

The Web @ Work / Neutroni.com

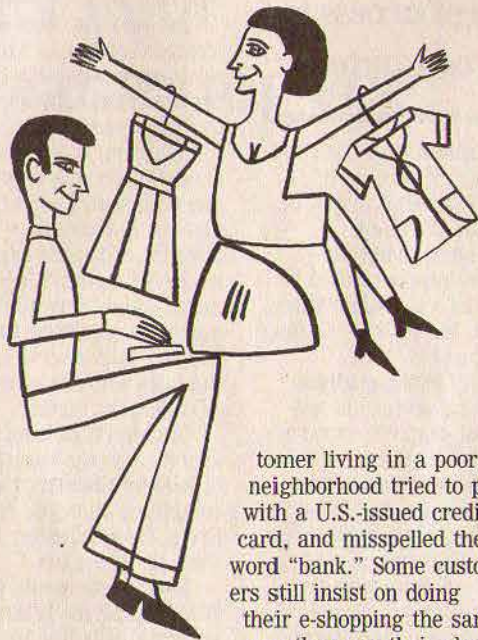
A weekly case study

■ **Profile:** By the time Internet retailing reached Venezuela a year and a half ago, Raul Delgado had spent more than a decade building a chain of stores called Neutroni featuring shoes and clothes designed by his wife Kika Alcega. Tired of struggling through Venezuela's boom-bust business cycles, and convinced that Kika's cheap and colorful designs would appeal beyond the couple's tiny home market, Mr. Delgado began building a Web site that could ship orders anywhere. Even before the site was up and running last June, Mr. Delgado was so excited about cyber-sales that he changed the company's labels and shopping bags to read "Neutroni.com."

■ **¿Dónde Esta?:** Neutroni's Web site is entirely in Spanish, but beyond that it doesn't offer any clues—not even a phone number—that it's based in Caracas. "If I make too much noise that we're here, they won't see us as a site that ships internationally," explains the boyish-looking 44-year-old, who imagines Argentines and Puerto Ricans wearing Neutroni's black platform shoes and fuzzy green halter-tops. Highlights of the men's, women's and kid's collections are online; Kika took the dreamy photographs of models slouched into pensive poses.

■ **Acting Locally:** Despite his global vision, Mr. Delgado was quickly reminded where he does business. High start-up costs left little money for marketing, and to date all but a handful of Neutroni's 410 online orders have come from inside the country. A surge of credit-card fraud has turned the small staff into de-

tectives who scrutinize every order: suspects include anyone with just a cell phone number, or an e-mail address from a free Internet service. Red flags went up recently when a cus-



Oreste Zévola

tomor living in a poor neighborhood tried to pay with a U.S.-issued credit card, and misspelled the word "bank." Some customers still insist on doing their e-shopping the same way they pay their electricity bills: through cash

transfers at a local bank. "It's Latin America," Mr. Delgado says. "We can't forget we're here."

■ **Upstream to Downmarket:** Mr. Delgado has been surprised by his online audience. A half-dozen or-

ders trickled in from Judibana, a makeshift town built around oil fields. Some of Neutroni.com's best customers are resellers, who pass the goods on to the street fairs and roadside stands that—with Venezuela's economy in the dumps—comprise much of local commerce. (The resellers at first tried to pass as retail customers. But a friendly Mr. Delgado called them up and offered a wholesale arrangement, then started fishing for more wholesale customers by taking out ads in small-town newspapers). Neutroni plans to open a booth at a local flea market called "the Cemetery" where shoppers—whom Mr. Delgado calls future online customers—can surf Neutroni.com on a laptop. He's hoping a new revenue-sharing deal with a portal by Terra Networks SA, of Spain, will boost Web sales.

■ **Let My People Go:** By the time Venezuelan President Hugo Chavez was re-elected last summer, many local entrepreneurs had packed up and left for Miami. Mr. Chavez was intensifying his speeches against local "oligarchs" and declaring his admiration for Fidel Castro, while the economy fizzled. Neutroni's Mr. Delgado, who has a Master's degree from the London School of Economics, knows he and Kika could have gathered up their three kids and joined the exodus. Though the Web site hasn't turned a profit yet, the full-time challenge of making it work is part of what's kept them home. Mr. Delgado keeps a stack of U.S. technology magazines on his nightstand, and he and Kika often talk shop over the shower curtain. "I cannot let myself go into that mood. I cannot blame Chavez, I cannot blame the government," he says. "There is always a correct strategy for every situation."

—Pamela Druckerman