



COFFEE WITH
CLOUDWERX
EPISODE 4: **KONSTANTIN BAYANDIN | TOMI.AI**

00:00:01

Betsy

All right. We're all set up. So great to be with you, Konstantin. Actually, out of all the Coffee with CloudWerx interviews I've done, you're the only person I've met in person!

00:11:06

Konstantin

Oh, really? Yeah, several times!

00:14:23

Betsy

Exactly. So it's a treat to see you again and spend some time learning about you and your background. As well as Tomi.ai and understanding the company's evolution – where you guys have been and where you're going. So I can kick it off with a quick intro. I'm Betsy Reed – CRO and co-founder of CloudWerx. Just give me an overview of who you are, your background, and your history.

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Konstantin

So I'm Konstantin - founder and CEO of Tomi.ai. I used to be the CMO of a large e-commerce company in Eastern Europe. I helped it grow six or seven times its size while I was at the company. We used many data-driven, and predictive analytics approaches applied to marketing to slice and dice the data. Then I moved to work at Compass, the real estate broker in the United States. I was in the paid acquisition and marketing technology team there. Within the first two weeks on the job, I realized how hard it is to do digital marketing in real estate. The industry's key challenge is long sales cycles. So much time passed from the first website interaction to the actual business transaction, such as buying a house or an apartment. Weeks, sometimes even months passed. You can't optimize your marketing or online sales toward that postponed conversion.

That was my aha moment. I realized I could apply my experience and knowledge in predictive analytics and predictive marketing. So I started Tomi.ai. Tomi is already three years old and growing well. We're in the seed stage, and we have an excellent team. We've also expanded beyond real estate. Any customer with a long sales cycle can benefit from our predictive marketing approach and use Tomi.ai as a platform to make their growth more profitable.

02:34:06

Betsy

So talk to me more about some of the challenges or problems you saw in marketing and how you solved for them in these longer sales cycles? And how does Tomi.ai differentiate and support customers in those industries?

02:50:09

Konstantin

So it's about how we market ourselves. We've got a really fresh idea of how to approach the problem. So our company is used to help businesses to optimize ads. We're focused on targeting – how to identify the audience and narrow your ad spend to a certain group of people with specific characteristics. We teach how to do beats in a better way.

03:25:15

Konstantin

The idea that we exploit in Tomi.ai is that you don't need to do the work of Google and Facebook by yourself. Google and Facebook already have intelligent bidding technology that allows us to bid automatically. That strategy works amazingly well for e-commerce, where the transaction cycle is brief. It's merely hours or days, and it's entirely online. Nothing happens offline. Also, the conversion rate is quite frequent, meaning the share of website users who will eventually buy something from you is high enough. With that feedback loop, you can leverage smart bidding campaigns in Google or Facebook.

But you cannot do that in long cycle business like real estate, banking, insurance, or B2B SaaS because you need those three things I mentioned. Your conversions take too long to convert, they are happening offline, and the conversion rate is too low.

So our idea was, "Okay, let's somehow convert this long-cycle business into an e-commerce-like business." To do that, we use predictive scores and calculate those based on the behavior of the potential buyers on the website. The truth is that if someone is genuinely interested in buying a product or service, they will behave differently on your website. They'll go places where window shoppers will not go. They will stay longer on the website. They'll use some aspects of the website to learn more about the product and/or the service that the website is selling. All this granular behavior of website visitors on our customer's websites can reveal the buyer intent.

Tomi.ai calculates that buyer intent in real-time as a predictive score and allows marketers and sales teams to optimize their effort toward that predictive goal.

So this is a really new idea. When we started three years ago, there wasn't anyone on the market doing something like this.

05:48:20

Betsy

I love that explanation. One thing you share with many of our other customers is that you are forging a new path; trailblazing. I'm sure you get the question, "who are your competitors." And you can say, "Well, here are some with similarities," but it's an exciting position to say there's really no one doing what we're doing today. And that's because you're blazing a new trail. You're creating a unique opportunity for these types of businesses, which is exciting and part of the reason we love working with these movers and shakers.

I love this idea of the predictive index to focus sales team efforts. One of the biggest demotivators of salespeople that I've ever observed in my career – and I've worked with hundreds, if not thousands – is following leads that go nowhere. Pursuing leads that will never result in a sale will take a salesperson who couldn't be more passionate about winning that deal and at the top of their game to be wholly demotivated overnight. So Tomi.ai specifically supports salespersons in effectively focusing their efforts. I would love to hear some of the positive feedback you're getting from customers about its impact on their organization, sales team, and conversion rates. Please give me some insight into what they appreciate about Tomi.ai

07:30:01

Konstantin

Yeah, I'm glad you're talking about the lead scoring part here because Tomi.ai is not just, you know, a single product and optimization, Google and Facebook. That's how it started three years ago, but we have already expanded into more product application use cases. One is lead scoring, and the other is predictive attribution modeling. We are building a predictive marketing platform with many more applications that are so common for e-commerce companies. Still, long-cycle businesses couldn't use them because they needed a strong online signal to optimize for. Getting back to the lead scoring, it's pretty common in B2B area, right? But B2C companies didn't have that luxury. If you're a bank or an insurance company or a SaaS company selling an expensive product for single users, there was no easy way for you to accomplish lead scoring. But you still need to prioritize your sales if, as you said, a lot of your leads are not converting. That's why the realization that the behavior of leads on the website before they submit the lead is actually a really good predictor of their buyer intent, and you can use it to score the leads. We're trying to turn it upside down, and we want to attach a predictive score with the propensity to convert for every lead our customer collects from the online lead gen. And we use this score to prioritize their efforts. Our lead-scoring product has the highest demand from our current customers.

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Betsy

Talk to me about the decision to use GCP. What has that meant for your company? And what are some of the elements or applications of it that have been really beneficial to you guys?

09:33:06

Konstantin

Awesome question. Marketers (and I'm a marketer myself) are usually big into Google Cloud because if you do digital marketing, you use Google in some capacity. So our solution is built entirely on GCP with the involvement of BitQuery and BitQueryML.

It's really convenient to have BitQuery under the hood because we can share all the databases with our customers, and they can query the raw data we are processing by themselves.

10:20:09

Betsy

Awesome. Sounds like it was based on your background, and I have a background in Google ads as well. Of course it's a no-brainer that you'd use GCP as they are the masters of marketing, right? Anyone that knows digital marketing knows that's the number one. You always need to make sure you have a presence on Google.

Well Tomi.ai and CloudWerx have been working together for a while now and I would love to know from your perspective as a founder and one of our customers, what are some of the elements of working with CloudWerx that helped you be successful? Why work with a partner like CloudWerx? What are some of those aspects that drew you to work with us?

11:10:01

Konstantin

Yeah, so great question. I love working with you guys. The most important piece is quicker feedback. When we have a question directed to Google, we are probably too small for them to reply promptly. But whenever we ask you, you are always here to help and solve our issues immediately.

From time to time, we need some channel to communicate with Google directly, and it's much easier to do it through you. A perfect example; I tried to get into the Google for Startups program for quite some time. I tried different doors, even windows, and only with the help of our CloudWerx account manager, Nolan, could we reach out to the right person inside Google and apply for the program. And the Startups program took us and has opened up many opportunities for us.

12:18:18

Betsy

That's awesome. We try to do our best to not only supply you guys with what we call the "red phone," meaning 24/7 support, but also educate you on the different opportunities, whether those are programs, funding opportunities, or credits. Of course, with technical resources as well. So I'm delighted that that worked out, and congratulations on getting into that program, too. So a couple of more fun questions. Tell me something people wouldn't usually know about you or be able to gather just from reading your LinkedIn.

12:54:09

Konstantin

So I'm actually a theoretical physicist by education. So I used to be the kind of scientist that studied the world and tried to invent a theory on how it operates. I used to specialize in quantum computers and quantum entanglement, this crazy, funky view of our world. I wanted to do something more practical and business oriented at some point. That's when I shifted to become a founder and business owner. So I used to read the theory for everything. If I saw something, I needed to read some hypothesis on why it is the way it is. It helped me have peace of mind and know there is no magic in the world. There's just hard work and persistence that will bring you where you want to go.

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Betsy

That's a great philosophy, and I agree entirely. I also need to understand how things work and the intricacies and then devise and execute a plan. And I think that is ingrained in entrepreneurs because you have to be curious, and then you have to understand how to turn that curiosity into a plan, execute it, and stay really determined.

This has been excellent. I've so enjoyed learning more about the background of Tomi.ai and you, Konstantin.

14:29:04

Konstantin

Yeah. Thank you, Betsy.

14:31:06

Betsy

Yes, you too. Thank you.

14:32:18

Konstantin

Bye bye.