

Integrated Marketing with **ShipShapes**TM



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Integrated Marketing with **SHIPSHAPES**

What Is Integrated Marketing?

Integrated marketing communication is often defined as a holistic approach to promote buying and selling in today's economy. The concept includes both online and offline marketing channels. Online marketing channels include any e-marketing campaigns or programs, from search engine optimization (SEO), pay-per-click, affiliate, email, banner to latest web related channels for webinar, blog, RSS, podcast, and Internet TV. Offline marketing channels are traditional print (newspaper, magazine), broadcast (radio and television) direct mail, public relations, in-bound and out-bound telemarketing, bill-boards and outdoor signage and of course, personal selling.

Many fail in their quest for integration because no one has been assigned or has taken the lead to set the overarching strategy and to make sure that all the programs are aligned and the elements are integrated. A truly effective program can only begin when all the diverse elements are united — only teams win.

Creating a team approach is no easy task. Success metrics for a television commercial are different than for a direct mail campaign. Interactive channels come with lots of click data that just don't exist with radio or print campaigns.

Unfortunately, advertisers have no shortage of legitimate reasons for separating traditional marketing campaigns from electronic marketing efforts. Different expertise is developed and applied in traditional marketing communication than is developed and applied in electronic or interactive communication. It makes sense, but only until we realize that both communication programs are often being developed and delivered to the same people. The person who sees a television commercial is also the same person who goes "on-line" or "surfs the Web."

In spite of this organizational and cultural schism, advertisers are under increasing pressure to look for opportunities to leverage resources across channels. If you have already invested in developing a promotion (i.e., give-aways, fulfillment), you should consider all viable ways across channels -- for example, driving traffic from direct mail piece to a web page or to an inbound call center to market the promotion effectively. Integrated marketing campaigns focus on consistent and relevant communications with customers across multiple touchpoints, i.e., any intersection between you and your audience. Whether it is a piece of mail, an ad,

Web site, sales person, store or office, touchpoints are important because customers form perceptions of organizations and brand based on their cumulative experiences.

More marketers are looking at integrated marketing campaigns as the silver bullet for driving business. If used effectively, integrated marketing campaigns will increase response rates, market awareness and revenue, and maximize profits. To take advantage of these opportunities, a new approach to the development of marketing communication messages and incentives is needed, according to one of the foremost authorities on integrated marketing, Professor Don E. Schultz, Ph. D., Professor (Emeritus-in-Service) of Integrated Marketing Communication, Northwestern University. Professor Schultz is author of ***The New Marketing Paradigm: Integrated Marketing Communications***, McGraw Hill, 1994.

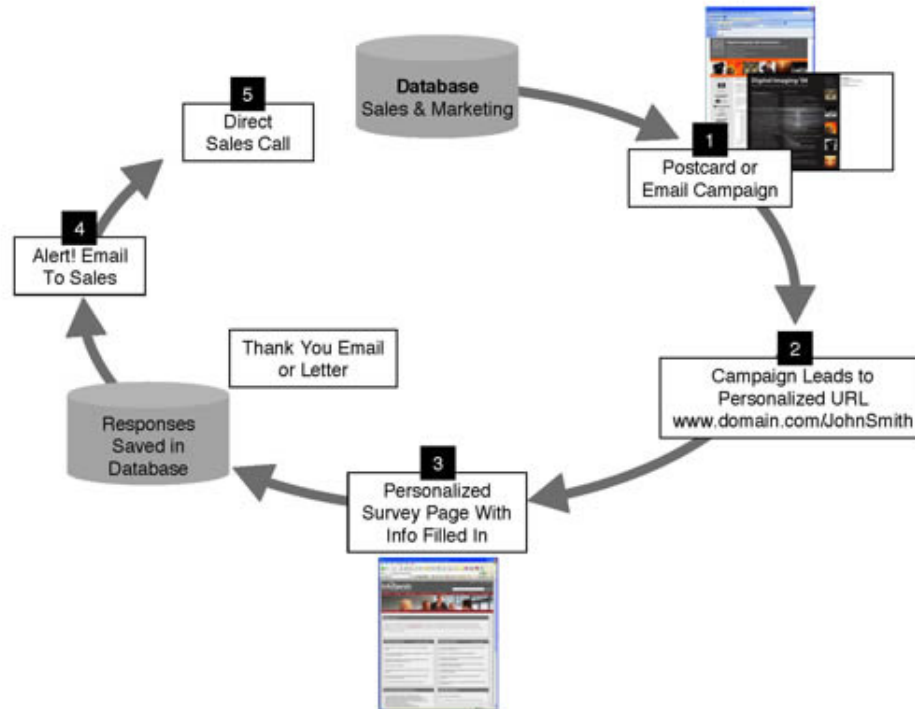
In his article, *Marketing Communication Planning in a Converging Marketplace*, (Journal of Marketing Communications, 2001), Professor Schultz observed that, “Historically, marketing communication planning has started with the development of the message, creative strategy or brand proposition. It has traditionally been assumed that the message or incentive was the most important area of a marketing communication program. But, that concept was developed for the traditional, mass communication, “interrupt the customer” media system. In the converging marketplace, a different planning model is needed as well.

“The new approach starts with how or through what system the message or incentive is or can be delivered. In other words, it starts first with what medium or delivery system should be used and then progresses to what creative or message needs to be developed. Media first, creative second.”

Direct Mail in Integrated Marketing Campaigns

A marketing campaign that integrates the web with direct mail as well as other channels might look something like this:

Integrated Marketing System: Web & Direct Mail



The foremost key to success with such an integrated marketing program is to start with a printed direct mail piece that will capture the attention of the audience. The next critical burden of any direct mail campaign is to present an offer that engages the audience and drives the recipient to the next step. Perhaps it's to direct the reader to place a phone call or go to a web site or take a coupon or gift certificate to a retail location, or simply to be receptive to a follow-up phone call.

That first hurdle, getting noticed amid the pile of mail that clutters mailboxes every day, is a tall order. Businesses send out millions of pieces of mail every day, hoping their mailers will increase business and drive up profits. Often, the response is disappointing, leaving many businesses clueless about how to improve their chances of getting noticed.

Enter ShipShapes: A Novel Twist on a Tired Medium

ShipShapes™ has helped to overcome that threshold challenge: gaining the attention of the audience. Several years ago, the company petitioned the U.S. Postal Service to establish a new class of mail specifically to allow advertisers to send unusually shaped pieces through the mail without an envelope. On August 10, 2003, the USPS created Customized Market Mail (CMM), the first new class of mail since Express Mail was created in 1977.

With ShipShapes, marketers can deliver realistic samples of their products/services into the hands of their target audience in any shape imaginable. ShipShapes has created mailings in the images of everything from motorcycles and champagne bottles to stop signs, dartboards, race cars and puppies.

ShipShapes Are Delivered Faster than 1st Class Mail

ShipShapes are the result of a collaborative effort between the company and the Post Office, which announced the launching of CMM with the press release:

Unleash your creativity and stand out in the mailbox

The United States Postal Service® is changing the way businesses “do mail.” Customized MarketMail™ service is a new Standard Mail™ option that allows you to test your creativity and send a truly dimensional mail piece of any shape or design. So, you can empower your marketing message and reach your customers with unique formats that demonstrate your product and encourage responses.

A key aspect of the current USPS process for handling ShipShapes is the provision that they be drop-shipped to the appropriate Delivery Destination Unit (DDU), or Post Office, of which there are more than 35,000 throughout the United States. While this adds to the postage cost of a ShipShapes mailing, it also ensures that the pieces will be delivered within 2 to 4 days. This feature further sets ShipShapes apart from conventional direct mail, which may take two to five weeks to complete delivery. With ShipShapes, there is no such lag time; instead, a ShipShapes mailing can be closely timed to precede or follow other channels of an integrated marketing campaign.

If an advertiser manages to succeed in crafting the right look for the right offer going to the right list, why tolerate erratic delivery with a three-week leeway and intentionally make the piece look like a lot of the other mail in the same mailbox? As an irregularly shaped, non-paper item, ShipShapes commands attention and is impossible to ignore or handle as just another piece of junk mail.

ShipShapes: The First Four Years

In the four short years since we introduced the first ShipShapes, there has been a growing buzz about its amazing impact and results. ShipShapes have done as much or more than any magic bullet advertisers have long prayed for.

Yet, ShipShapes haven't spread like wildfire, as you might expect from a magic bullet, for two reasons. First, we're still educating the marketplace, because most advertisers still don't know about it. And many advertisers who learn about ShipShapes don't look past its cost and mistakenly dismiss it as expensive junk mail. They see that ShipShapes and junk mail have the point of contact with the market – the mailbox, and conclude that it offers nothing different.

What gets lost is that ShipShapes rises above the clutter in the mailbox because we designed it that way – to be king of the hill of mail. Advertisers who have tried ShipShapes routinely report that it commands attention on a level comparable to a personal conversation. And it engages the audience like no direct mail ever has. At two to four times the cost of conventional direct mail, ShipShapes typically delivers five to fifty times greater response, revenue and ROI.

Still, many direct marketers don't get the math with ShipShapes. It's easy to find many direct marketers who still say, "Screw the ROI," and turn cost minimization into the number one goal. They generally begin with a search for a dirt-cheap direct mail format. Doesn't matter who they're targeting or what they're selling. Cheaper is better.

There's just one hitch. There's never been a CEO who was overjoyed to hear, "That mailing bombed, but we're real proud of the CPM."

The toughest job you face as a direct marketer is reaching your prospect with your message. If you're a B2B marketer, the task of reaching top-level decision-makers is even harder because they pay people – mailroom staff and executive secretaries – to screen their mail – or your mail – depending on how you look at it. So unless your direct mail lead generation letter or postcard or self-mailer stands out from the rest of the day's mail, it won't reach the hands of your potential client or customer.

ShipShapes is changing all that. Before ShipShapes, no one ever heard of a recipient calling the advertiser and asking for 500 more copies the piece they just received, because so many people wanted one for themselves. But that happened to a ShipShapes advertiser in late 2007. ShipShapes has more and more advertisers realizing that it's not junk mail if they don't throw it out, and they're beginning to explore the implications and extent of ShipShapes extraordinary impact and how to capitalize on the added value of its impact on integrated marketing campaigns.

The second factor that has limited widespread adoption of ShipShapes is that planning and managing an integrated campaign takes more time than just cashing in on ShipShapes' higher front end response rate. ShipShapes is fast becoming a favorite tool for advertisers who are content to take the money and run.

ShipShapes is a very forgiving media, but it's not fail safe. Advertisers shouldn't use ShipShapes as a cool but expensive version of direct mail and rely on getting a higher direct response rate on the front end that will justify the higher cost. The most successful advertisers use ShipShapes because it makes a greater impact than any direct mail ever has.

ShipShapes' impact is much more like a personal contact than a piece of junk mail, and these advertisers take advantage of ShipShapes unprecedented power to capture attention and engage the audience. A few visionary advertisers have planned and designed a ShipShapes campaign that not only generates a huge direct response rate on the front end, but also delivers a huge lift in follow up phases of an integrated marketing strategy.

Examples of Integrated Marketing with ShipShapes

Krispy Kreme

The first advertiser to test the market with ShipShapes was Great Circle Family Foods, a Krispy Kreme franchiser in Los Angeles. Great Circle targeted 10,000 Orange County residents living near three store locations, with a high-gloss, nonrectangular mail piece employing an image of an open box of Krispy Kreme doughnuts (see front and back in Figures 1 and 2). The piece presented a simple, but effective offer: Buy a dozen doughnuts and get another dozen for a dime. Each mail piece included a special code that a Krispy Kreme representative keyed in to its point-of-purchase system to redeem the offer for the customer.

The campaign fetched an 8.5 percent response rate from consumers, far greater than the 0.5% to 1% response that the company was struggling to get from direct mail. Moreover, the campaign identified the customers so the company could better target follow-up promotional efforts. “These were people who fit a demographic profile that we use: mothers and families who ultimately live within a three- to five-mile radius of each store location,” explained Lisa Ducore, vice president of marketing for Great Circle Family Foods. “This was an extremely successful campaign.”

Krispy Kreme Front



Krispy Kreme Back



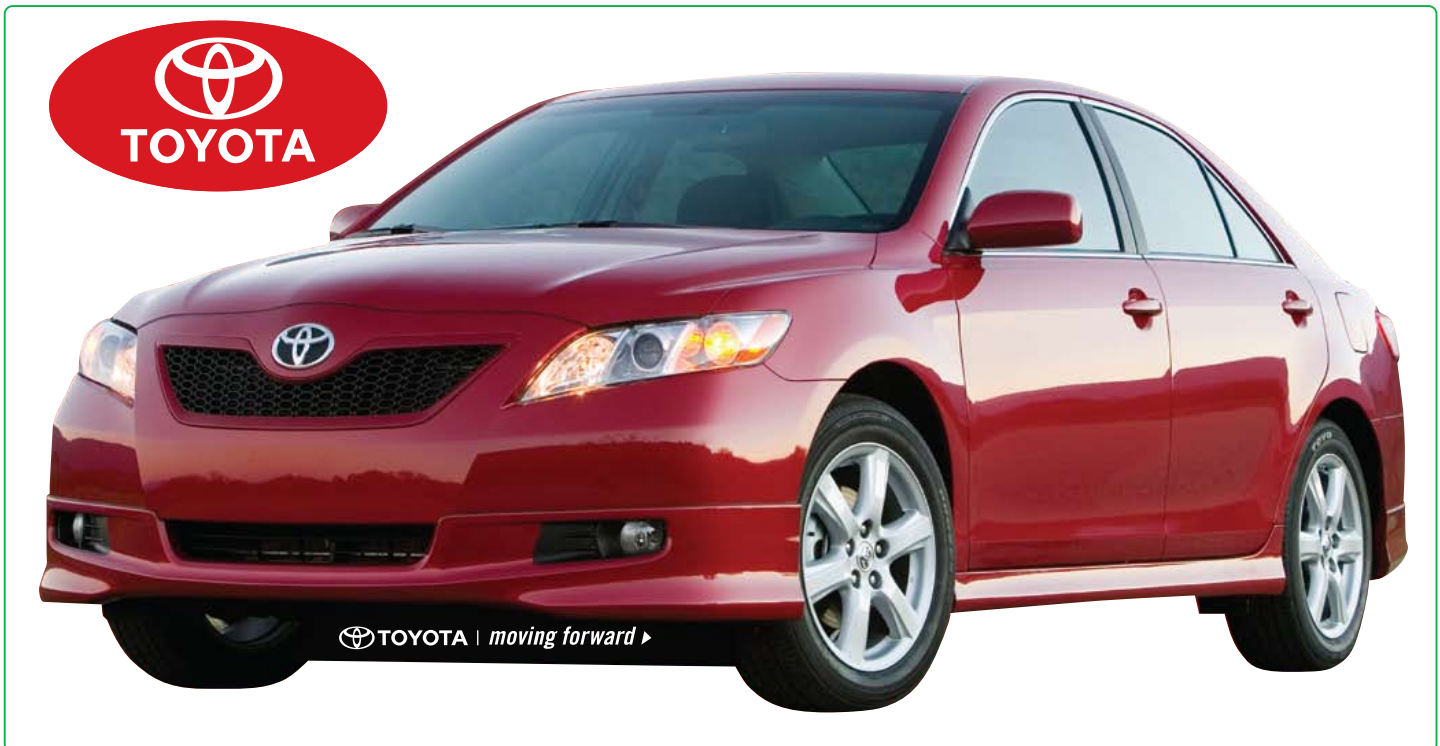
Toyota Camry

A dealership group sent a ShipShapes ClearCard™ piece to 125,118 households. The ad (see front and back in Figures 3 and 4) was directed toward previous or current owners of the make and model vehicle being promoted, a Toyota Camry. The piece leveraged the national advertising by Toyota corporate, which was heavily promoting the features and benefits of the vehicle in its print and broadcast advertising.

The call to action in the piece was to come in and test drive the car, with a new car purchase as the primary objective. Recipients were encouraged to visit their local dealer and access the manufacturer's web site for additional details.

The ShipShapes ClearCard™ piece generated almost 1,200 test drive requests and 27.75% of the test drivers wound up purchasing a new vehicle. The ShipShapes phase of the integrated marketing campaign cost the dealer group about \$100,000, and led to \$16.5 million in car sales.

Toyota Camry Front



Toyota Camry Back

THE ONLY THING BETTER THAN
YOUR **CAMRY** IS THIS ONE.



PRST STD
U.S. POSTAGE
PAID
PARK FOREST, IL
PERMIT NO. 416

THE NEW 2007 CAMRY

The New 2007 Camry has arrived at your local Toyota Dealer. The best-selling car in America has been redesigned and sets a **new benchmark in the industry.**

The result is a world-class product that offers enhanced performance, fuel economy and safety features. If that wasn't enough, the 2007 Camry offers 3 all new powertrain options, highlighted by a 3.5L V6 and Hybrid Synergy Drive™. Combined with available Bluetooth™ Technology and many exciting options, you are bound to fall in love all over again with the new 2007 Camry.

COME VISIT YOUR LOCAL TOYOTA DEALER TODAY & TEST DRIVE THE 2007 CAMRY.

Visit www.toyota.com for more details

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 **TOYOTA** | *moving forward* ▶

Manufactured by Shogunsha - Patent Pending

A Study of ShipShapes in Integrated Marketing

ShipShapes contacted a telemarketing firm about arranging a modest integrated marketing test with one of their clients. The telemarketing company located a technology provider to real estate sales brokers and agents who agreed to participate in the test.

The technology provider was preparing to mail a postcard (see front and back in Figures 7 and 8) to California real estate agents on a list he obtained of “top producers.” ShipShapes offered to mail a ShipShapes piece (see front and back in Figures 9 and 10) to a random half of the list with basically the same offer, which was to call or send an email for more information about the advertiser’s “call capture” service.

The advertiser agreed to share comparative results of the mailings with ShipShapes as well as the results of the telemarketer’s follow-up phone campaign to both lists. The telemarketer was encouraged to take advantage of the capability ShipShapes provided to place the follow-up phone calls within a day or two of delivery of the ShipShapes piece. But all of the calls to both lists were placed at the same time.

The reported results between the two mailings could not have been more divergent. The ShipShapes piece produced 400% higher direct response than the paper postcard and 1400% higher response from the telemarketing. Perhaps the most enlightening result is that the telemarketing to the ShipShapes list increased the front end response rate by 350%. In other words, if the advertiser stopped with the ShipShapes mailing and did no follow up telemarketing, he might have been gone away happy without knowing that he left 350% more business on the table.

ShipShapes RR v. Postcard RR	ShipShapes > Postcard
Difference in direct response	400%
Difference in telemarketing response	1400%
Difference in Total Response	1800%

One factor was evident in explaining the significantly higher back-end response rate from telemarketing to people who received the ShipShapes piece v. the postcard. The telemarketing firm reported that 52% more people recalled getting the ShipShapes piece than the postcard, indicating that the ShipShapes piece had much greater impact on the recipients than did the postcard.

The telemarketer offered an additional non-scientific explanation for the huge response from the ShipShapes piece. He noted that it took 18% fewer phone calls to reach the ShipShapes list compared to the paper postcard list. Based on his experience, he said this statistic indicates that the ShipShapes piece was far more effective in getting the attention of recipients and engaging them in the offer, and together with the higher recall rate, indicated they were far more receptive to the follow-up contact via telemarketing.

Figure 7



"The next generation in call capture"


- #1 Lead Generation Tool
- Unlimited Minutes & Listings
- Turns Your Listings into True Human Voice
- Dynamic Listing Tool
- No recordings, unless you want to
- English and Spanish
- MLS Integration




**SPECIAL PROMOTION
CODE : C2949**

Don't be puzzled by Call Capture!
View the Video or Enroll at www._____.com

Figure 8



- **Unlimited Minutes & Listings**
- Fantastic FSBO tool
- Invite your lender
- No sign codes
- Advertising tracker
- MLS integration
- Affordable flat rate pricing



"The Next Generation In Call Capture"

Sales : _____
www. _____ .com

Figure 9



CALL CAPTURE
RECORDED INFO
24 Hour
Real Estate & Mortgage Info

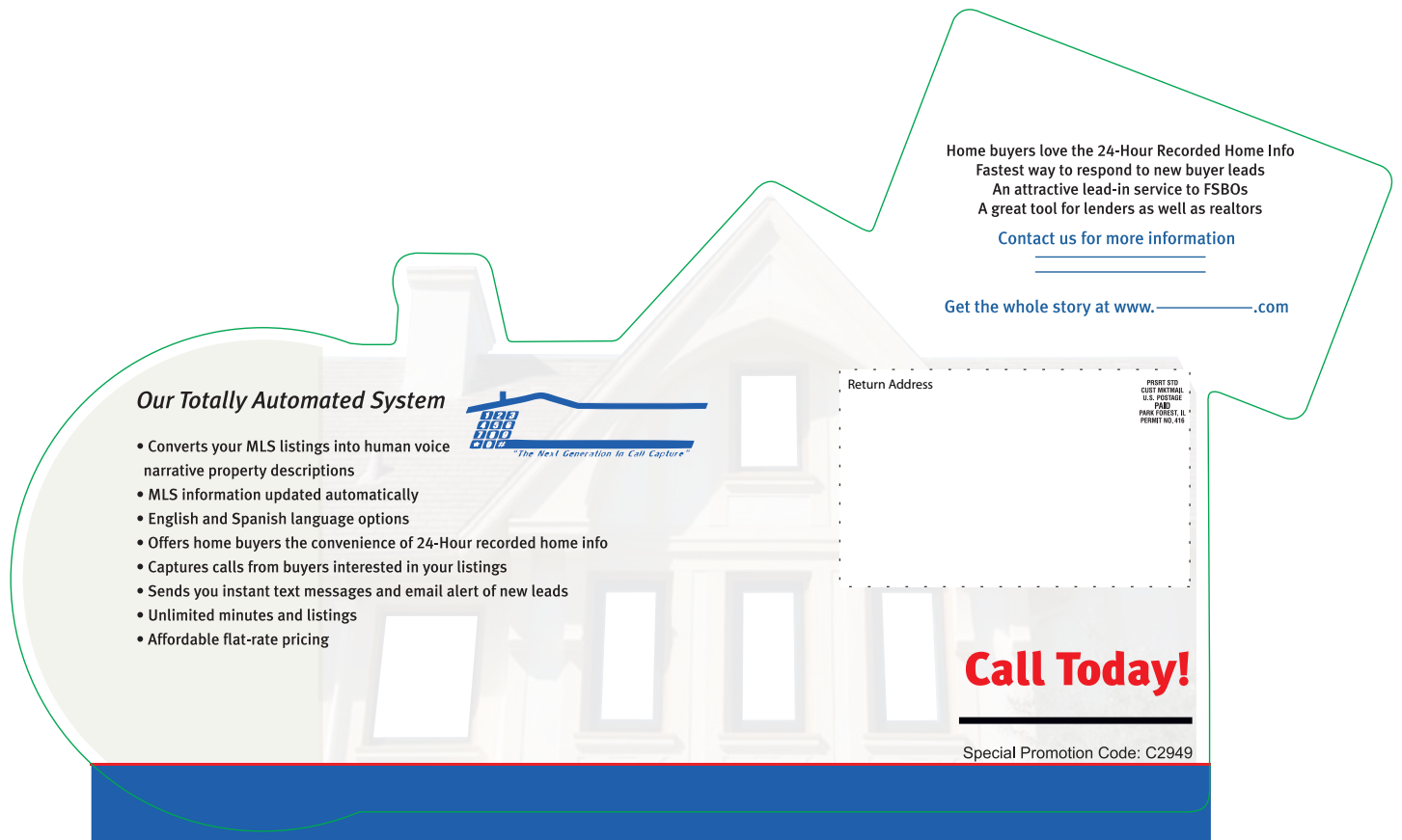
**Get more leads.
Make more sales.**

Our totally automated system converts your MLS listings into pleasant human voice property descriptions that attract home buyers 24-7!



THE REAL ESTATE CENTER

Figure 10



Home buyers love the 24-Hour Recorded Home Info
Fastest way to respond to new buyer leads
An attractive lead-in service to FSBOs
A great tool for lenders as well as realtors

[Contact us for more information](#)

Get the whole story at [www._____.com](#)

Our Totally Automated System

- Converts your MLS listings into human voice narrative property descriptions
- MLS information updated automatically
- English and Spanish language options
- Offers home buyers the convenience of 24-Hour recorded home info
- Captures calls from buyers interested in your listings
- Sends you instant text messages and email alert of new leads
- Unlimited minutes and listings
- Affordable flat-rate pricing

Return Address

POSTAGE WILL BE PAID BY ADDRESSEE
PERMIT NO. 419

Call Today!

Special Promotion Code: C2949

Conclusion

ShipShapes creates a whole new playing field for advertisers. By offering a way to make an unprecedented impact on the audience, ShipShapes presents profound implications for integrated marketing strategies that leverage the full value ShipShapes provides.