

case 5-328-266

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Michael Metzger

## Flores del Este (B): A Costa Rican Florist Blooms with Online Data

In March 2006, Lorena and Victor Hugo Delgado, owners of Flores del Este, a small flower shop in San José, Costa Rica, had met with Paul Fervoy, general manager of MiWeb, a web development company. The result of that meeting was that the Delgados decided to invest some of their very limited resources in developing a web presence, as Fervoy had proposed. The Delgados knew little about the web at the time, nor whether the venture would be a success. But six years of online presence had provided much information to the sister-and-brother owners (see **Exhibits 1 and 2**).

By 2012, their website, CostaRicaFlores.com, had changed the way they did business in surprising ways. The Delgados were enjoying a nice return on their investment in developing a website. Analysis by Professor Michael Metzger of INCAE Business School showed a \$4.23 return on every \$1.00 of marketing investment in the site in its first year and a half (Jan. 2007 to June 2008). Over the five-year period from 2007 to 2012, the return on investment for every \$1.00 of marketing spend averaged \$6.50. It was indeed a profitable venture and not the waste of money the Delgados had feared. However, one of the most surprising results of launching a website was that nearly 50% of the shop's floral orders were coming from overseas!

The web experiment had piqued the Delgados curiosity and they wanted to know more about their online customers. Since their return on investment had been met and sustained for several years, they now wanted to understand their online consumers better to optimize the performance of the website. The questions that interested them were: Where were these online sales coming from and why? What were the details of the sales from outside Costa Rica? Was there a pattern to these sales?

### Google Analytics

Fervoy introduced the Delgados to the data generated by the website so they could better understand online consumer behavior. Google Analytics was a free service offered by Google that generated detailed statistics of online user behavior, such as their geographic location, where they spent time on a site, and how they made purchases. Google Analytics generated a plethora of data about visitors to the CostaRicaFlores.

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