

A Darren Somsen White Paper

275 S. Valley View Drive, A201
St. George, Utah 84770
801-414-7319
dasomsen@gmail.com

Raising The Brand:

ListFusion, from conception to maturity

By: Darren Somsen, V.P., Marketing & Sales



In the direct marketing industry, consumer and business database owners' contract with list managers to market and rent mailing lists. List managers in turn hire service bureaus (computer services) to maintain these files and distribute all or a portion of the data to various renters. In 2004, Direct Solutions generated 90% of its income from a single client, controlled by one list manager. There was a reason to be concerned.

BACKGROUND

In June 2004 I joined Direct Solutions as V.P., Marketing & Sales. In a small industry, Direct Solutions was one of the smallest service bureaus. CMP Media, Direct Solutions primary client, was losing subscribers, its list rental volume was decreasing, and its list manager's president had just retired. I had accepted the challenge of increasing sales for a minor player in an industry beginning to see a rapid change in how data and information would be exchanged.

Direct Solutions pioneered a web-based solution allowing the list manager to run a count and transfer data electronically. This reduced the list rental process from five days to a few hours. The owner named the product *ListFusion*. Although revolutionary at the time, due to lack of marketing and branding, very few people were aware of Direct Solutions or *ListFusion*.

DISCOVERY

Upon joining Direct Solutions the owner and president stated, "We typically only keep a client for three to five years." I found this statement disconcerting, as a company providing a good product, price, and service should not lose clients at that rate. In addition, the current client was responsible for 90% of corporate revenue, and the relationship had been in place for four years. The potential loss of this revenue could force Direct Solutions out of business if additional clients were not secured quickly. To this end I identified several challenges:

- Within the direct marketing industry there were over twelve companies doing business with "direct", "solutions", or a variation upon both,
- Direct Solutions was not a member of the Direct Marketing Association,

- Direct Solutions had not conducted any advertising (print, email, or direct), nor participated in any trade shows,
- There were no current corporate brochures,
- The web site had not been updated in several months,
- Staff were focusing attention on creating new products or services and neglecting the current offering,
- The client lead database was three years out-of-date.

I recognized we quickly needed to create a cohesive brand, a short, mid, and long-term marketing plan, and dynamic exposure before the right audience. To maximize “brain share”, Direct Solutions had to make a significant splash at the Direct Marketing Association’s annual conference.

BRANDING



Following my recommendations, the company president agreed to rebrand *Direct Solutions* to *ListFusion*. ListFusion was more indicative of the company’s services and unique within the Direct Marketing Association.

Due to the ethereal nature of “computer services” and what would become known as “cloud computing”, a tangible theme needed to be created for ListFusion. The rapid progress of technology made a focus on computers out-of-date. Thousands of terabytes of data can be stored in a well-ventilated storage closet. As the product ListFusion provided was SaaS (software as a service), we focused the branding upon excellent customer service. Following thumbnail sketches of several ideas, we selected a 1950’s diner theme to drive the corporate marketing. This decision directed all aspects of branding, beginning with the logo’s four circle design, a stylized molecule symbolizing fusion.

EXECUTION

As a business-to-business service provider, we recognized ListFusion's growth depended upon quickly making face-to-face contact with key contacts within the direct marketing industry. Building upon the diner theme, branding and marketing were designed to link all aspects of advertising and promotion.

- Nearly one-thousand photos of the marketing assistants, in uniform and various poses, were archived for future use, allowing for brand consistency without overuse of any single image.
- The trade show exhibit was designed as a diner, including seating for nine in a 10' x 20' space.
- The ListFusion brochure was designed to resemble a menu.
- In place of white papers, information regarding products or successful database projects was designed as magazine articles in order to maintain the interest of prospective clients.



The 6"x9" design of the direct mail postcards were deliberately designed to stand out in the recipients' mailbox. It stood out from #10 envelopes in size and color. Although the postcards could not be mailed at bulk rate, the additional cost was outweighed by easy recognition.

The design of the pre-conference postcards always included an image of a ListFusion marketing assistant holding a slice of pie. This directly tied to the trade show exhibit "diner".

Wanting to capture the valuable time of conference attendees, we opted to serve pie, coffee and private-labeled Jones Soda in place of traditional trade show swag. As it is difficult to continue walking the exhibit floor with a conference bag, a slice of pie, and a cup of coffee, attendees opted to sit in the available booth or on the stools. This allowed the marketing assistants to greet the prospects and make them comfortable while waiting for a member of the sales team to become available. Prior to serving pie and coffee, the marketing assistants would swipe the attendees' badges for their contact information, answer general questions regarding ListFusion, and offer a brochure. The ListFusion exhibit was an oasis within



the chaos of the trade show floor. Attendees were happy to sit and talk about the company's services. As I knew from my previous trade show experiences, other exhibitors' staff would also request pie, coffee or soda and return to their booth. This was calculated as all coffee cups, napkins and soda bottles were branded with ListFusion's name and logo. It was not uncommon to find the ListFusion brand sitting on exhibit tables throughout the trade show floor.



Using the images of the marketing assistants in the direct mail, print advertising and brochures was calculated to bring quick recognition on the trade show floor. Several times during the events attendees would look at the postcard or brochure, look to the assistant, and state, "That's you!" This level of instant familiarity built a trust for the ListFusion brand. Within three months of introducing the brand, most attendees began to assume they had met ListFusion years prior. ListFusion informally was known as "the Pie Guys". This was instrumental in overcoming the mistrust often assigned to new comers within tight-knit organizations.

SUMMARY

Once prospect contact data was captured, the ListFusion team focused upon building a relationship, not a sale. This was necessitated because existing databases were already stored with a service bureau and list managers perceived it “too much trouble” to move the data. The list managers’ relationships with service bureaus were known to go back over ten years.

In addition, many databases were in their infancy, the data sources and revenue-sharing agreements still to be finalized. Building relationships with new providers allowed ListFusion to be an active partner in new aggregated databases as the participants’ suspicions regarding “giving away their data” was negated by a third-party (ListFusion) maintaining the database.

ListFusion was also responsible for changing how data delivery was priced. A (nearly heated) conversation with a client precipitated the change. With the emergence of larger aggregated databases, the volume of records rented increased while the price per thousand decreased. The client began shipping orders of 3.5 million records per month. Even on a sliding scale the cost became prohibitive in relationship to the income the list rental generated. During a telephone call, Mark stated, “Dammit Darren, it’s my data, I should be able to do with it what I want!” I replied, “Mark, you’re right, it is your data. Give me an hour and I’ll have a solution.” He was dumbstruck by my willingness to offer a solution and stated he looked forward to hearing from me. A review of the size of the database, time necessary to maintain weekly updates, programming changes, and customer support showed a substantial profit could be realized by changing the pricing to a monthly flat-fee. This was discussed with the company’s president who agreed to the change. This led to a consistent income for ListFusion and moved data services from an additional cost per thousand to a line item for the client. This change was instrumental in the emergence of numerous new aggregated databases to the market as owners could now afford to move millions of records per month at a competitive price.

The changes in name, brand, marketing and pricing structure led ListFusion to a 300% increase in annual revenue in four years. Its client base expanded over 20 times, significantly reducing the operational hazard of losing any single client. From an obscure service bureau with a single client, ListFusion grew to become the trusted computer service for numerous multi-billion record data providers.