

Chapters *To Go*



How to Sell More Stuff!: Promotional Marketing that Really Works

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Chapter 8: Sampling

INTRODUCTION: TRY IT, YOU'LL LIKE IT

Ever since the corner grocer pulled a pickle out of the barrel for the customer to try, sampling has been one of the primary sales promotional tools. There is no better proof of product value than a free trial, whether a test-drive in an automobile, a sachet of coffee, or a trial run with a new computer game. If the product has visible or recognizable differences, value, or quality, one of the best ways to generate a sale can be through a sample. Marketers recognize this and have been increasing their use of this tried and proven tool over the past few years, according to the April 2004 *PROMO* Industry Trends Report.

Almost anything can be sampled, from Neutrogena soap in an upscale hotel bath to Crest and Colgate toothpaste and Oral-B toothbrushes in dentist offices to perhaps the most successful sampling plan ever: the serving of Starbucks coffee on United Airlines. The coffee company had only regional distribution when the United program started, but it catapulted Starbucks to industry favorite quickly and, one would assume, inexpensively.

Although sampling has been increasing, much of that increase has been due to the new methods developed to distribute samples. Where door-hangers and through-the-mail once were the way samples were distributed, today there is a wide variety of new methods, many of which rely on the media. Although instore or at-location is still the most common approach to sampling—accounting for 65 percent of all samples—home distribution, commonly through media forms such as newspapers or magazines, now accounts for 20 percent of all samples, with special events making up the other 15 percent.

The key elements in developing a sampling strategy are: (1) determining whether product sampling can be an effective promotional tool and (2) selecting the right audience to receive the sample.

Product sampling works best under the following conditions:

- The product is new or improved. In most cases, this means a discernible quality that can be determined by the customer or prospect based on a trial. If the product doesn't perform better in trial than does its competitors' products, sampling is not generally recommended.
- The product really needs several uses to establish an identifiable difference. Even though a food product can be sampled with one taste, such products as shampoos, skin cleansers, ointments, lotions, and the like may need multiple uses to establish the clear difference. Multiuse samples are more difficult for marketers to use in terms of sampling effectiveness since they require several uses for the consumer to see, understand, or experience the product difference, but they can often achieve greater results.
- The audience for the product is unknown. For example, a few years ago, the company producing Cheer detergent discovered that some people were allergic to the perfumes and dyes used in detergents. The company therefore developed a version of Cheer for those people. The problem, however, was the absence of a way to identify skin-sensitive consumers, so the company used a sampling program. It offered a sample of the new "no additive" product via media advertising. In other words, it let consumers determine whether the product was right for them. Through sampling based on consumer self-identification, Cheer's maker built a viable business quickly and efficiently with its free-sample approach.
- The product has suffered from bad publicity, product problems, or overshadowing by competition. In some instances, the best way to dispel rumors of product problems or questions about quality is through a sampling program. Proof that the product has been improved or that previous problems have been resolved can often be achieved through product sampling. For example, one of the key elements in resolving the Tylenol producttainting problem that occurred a number of years ago was a broadscale sampling program to show the public the safety measures that maker Johnson & Johnson had taken to ensure it didn't happen again.

The key element in sampling is the same as that in other forms of sales promotion—that is, identification of the proper customer audience for the sample. Generally, we might classify the objectives of sampling as follows:

- Sampling to reward existing users
- Sampling to generate new users
- Sampling to draw customers from competitive products

- Sampling to illustrate new uses or expanded product value
- Sampling to "migrate" customers through a product portfolio

Got a great product that people need to experience? Sample it! —Don E. Schultz

OVERVIEW

Sampling is the top brand influencer, followed by word of mouth, coupons, and advertising. Sampling can be costly and labor intensive, but the return on investment in the form of more customers is your ultimate goal.

This chapter may seem less strategic than other chapters, but its objective is simple—get the product and consumer together.

DEFINITION

Sampling simply means getting a prospect to experience your product, typically at no charge to the prospect. Whether it's a test-drive or a free cereal minibox, sampling creates trial and, it's hoped, customers by giving prospects a firsthand experience.

COMMON SAMPLING OBJECTIVES BY TACTIC AND DELIVERY

(Also see itemized tactics below plus objectives listed above.)

TACTIC	OBJECTIVES (Beyond Trial and Purchase)
In-store (or lot)—free product handout	<ul style="list-style-type: none"> ▪ Ensure product reaches consumer ▪ Reach consumer at point of sale ▪ Spot and sample target profile—by age, lifestyle, image, etc. ▪ Prepare product (serve hot/cold) ▪ Retailer support
In-pack/on-pack/ near-pack delivered	<ul style="list-style-type: none"> ▪ Economical distribution of product (no booth or handout costs), possibly riding on sister-brand distribution ▪ Targeted distribution through partner—free Internet provider disk with software; free Dairy Queen coupon in cereal box ▪ Increase product visibility
Coupon delivered	<ul style="list-style-type: none"> ▪ Economical, broad reach ▪ Encourage retailer product stocking ▪ Combine advertising message
Service delivered (free fries, free inspection)	<ul style="list-style-type: none"> ▪ Ensure consumer experiences product ▪ Introduce new offering ▪ Relaunch previously unaccepted product ▪ Traffic-building offer at low cost of product ▪ Create opportunity for house call
Direct mail delivered	<p>Note May be free product coupon or the sample itself delivered in newspaper wrap, CD mailer, its own box, etc.</p> <ul style="list-style-type: none"> ▪ Ensure product reaches consumer—possibly at lower cost than for in-store distribution ▪ Target demographic

	<ul style="list-style-type: none"> ▪ Leverage neighborhood mailing to secure local retailer stocking ▪ Tie in retailer
Alternative media delivery (newspaper overwrap, magazine tip-in, Internet downloads, etc.)	<ul style="list-style-type: none"> ▪ Ensure product reaches consumer—possibly at lower cost than for in-store distribution ▪ Tie into popularity of vehicle—Web site, magazine, etc. ▪ Target demographic ▪ Leverage neighborhood delivery to secure local retailer stocking ▪ Tie in retailer
Door delivered	<ul style="list-style-type: none"> ▪ Ensure product reaches consumer ▪ Reach entire household, including kids ▪ Highly targeted neighborhood demographic ▪ Leverage neighborhood reach to secure local retailer stocking ▪ Tie in retailer ▪ Neighborhood word of mouth
Free short-term trial offer—subscriptions; test-drives; first 100 minutes; one-week vacuum trial; software demo version	<ul style="list-style-type: none"> ▪ Offer "no-risk" trial of an otherwise considerable purchase commitment ▪ Give salesperson (and advertising) a compelling "closer" ▪ Demonstrate product that requires exceptional hands-on experience
Demonstrations (live and videotape)	<ul style="list-style-type: none"> ▪ Present complex product usage and results ▪ Encourage retailer participation and product stocking ▪ Interface with consumers ▪ Simultaneously demonstrate to retailer sales staff ▪ Controlled distribution of literature, coupons, rebates, etc.
Referrals	<ul style="list-style-type: none"> ▪ Product demonstration and recommendation by a trusted personal contact ▪ Economical
Intercepts (plus guerrilla)	<ul style="list-style-type: none"> ▪ Ensure product reaches consumer ▪ Target strategic locations ▪ Reach trendsetting areas ▪ Increase visibility beyond store ▪ Trained sampling team communicates message ▪ Command attention ▪ Encourage retailer participation
Venues (health clubs, delivery wards, airlines, etc.)	<ul style="list-style-type: none"> ▪ Utilize venue's established, turnkey sampling service ▪ Reach highly targeted audience in relevant location (power bars at health club) ▪ Economical cost-per-target profile ▪ Reach a captive audience (airline) ▪ Deliver both product and extensive information

Events—bar nights, fairs, open houses

- Command attention through themed vehicle—traveling stage, radio remotes
- Establish community presence
- Establish an operational base stocked with literature, product, order forms, sales table, etc.
- Draw greater attention through door prizes, novelties, exhibits, etc.
- Economize with high-traffic site, possibly over several days
- Product registration through flags, balloons, T-shirts, bags, etc.
- Ability to interface with prospects (and key accounts)

ITEMIZED TACTICS

86. In-Store (or Lot)—Free Product Handout

Definition Sample delivered in-store; often includes coupon for follow-through purchase

Advantages

- Proven effective
- Assures shopper will actually sample product
- Delivered at point of purchase for follow-through sale, particularly with coupon
- Sampler may target profile by age, moms with kids, etc.
- Increases in-store presence and inventory
- Event adds excitement to brand
- Sampling services lend expertise and performance
- Scanning allows analysis by store
- Also acquaints store personnel with product

Disadvantages

- Limited reach
- Sampling day and daypart misses other shopper occasions
- May require expense of on-site preparation
- Reliance on samplers to properly prepare and present product
- Requires extensive planning
- Expensive on a cost-per-sample basis

In-Pack/On-Pack/Near-Pack Delivered

See descriptions in "Point of Sale," Chapter 7, page 188, and "Premium Programs," Chapter 10, page 265.

87. Coupon Delivered

Definition Coupon for free product or service

Advantages

- Clean and simple
- Allows additional advertising communication
- Encourages retail stocking
- Package photo on coupon teaches consumer what to look for
- Hard copy reminder
- Allows tracking and accountability
- Mass media allow broad reach

Disadvantages

- Packaged goods often redeem at full retail markup (Retailer writes marked-up price on coupon—see "Coupons," Chapter 3)
- Incurs media cost

- Chance for misredemption if someone accesses multiple coupons (see "Coupons," Chapter 3)
- Less targeted than other tactics

88. Service-Delivered Offer

<i>Definition</i>	Service offers a free sample of its product, such as free fries with visit, first salon visit free, free first consultation, etc.
<i>Advantages</i>	<ul style="list-style-type: none">■ Encourages trial that might otherwise be too big a hassle, such as a trip or consultation■ Filters out nontargets who won't make the effort■ On-site sample may generate immediate follow-up sale—free water analysis closes bottled water sale■ Follow-up offer (coupon) encourages follow-up purchase■ Free sample often results in additional purchases■ Economical—cost of goods■ Second chance for new, improved product■ Implies assurance of quality■ Vendor may participate in cost■ May expose other products in portfolio■ Controlled execution—the service's personnel
<i>Disadvantages</i>	<ul style="list-style-type: none">■ May be expensive cost per sample■ May cannibalize sales—giving away product you'd normally sell—and margins■ May be a freebie for those with no intention of purchasing■ May require procedures for one-sample-per-prospect delivery■ May require system communication, timing, and training■ Follow-up purchase may be outflanked by competitive action such as discount offer—you set the table, they eat the dinner

89. Direct Mail Delivered (Solo, Co-op, Special Target Services)

<i>Definition</i>	Sample or coupon for free sample delivered through mail
<i>Advantages</i>	<ul style="list-style-type: none">■ Reaches consumer at home■ Targets select households■ Can include sales communication materials■ Can customize communication by target profile■ Reaches niche target at time of need—new homeowners; new parents; back to school, etc.■ Tracks and tests results to perfect program■ Can economize through co-op mailings■ Vendor can leverage neighborhood reach for retail participation and vice versa
<i>Disadvantages</i>	<ul style="list-style-type: none">■ Expensive medium■ Postal regulations can be limiting■ Co-op mailings suffer clutter■ Sampling in home versus point of sale■ Free sample coupon often incurs full retail markup■ Requires accurate and current mailing list

90. Alternative Media-Delivered Samples

<i>Definition</i>	Deliver samples through unique, but pervasive, media, such as newspaper overwrap bags, magazine tip-ins, video inserts, Internet downloads, or interactive demo CDs
<i>Advantages</i>	<ul style="list-style-type: none">■ Depending on medium, delivery can be interactive, entertaining, intriguing, and the like■ May be relatively economical way to deliver sample to mass audience■ Commands attention and personal interaction■ Exceptional targeting through niche medium■ May allow insertion of literature, coupons, etc.■ Vendor can leverage neighborhood reach for retail participation and vice versa■ Internet provides cost-efficient sampling
<i>Disadvantages</i>	<ul style="list-style-type: none">■ Custom media are more expensive than mass media■ May still suffer mass media waste■ May require expensive custom packaging and sample size costs■ May have limited reach■ Limited to postal regulations and particular medium's production capabilities■ Delivered in-home versus point of sale■ Internet sampling limited to specific products and subject to clutter■ Internet downloads require awareness of offer

91. Door Delivered

<i>Definition</i>	Sample hand delivered to doorstep, typically in bag on doorknob
<i>Advantages</i>	<ul style="list-style-type: none">■ Excellent targeting of neighborhoods and households—entire family■ Commands attention and interaction with sample■ Product size and weight more flexible than other media■ Can include literature, coupons, etc.■ Vendor can leverage neighborhood reach for retail participation and vice versa
<i>Disadvantages</i>	<ul style="list-style-type: none">■ More costly than other media or store handouts■ May be impractical in apartment houses, condominiums, etc.■ Subject to pilferage■ Reliance on unsupervised, low-pay person who may even dump samples

92. Free Short-Term Trial Offer

<i>Definition</i>	Target retains and samples product for short period Examples: Trial subscriptions, mail-order vacuum cleaner, Internet service, time-limited software, etc.
<i>Advantages</i>	<ul style="list-style-type: none">■ Familiarizes target with complex product■ Allows sampling of "price-issue" product■ Only prime prospects may bother to apply■ Propensity to purchase products in hand rather than to return
<i>Disadvantages</i>	<ul style="list-style-type: none">■ Exceptional executional considerations

- High per person trial cost, especially factoring nonpurchasers
- Requires advertising, possibly with sophisticated response mechanism, such as an 800 number service
- Requires exceptional effort for consumer to respond
- Risks—need system in place to prevent fraud
- Returned product may have to be refurbished or replaced
- May require liability clearance

93. Demonstrations

<i>Definition</i>	Supervised trial or demonstration of product at retail, during event, on cable TV, Web site, etc.; may be live, videotaped, or interactive demonstration
<i>Advantages</i>	<ul style="list-style-type: none">■ Familiarizes target with complex product■ Allows sampling of "price-issue" product■ Reduces fear of inability to use product■ Clearly demonstrates benefits■ Controlled demonstration should be problem free■ Knowledgeable presenter with sales skills■ May allow interactivity—questions, instructions■ Encourages retailer to stock and display■ Also trains retailer's salespeople
<i>Disadvantages</i>	<ul style="list-style-type: none">■ High cost per person—demonstrators, training, booth, materials, etc.■ Limited reach■ Requires extended time, effort, and logistics, including permissions, security, equipment, safety, and cleanup■ May require liability clearance

94. Referrals

<i>Definition</i>	Product recommended by an acquaintance, communicating product experience; referring party may be rewarded for successful referral
<i>Advantages</i>	<ul style="list-style-type: none">■ Creditability of a trusted acquaintance■ Pleasant product experience described in detail■ Highly targeted with similar, like-minded profiles■ Saves cost of salesperson■ Referral incentive and purchase incentive motivate referring party (and purchaser)■ Familiarizes target with complex product■ Allows familiarity with "price-issue" product■ Reduces fear of inability to use product
<i>Disadvantages</i>	<ul style="list-style-type: none">■ Reach limited to those who own product■ People may feel uncomfortable "selling" to friends, particularly for a reward■ Incentive reward may diminish referral's credibility■ Rewards add to cost per sale■ No guarantee of follow-through—lack of control

- Requires system and personnel to verify and reward referrals
- Product may be returned after referral reward

95. Intercepts (Plus Guerrilla)

Definition

Sampling person intercepts passersby with product and communication materials; delivered at strategic locations, such as commuter trains, retailer entrances, malls, beach, etc.

Guerrilla marketing (see page 228) goes further with a public relations topspin and trained crews at select locations: headache tablet at tax day lineup, trend product at inner-city midnight basketball, trendsetters drinking product at bar

Advantages

- Product delivered directly to consumer
- Targets key locations—near retailer, usage occasion (sunscreen on beach), active high-visibility area (commuter train), competitor's location
- Spurs word of mouth
- May have a professional interacting with consumer versus handout service
- May command attention through themed sampling vehicle or proactive sampling team
- Can reach lifestyle locations—where target works, shops, relaxes, etc.
- Guerrilla extends public relations topspin and can link to consumer's lifestyle in dress, behavior, enthusiasm, etc.
- Guerrilla's influence in trend areas also influences broader areas— inner city, sandlot sports, bars, fashion, etc.
- May encourage retailer participation

Disadvantages

- Considerable up-front research and planning
- Samples may not be delivered near sales outlet
- Expense of trained, higher-priced professionals
- Possibly unsecured sampling areas
- Higher cost per target
- Remote location may require considerations to provide sufficient stock, crew, food and restroom facilities, parking, loading, even security
- Susceptible to weather, traffic, overcrowding, and other unforeseen problems—backup plans essential
- Potential to annoy and alienate consumers
- May require city/community/business permission
- May be open to mishaps and liability claims

96. Venues

Definition

Samples are distributed at established targeted locations, such as health clubs, hospitals, doctors' offices, airlines, schools, music venues, etc.

Advantages

- Venue provides definitive target profile
- May deliver the right sample to the right person right at the time of need
- Venue may participate as a service to customers
- Implies third-party endorsement (diapers from the hospital)
- Can be ongoing, efficient program
- Staff-delivered samples reduce cost

Disadvantages

- Time and resources to establish partnership, logistics, etc.
- Reach limited to venue and its demographics
- Possible field services' expense

- Some venues less targeted, like airlines
- Samples may be distributed by unprofessional or apathetic individuals, jeopardizing effectiveness
- Venue's fees, which competitor may also bid for
- Site may not sell product
- May be open to mishaps and liability claims

97. Events

<i>Definition</i>	Samples delivered at special events, created by either product company or an existing event—bar nights, fairs, festivals, open houses
<i>Advantages</i>	<ul style="list-style-type: none">■ Piggybacks on popular consumer activities and attractions■ Event draws target demographic in a receptive mood; may economically reach large numbers■ Publicity opportunities■ Implies event endorsement■ Brand-created event can provide ongoing recognition and become a profit center—namesake music festivals, cook-offs, etc., plus VIP extensions
<i>Disadvantages</i>	<ul style="list-style-type: none">■ Sampling experience may be overshadowed by event's distractions■ May suffer clutter among other handouts■ Weather concerns■ Exceptional logistics—stocking, restocking, crew breaks, parking, electricity, security procedures, liability measures, etc.■ Brand-created event requires major commitment and runs many risks—popularity, liability, talent problems, etc.

PACKAGED GOODS: INCLUDE RETAILERS

In the end, retailers sell products, and your sampling program ultimately has to sell products. Brands have doubled retail sales short term with sampling. If consumers try it and like it, you've got long-term results plus a head start with the retailer.

Demonstrate lifestyle, set the trend. Some guerrilla sampling services specialize in trendsetting areas and tactics. Professionals blend in and interact with select demographics—music bars, fashionable lounges, midnight urban basketball, art events, and so on. These advocates demonstrate how your product with a lifestyle spin (sometimes surreptitiously) and their targets in turn influence more prospects. It may not result in immediate sales, but it can eventually mushroom and make yours the first-call name.

Wet and dry and hot and cold. These terms quickly communicate the sampling format and requirements. Kool-Aid can do a *wet* sampling in a cup for immediate consumption or a *dry* sampling with a free sample pack to take home; a tea brand may offer a *hot* sample or a *cold*, iced sample.

GUIDELINES AND CAUTIONS

There's no such thing as a free candy bar. A company's candy bar may cost only cents to manufacture (cost of goods), but it costs a lot more to sample, especially through a retailer. Retailers want to make money, and giving your product away is a lost sale. Consider the following alternatives:

- See "Free Product Coupons" in Chapter 3, page 78 and "Near-Packs" (under "Guidelines and Cautions") in Chapter 10, page 279.
- You can deliver free samples with a partner's near-pack promotion. See "Near-Packs" (under "Guidelines and Cautions") in Chapter 10, page 279.
- Use minisize sample packs so the retailer doesn't lose a sale and may gain one on the full size. Many sample sizes are sold in stores as trip or convenience items—toothpaste, shampoo, soap. If you don't want your sample sold, print "Not for retail sale" on the package.

- Hire a demo service with a staff to serve or demonstrate products in the store—from fresh baked frozen pizza samples to painting demonstrations. Retailers often welcome demos and may also support your product. (However, some retailers require you to purchase your own samples from them.)
- Video monitors can demonstrate product how-tos even better than salespeople. You'll need to sell the concept to the retailer as it's taking valuable retail space, making noise, using AC, and requires maintenance.

How and how often will you need to restock? What good is an expensive sampling program if there isn't enough product to sell? Make sure the restocking system's in place and then monitor it. Also, keep the product stocked in the days and weeks *after* the sampling for a consumer's next shopping trip—make it part of the contract with the retailer. It's good business for both parties.

Projecting reach and quantities. How many prospects do you want to reach in an event and will you have inventories, supplies, and people power to achieve that objective? (Rule of thumb: Number of prospects to be reached up to 300 per day per store in supermarkets or a third of attendees at an event. Factor in: Is the sample cooked, prepared on location, or simply handed out prepacked? Preparation slows up sampling.)

Days and daypart. Consider the day of the week and the part of the day, particularly for in-store sampling. When is the sampling most likely to match your target's shopping habits? Malls vary greatly. Also, research the stores' busiest shopping days, times, and locations.

Who's conducting the sampling in which retail category? Does the service have an arrangement or affiliation with the chain (s) you desire so the learning curve and system are in place? Many chains offer their own sampling service—ask the independent service why it's better than the chain's own service.

Training and backup plans. What will you need? A script? A video? Rehearsals? A policy sheet on special situations like kids, spills, electrical outlets, missing materials, rain, and the like.

Has every store been booked and confirmed in advance? Don't assume your preferred date six months from now is available. Don't even assume the store will remember you booked it—call and confirm two weeks before your event.

Is the sampling service setting its own schedule? It may have its own system that may not sync up with your advertising campaign. Communicate your plans far up front.

If your product isn't prepared and presented properly, run! Your demo staff better not scald tongues with a pizza slice or neglect to have the sample paint stirred. Have the sampling company provide details on training procedures and employees, such as average age, tenure, sampling experience with products like yours, reserve replacements, references, and so on.

Verification. Ask your vendor what its quality controls are, how it verifies performance, what reports are generated, if retailers are spot-checked during the sampling, and so on. Get a Dun & Bradstreet to check references—including where the vendor has previously sampled. Let the vendor know you'll be spot-checking yourself.

Insight

Handing out products in a grocery store isn't necessarily the cost of goods like the ten cents your candy bar actually costs you to make. You may have to buy your own products from the grocer to sample them.

The right sampling service. Too much is at stake to go for the lowest bidder. Some topics to question and evaluate:

- Track record
- References
- Why this service fits *your* situation. Every service says it does everything, but in reality each has strong and weak areas. Which area does it have the most and best examples of?
- It's perfectly legitimate to ask how the service makes money. It deserves its markups, and you deserve to know what you're paying for. It can help both of you maximize the relationship.
- Security—what is its *written* policy for both theft prevention and reparation?

- Disaster coverage—fire, water, etc. Is it bonded and insured? Get it in writing.
- Trade and professional organizations and activities—beyond the PR value, does it truly and actively pursue its professional organization's objectives for quality standards?
- How will the service coordinate getting equipment and supplies to the sites?
- What are its performance verification methods?
- Can the service also do audits for you, monitoring the number of samples, coupons, or folders distributed; sales; competitive pricing information; competitive activity; consumer response; etc.?
- Can it recruit enthusiasts for your particular product—hobbyists, semipros, etc.?
- Can it produce a training video? How does it conduct training across the country?
- How will samplers handle requests for additional free samples?
- What's the notification and backup plan if the sample fails to show up?
- What is the policy for samplers handing out coupons? They cannot be entrusted to the retailer or staff. How do you verify coupons were handed out and not just dumped?
- How will the service document its expenses? What's the pricing policy and how is it verified?
- What's the price and procedure for a test in three markets?

How many trials for conversion? Some retailers think it takes six trips to convert a customer. Others say it takes three, so he or she knows the route to the store. Consider an introductory high-value offer to drive the first visit and lesser-value bounce-back offers to bring those first visitors back. (See "Bounce-Back Coupons" in Chapter 3, page 72, and also see "Continuity," Chapter 6.)

A power tool may only take one try to convince the consumer it's superior. Bose Wave Radios and Oreck Vacuums allow an extended trial period by mail. One food sample may not do the trick—an "acquired taste." The best way to learn is to conduct actual test scenarios and consumer interviews.

Ventilation, noise, traffic flow. Does your product have a distinctive smell, like paint or perfume, that may be unpleasant (or pleasant)? Check the air vent locations. Are you or your location too noisy—near a PA speaker or video monitor? Is your display obstructing traffic?

What about kids? Is your demo station kid-proof and are demonstrators trained to handle the unpredictable situations kids can cause? Remember, kids *must* be smiled at, adored, and enjoyed, no matter what havoc they wreak.

Litter? Don't settle for a trash receptacle—how often will it be emptied and replaced by whom?

Generate traffic to your demo. If you're demonstrating a product, consider traffic generators like snacks, novelties, prize drawing, announcements, and the like.

Get names and give cards and literature. With a prize drawing, you can collect prospects' names and information. If someone seems interested in your widget but hesitant, get a phone number, address, or e-mail address for a "comfortable" next step. Give the person literature and your personal business card. It's sales-closer time, so you might offer a coupon or discount offer, possibly with a short-fuse expiration.

While you're educating shoppers, educate the staff. Allocate time to staff members to train them as well. Offer them a nice premium, a deal on your product, or even a "spiff" for extra sales they help generate. If you can, let them have your product and enjoy the experience.

Other stuff to worry about:

- Prepared for bad weather?
- Need a photographer?
- Are demonstrators briefed on your product, ready for consumer questions (including how you compare with the competition)?

- Is there enough product in stock for both sampling and sales?
- Is everything available, from waste bins to your product literature?
- Can you rotate meal and bathroom breaks?
- Are there towels or any cleaning materials for accidents?
- Where will you park the truck?
- Where will you store everything?
- Need a cart?
- Is the union involved, prepped, and ready? It may not even let you plug in an AC cord.
- Do you need a power source? How many?
- What are the event hours? Does everyone know them?
- When should staff arrive before the event?
- When does the facility open and close?
- Does your staff need passes?
- Want to make your own worry list?

Insight

Smile at precious little monsters! Kids can wreak havoc with a demonstration. But showing anger can make it worse.

ABBREVIATED SAMPLE TO-DO LIST

- Compile store/location list.
- Research and determine timing for various sites.
- Coordinate execution dates with sales, services, retailers/locations.
- Coordinate with field force.
- Prepare training materials (for each role).
- Create Who-What-Why-Where-How-When report for all parties.
- Secure demo agencies and personnel.
- Assemble demo kits.
- Distribute demo kits to agencies.
- Do dry runs.
- Create and deliver in-store sales script.
- Verify each store's awareness and preparedness one or two weeks prior.
- Make a "We Need" list for the event.
- Distribute literature, samples, coupons, and the like to consumers.
- Verify execution for each store each demo day.

- Report store-by-store results within 45 to 60 business days.
- Perform continuous communication with client point person.

BOOTHS

If you plan to sample often, plan on a booth. Contact an "exhibit house" and see what it has in stock—predesigned booths that accommodate your signage. If you prefer a custom booth, give three competitive companies a request for proposal (RFP) with all the input they need, including a budget range. They can even make suggestions for the form. Consider the following:

- Space requirements:
 - People
 - Storage—product, literature, and tools or preparation equipment, coats, personal items, etc.
 - Cleaning materials (be prepared!)
 - Trash
 - Food, water
 - Samples
 - Space for competitive literature you plan to collect at the event
- Security measures
- Electrical equipment
- Ease and time to set up, take down, store, and ship
- Weight and transportation from truck to site
- The site's requirements, particularly with union workers
- How to clean after beverage spills, etc.
- Retrofitting for changes and future needs, including expansion
- Flagging your location

Other booth considerations include the following:

- Sanitation
- Finding you—increase your presence in the event's program with a drawing to draw entrants, free novelties, a big balloon, and the like
- Remembering you—business cards, literature
- A follow-up vehicle—a coupon, a retailer's location, an 800 number, Web site, etc.; a sweepstakes gathers names on entries
- How's your location? Near a competitor? Near food and/or restrooms? (Fantastic!) An obscure corner? Near noisy neighbors? Near low-traffic neighbors?
- Keep reminding your crew to smile, smile, smile.

BUDGETING

An expensive proposition? Sampling is expensive, but some say it's comparable on a cost per new-conversion basis to couponing. The objective isn't immediate profits but, rather, a customer. You may lose the sales per expenditure battle but win the marketing war.

Insight

Is your 30-day guarantee a sampling device? Some companies, like Oreck, position it as a 30-day free trial program and may also offer a free gift just for trying.

Budgeting definitions (See examples). *Simplified sampling cost:* This formula is a simplification to demonstrate the subsequent budgeting steps. Refer to the "Cost Variables" below to determine your actual sampling cost.

Cost of good + Distribution cost + Shipping cost × Distribution quantity

Profit per user per year: Average number of annual product uses × profit per unit.

Breakeven conversions: Sampling cost ÷ profit per user per year

Conversion rate: The percentage of people sampled who convert and become customers

How do you project conversion rates and uses per year? It's educated guesswork. Use historical data. Conduct research, such as product sampling intercepts, focus groups, in-store demos with posttrial interviews.

Calculation Example 1:

To determine the return on your sampling investment, calculate the breakeven conversion rate: Divide the distribution cost (and cost of manufacturing the samples, if applicable) by the profit per user.

Example: If your total costs amount to 75¢ per sample and you distribute 1 million samples, your investment is \$750,000. Next, calculate the profit per user by multiplying the annual number of uses of the product by its profit margin. If six is the average number of annual uses, and the profit is \$1 per unit, you get \$6 profit per user per year.

For the breakeven conversion rate, divide the investment (\$750,000) by the profit per user (\$6). In this scenario, you need 125,000 conversions—a 12.5 percent rate (125,000 ÷ 1 million)—to break even after one year. Successful sampling programs often exceed breakeven with gains in the 12 to 15 percent range.

Calculation Example 2:

Here's another, more comprehensive description for determining your sampling cost effectiveness:

If . . .	You plan to distribute 200,000 samples The per unit cost to make them is 25¢ The per unit cost to distribute them is 15¢ The shipping costs are estimated to be \$10,000 The average number of product uses is ten per year The profit per unit is 75¢
Then . . .	Total sampling cost is \$90,000 [200,000 × (\$.25 + \$.15) + \$10,000] Profit per user per year is \$7.50 (10 × \$.75) Breakeven conversions are 12,000 units (\$90,000 ÷ \$7.50) Breakeven conversion rate is 6 percent (12,000 ÷ 200,000)
Payout . . .	If your actual conversion rate is twice the breakeven (12% vs. 6%), you had 24,000 converters contributing \$180,000 in profits (24,000 × \$7.50)—a net payout of \$90,000 (\$180,000 profits - \$90,000 cost).

Cost Variables:

- *Sampling service*
- *Sampling site fee*
- *Samples*—quantity × cost. However, some retailers require samples be purchased from their stores. (It may cut delivery costs at the same time it motivates the retailer. Negotiate the retailer's margin.)
- *Support communication*—advertising, literature, novelties, etc.

- *Shipping, warehousing, delivery*—including any sampling equipment, sampler wardrobe, tablecloths, signs, etc.
- *Weight and dimensions for direct mail or hand delivery*—create a prototype for the shipping department to evaluate. If samples are awkward to warehouse, handle, deliver, or carry, costs rise. You'll need cartons and padding, possibly customized, plus packing. (See "Cartons and pick-and-pack cost!," Chapter 10, page 280.)
- *Coupon handouts*—to encourage a follow-through purchase. Explore placing a coupon on the sample to avoid service costs. Factor in redemption costs—and sales.
- *Cost of goods versus lost sales*—see "Free Product Coupons" in Chapter 3, page 78.
- *Co-op versus solo*—it costs more to mail your sample alone, but the results may double. A co-op mailing with other product offers saves cost *and* you can request category exclusivity—no competitors allowed.
- *CPM versus conversion rates*—lower cost per thousand (CPM) samples doesn't equate to better return on investment if you're sampling the wrong target. Your delivery vehicle must be highly targeted, which costs more per thousand but with less waste.
- *Training*—from an instruction sheet to a script to producing a video.
- *Booth or media*—from a table with a sign to a kiosk, a Sunday newspaper tip-in to solo direct mail.
- *Demo "fer instances"*
 - A standard demonstrator (versus a specialist) may be \$125 per day (or \$200)
 - . . plus training.
 - One demonstrator may handle six stores in a week (\$750 to \$1,200 per week).
 - A grocery program may distribute 300 samples per store per day, depending on if samples are prepared or packaged.
 - The retailer may charge \$15 to \$50 to cover additional labor, or more to conduct the sampling, plus the samples themselves—"would-be" sales.
 - "Kitting" the store package may run \$7.50 or more for packaged goods.
 - National shipping may run \$6.20 (up to ten pounds); local delivery may run \$7.20 to \$30 (up to ten pounds)
 - . . plus the table or booth
 - . . plus materials for unforeseen accidents—towels, cleaning supplies, etc.
 - A sampling service may charge \$10,000 for production and then \$2 per copy, for a 15- to 30-minute training video. (Consider incorporating advertising and infomercial excerpts to save production costs.)

EVALUATION

Insight

How do you do a "Pepsi Challenge"-type event and win the challenge? Act local, think global. There are geographical pockets where even underdog products are the favorites. Some marketers test in select markets but broadcast the results nationwide.

What are your evaluation criteria and measures?

Consider these factors:

- See the above calculation examples
- Samples delivered compared with incremental sales—how much did the quantity of samples compare with incremental sales?

- Precontrol, postcontrol, and test-control sales comparisons
- Coupon redemption (code and track sampling coupons)
- Display activity
- Retailer reorders
- Regional sales gains
- Cost per sale (realizing there are longer-term benefits)
- Weather, competitive activity, and other unforeseen factors
- The product itself—is it as good as research indicated?
- All the above budgeting considerations

Do a test. Test in 20 to 30 stores in a few markets, including the home office market so associates can be involved. The retailer may be able to provide data that show immediate results. Direct mail tests can isolate several variables. Also, there are services that will interview and videotape consumers at the site.

Other test procedures. Code coupons to get a quick read on results. Track overall scanner data for sales without redemption and compare.

Check postprogram sales one and two weeks later, and get more retailer data on any bounce-back coupon redemption or repeat purchase activity.

Consider consumer evaluation forms about the sampling experience. Motivate participation by offering another value. Consider a postprogram telemarketing interview. Find out why people did or did not respond and their reaction to the sample.

Save the data! Use them to compare one sampling with another and to ultimately build the learning curve for future programs. Categorize everything on a spreadsheet.

After the sampling, follow through. Offer a demonstration discount, a coupon, a rebate, or even a referral coupon that earns a reward when redeemed. Attach a bounce-back coupon for a repeat visit and sale (which your retailer may stock up for).

Plan for postprogram sales in the initial sales call. Make sure there's inventory, a replenishment process, and a tracking system to implement at least one month after the sampling.