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# Marketshare continues to grow

## Overland Park company buys a competitor

By RICHELLE TREMAINE  
Special to The Star

Lee Payne's Overland Park-based company, Marketshare Group, is positioning itself to increase its reach across the country.

Last month, the company acquired Omaha, Neb.-based Direct Response Decks. According to Payne, the acquisition makes his company the largest consumer direct-response card pack publisher in the industry. The addition increases mailings from 12 titles reaching 12 million consumers to 17 titles reaching 15 million consumers.

"This is the first time we've acquired a company with assets, personnel and facilities," Lee said.

Marketshare Group, 11020 King St., now employs 45 locally, 15 in Omaha and five in Jacksonville, Fla.

Payne said that his company was working on another acquisition but that he couldn't release details.

"Between the two acquisitions, they will represent about 25 percent growth in the revenue stream," Payne said.

According to Payne, growth represents the company's "normal mode."

"We grow every year, about 8 to 10 percent a year," Payne said. "It's something I've constantly invested and reinvested in. Staying in the lead is a function of operating."

Payne said that while there was some "fledgling" competition locally, his nearest competitor was Select Publishing of



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Lee Payne, president of the Marketshare Group of Overland Park.

Madison, Wis. Select has a circulation of 6 million consumers. Jeff Houden, Select's president, said his company's circulation was expected to climb to 8 million by year's end.

"This is a very strong, growing industry for a handful of companies who know what they're doing," Houden said.

According to the Direct Marketing Association, a trade group in New York, direct marketing sales growth from 1993 to 1998 reached 8 percent. Growth

in the next five years is projected to increase annually by 8.6 percent.

Payne founded Marketshare Publications in 1985. The privately held company became Marketshare Group in 1989. The inspiration for the business came when Payne saw "an opportunity for the development of this particular type of advertising vehicle, particularly directed toward consumers."

Payne said the name, Marketshare Group, covered

three companies.

"This is a midsize service business. We market ourselves as independent operating companies: List Managers and Locators, Marketshare Publications and Direct Response Inc.," Payne said.

The company is largely a telemarketing organization. All ads are sold by phone. Payne said ads cost \$2,000 to \$20,000 each. The card deck (card pack) business represents about 75 percent of the business and works like this: A cataloger pays Marketshare Publications to produce card packs, which have 50 to 60 offers of products information as well as a two-step direct-response piece.

Card packs are a collection of single-card marketing messages from catalogs, publications, and other products and services in a particular marketplace. Those market places include gardening, woodworking, home decorating, health and fishing.

Greg Patterson, director of sales and marketing for Rocky Mountain Motor Works in Woodland Park, Colo., has utilized Marketshare's services for six years. He said he had been involved with the card deck program, the list program and the full-service list brokerage house.

"I deal with customers every single day, and I value outstanding service. They're very proactive in their approach," Patterson said.

Currently the company does mailings exclusively in the United States. But Payne said he planned to expand to the Internet within six months.

On the Internet, Payne plans to sell more services to his existing customer base, which includes clients such as the Franklin Mint, American Express, Orvis, L.L. Bean, J.C. Penney, First USA Bank, National Geographic and McGraw Hill.