

LUMANU: AN INFLUENCER MARKETING STARTUP MAKES A BIG IMPACT BY THINKING SMALL



WANT TO GET your vacation travel comped for life? Start calling yourself an influencer, says Tony Tran, the co-founder of a digital marketing startup called Lumanu, “Have some good photos made of different exotic locations. Buy bots to get your engagement rates up. Then call up a destination marketing organization and say, ‘Here’s my social profile. I’d love to talk about you guys.’” An investment of a few thousand dollars (or even a few hundred), Tran says, “can guarantee you a free hotel stay anywhere.”

Influencer marketing—the strategy of getting social media stars to recommend a product or brand in their online content—has grown so big, so fast that it’s turned into a digital free-for-all where advertisers don’t

necessarily get what they think they're paying for. At Lumanu, Tran is breaking new ground with technology that connects companies with "microinfluencers" who can quantifiably influence behaviors beyond just likes, shares and comments.

Tran is a Milwaukeean by way of Vietnam, South Carolina and San Francisco. His parents moved to this country in 1995 when Tran was only five. Since the family was starting fresh in a new country, without personal and professional connections, Tran had to build foundations that, for some entrepreneurs in his peer group, were built in. "I couldn't just skip college and go straight into making a startup," Tran says. "I had to get my education and make some money."

After graduating from MIT with a computer science degree, Tran worked for prestigious multinational management consulting and technology companies as a product manager and business analyst. In 2013, he became employee #1 at a startup where he developed a self-learning marketing system for a major hospitality brand. This would become the seed for Lumanu's platform as Tran realized he could help companies with minimal financial resources benefit from the rising influencer marketing trend by thinking small.

Micro, in fact. With follower-bases that are tiny compared to celebrities' (<100,000 vs. > 10 million), "microinfluencers" are everyday experts in niche areas from fashion to food to travel. They have a genuine passion for their subject that followers trust, so in exchange for a generally affordable compensation, advertisers who work with them can receive benefits both intangible (a halo of authenticity, deeper storytelling, a unique point of view) and concrete: a quantifiable boost in engagement among a finely tailored audience.

Together with Lumanu co-founder Paul Johnson, Tran took his microinfluencer idea to gener8tor, a Wisconsin-based startup accelerator. They were among the 1% of 638 applicants chosen for gener8tor's 2016 class. During the six week program, Tran refined his marketing system to produce

an algorithm that takes in millions of pieces of content and then surfaces the most influential content creators for any topic. It weeds out fake influencers: as an example, Tran says he once ran analytics on an influencer whose “local” followers turned out to be from another country.

When the program ended, Tran and Johnson decided to put down roots in Milwaukee—a location that proved crucial to the company’s success. In the early days, Tran slept on an air mattress in a friend’s apartment and spent 10 hours a day painstakingly searching by hand for high-value influencers. Supportive local businesses came on board early as paying customers, which was important because, Tran says, “Being from the South, I don’t like the concept of raising a ton of money and then building something that you hope someone will buy eventually.” By giving Lumanu a shot, those first clients helped generate much-needed publicity and provided honest feedback that helped improve the company’s platform.

Because of Milwaukee’s relatively low cost of living, Tran was able to spend a full year conducting trial-and-error experiments with product solutions, pitches and sales approaches. This was key, Tran explains, because, “If you’re a company that can try as many things as possible as quickly as possible and understand what works and what doesn’t, you’re going to succeed. People say, ‘You don’t have to work 100 hours a week in the beginning and that’s true—you can honestly build an awesome company in a 40-hour work week but only you know exactly what you should build.’”

Lumanu isn’t the first or only business to recognize the value of microinfluencers, but Tran’s willingness to try, fail and pivot has resulted in industry-leading technology that sets the company apart. Beyond identifying influencers, is uniquely able to maximize the reach and impact of the content they create. “Content is only as good as the eyeballs that see it,” Tran explains. “You can have the most amazing photo ever but if you put it up on a billboard in the middle of nowhere, then it doesn’t do anything. The same thing with social media.”

Today's increasingly savvy advertisers expect a ROI that goes far beyond engagement and extends into actual performance and sales tracking. "Clients want to know, 'Are bright people even seeing this content? Are they doing anything after they see it?'" Tran says. "Those are the big questions. Lumanu's at the right spot to capitalize on them."

Is your startup tapping into power of community—and set up financially to grow and succeed? Find out how U.S. Bank could be your most valuable local business partner here.

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