

BY VIVIEN SHIAO

HUNGER FOR GROWTH

Chope founder and CEO Arrif Ziaudeen is ready if you're thinking of stealing his lunch

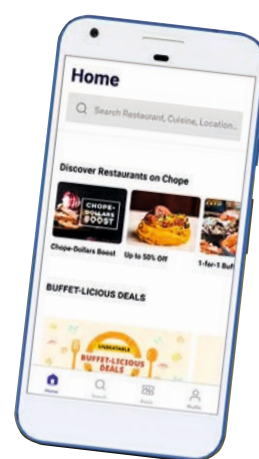


PHOTO: ONG WEE JIN

STARTUPS are known to come and go in this fast-paced world where they either grow exponentially or drop out of the race just as quickly. This makes home-grown restaurant reservation site Chope – started in 2011 – one of the few that has stood the test of time. After all, eight years is certainly no mean feat in the startup circuit.

Now with 200 employees and over 4,000 restaurant clients in seven markets, the startup is going places, literally, with plans for further growth ahead. Chope's revenue for 2018 stood at S\$19.5 million, almost doubling from the S\$10.4 million recorded a year ago. Founder and CEO Arrif Ziaudeen says that the company is on track to double its revenue again this year. He shares what the startup's plans are and how it intends to compete with other players out there ready to steal its lunch.

Having formerly worked in management consultancy and private equity, Mr Ziaudeen – who studied law and also has an MBA from Stanford – did not start out wanting to be an entrepreneur. In fact, his entrepreneurship journey with Chope was by chance rather than one that was planned.

At that time, he saw various issues in the food and beverage (F&B) industry, such as the inconvenient reservation process where customers were subject to certain hours to call, during which they had to put up with busy phone lines or harried waiters juggling multiple duties. There was also a lack of aggregator platforms where people can suss out places to eat.

"I saw the problem as a user first before I could think of it as a career or a business," he explains. "I just felt that restaurants were falling behind in terms of the digital wave that was sweeping over other businesses . . . I just wanted to figure out why out of intellectual curiosity."

That led him to start talking to other restaurant owners and looking at what businesses around the world are doing to solve this challenge. And that was when he began to "fall in love" with the problem, in his own words. What started out as an after-work project soon birthed into a real business.

Chope today is known for its restaurant reservation platform, but that is not all it does. It provides a suite of tech solutions for restaurant owners to increase efficiency and productivity in areas such as reservation management, marketing support and analytics.

Since its launch, it has received over S\$35 million in funding from venture capitalists and Singapore Press Holdings, owner of *The Business Times* and *The SME Magazine*.

"If you look at where we are today," he says. "It's a very different company." He describes Chope's beginnings as a "classic scrappy startup" – it did not even have an office at the start. He recalls, with a chortle, how the team would camp out in someone's apartment to work.

"It was a situation of trying to solve a million different issues we haven't foreseen," he says. "But it was really fun because we were trying

PHOTOGRAPHY: CHING, GREENPLASTICSOLDIER; STYLING: DOLPHIN YEO; GROOMING: EILEEN KOH @ HAIRPHILOSOPHY USING KEVIN.MURPHY AND MAC; WARDROBE: T-SHIRT BY BOSS; JACKET AND PANTS BY ALFRED DUNHILL; SNEAKERS BY BOSS



new things together as a team . . . we just cared about solving a problem." He spoke wistfully about the days when they could kill ideas over a coffee, or launch an idea in hours.

But as the company continued to grow over time, he acknowledges that the challenge now is to retain that same agility, hunger and passion. At the same time, it needs to ensure that it has the underlying infrastructure and processes to run smoothly and efficiently.

Chope had doubled its headcount in the last year alone – from 100 to 200 – as it continued its rapid expansion. As a physical manifestation of the astronomical growth of the startup, Chope has moved several times as it outgrew its space – from working from someone's apartment, to an office space at Orchard Towers "just above the action", to a shophouse at Tiong Bahru and then to another at Purvis Street. It finally moved to Shaw Towers in September 2018, where it is occupying an entire floor. Not only has Chope expanded in Singapore, it has also fanned out into other cities in Asia, such as Hong Kong, Bangkok and Jakarta.

As the startup evolved, Mr Ziaudeen also recognised that what it takes to run a company also needs to change. "Instead of inspiring just using the problem, we now need to inspire using the culture," he says. "The journey from that moment of 'let's try it out' to where we are today has been the greatest learning experience of my life."

CHANGING MINDSETS IN F&B

According to Mr Ziaudeen, the F&B industry is one that is ripe for disruption. "F&B operators tend to be SMEs, and in our experience, we see a very common mindset which is to just focus on the food and the restaurant itself, and less on technology," he notes.

Chope, coming in as a disruptor in the F&B space, aims to educate the restaurants on the benefits of technology and how it can help them. The conversation begins with understanding their problems on a deeper level, so that they can offer them solutions that are suitable for their business, he explains. Not every restaurant is the same.

"It's not a matter of 'here is what we have, take it or leave it,'" he adds. He believes that this consultative approach with restaurants is what helps Chope stand out from its competitors. As people working in restaurants also tend to be less technologically-savvy, it is crucial for Chope to create a product that takes into account the

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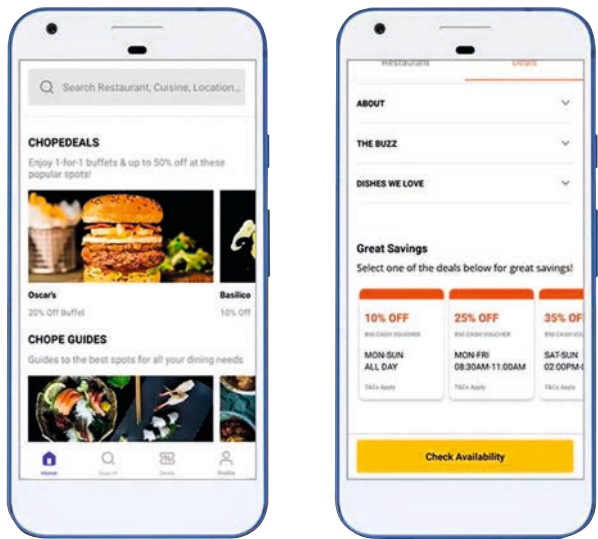
– Arrif Ziaudeen, founder and CEO, Chope



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fast-paced environment and the type of user. “We always think about what restaurants want, and we build our technology around that,” he says. “We invest a lot in that – I don’t just mean money. A lot of blood, sweat and tears go into building a product that is suitable for customers.” Chope’s business model consists of two main revenue generators. The first is related to

the above, where the startup helps restaurants with their technology needs by offering a software as a service for a monthly fee. The other is when people make reservations or buy a voucher to the restaurant, from which Chope either gets a cut of the deal or a booking fee. Mr Ziaudeen describes it as a “success fee” based on the number of diners that use the Chope platform. “Our revenue correlates with the results we generate for our restaurants,” he says. On the product side, it introduced discounts and promotions for users to dine at off-peak hours late last year. He says that the business is seeing a “huge uptake” in these deals, which benefits both the diners as well as the restaurants, which previously had to struggle to fill seats. The startup is also working with various partners to boost its growth. Most recently, Chope tied up with China-based lifestyle service platform Meituan-Dianping to leverage on the boom in Chinese tourism across its markets in the past few years. Through the tie-up, Chinese tourists are now able to make restaurant reservations at the 500 Chope restaurants featured in its current phase of the partnership, with plans to increase this to 2000 by July 2019. Chope is also pressing forward in the digital front. Some of its latest developments are related to its data analytics capabilities, which allows them to better meet the needs of its customers through customised content. For example, the same Chope app would display a different order of restaurants for different users, based on the individual’s last visited restaurants. “You’ll be surprised at the difference these algorithms make,” he says. In the short to medium-term horizon, he hopes to get to the stage of customised newsletter content for users. He emphasises

that data security is a key priority for the startup, adding that the data generated is never shared with third parties or sold elsewhere.

CHALLENGES

Even as the startup continues to pursue growth, Mr Ziaudeen is conscious that there is a need to build a sustainable company right from the start. “Even with the right product market fit, too often, startups in general chase growth at the expense of sustainable economics,” he says. This could be in pursuit of vanity metrics, which he firmly eschews despite external pressure. Impressively, the startup is now profitable in Singapore, even as the rest of its fledgling markets still need some time to catch up. Mr Ziaudeen estimates that it would take about four years for the group as a whole to be in the black. But Chope is not done with growth, even with its track record so far. “I would also expect that we would continue to find new areas to invest in, so it’s not like we are done,” he says. “There’s always got to be more growth.” In the near future, he is looking to continue expanding in South-east Asia, where he sees “a lot of potential”. “The next few months for us are really about tightening our execution in the cities that we are in,” he says. “We are investing heavily in newer markets like Thailand, Indonesia and Hong Kong, and we are seeing great results from these markets in the last few months.” But he notes that there are still challenges ahead for the startup as it navigates new territory. According to him, there is an active ecosystem where there is a lot of funding for early-stage startups. But once these startups hit the growth stage, it becomes a bit “thinly-funded”, he says. In South-east Asia, the ecosystem also seems to lean towards brand name startups which raise billions in venture capital, which ends up crowding out others in the industry. The second challenge has to do with its people and culture as the company scales up. “We fought really hard to get here,” he says. “We took on challenges that people thought were crazy. We don’t want to stop that. That culture of a startup – we want those qualities in each and every one of the 200 people and more.” One goal that the company is looking at is to make Chope a fun, engaging and authentic place to work. With the headcount doubling last year, the company is in a new phase where employees are settling down and getting to know each other better, says Mr Ziaudeen. This comes at a time when a brand refresh is in the works, and the startup is suddenly faced with the existential question: Who are we and what do we stand for? “It’s more than just building a great product or a new logo. It’s about people,” he says. “We stand by having passion in your life and grabbing life by the horns. That is the power we have – we bring you out to connect.” ■