

Conversica Backgrounder

Conversica is the leader in AI-powered business conversations and the only provider of AI-driven lead engagement software for marketing and sales organizations. The flagship Conversica® AI Sales Assistant helps companies find and secure customers more quickly and efficiently by automatically contacting, engaging, qualifying and following up with leads via natural, two-way email conversations. Conversica is used by more than 16,000 salespeople worldwide to optimize sales team productivity. Recognized by Gartner as a Cool Vendor, Conversica is a portfolio company of Providence Strategic Growth, Kennet Partners and Toba Capital and is headquartered in Foster City, Calif.

Market overview

At the broadest level, Conversica can be placed into the business-to-business (B2B) sales and marketing automation software market. However, the company's product is much more specialized than the likes of Marketo, Pardot, Eloqua and others, focused on sales conversion management.

Marketing and sales automation is a high growth market. According to Sirius Decisions, the adoption of marketing automation technology is forecasted to increase by 50 percent by 2015¹. Focus Research states that over the past five years, marketing automation has been the fastest growing customer relationship management (CRM)-related segment in the marketing automation market¹.

The adoption of marketing automation tools continues to increase as businesses seek to automate the time consuming task of qualifying the deluge of Internet generated leads that pour in by the thousands per month. Gartner Research forecasts that by 2020 business/customer relationships will be managed without ever speaking to a human¹. Other research statistics published on hubspot.com reveals the promise of marketing automation for lead management and nurturing in terms of increased sales and revenue, as well as gains in sales team efficiency:

- Businesses that use marketing automation to nurture prospects experience a 451 percent increase in qualified leads. (Source: The Annuitas Group)¹
- Companies that automate lead management see a 10 percent or greater increase in revenue in 6-9 months. (Source: Gartner Research)¹
- 46 percent of marketers with mature lead management processes have sales teams that follow up on more than 75 percent of marketing-generated leads. (Source: Forrester Research)¹
- 25 percent of marketers who adopt mature lead management processes report that sales teams contact prospects within one day. Only 10 percent of marketers report the same follow-up time without mature lead management processes. (Source: Forrester Research)¹

Current solutions

Marketing automation systems like Marketo, Pardot and Eloqua can help enterprises generate demand and determine a lead's value through scoring. These systems also do an excellent job of pushing information to high scoring leads in an automated nurturing track via email blasts, drip campaigns, and other one-way communication. Unfortunately, the recipients of these auto responder generated emails often end up in spam folders or are unopened. Even if a prospect reads the email, there is no way for the prospect to send a personalized response or question to the auto responder system. As a result, sales teams are missing opportunities to connect with truly interested prospects because they face the following challenges:

Connecting

- 1 in 5 emails never make it (Source: Return Path)¹
- It takes 8 cold call attempts to reach a prospect (Source: Ovation Sales Group)¹
- Only 2 percent of cold calls result in an engagement (Source: LEAP Job)¹

Engaging

- 79 percent of marketing leads never convert to sales (Source: Marketing Sherpa)¹
- Only 12 percent of salespeople make more than 3 contacts; but 80 percent of sales are made on the 5th to 12th contact (Sources: AA-ISP, Mind Capture Group)¹

Qualifying

- 61 percent of B2B marketers send every lead to sales; only 27% of those leads will be qualified (Source: Marketing Sherpa)¹
- Only 25 percent of leads are legitimate and should advance to sales (Source: Gleanster)¹

Follow Up

- After 48 hours, Conversica polled 273,000 leads and found 27 percent had not received a call or information from a sales rep

While lead scoring is a great way to measure a prospect's propensity to buy, it cannot determine intent. The reality is that it takes days and weeks for a sales team to actually connect with the prospects that outreach campaigns generate to determine intent. By that time, sales staff has probably moved on to other leads.

For example, a visitor to an enterprise website may register with a name and email address to download several technical white papers and other online collateral. The marketing automation software collects this data and assigns a high lead score to that prospect. The drawback, however, is that the lead score is based only on the prospect's action. There is no way to know if the prospect is a qualified decision maker getting ready to make a purchase, or perhaps just a graduate student doing research. Because leads are not truly qualified, sales staff cannot sort and prioritize their follow up and have to treat every lead the same. As a result, they spend countless hours chasing dead leads with no intent to purchase.

Sales conversion management: The missing piece of the sales automation cycle

Sales conversion management focuses on the most critical stage of the sales cycle – when a lead decides to take action and intends to make a purchase. However, while the introduction of marketing automation software in the 1990s eliminated manual processes for demand generation campaigns – and liberated sales teams from making hundreds of cold calls or emails to prospect for new leads – the paradigm of automation grinds to a halt in the sales conversion phase of lead management.

Marketing organizations are using marketing automation tools like Marketo, Pardot, and Eloqua to push thousands of leads out daily to sales, but quantity does not always add up to quality in this case. Marketing automation tools do not give marketing the capability to truly qualify the intent of each lead. Although marketing automation providers often claim the ability to qualify leads, the information they can gather is limited since the tools do not enable a personal, two-way communication with prospects. As a result, marketing funnels over a large volume of leads that still must be manually contacted, qualified and engaged by the sales team.

Therefore, in the sales conversion phase of lead management, salespeople must still personally – and manually – contact each lead by phone, email, or in person to qualify and nurture prospects. Sales teams become frustrated because marketing is not providing the high quality leads they expect. Yet marketing is meeting its goal of providing a higher volume of leads to sales. As a result, there is a clear disconnect between marketing and sales despite the fact that both organizations share the same goal of converting more leads to sales.

Automating the sales conversion management process is the missing piece of a complete sales automation cycle. Conversica fills that gap with an automated, artificial intelligence driven solution to help sales teams more efficiently carry on virtual two-way conversations with qualified leads and verify their intent to purchase. By adding the missing piece of automation in the sales cycle, sales conversion management has great potential to revolutionize how sales, marketing, and customer service organizations interact with prospects and customers.

How Conversica works

Until the introduction of Conversica, contacting, engaging, nurturing, qualifying and following-up with leads has been a manual, labor-intensive process. Using email messages, Conversica's artificial intelligence-based sales conversion management application is able to interpret email responses from leads and generate a natural email response that sound as if they are coming from a live human, not a computerized auto responder. The program uses a friendly, colloquial conversational style in messages that do not contain graphics or links as auto responders do.

Presented as a human persona, Conversica's software application can uncover valuable details such as purchase timeframe, desired product features and budget through on-going email interactions, all without any human involvement. As the conversation between Conversica and the lead continues, the



AI component of the platform becomes more confident in responding to repeated data or phrases, and as a result it can interpret the customer's mood or intent more accurately and determine the right time to alert sales to make a contact.

Conversica can operate as stand-alone solutions or integrate with CRM systems such as Salesforce. Conversica also nurtures and qualifies leads generated by marketing automation systems, such as Marketo, Pardot and Eloqua, as well as leads from promotional campaigns. When initial interest changes to intent to purchase, Conversica alerts the sales rep and hands off the hot, prequalified lead to sales for follow up.

Ideally, Conversica should be used and integrated with CRM applications and other marketing/sales automation solutions.

For more information

Conversica has published a white paper describing sales conversion management and the advantages of using an artificial intelligence-driven solution alongside CRM applications such as Salesforce.com and marketing automation solutions, such as Pardot, Marketo and Eloqua, to create a completely automated, end-to-end lead management solution. A complimentary copy of the white paper, "*The Missing Piece: How Artificial Intelligence-Driven Lead Management Enhances the Value of Marketing Automation Tools*," is available at www.conversica.com/missing-piece.

1. <http://www.hubspot.com/marketing-statistics>

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