STARTUP ›› INC.

Neel Padmanabhan, Kaiesh Vohra and Sujay Iti of Lucep work on software to shrink the time between generating a sales lead and pursuing it BHASKAR VARMA/MINT

On the fast track
to drive online
leads to real sales

Sales tech startup Lucep finds the missing piece of the marketing puzzle for makers of cars and bikes

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Bums on seats sells cars," goes an old auto industry saying. In other words, if you can get somebody to take a test-ride, you stand a better chance of getting them to buy the vehicle. That's why so many marketing campaigns push for more test-rides.

But consumers are going digital, doing price comparisons, reading reviews, and watching videos. Offline touch points such as walk-ins to dealers and test-rides have been dropping sharply, found a recent Google-Kantor survey of people interested in buying a car in India. Yet, sales processes haven't got into sync with changing consumer behaviour.

This is where sales tech can change the game. Singapore and Bengaluru-based startup Lucep, for example, is helping auto companies and dealers with what it calls "an Uber for test-rides."

A vast majority of sales leads come to auto companies from third-party websites and blogs. Lucep's open API (application programming interface, or the interface that allows apps or programs to communicate with each other) embedded in sites can capture digital leads and allocate them to dealers. A call to a prospective buyer can go out in minutes and a test-ride can reach a customer's home instead of waiting for the prospects to come to a dealer.

QUICK CLOSURE OF SALES

Earlier, manual processing of leads via email and spreadsheet took nearly a week, by which time a buyer may have moved on to another brand. The effect of digitizing it for an Indian auto brand was to treble the percentage of leads converting to test-rides, from 10 percent over a three-month period last year to over 30 percent during a pilot study in the same period this year, says Sujay Iti, Lucep's regional manager in Bengaluru. "The pilot showed it took six minutes on average to make the first contact on a lead compared to 51 hours earlier."

The test-ride is one part of a broad spectrum of online-to-offline engagements that Lucep aims to accelerate. "We believe this is underserved because of either lack of appreciation of value or not putting a process into place," says Lucep co-founder and CEO Kaiesh Vohra.

After test-rides, the next logical step for "Uberisation" will be "instant support," says Vohra. For example, a person facing a problem with a vehicle in the middle of the road can open the brand's app. Lucep integrated within the app would help connect with a nearby dealer, check the status of warranties, and so on.

The cost of providing this level of support comes down when you can instantly allocate the request to the nearest dealer that has the required services. Apart from these efficiencies, digitization of sales and support processes can help a brand get a bigger bang for its marketing buck.

Brands and dealers are not always on the same page in the complex web of auto sales. For example, a dealer licensed for a certain area may at times be inundated with leads allocated to that pincode. The dealer may lack the incentive to chase new leads in such a situation. But from a brand's point of view, any prospective buyer's query going unanswered hurts perception, apart from wasted investment in marketing.

Digitization allows a brand to closely track leads, measure outcomes, and take steps. If the problem is inaction, it can be sorted out with the dealer. If leads are few, marketing campaigns can be tweaked.

"When you generate leads with a campaign, you do it for a target audience. So feedback is important for marketing. If the wrong set of people is being targeted, they can retarget the campaign midway. It's a self-feeding cycle," explains Neel Padmanabhan, Global Client Partner for Lucep.

INSURANCE AGAINST FAILURE

The five-year-old startup first had an AI-powered sales tech widget for small and medium enterprises, before making headway in banking and insurance companies. Vohra, who worked for Accenture after doing AI studies at the University of Edinburgh, knows how to partner with a systems integrator to disrupt legacy processes in large corporations. This helped roll out Lucep software for customer engagement at a global banking chain's branches across Mexico a couple of years ago.

But a startup's path is strewn with pitfalls. Last year, Lucep spent several months working on a flagship innovation for a bank in Malaysia. The bank pulled out on the day it was to sign off on a pilot. "This has happened with multiple banks," says Vohra. "The business cries out for the tool, but budget control pulls it."

It's harder for a bootstrapped startup like Lucep, whose founders Vohra and Zal Dastur have steadfastly eschewed venture capital funding, to withstand the cash flow crunch that arises from such setbacks and keep on adapting and innovating. But it did find better traction in insurance, where MetLife, has taken to its software.

Lucep is using artificial intelligence and geolocation to help the US multinational's insurance agents get qualified leads from digital channels. The lead goes to an agent best located to deal with it fast, along with contextual information and selling points generated from an AI engine. This began as a pilot programme in Portugal, after Lucep won an innovation contest for an 80,000-Euro (Rs 6.35 million) award to test the solution. After the pilot got glowing reviews, it's expected to be deployed in 50 countries where MetLife has a presence.

UPHILL DRIVE

Last year, Lucep got selected in Daimler's Startup Autobahn programme in Singapore, whose aim is to bring startups and corporations together for innovations in mobility. This was Lucep's entry into the automotive industry, and now it's working with leading brands from India and the UK, like Royal Enfield and Triumph.

But however good digitization sounds on paper, the ground reality is far from frictionless. Iti shares his experience with an auto brand for which Lucep did a 30-day pilot. The feedback from dealers after the pilot was a dampener. The sales leads were far more in number, but most were duds, they said.

This was surprising because the sources of the leads were the same; it was just the process of capturing them and following up that had accelerated.

Luckily, in a digital system, it's harder to fudge the issue. Lucep was able to show the brand marketing team that a majority of leads had simply gone unattended. So how did the sales persons decide they were duds?

"Complaints of lead quality were coming in simply because they did not want to be accountable," explains Vohra. "Nobody likes to be tracked, especially sales people."

For the brand, on the other hand, such tracking and analytics is vital to ensure that the marketing spend delivers optimal value. In this case, the brand cracked down after the review by setting a requirement for all leads to be called within five minutes. This led to a number of sales staff having to be replaced.

Disruption doesn't come easy.

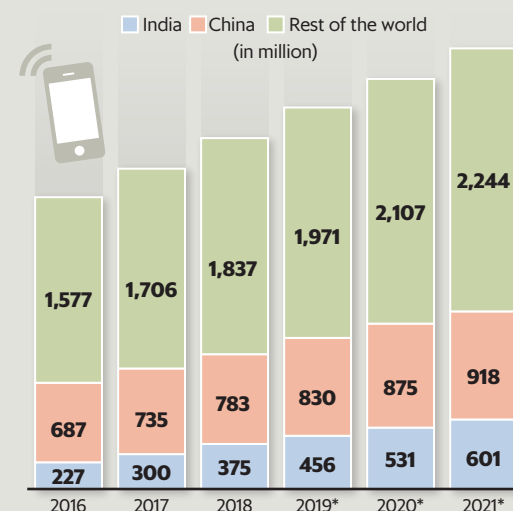*Sumit Chakraborty is a contributing editor with Mint.*

> Digitization accelerates the process of capturing and following up on leads. Insurance firms are also trying out this system

SMARTPHONE GROWTH BETWEEN 2016 & 2021
With the growth of smartphones, more people are consuming digital content

■ India   ■ China   ■ Rest of the world
(in million)

Year	India	China	Rest of the world
2016	227	687	1,577
2017	300	735	1,706
2018	375	783	1,837
2019*	456	830	1,971
2020*	531	875	2,107
2021*	601	918	2,244

Source: Global mobile market report 2018, Newzoo
*Forecast

DIGITAL'S IMPACT ON BUYING HABITS
Online buying is only a small percentage of total purchases today. However, what people buy offline is also hugely influenced by digital

● Online retail spending
● Digitally influenced retail spending
(in $ billion)

2016	2020*	2025*
11.5	45	160
47.5	190	525
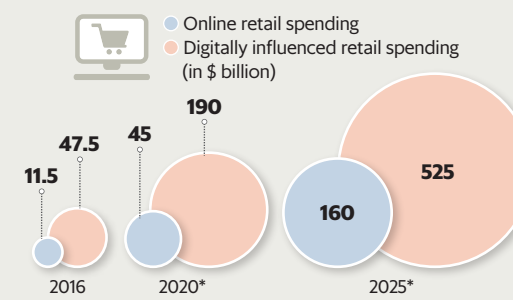
Source: The New Indian, The Many Facets of a Changing Consumer, BCG

AND SO BUSINESSES ARE TURNING TO TECH TOO

Startups are working on areas ranging from sales acceleration to analytics and AI. Globally, sales tech companies have received over $6 billion in funding between 2012 and 2016, according to CB Insights. In India, too, startups at the intersection of technology and sales have investor attention

Funds raised by Indian sales tech startups Jul 2018-Aug 2019

		Funds raised (in $)
Uniphore	13 Aug 2019	51,000,000
Narvar	28 Aug 2018	30,000,000
CleverTap	11 Apr 2019	26,000,000
Observe AI	13 Aug 2018	8,000,000
Avenue Growth	10 Jul 2018	437,000
19th mile	12 Jul 2018	180,000

Source: Trak.in

howindialives.com is a database and search engine for public data

NAVEEN KUMAR SAINI/MINT

PROBLEM, CHALLENGE & SOLUTION

Most sales leads come to auto companies from outside sites and blogs. Manual processing takes a week, time in which a buyer may pick another brand.

Bengaluru-based sales tech startup Lucep's open API embedded in the websites can capture digital leads and allocate them to dealers.

A call to a prospective buyer can go out in minutes and a test-ride can reach a customer's home instead of waiting for the prospects to come to a dealer.

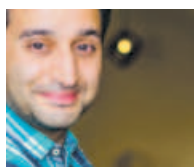# Why legacy auto companies need startups to find new buyers

> Automotive innovation used to be product-centric. Now it's customer-centric.
> **Suresh Komirishetty**
> CIO, MERCEDES-BENZ INDIA

> Online forms push leads in real time to sales persons, cutting out middlemen.
> **Moksh Sinha**
> DIRECTOR, ROUTE33

> Leads aren't followed for lack of appreciation of value or not putting a process in place.
> **Kaiesh Vohra**
> CO-FOUNDER & CEO, LUCEP

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Saying "shampoo.books.picturing" to the navigation system of a Mercedes-Benz would take you to a specific spot near the entrance of Bengaluru's Cubbon Park where Kasturba Gandhi Road intersects with Queen's Road. Isn't that easier than keying a precise location into a GPS-enabled device?

London-based startup What3Words has mapped the world into 3x3m squares that correspond to GPS coordinates. Each square gets a unique address comprising three words from the dictionary, and it's available in several languages. Multiple businesses use it for car navigation, e-commerce delivery, travel guidance, emergency response, and so on. Your friend could message you the three words, a business could print it on a card, or you could just find the three-word address on a map in the app.

The first automobile manufacturer to adopt it was Daimler, which integrated the What3Words app into the Mercedes-Benz navigation system. This is one of new ideas that emerged from the German carmaker's Startup Autobahn programme to partner with startups for "open innovation."

"Automotive innovation used to be mostly product-centric and internal in the past. But now the scope for customer-centric innovation is opening up dramatically as the hype cycle of digitalisation matures," says Suresh Komirishetty, who led the Startup Autobahn programme in Singapore before moving to India last year as CIO of Mercedes-Benz India.

"Digitization and technology touch every part of a customer's journey from experiencing product information online and booking a test-drive to post-sale services," Komirishetty says.

MATCHING IDEA AND INDUSTRY

This broader range of innovation is driving the need to work with startups. But new challenges also arise. Apart from the difficulty of matching an industry requirement with an externally sourced solution, the corporation may have to rope in venture capital companies for funding or pull in other stakeholders who will help the startup build a sustainable business.

"We realised we had to go the extra mile while working with startups, unlike working with a typical vendor," says Komirishetty. The Startup Autobahn programme created three tracks: the first involves young startups who show potential but need lots of support; the second one sets out problem statements and identifies startups that can tackle them; and the third track is for mature startups whose ideas just need fine-tuning. Startup Autobahn also brought in a partner accelerator, Plug and Play, which helps run open innovation programmes by bringing startups and corporations together.

Digitization and technology now touch every part of a customer's journey from experiencing the product to post-sales services RAMESH PATHANIA/MINT

In spite of this level of institutional commitment, challenges run deep. Sales tech startup Lucep, for example, already had a revenue-earning solution in other industries like banking and insurance when it came into Startup Autobahn. Capturing customer behaviour from digital channels and sending leads to sales people was "very useful" for Daimler when it tried it out in its Singapore dealership network. And yet, it took time to roll it out across the organisation in other markets.

"When I look at it independently, the idea is brilliant. We have to work within a micro-services environment, and it's a perfect fit from that context," says Komirishetty. "The challenge is in integration."

One dealer was excited by what it could do for sales, but was worried about opening up customer data to competitors, he explains. There can also be an overlap with internal innovation initiatives.

CAPTURING CUSTOMERS

"Online forms push leads in real time to the app which routes them to sales persons automatically, cutting out middlemen. Customers can be contacted 'in the moment' when they're excited about the product," says Moksh Sinha, Director of Possibilities at digital marketing agency Route33, which is helping a bike brand implement sales tech software.

The effects of analytics have become increasingly apparent to dealers, agencies and brands, especially in the last three years with all stakeholders becoming more result-oriented with everything they do online. Companies that help with actionable insights from their digital tools are correspondingly gaining in demand.

Indian startups in the automotive space have attracted $1.37 billion this year to date, significantly higher than the $812 million raised last year, according to data tracker Tracxn. What's more, leading Indian brands like Mahindra, TVS, and Hero MotoCorp are at the forefront in not only engaging with startups but also investing in them.

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