performing year turned out to be the year that saw a drop in revenue, while the year that experienced a great deal of market volatility was the year it did exceptionally well.

“To survive in this unpredictable landscape, we have had to equip ourselves with

the mentality to do whatever it takes to make it work. Believe me when I say we tried everything but the kitchen sink to sustain and grow the business. During the early years, the founders even set up a booth at the flea market at The Curve in Mutiara Damansara to get the word out,” said Leow.

STORIES OF SUCCESS AND FAILURE

Being a 15-year-old company, Photobook has a lot of success stories to share with fellow entrepreneurs. But it also has a lot of failure stories, he said. It had to experiment with and scrap many products before finally identifying what customers really wanted and figuring out how to give it to them.

For instance, the company tried to introduce a mobile app for the platform twice, but failed. Only the third version succeeded, said Leow.

“Mobile phones are very important in the digital age. So, we knew we had to come out with an app. We released our first mobile app in 2012. Unfortunately, it did not gain any traction. It was a big flop and we could not figure out why. We shelved it in 2014.”

In 2013, Photobook introduced another app called Canvas Street. While this app did manage to generate some usage, it was not successful enough. The company shut it down in 2015.

“It took us two failures to figure out how to build the third one, which finally resonated with the market. Today, the app has two million downloads and counting,” said Leow.

“Many people assume that once they have a good idea and develop it into an app, for example, it will immediately be downloaded more than five million times region-wide. It is not that simple. Thankfully, we did not give up. If we had, we would not be where we are now.”

How can entrepreneurs be successful in their digital transformation? Leow advises them to be obsessive. “When I am obsessed about something, I think about it day and night. I talk about it to all my family members and friends and I constantly look it up online to learn more about it. To me, obsession is good because when we spend so much time on something, we are able to be subject-matter experts very quickly.” **E**

