

# Hallmark Sound Cards

## Product Launch

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## Case Background

In the past few years, Hallmark Gold Crown has seen a decline in card sales. The popularity of electronic ways of communication (text messages, emails, instant messaging, and e-cards) is the most likely reason for the decline in card sales. Hallmark needed a way to attract customers in a new way, in addition to increasing card sales. They saw an opportunity to capitalize on our society's current obsession with music as well as an opportunity to improve on the "sound card" concept that had flopped in the past by other card companies.

Hallmark did extensive research in multiple areas as well as doing a pre-launch of twenty sound cards. In late 2006, Hallmark released a full line of 200 sound cards. They hired Fleishman-Hillard to do the product launch campaign. With a budget of \$200,000 Fleishman-Hillard launched "Hallmark Sound Cards: Sweet Music" to aid in the cards' success.

Research for the product launch was mostly from Fleishman-Hillard's web site. Hallmark's newsroom had a few helpful areas. Articles featuring the sound cards from The Washington Post, Wall Street Journal, and Rolling Stone provided background and support of what Fleishman-Hillard stated in their information.

## PR Opportunity

Hallmark has a great opportunity to make a new, hip name for themselves. The sound cards, as the case explains, appeal to many generations. Not only will the new sound cards revitalize the sales of current customers, but attract people that may not have been a target audience for card companies. Hallmark has a great opportunity to carry the new image of their company far into the future. The success of the sound cards is proof that Hallmark can bounce back from the sales slump they were in and create something that will lead them into the future. The sound cards could be the beginning of many new products that appeal to nontraditional audiences. The size of potential Hallmark customers would increase immensely if Hallmark continues to do innovative product

development and public relations campaigns that attract many generations, such as this the Sweet Music campaign.

## Research

Fleishman-Hillard and Hallmark did several phases of research. The first phase, product research, began in 2005 before any sound cards were produced. The main focus of the product research was the use of music as a marketing vehicle. The research resulted in two particular trends occurring among many generations. Music is a form of social expression. In today's society, music is expressed through personalized playlists, using favorite songs as gifts, and give a sense of identity. Another trend found was music is used for branding. This research was helpful because it validated what Hallmark hoped to accomplish with the new product.

The product research also included aspects of previous sound cards. The sound cards that flopped prior to this campaign did not feature songs by the real artists, they contained poor sound technology, and the range of songs were not recognizable enough to reach across generations. This research was clearly beneficial because Hallmark could learn from previous mistakes and create a product that would appeal to many generations and nontraditional audiences.

The second phase focused on audience research. Fleishman-Hillard conducted consumer focus groups, but did not specify how many or who they interviewed. However, the focus group results showed consumers believe the "wow" impact of a sound card is a motivation to purchase. The research determined the target audience for this campaign is consumers who want a fun and unique way to enhance the experience of giving a greeting card. The target audience includes both existing Hallmark consumers and new ones who are music fans.

The next phase included a pre-launch of twenty sound cards in February 2006. The preliminary results showed a broad appeal for the new product. Of those who appealed to the sound cards, 49% were current Hallmark customers and 51% were new consumers.

The final research conducted was an online consumer idea survey. The survey of 1,000 consumers, which asked what they liked or disliked about the product, had a positive response. The survey found that 91% thought the song choices were appealing and 82% indicated they were likely to purchase a sound card. The survey also found the major appeal is in the “wow” factor.

## Research Suggestions

While the four phases of research were thorough, a few additions could help the overall planning of the campaign. Past product launches would be important to study. With the card industry suffering, it would be good to look at past promotions in order to lead the sound card campaign in a forward, innovative direction. The cards are appealing to a new audience of music lovers, and will need to be addressed different than Hallmark has approach current customers in the past.

Consumer attitudes should also be included in the product research. It would find current perceptions of sound cards that Hallmark must overcome with its new and improved cards. Also, attitudes about price should be studied. The campaign can create objectives to encourage consumers to just buy the cards once, despite to higher price, to experience to “wow” factor sound adds to the greeting card experience.

## Objectives

The sound card campaign has two simple objectives. The impact objective is to raise awareness of Hallmark’s new sound cards. The output objective is to increase sales by driving traffic to Hallmark stores.

## Objective Suggestions

While the objectives were clear and simple, they lack the appropriate benchmarks for evaluation. When setting objectives, the ways of evaluating their success must be kept in mind. The impact objective should be rephrased to raise awareness of the new sound cards by 15% within the

next year. The output objective should be to increase sales by 10% by driving traffic to Hallmark stores in the next year.

As seen further in the case, there are many strategies and tactics that do not correspond with the two set objectives. Media relations should be an added output objective to correspond with the miscellaneous strategies and tactics. Securing 10 or more positive media placements in national media outlets within the next six months would be appropriate to add to this campaign.

## Strategies

The strategies provided by Fleishman-Hillard seem very comprehensive, although not all of them correspond with an objective. The first strategy was to create a sense of surprise and excitement to generate media attention, drive traffic, and attract customers. The next strategy was to leverage the product's ability to reach beyond the core target and speak to a secondary audience. Leveraging the cards themselves to demonstrate key attributes of the product and sound technology to garner media attention was used as a third strategy. The final strategy is to use Hallmark's creative staff as experts to tell the story.

## Strategy Suggestions

Leveraging the product's ability to reach a secondary audience is a vague strategy because it does not imply direct action. The secondary audience is not clarified, but is assumed to be music lovers. The strategy does not imply how to reach them. In order to reach the music lovers, the strategy should include creating a link between music and Hallmark greeting cards as the new way to communicate greetings, congratulations, birthday wishes and more.

## Tactics

The tactics for this campaign fall under two broad topics: media relations and music-related tactics. The media relations tactics included distribution of media materials with card samples, radio

media tours, and customized pitching. The card samples sent to journalists allowed the product to sell itself. Upon opening, the journalist would experience the “wow” factor. The radio media tours allowed Hallmark’s creative staff to act as spokespeople for the key messages and DJs opened cards on-air to display the excellent sound quality. The customized pitching included specially made card sample kits and story ideas to fit the niche of the media outlets. As the campaign progressed, Fleishman-Hillard pitched a list of top selling cards similar to Billboard’s Top 40.

The music-related tactics included a sample station at the MTV Video Music Awards in late 2006, creating buzz on fan sites, and radio trade-for-mention giveaways. The sound card sample station at the MTV Video Music Awards was used to create buzz in the music industry. Top music executives learned about the cards and celebrities were able to order holiday cards that also helped spread awareness. The sample station also recruited more musicians to be featured in the new sound cards. The tactic to create buzz on fan sites of musicians features in the sound cards was carried out on fan sites such as Louis Armstrong, Blondie, Earth Wind & Fire, KISS, and the Village People. The radio trade-for-mention giveaways consisted of box sets of the sound cards that correlated with the radio stations’ genres.

## Tactic Suggestions

One tactic, which mentioned created “buzz” on fan sites, was very vague and could even be seen as propaganda by Hallmark. Instead, they should have created a song-request web site where the music-obsessed consumers could have some sort of control over the new products. It would also tie in to the self-expression trend that Fleishman-Hillard found in their research.

Another suggestion could be to create coupons that would be distributed through musicians’ web sites, fan sites, and albums. It would help consumers overcome the higher price of the product. After they have experienced the “wow” factor for the first time, the price would not be such an issue.

## Evaluation

The sales results reported by Hallmark and Fleishman-Hillard reported a 9% jump in card sales from the previous year. Holiday cards and products were up 10% from the previous year. Of the increased sales, the sound cards accounted for half of the increase.

The media relations results, as reported by Fleishman-Hillard were 122 million trackable media impressions. They estimated radio and television accounted for 59 million impressions, print accounted for 50 million impressions, yet the other 13 million impressions were unaccounted for. Fleishman-Hillard also stated overall, the media clearly portrayed the sound cards as a new way to communicate.

There were television spots on The View, CBS Early Show, ABC News, CNN Headline News, Sirius Satellite Radio, and XM Satellite Radio. There were also other interviews in major cities from New York to Seattle, but the amount of interviews was not specified. The radio trade-for-mentions gave away 270 box sets. In print media, major music-industry publications covered the product launch including Rolling Stone, Billboard, and Country Weekly. Other prominent newspapers not relating to music covered it including the Wall Street Journal and the Associated Press. While these media results seem very nice, there is no measurable goal to compare the results to.

The sample station at the MTV Video Music Awards also seemed to do very well for the awareness of the cards within the music industry, but also lacked measurable goals for evaluation. Over 200 celebrities passed through the station including Snoop Dogg, Fall Out Boy, Panic! At the Disco, and All American Rejects. Also, 100 holiday card orders were placed by the celebrities that passed through the station.

## Evaluation Suggestions

While measuring awareness is very difficult, there are a few things that could be implemented to measure results. There should be web hits on any fan site that had Fleishman-

Hillard's "buzz" on it. Also, there should be some record of how many bands and music executives received information and made plans to be in an upcoming card. Because Fleishman-Hillard wanted to create buzz within the music industry, among musicians and industry executives, they should also track how many musicians or executives mention the cards on their web sites or blogs.

## Conclusions

This product launch case was very interesting. It shows that an old company can redefine its target audience effectively by creating a multigenerational product and having an intuitive public relations campaign. The major strength in this case was the abundance amount of research. The case's biggest fault, however, was the inability to evaluate properly due to the lack of measurable goals.