

From pet food to video games: Inside Ryan Cohen's GameStop obsession

NEW YORK: After almost four months of phone calls and emails to GameStop Corp complaining about the slow shipping of an order, New Jersey teacher Steven Titus received a late night call in early March - from a director on the video game retailer's board.

On the line was Ryan Cohen, the billionaire co-founder and former chief executive of online pet supplies retailer Chewy who is now leading GameStop's push into e-commerce. Cohen was responding to an email Titus had sent 12 hours earlier to more than two dozen GameStop executives and board members.

"NOBODY has attempted to respond except a muddled voicemail with no distinguishable callback number or extension. E-commerce requires a customer support team and processes that are responsive," Titus wrote. "I just got your email, I'm so sorry this happened. Let me get to the bottom of this," Cohen told Titus.

Cohen then asked GameStop's new customer service chief Kelli Durkin, who spearheaded initiatives at Chewy that included written personal notes to customers, to look into the matter. Titus was reimbursed for his purchase, even though he had not requested a refund and was only complaining about the tardiness of his order. The anecdote, described by Titus and GameStop insiders, is representative of the intensity Cohen has brought to the Grapevine, Texas-based company as he pursues an against-the-odds transformation of the brick-and-mortar retailer into an e-commerce firm that can take on big-box retailers such as Target Corp and Walmart Inc and technology firms such as Microsoft Corp and Sony Corp.

Since Cohen joined GameStop's board in January, the 35-year-old entrepreneur has been obsessing about customer service, contacting customers late into the night to solicit feedback, and has made a push to upgrade the company's website and online ordering system, eight people who work with or know Cohen said in interviews. Cohen aims to turn GameStop into the "Chewy of gaming" with lower prices, better selection and faster delivery times, said the sources, most of them speaking on condition of anonymity.

Wall Street analysts are doubtful Cohen - a college dropout who says he learned the ins and outs of business from his late father, who was a glass importer - can win back GameStop customers who have become accustomed to streaming video games. Some are struggling to understand why the creator



of the world's most valuable online pet supplies store would take on a moribund video game retailer as a turnaround project. The sources said Cohen's efforts are driven by a belief that video game lovers will turn to a dedicated internet shop just as pet lovers turned to Chewy.

"He has the courage of conviction and that muscle memory of doing this before," said Jay Park, a former Chewy investor who founded Prysm Capital. Cohen declined to comment through a spokesman. His attempted turnaround would have been less in the public eye had GameStop not captured the imagination in January of an army of amateur traders on social media site Reddit who helped drive the company's market value to a peak of \$33.7 billion at the end of that month, from \$1.4 billion days before. It is now worth about \$14 billion. A year ago, GameStop's market capitalization was \$250 million.

Cohen invested in GameStop last year before the stock became a social media sensation. His 13% stake in the company, on which he spent roughly \$75 million, is now worth about \$1.8 billion. Wall Street is watching his every move. The ouster of GameStop's chief financial officer last month, which Cohen pushed for, was enough to revive a rally in its shares. Investors monitor Cohen's every

tweet, trying to make sense of what seemingly unrelated memes like frogs and ice cream cones mean for GameStop. Many of Cohen's investment plans for the company require more capital. Unlike Chewy, GameStop cannot rely on fundraising from California's Silicon Valley, yet it could raise hundreds of millions of dollars by seizing on its elevated share price to sell stock. GameStop will be legally allowed to do that once it reports its fourth-quarter results, which are scheduled to be released on Tuesday.

None of the sources close to Cohen would comment on whether GameStop would seek to raise capital soon. GameStop declined to comment on the matter.

THE CHEWY RECIPE: Cohen founded Chewy in 2011 with Michael Day, who dropped out of college to join in building the startup they sold to retail giant PetSmart for \$3.35 billion six years later. Chewy is now a publicly listed company with a market value of \$34 billion. There are similarities between GameStop and Chewy that give Cohen's supporters confidence he can repeat his success. GameStop has been written off by many industry insiders as the next Blockbuster, the now-defunct movie rental and video game chain. Chewy also was snubbed by much of Silicon Valley as a Pets.com copycat that would be crushed by Amazon.com Inc. But

Southeast Asian internet battle, Sea's rise sends rivals scrambling

SINGAPORE: In front of an open-air Jakarta restaurant, delivery drivers clad in the orange colours of Southeast Asia tech group Sea Ltd wait for orders next to the green-jacketed riders of market leaders Gojek and Grab, in what has become the latest battleground for tech supremacy in Southeast Asia.

The humble noodles eatery signed up for Sea's nascent ShopeeFood service a month ago, but "immediately, there were orders everyday," said manager M.A Rasyid. Riding on the success of a cash-generating gaming business, U.S.-listed Sea has invested heavily in its Shopee e-commerce brand and successfully taken on Alibaba's Lazada and other rivals in recent years. Its share price has risen five-fold over the past year, giving Singapore-based Sea a market value of \$111 billion.

Now it is muscling into food delivery and financial services in Indonesia, the world's fourth-most-populous country, posing a new threat to regional rivals including ride-hailing and delivery unicorns Grab and Gojek.

At stake is a slice of the more than 400 million internet users in Southeast Asia's digital economy, which is estimated to triple to \$309 billion by 2025, according to a study by Google, Temasek and Bain & Company. Tech behemoths, including Tencent, a major investor in Sea, Alibaba, Google and Softbank Group Corp, are big backers of regional champions.

Sources say Sea's aggressive expansion is one driver of merger discussions between Gojek and e-commerce platform Tokopedia. The Indonesian firms aim to create an \$18 billion powerhouse to fight off Sea and regional giant Grab.

Meanwhile, Grab and others, including travel app Traveloka and Indonesian e-commerce unicorn Bukalapak, are rushing for public listings, hoping to ride the coattails of Sea's stock rally while defending their turf, according to Reuters interviews with over a dozen people. "Sea is like Thanos, massive and powerful, and able to take down half of the world, or in this case half the startups," Willson Cuaca, co-founder of East Ventures and an early backer of Tokopedia, joked as he compared Sea to the powerful villain in the Marvel film series.

"Like the Avengers, companies need to band together if they want to ensure their survival and to win the war."

CASH IS KING: Sea's stock rally reflects a scarcity of options for investors seeking exposure to the booming Southeast Asia internet sector. It went public in 2017 and has raised some \$7 billion in share and debt sales, with early investor Tencent now holding a stake of about 20%. That investor appetite, combined with a need to raise cash to match Sea's muscle, is forcing rivals to seek listings as quickly as they can, bankers and executives familiar with the matter say.

Sources say the Gojek-Tokopedia merger, which is likely to be finalized within weeks, will be followed by a Jakarta listing in the second half of 2021, then a mega IPO in the United States targeted for 2022. Grab and Traveloka, for their part, aim to accelerate the process by merging with special purpose acquisition companies, sources said. Bukalapak is planning the same, after a 2021 Jakarta IPO.

"The market is pretty welcoming for tech stocks. It's an opportunity for Grab if they are ready for it," said Jixun Foo, a managing partner at GGV Capital, which has invested in Grab.

COLLISION COURSE: Sea's success owes much to its online gaming business Garena, whose 2017 title Free Fire became the most downloaded game globally over the past two years.

It's using the cash from Garena to repeat its success in e-commerce, food delivery and financial services.

Sea's Shopee division started off in 2015 as a platform for local sellers and soon gained traction with merchants regionally. It has now overtaken both Lazada as the top e-commerce player regionally and Tokopedia as the leader in Indonesia, thanks in part to innovations such as adding social features to its service. Both Gojek and Grab, which have pursued on-again, off-again merger talks with each other for years, believe they can ward off Sea's move into food delivery thanks to well-honed logistics networks and early-mover advantages.

But they could be hard-pressed to match Sea's subsidies in Indonesia. In Vietnam, Sea-owned food delivery service Now is the market leader, while Grab is No. 2, according to a January report by advisory firm Momentum Works, whose COO Yorlin Ng, said Southeast Asia's food delivery sector grew 183% in 2020. —Reuters

Musk says SpaceX to land Starship rockets on Mars well before 2030

ELON MUSK'S SpaceX will be landing its Starship rockets on Mars well before 2030, the billionaire entrepreneur said in a tweet on Tuesday.

The private space company had raised about \$850 million in equity financing in February even as a prototype of its Starship rocket exploded during a landing attempt after a high-altitude test launch. The SN9 prototype was a test model of the heavy-lift rocket being developed

by SpaceX to carry humans and 100 tons of cargo on future missions to the moon and Mars. Musk, who leads several futuristic companies, including Tesla Inc, Neuralink and Boring Co, said on Tuesday the "really hard threshold is making Mars Base Alpha self-sustaining." A first orbital flight is planned for year's end. Musk has said that he intends to fly Japanese billionaire Yusaku Maezawa around the moon with the Starship in 2023. —Reuters

Russia postpones Soyuz-2.1a rocket launch to Sunday: RIA



MOSCOW: Russia has postponed the launch of its Soyuz-2.1a rocket to Sunday, state news agency RIA quoted Roscosmos space agency Director General Dmitry Rogozin as saying. Rogozin said the decision to postpone from Tuesday was made after a voltage spike ahead of the planned launch from the Baikonur Cosmodrome in Kazakhstan, RIA reported. The Soyuz-2.1a rocket, which is expected to deliver 38 satellites that are mostly made outside Russia into open space, is now set to be launched at Sunday

By catching bats, these 'virus hunters' hope to stop the next pandemic

LOS BANOS, Philippines: Researchers wearing headlamps and protective suits race to untangle the claws and wings of bats caught up in a big net after dark in the Philippine province of Laguna.

The tiny animals are carefully placed in cloth bags to be taken away, measured and swabbed, with details logged and saliva and faecal matter collected for analysis before they are returned to the wild. The researchers call themselves the "virus hunters", tasked with catching thousands of bats to develop a simulation model they hope will help the world avoid a pandemic similar to COVID-19, which has killed nearly 2.8 million people.

The Japanese-funded model will be developed over the next three years by the University of the Philippines Los Banos, which hopes the bats will help in predicting the dynamics of a coronavirus by analysing factors such as climate, temperature and ease of spread, to humans included. "What we're trying to look into are other strains of coronavirus that have the potential to jump to humans," said ecologist Phillip Alviola, the leader of the group, who has studied bat viruses for more than a decade.

"If we know the virus itself and we know where it came from, we know how to isolate that virus geographically." Be-

yond work in the laboratory, the research requires lengthy field trips, involving tramping for hours through thick rainforest and precarious night hikes on mountains covered in rocks, tree roots, mud and moss.

The group also targets bat roosts in buildings, setting up mist nets before dusk to catch bats and extract samples by the light of torches. Each bat is held steady by



the head as researchers insert tiny swabs into their mouths and record wingspans with plastic rulers, to try and see which of the more than 1,300 species and 20 families of bats are most susceptible to infections and why.

DEVASTATING IMPACT: Researchers wear protective suits, masks and gloves when in contact with the bats, as a precaution against catching viruses.

"It's really scary these days," said Edison Cosico, who is assisting Alviola. "You never know if the bat is already a carrier. What we're after is finding out if there are any more viruses from bats that can be transmitted to humans. We'll never know if the next one is just like COVID."

The bulk of those caught are horseshoe bats known to harbour coronaviruses, including the closest known relative of the novel coronavirus. Horseshoe bats figure in two of the scenarios of World Health Organization experts investigating the origins of the SARS-CoV-2 virus that causes COVID-19. Host species, such as bats, usually display no symptoms of the pathogens, although they can be devastating if transmitted to humans or other animals.

Deadly viruses to have originated from bats include Ebola and other coronaviruses, Severe Acute Respiratory Syndrome (SARS), and Middle East Respiratory Syndrome (MERS). Humans' exposure and closer interaction with wildlife meant the risk of disease transmission was now higher than ever, said bat ecologist Kirk Taray.

"By having baseline data on the nature and occurrence of the potentially zoonotic virus in bats, we can somehow predict possible outbreaks." —Reuters

