

# GETTING CHATTY WITH FAST-GROWING COMPANIES

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A hand holding a glowing robot head icon with speech bubbles and circuitry.

## VERLOOP CASE STUDY

**Verloop's story on customer acquisition  
and growth marketing strategies**



# **The Background**

**- Verloop Case study**

**Next Gen Entrepreneurship Fellowship**

# Founder Background

*As marketers, we fail more than we succeed. But what is important is learning from your failures and using them to your advantage moving forward. One of our biggest campaigns to enter the South East Asian market failed miserably, but two quarters down the line, we were able to successfully acquire the market by approaching marketing through a different lens. After all, you only have to get it right once!*



**Siddharth Sharma | CMO |**  
**Verloop.io**

Whenever you ask a dreamy-eyed child what they want to be when they grow up, you will receive a myriad of fantastical responses. However, that wasn't the case with Gaurav Singh. Born and raised in the modest town of Rewa in Madhya Pradesh, India, Gaurav had very realistic and ambitious dreams of being an **entrepreneur** and he didn't wait to grow up to begin working in that direction.

He has been a **serial entrepreneur** since he was in school. He fell in love with computers when he was around twelve and started exploring the world of coding. He soon developed an expertise in the field and took up engineering college-level assignments for a certain fee. To take it up a notch, he began working on automation, machine learning and AI to help scale his efforts.



# Founder Background

By the time he was in college, Gaurav ran his own agency where he shipped developers to clients on a project basis. In order to gain some corporate experience, he joined TCS as an Assistant Systems Engineer after completing his engineering degree. Although the entrepreneurial itch never left him, he would then begin his journey with a slew of ventures in the technology ecosystem with Verloop being his biggest break and scaled venture so far.

Gaurav has always been a problem solver and a thinker. During his role in TCS, he saw an acute problem with contact centres. Since this was beyond his typical KRAs, he began exploring solutions for this after his work hours. As he discovered the problem statement further, formalized this and began working on possible solutions, Gaurav realised an entire ecosystem of customer support that was missing a leg. This formed the fundamental vision and the idea to build a **customer support tool**, which he got to calling, **Verloop!**







# **The World of Conversational AI**

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# The World of Conversational AI

In 2020, the chatbot market was valued at **USD 17.17 billion**. It is expected to grow at an astounding CAGR of **34.75%** to **USD 102.29 billion** by 2026. India among that is one of the fastest-growing markets for chatbot solutions.

According to Gaurav, an industry expert in his own right, “**conversational AI** has been instrumental in the way brands and companies provide a **24x7 available channel** to connect, interact and engage with their existing or potential customers. Moreover, it enables customers to interact with the brand in the language they are comfortable with, get instant responses (as opposed to long call-waiting queues), get personalised interactions and help **build meaningful relationships with brands**. They help in delivering contextual and natural conversations and help customers with placing orders, answering queries, track orders, sharing deeper relevant information, and so on”.



*The typical definition of **Conversational AI** - It is the set of technologies behind automated messaging and speech-enabled applications that offer human-like interactions between computers and humans.*

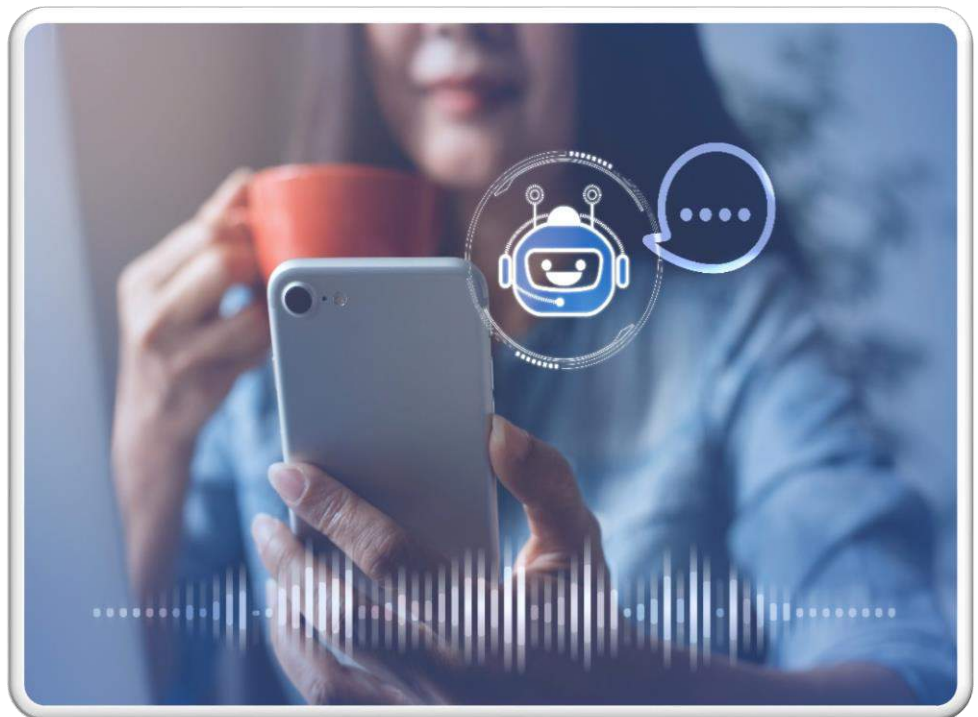


# The World of Conversational AI

A major incentive for brands to adopt this technology is its ability to provide a **consistent experience** across channels. These experiences can be improved at scale with time as more data is collected and better consumer journeys are structured. Such technologies have also built a strong business case by directly influencing **revenue** numbers.

A shorter wait time, quick and accurate responses to potential customers, ensure quicker sales journeys, better customer satisfaction scores and repeat purchases directly influencing **customer lifetime value**. Customer support as a function has today become table stakes in every industry and such cost-effective tools form the backbone of exemplar scaled customer support.

***Conversational AI** is rapidly evolving with time and many more businesses and industries have begun actively exploring such tools.*





# **The Inception of Verloop**

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# The Inception of Verloop

Gaurav had a very focused mission in mind with the inception of Verloop. He wanted to help businesses become technology-centric so that they are empowered with the **right tools** to increase interaction and engagement with their customers at scale.

Like any startup story, this one too was riddled with a few pivots and corrections along the way. Verloop originally started as a B2C company. Gaurav was working on a B2C virtual assistant product to make everyday tasks simpler.

For example, “***Hey, book my Uber ride***”, or “***Book an appointment at the salon***” and “***add sugar to the grocery list***”. However, the market, technology and infrastructure were not aligned and ready for virtual assistants. Gaurav then flipped to the B2B side of the coin. He noticed that while marketing, HR, sales, legal and other functions had technologically advanced with newer tools, customer support was still quite manual, operationally heavy and BPO centred. Whenever a customer had any issues, they had to call the helpline number and wait in long call queues to resolve their issues. Most of the time, these issues didn’t warrant human intervention. The other channel was to write an email and await their call back. The lead times for customer support were too long and the overall customer experience was subpar.

In 2015, when the market for conversational AI was still relatively new in India, Gaurav, along with his team of experienced customer support technologists, began work on a customer support **chatbot**.



# The Inception of Verloop

The idea was simple. Verloop would give brands the option to **automate** their customer support function. Out of the three mediums of support - call, email and instant text/chat, given AI capabilities, the chat was the easiest to automate. And that became the backbone of the solution.

Verloop began building **chatbot solutions** across multiple online platforms like WhatsApp, Instagram, Facebook, Messenger and Apple messages for their initial set of customers. A number of successful commissions helped the company solidify their vision as a product that would fundamentally be an operating system for customer support. Gaurav envisioned the company's platform to run the entire support function for their customers while the platform would connect and integrate with other functional platforms.



Simply put, apart from the automated and assisted chatbot, a support executive could deliver support from the platform and the customer support leader could see all the data and insights from the Verloop dashboard.



# **Attacking the Lowest Hanging Fruits**

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# Attacking the Lowest Hanging Fruits

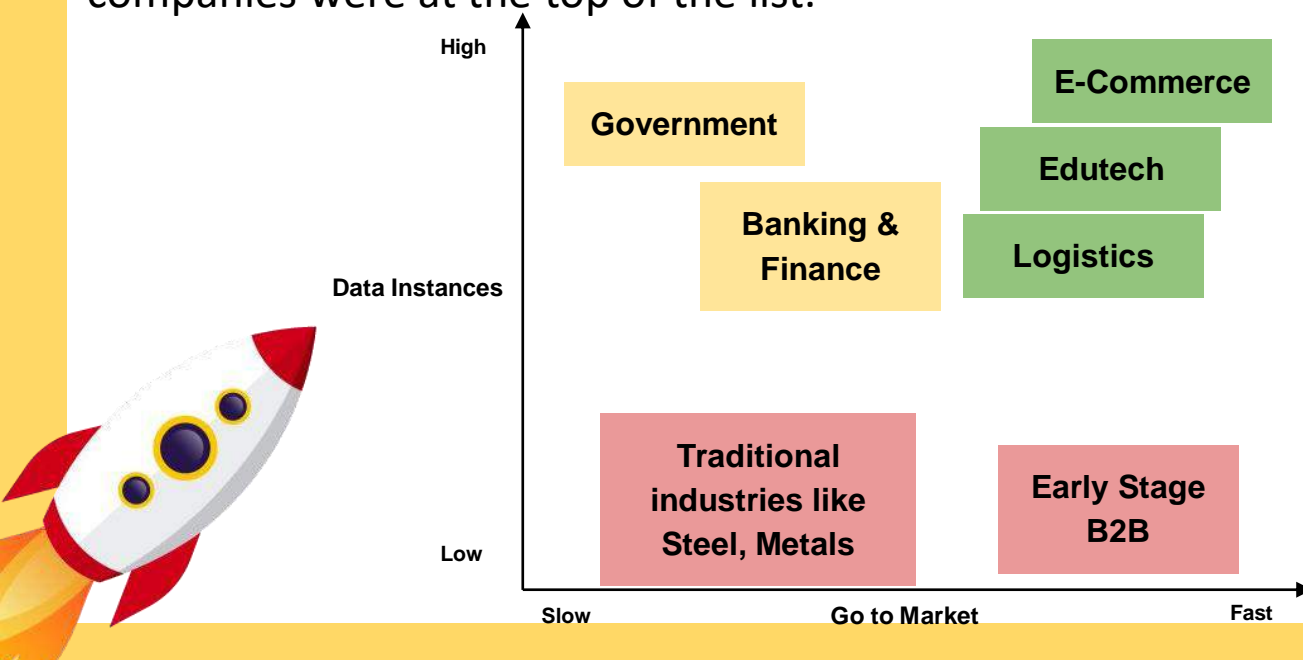
Since the proof of concept was successful, and the product-market fit was achieved, it was now time for the company to begin their growth journey. Verloop had a typical market sizing challenge at hand.

**What kind of companies do they go after, what does the overall size of the market look like, how should they segment the market, etc.?**

To begin with, they started segmenting industries based on two parameters:

- ✓ **Data Instances**
- ✓ **Speed of Go-To-Market**

Their sweet spot and the lowest hanging fruits were industries that had a high volume of data instances and that were the fastest and easiest for the company to approach, run a POC, showcase value, fast-forward the paperwork & bureaucracy and close the deal. A high volume of data instances was a necessity for the solution to succeed since all AI and machine learning tools require **large volumes of data** to learn from and improve their recommendations, suggestions and solutions. Upon plotting these industries on a 2x2 matrix, E-commerce, Edutech and Travel Logistics companies were at the top of the list.





# Attacking the Lowest Hanging Fruits

To understand the size of the market, Verloop took a **top-down approach** for their target industries and added an additional layer of focused account-specific approach, also known as **Account-Based Marketing**. In each of these industries, they looked at the **top 50 accounts** that they wanted to target in each region and then started collating **industry and account-specific intelligence**.

Some of the questions they'd look answers for were -

- ✓ **"Which are the top players in the market in that region?"**
- ✓ **"Are they using any current form of a chatbot or automated customer support tool?"**
- ✓ **"What is the level of complexity of the solution they require?"**
- ✓ **"Do they use Conversational AI as technology or is it merely a guided workflow system?"**

While the team was very confident about the product, it was important to have these answers to begin building their pitch. Typically in a B2B setup, there is most likely already an existing solution that customers would be using, and switching from an older system to a newer one is an arduous task. Decommissioning an older system in the tech stack, and implementing a new one takes months at the least and heavy involvement from multiple teams. Hence, unless the pain is big enough or the benefit and outcome are great enough, companies do not change their systems. The product usually needs to deliver a **10x better overall result** to begin a replacement conversation. And then there was the question of **who to target** and **how to reach out**. There was another level of exploration Verloop would have to do.



# Attacking the Lowest Hanging Fruits

The next set of questions they'd ask was -

- ✓ **“Do we have any existing relationships through our network in the prospective companies?”**
- ✓ **“How easy or difficult would it be for them to switch from their solution to ours?”**
- ✓ **“Who do we target within these companies and what do we tell them that would immediately grab their attention and intrigue them enough to start a conversation?”**

After implementing the above exploratory exercises, and collating responses, they had a much better idea of the type of companies that were open to having conversations and adopting a chatbot solution.

Nykaa, one of India's largest shopping beauty stores, was one of Verloop's first customers, based on this conscious acquisition strategy. They had lakhs of queries a day and were a fast-growing company that was willing to take a chance on a new technology brand like Verloop backed by a strong product.

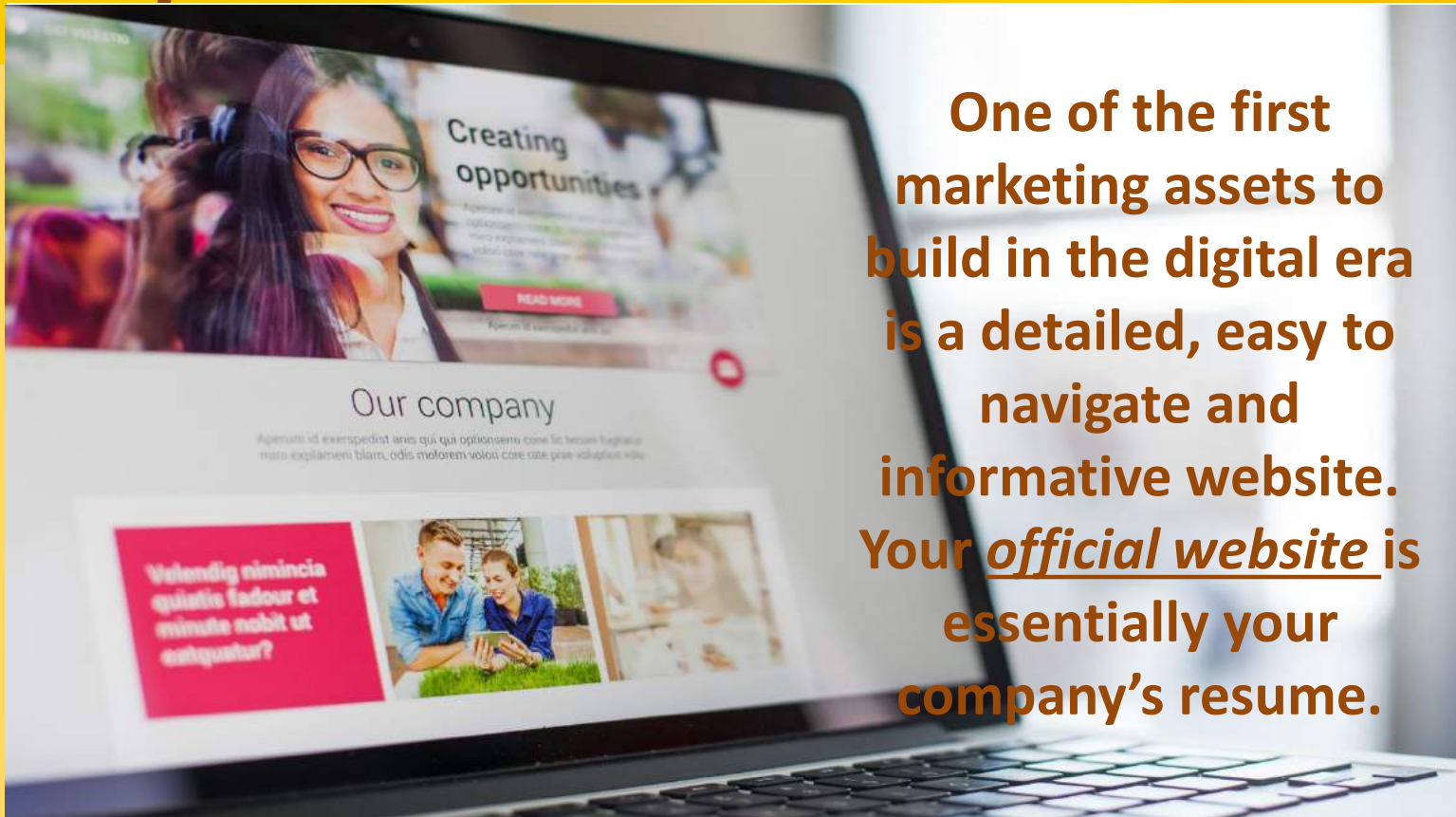
After a successful proof of concept, Nykaa's customer support was now online. Banking and financial institutions like Bank of America and HDFC did have lakhs of queries and would've been ideal customers for Verloop, had the go-to market to enter this industry been easier. Such companies had their own vendor approval process, data security protocols and vendor reputation to manage. Hence the team decided to deprioritize such industries. Verloop's targeting framework thus began paying off when they started signing other companies like Decathlon and Rentomojo.





# **Evolution of Customer Acquisition**

# Evolution of Customer Acquisition



One of the first marketing assets to build in the digital era is a detailed, easy to navigate and informative website. Your official website is essentially your company's resume.

Once their website was launched, Verloop began building other **marketing assets**. While the team was buzzing with excitement, one core challenge that companies face at this stage is - nobody really knows about you. It then becomes imperative to go out there and talk about your vision, mission, product and pain points you solve. This is when **distribution** becomes important.

To get the ball rolling, the team piggybacked on Gaurav's well connected and fairly large **social network**. As they built out their social pages and other advertising assets, they began **running ads online**. This was a massive experimentation ground for Verloop's marketing team.





# Evolution of Customer Acquisition

Conventional wisdom suggests that while structuring marketing campaigns, it is advisable to cast a wide net and have broad targeting metrics. This enables the company to create a lot of noise and generate leads in volumes. The numbers tend to overcompensate for the quality of leads.



But under **Siddharth Sharma's** guidance, Verloop's CMO, they decided to go with laser-sharp **focused targeting** instead. Their strategy was to catch a certain type of fish and they were very clear with who they wanted to engage. They also had their **own chatbot on their website so customers could experience the chatbot instance**. It was now time to shift the gears and focus on **marketing's efforts** on customer acquisition and growth.

In Siddharth's words on their next phase, ***"And then we started developing content. Those became our lead magnets. We put the leads we got into nurture streams. We talked to them. We did webinars, then we went on to search campaigns. We then built an entire cabinet of campaigns, spanning across social sites like Facebook, LinkedIn, Twitter and Quora. We had retargeting campaigns, display campaigns, video campaigns. They were working at different times and with different audiences depending upon who we wanted to target. All of these things were backed by thoughtful experimentation and relentless execution. We took 'move fast and break things', a little too seriously."***

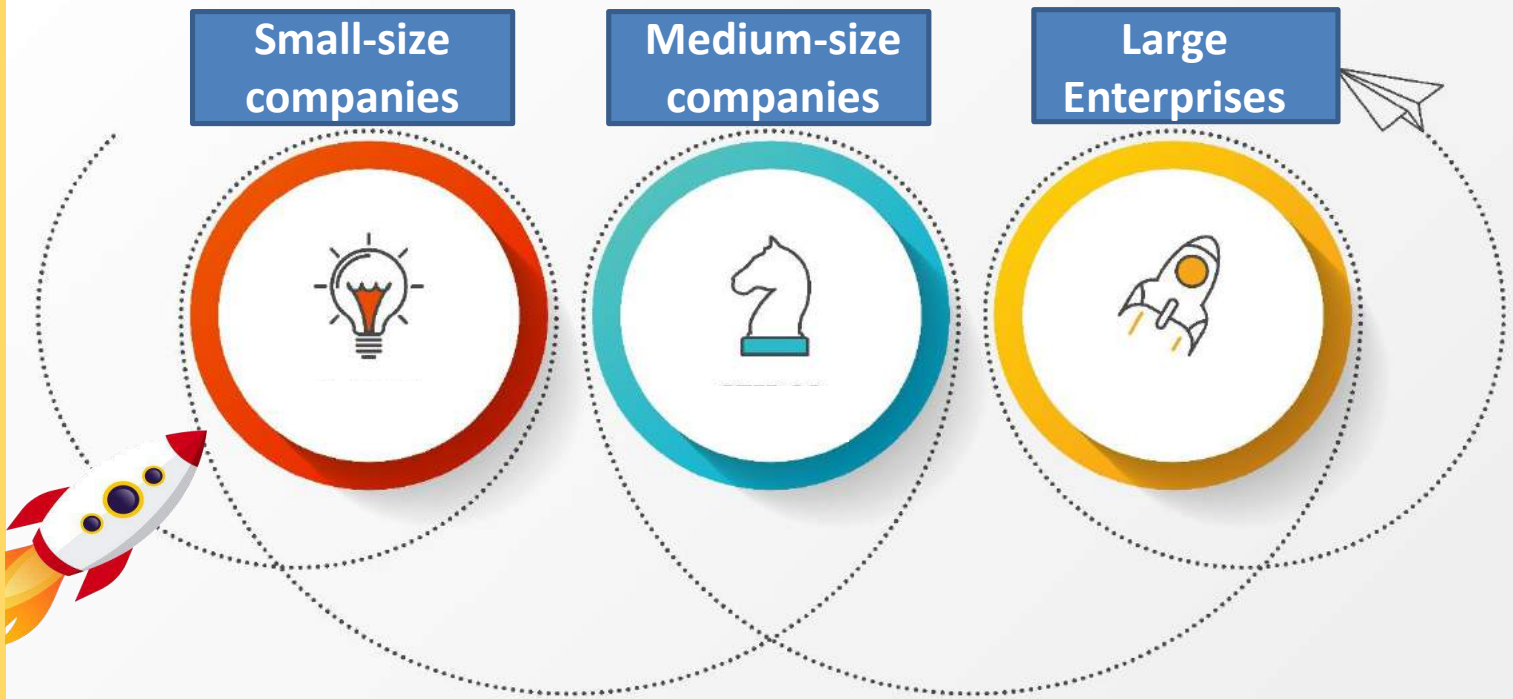




# **Navigating the Buying Committee**

# Navigating the Buying Committee

Verloop had three typical sets of users:



**Small size companies** are startups with around **two to three million** in annual revenues. These companies are looking at avenues to grow and want to ensure their customers get all the information they seek through the chatbot. The buying committee in such organisations ranges from a **single to a maximum of a couple** of people looking at the entire chatbot or automation program. The CEO or the founder is usually one of the persons on the committee.

# Navigating the Buying Committee

**Medium-sized companies** have between **two to four decision-makers** in the committee. Typically it included the program manager, the head of customer support and a CXO (CEO or CTO). Whereas in an enterprise, you have an entire full-blown team. The person to who they demoed the product, was usually the junior program manager. The next set of conversations was with the rest of the technical team, multiple conversations with the head of customer support, integration partners, other stakeholders. Once the panel is satisfied with the solution and its implementation processes, there was a bureaucratic layer to cross. This involved the information security team, legal, procurement and the final approval from the CXO who managed customer support.

It was very important for them to understand this structure to design and plan marketing campaigns and understand sales cycles. It also helped them intimate the management about the consequences of going behind each of these audience sizes, its implications on pipeline generation and forecast.







# **Experimentation – the Ultimate Marketing Mantra**

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# Experimentation - the Ultimate Marketing Mantra

Having a deeper understanding of the buying committee, the personas they would like to go after as well as the targeting metrics, it was now time to take an aggressive marketing approach.

Experience had taught Siddharth that there is no ultimate guide or framework to marketing success. If that had been the case, every company today would have been successful. Having had a stellar marketing career in multiple SaaS organisations, he did have the advantage of knowing how to structure experiments and the variables to explore for **A/B split testing** marketing campaigns.



When the marketing team was tasked with expanding into South East Asia, they allocated 10% of the budget to experiment with multiple content and campaign formats. They knew who their audience was, and what they wanted to talk about. They tried **ABM campaigns, inbound campaigns and search campaigns**. But none of those campaigns worked.

They later realised that the organisational hierarchy in South East Asia for Verloop's product category was very different from those in markets like India and the Middle East. While in some markets, a bottom-up approach works, where you target a junior product manager, and they take their thoughts and suggestions higher up, in South East Asia, you had to come top-down.



Having learnt from their mistakes and with 90% of their budget still intact, they were able to launch subsequent campaigns and successfully enter the market.

# Experimentation - the Ultimate Marketing Mantra

The **startup ecosystem** was another area that Verloop wanted to target. The rationale for this decision was the exponentially growing startup ecosystem in the country and their potential to become big businesses someday, taking Verloop along the journey as their **customer support ecosystem partners**.



But this time around, they took a different approach to enter this market. They realised that the product had many features that may not add value to startups. They only required some **basic features at a reasonable price**. They wanted the core features without the frills and this was an easy lift for the company. Verloop thus decided to repackage their product and launched a Startup Program.

Along with online marketing efforts, they began exploring where these founders were spending their time and being available at such forums. This led them to tying-up with **investor incubators**. They also started sponsoring startup programs and conferences. CTO was their primary target persona since they were technically sound and had a strong voice in their company. Their message was simple and succinct and spoke to the founder pain points with customer support.





# Experimentation - the Ultimate Marketing Mantra



The team hypothesized that this might be only slightly successful as it was an experiment to enter a new segment with a very different approach. To their delight, this campaign was wildly successful. Verloop had to double their sales team in this department. They then decided to go all guns blazing into this segment and it opened up an **additional 15%** to their annual revenues. This was one of the biggest wins for marketing where they directly influenced a significant amount of revenue by adding a **new segment** of customers.







# **Demand Generation & Channels of Customer Acquisition**

# Demand Generation & Channels of Customer Acquisition

The backbone of any successful marketing strategy is a strong **demand generation engine** with multiple customer acquisition channels.

An interesting observation made by the marketing team of Verloop was the role assisted channels played in helping convert leads to paying customers. In absolute terms, **LinkedIn** was one of their better acquisition channels. What this meant was that leads generated from LinkedIn campaigns converted the most and added the most dollar value. But this was only possible because of the role other supporting channels played.

Siddharth explains, ***“LinkedIn obviously ranks the best for us. But if you go a little bit deeper, you look at why LinkedIn ranks the best for us, it's because our nurture stream on the other side helps us push these people onto our product. They get them more visits to our website, build familiarity, talk about customer success stories and give them confidence. If I remove the nurture right, then those leads will not convert as well as they do. Today, there are a lot of assist channels, and I will always have them.”***



# Demand Generation & Channels of Customer Acquisition

Another very evident nuance to their channel strategy mix was picking **different channels for different regions**. They noticed that channels that worked for India were very different from the ones that worked in the Middle East. While **LinkedIn** worked well in the Middle East and Europe, **paid search** worked best for South-East Asia. They saw a lot of success with content syndication partners and conferences in India. **Affiliates** and **channel partners** worked best for the rest of the world. Globally, their focus on SEO and organic marketing paid off as well with an increasing number of inbound requests.



A timeless channel that Verloop always strives for and capitalises on is **word-of-mouth** and **referrals**. Nothing beats a happy **customer's pure unbiased comments** to someone about how satisfied they are with the solution.





# **Roles That a Brand Plays**



# Roles That a Brand Plays

A critical component of demand generation is **brand building**. Although it becomes difficult to measure **brand metrics**, it is one of the best driving factors to build trust, top of mind and a stronger relationship with the company. This in turn helps drive demand.

Verloop knew this early on. The team used **pseudo metrics** to understand the impact of their branding efforts. One key metric was the ***number of organic sign-ups and demo requests*** they were receiving. They also mapped **sentiment analysis** to understand the tone of organic conversations where their brand was mentioned.

They also noticed **faster sales cycles** over time. There was a significant uptick in the speed at which organic sign-ups were converting to customers. From 20% when they first began their marketing setup to over **40% conversions** after a sustained always-on brand campaign. ***Sign-ups who took thirty days on an average to convert reduced to seven to eight days.***





# **Verloop Today!**

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# Verloop Today!

In 2021, Verloop has invested **\$2.5 million** into **developing bots** that can understand natural languages. This investment will result in the super bots being able to support **6 new languages** taking the total number to over **20 languages across sectors and boundaries**. Moving forward, it aims to expand its presence to Europe and the US.

Currently, there are over 100 people working full time for Verloop and they plan to double the size of their team in the coming months. Their sales and marketing team alone has over 30 members.



To ensure a strong growth pipeline, they have covered all major aspects of marketing in their team structure. They are equipped with specialists in product marketing, content marketing, demand generation, organic marketing, paid marketing, social media and brand as well as an events marketer. They plan to add a customer marketing as well as partner marketing function by mid-2022.

Verloop is ranked in the **Linkedin Top startups 2021** for being in the top 25 companies where the workforce of India wants to work at.





## Additional Links:



1. Proof Of Concept - <https://www.projectmanager.com/blog/proof-of-concept-definition>
  2. Market Sizing - <https://www.mindtools.com/pages/article/market-sizing.htm>
  3. 2x2 Matrix - <https://managementconsulted.com/2x2-matrix/>
  4. Account-Based Marketing - <https://blog.hubspot.com/marketing/account-based-marketing-guide>
  5. Lead Nurturing - <https://www.impactplus.com/blog/what-is-lead-nurturing>
  6. A/B Testing - <https://blog.hubspot.com/marketing/how-to-do-a-b-testing>
- Demand Generation - <https://www.drift.com/learn/demand-generation/>
- Customer Acquisition for B2B - <http://saasbrand.com/customer-acquisition-channels-for-saas/>





# End of case questions

1. Who is the founder and CEO of Verloop? What can you find out about the founding team through secondary research?
2. What was the genesis of the idea? 3. What is the problem statement?
3. If you had to categorize Verloop – which category would you choose? -Existing Market - New Market / Clone Market / Niche Market
4. What were the major Market segments that Verloop could cater to? Identify the basis of the segmentation. From this market segment, how did Verloop identify their niche?
5. Go back to the 2 kinds of niche markets and identify which category would Verloop fall under.
6. Who were the early adopters for Verloop? How did Verloop customize their product offerings for their early adopters? How did this Strategy work out for Verloop?

