

EUROPEAN BUSINESS WORLD

ON YOUR MARX...

For Steve Marshall, getting away from it all meant moving to Fidel Castro's Cuba and launching a private e-commerce business. By Vito Echevarría

Success is often about being in the right place at the right time. It certainly appeared to be so for Briton Steve Marshall, when he arrived in Cuba, the West's last bastion of communism, in 1995.

The entrepreneur was armed with a copy of the country's newly drafted investment law and he liked what he saw. "After several more visits I decided on destination travel as a first venture and in 1996 registered a representation office of my travel company, Tour & Marketing," he says.

Setting up shop in a country that was still Marxist but moving to state-controlled capitalism gave him an opportunity to cash in on an area where the Cuban government did not have any expertise – e-commerce.

Marshall realised the Cuban government would become increasingly dependent on tourism for its survival. He was among a small cadre of foreign web-entrepreneurs that convinced the Cubans to use the internet to their advantage, developing a virtual constellation of websites to market packages to winter-weary tourists.

He set up at Marina Hemingway, a scenic tourist enclave in Havana, where he ran his main engine of growth, the portal GoCubaPlus. By late 1990, the site offered hotel, airline and car rental bookings. It also served as a vehicle to lead web surfers to business-oriented sites such as Marshall's import/export and business consulting firm, Primeras Inversiones Internacional, which he sold in 2002, and another lucrative venture, his Real Estate Cuba, selling luxury residences in Havana.

"E-commerce was a natural choice with its far-reaching coverage and distance-selling capacity," says Marshall. "Once in the travel sphere, a natural evolution was to enter other commercial sectors like real estate, consulting and import/export."

Having bought a RE/MAX property franchise from its Puerto Rico subsidiary for \$75,000 (€58,000), Marshall used the site to attract buyers from Europe and the Middle East. By 1999 he had sold more than 60 new flats, mostly in Havana's Miramar area, for prices ranging from \$90,000 (€70,000) for studios to \$400,000 (€309,000) for penthouse apartments.

All went well until RE/MAX International's head office started a legal fight in 1999 about his use of the RE/MAX name and logo in his Cuban dealings and on the website. Marshall resisted and was cited for contempt of court, meaning immediate arrest next time he landed on US soil.

In 2001 RE/MAX dropped the lawsuit and his travel rights were restored. The incident gained him notoriety as Cuba's king of e-commerce, generating publicity as a maverick British entrepreneur who resisted an overzealous anti-Cuba US.

By now, he had bought more than 200 Cuba-related domain names with a



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combined 60m to 70m hits a month. This forced Google and other search engines to treat each site separately, maximising the number of hits from surfers looking for all things Cuban.

"Virtual interlinked almanacs are the future," says Marshall. "These virtual courtyards can be used long term to promote varied ventures, products and services. Marketing can be very expensive and costs do balloon as markets become saturated. By creating an efficient and cost-effective marketing platform, you can ultimately mitigate spiralling costs."

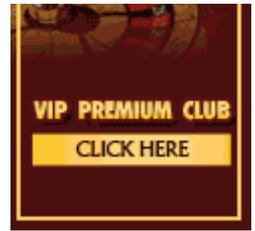
His latest venture is digital advertising driven through his sites digitalpanorama.net and cyberspaces.net. Commercial TV and billboard advertising is forbidden in Cuba and Marshall reckons digital ads are a viable alternative for foreign firms that want exposure in Cuba, as well as for local companies marketing themselves at home and abroad. He is counting on airlines, hotel chains and Cuban mineral water bottler Ciego Montero as potential clients.

Like many in the country, he is still fighting the US, and is on a blacklist that bars US citizens from using Cuban companies. Gazing at the ocean from his office, Marshall, now 36, takes the Bush administration's sabre-rattling in his stride.

"A country with the resources of the US simply cannot afford to keep making clearly erroneous statements that affect foreign companies and nations, as it only fuels the discontent," he says. "Fortunately, the EU takes these obsessive and misguided manoeuvres lightly."

Revenues for Marshall's travel operations in 2004 were €1.06m. To those wanting to follow in his footsteps, he says: "Any prospective investor should be considering where they want to be in the long term and choose a local Cuban partner who is able and ready to go the distance to achieve that goal."

"It can be difficult to change partners mid-flight. Forward thinking is a must in Cuba."



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