

Sampling Trends 2013

Special Interest Articles:

- Free Sampling Planning help from Sampling Advisors
- Request Based sampling; hurdles to overcome
- BrandShare – a case study on why this type of sampling works

By Cindy Johnson, President Sampling Advisors
www.samplingeffectiveness.com

Product Sampling in 2012

According to some product sampling suppliers, brand sampling spending was down a bit in 2012. Since the economy crashed in 2008/09, innovation hasn't been as strong, and sampling is usually a result of new brand introductions (from the initiative support budget). With sampling being the *consumer's most preferred method of marketing*; product sampling can almost

guarantee brand's a good return on investment - provided the product is appealing and the program is properly executed.

There are very few tools that offer brands the opportunity to grow their brand with new consumers, the way product sampling can. It's relatively safe to assume an increase of +10 points

with any well-executed sampling program (purchase conversion). For more information on what works, why, and other information about product sampling planning, visit SEA's website at....
www.samplingeffectiveness.com



How the Economy Impacts Product Sampling

Just a few years ago, more than 80% of shoppers were making brand decisions at the grocery store. However a lack of disposable income, unemployment, and other issues, has caused that number to flip. Now almost 80% of consumers are making their purchase decisions at home. They are making shopping lists, they are cutting spending, and they are using coupons to make the most of their budget. Not long ago, brands tried to reach consumers with samples outside the home since shoppers spent a lot of

their time outside the home; at events, at the mall, on vacation, etc. Fewer consumers considered their purchases at home.

The economy has impacted the way many brands sample too. A direct mail sampling program can cost brands much more in distribution costs but sample controls are better. For those who want to sample in-home, look for ways to reduce the cost of solo mail. The brand marketer should also strive to make the product part of the consumer's next

shopping trip by including a coupon. (We used to argue that a coupon really wasn't necessary with a sample, but the coupon may be a reminder to put the product on the next shopping list.) With stores stocking as many as 30,000 different items, providing the consumer with information on where to find the brand in store is also helpful. The brand's website can also provide helpful information; some brands have included "store finders" to aide consumers in locating the product in their area.

Reasons to Support Proven Sampling Programs

In a look back at the list of sampling suppliers who were operating businesses in 2004 when Sampling Effectiveness Advisors started into business, several of the sampling companies have disappeared over the years. Sampling can be a fickle business. While it's one of the best marketing tools a Brand Manager could use, brands are in and out of programs depending on what new initiatives they have, management strategy, and

budget availability. But many vendors/ programs have stood the test of time and continue to deliver strong results. Several of the "sampling suppliers" have transitioned into integrated - marketing promotion agencies. Because brands want to include sampling as part of the integrated marketing strategy, they often rely on the agency to execute sampling programs. While integrated marketing makes a lot of sense, so

does using suppliers that are well-versed in the dynamics of effective sampling strategies. SEA's experience is that sampling results are better when the supplier has a well-established relationship with third-party sample distributors (i.e., fitness centers, online retailers, daycare centers, etc.), rather than a one-time execution of a sampling program. When selecting programs to participate in, make sure the supplier has a great relationship with its venues.

FREE STUFF !?!



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REQUEST BASED SAMPLING? Points to Consider...

The most "popular" type of new sampling in the past couple of years has definitely been request-based sampling. Whether it's an ad telling consumers to go online to request a sample or whether it's a Facebook promotion, saying samples are now available – the hope is that only those consumers who really want to try the

product are going to request a sample. Unfortunately, the jury is still out on whether this is effective. While SEA believes it's possible to have a successful request-based sampling program, there are hurdles that brands need to be aware of. In researching the results of some of these request-based sampling programs, it was clear that many

consumers had actually heard about the offer at "freebie" sites. They couldn't remember where they heard about the offer but they indicated that one of the freebie sites had sent them the sample. There are consumers that use the internet to try to obtain as much free product or coupons as they can and any request based program must address this issue.

Improve ROI, Reduce Workload - with FREE help from SEA!

Owner Cindy Johnson saw a great need to help brands think through their sampling objectives and put together solid sampling plans while working at P&G. That was the concept behind SEA – Sampling Effectiveness Advisors almost ten years ago. Because marketers have

other responsibilities and find it difficult to devote the amount of time necessary to manage a successful sampling plan, **Sampling Effectiveness Advisors offers this service for free!** The brand defines the target, sets the budget, and SEA negotiates with suppliers to get the best pricing

possible. SEA will provide the brand with several different options, with the final decision made by the brand. SEA's fee is picked up by the vendor(s) who receive the business. Having reviewed the results of a couple hundred sampling studies, SEA can help you make sure you select the right program!



Utilize the benefits of social media, but watch-out for sample waste issues (sampling current users and “freebie” seekers).

Social Media and Product Sampling

Social Media is another focus of brands in the past few years. With growing numbers of consumers utilizing social media, brands hope to capitalize on that interest by getting endorsements and recommendations from consumers who use their product. While “likes” and shared information is

going to be the benefit of a well-executed sampling program, the key watchouts are; sampling consumers who already use the product, and freebie sites finding out about the offer and re-directing the available samples to their members. If consumers are already a fan of your product

coming to your Facebook site, they may already use your brand. Some brand managers have seen samples disappear in hours after freebie-site web-crawlers located the offer and then told their members about it. This can quickly erode the purchase conversion results and ROI.

Avoiding Sampling Risk – Test First!



It’s amazing that some brands will spend millions of dollars to promote their new product, giving out millions of samples – yet they won’t spend a few thousand on a test with market research to measure results first! Unfortunately, not all sampling programs work and some definitely work better than others. Without

a consistent measurement strategy, and a way of comparing apples-to-apples, how can your brand ever prove (or improve) trial & purchase conversion results? SEA suggests doing a test of 50K-100K samples with market research to determine results first. The research will show if trial and purchase

conversion rates are adequate and if there are barriers to purchase that might be overcome by changing the program. Contact Cindy at SEA to find out how easy it is to design a test with market research! cindy@samplingeffectiveness.com

Challenges of In-Store Sampling

“In-store Demo’s work best for food and beverage brands – especially those which require some preparation or need nutritional details explained to consumers..”

On one hand, in-store demos are a great way for food and beverage brands to convince consumers to try their product. Some in-store demonstrators are better than others; some help push the samples and get consumers to try them who normally might not have. By the same token, forcing samples on a consumer who is not the target – who is not likely to be interested in the product – could be a waste of the brands valuable resources! If your food or

beverage brand has distribution issues, sampling in a store which carries the product will avoid wasting samples on consumers who might not normally be able to find it in store. The biggest issue still continuing to plague in-store sampling is a lack of accountability by the in-store demo company. Most retailers use a 3rd party company to manage their demos; the in-store demonstrators are not accountable to anyone at the retail level. I was in a store

at “quitting time” and the demonstrator handed me several bags of a brand’s snack product so she could go home. This lack of accountability can be disastrous for a brand. Unless it’s a new product and the brand is trying to secure distribution, there’s almost no reason for a non-food product to sample instore (if trial isn’t immediate, the consumer has to come back to make a purchase).

Sampling Program Spotlight; BrandShare

I recently came across some trending information shared by BrandShare and thought it was a good idea on how to take advantage of how things are changing. The following was taken directly from one of BrandShare's press articles.

E-Commerce Shopping (Online & Mobile) is growing annually at 16% - while "bricks & mortar" retail shopping is almost stagnant, at 1.5% growth

Is this an opportunity for your brand?

We all know that Online Buyers are predisposed to using their preferred method of social media to share experiences they have had with a product or service, with their network of friends and family. This organic promotion of your brand can help increase your sales, but how can a brand connect with these online buyers in a positive, meaningful and trusted way? Imagine.....you are the Brand Manager for a shampoo and conditioner brand... and you purchased a dress from one of your favorite online retailers like Bluefly.com 2 days ago. When you arrived home tonight, you found a FedEx package from Bluefly.com on your porch. Knowing what it was, you proceeded to open it with excited anticipation. You see your beautiful dress ... and....you also sense an opportunity for your brand. What if you could take advantage of this positive open-the-box experience by including your

brand's shampoo and conditioner sample, right inside the package with the dress?

The benefits to your brand are clear and are a derivative of a company called BrandShare and their Online Retailer Network, which consists of 510 Online Retailers, in 41 different Lifestyle Networks (shipping over 40 million FedEx & UPS packages each month). By participating in this program, you can

- 1) Connect with your target (in this case, appearance conscious women) 100% of the time.
- 2) Get your product delivered in-home, where trial rates are highest.
- 3) Guarantee that 100% of your products/samples are delivered (via FedEx or UPS) and opened.
- 4) Have not just category exclusivity, but total exclusivity as your product/sample would be the only product in the package
- 5) Have access to millions of online buyers who, after trying your product, are twice as likely to blog about it, or share their experience about it with their friends via Facebook or Twitter, based on MRI data for Online Buyers.

Participating brands generate Industry-Best trial and conversion rates, due to the above facts. Some examples of brand campaigns include:

The Art of Shaving Starter Kit with BrooksBrothers.com and other men's fashion online retailers.

Kiss Impress Nails with ShoeDazzle.com and other women's fashion online retailers.

Quaker Oatmeal Squares with ChildrensWearDigest.com and

other "Mom's with Children" online retailers

Woolite Complete Laundry Detergent with

BedBath&Beyond.com, and other washable apparel online retailers.

BrandShare has executed hundreds of campaigns, delivering hundreds of millions of products and samples to brands' targeted audience, in the comfort of the consumers home, delivering better ROI than solo direct mail sampling/request based sampling - at a fraction of the cost. It's also important to know that each Online Retailer's fulfillment center has millions of dollars of their own merchandise in it, and quality control/security is 24/7. Not one carton of samples can leave the facility without authorization.

This is BrandShare's 22nd year of executing flawless campaigns for hundreds of top brands from P&G to Colgate to Unilever to L'Oreal to Kimberly Clark to SC Johnson and more.

As Online Buying continues to become the dominate channel to purchase merchandise in an easy & convenient fashion, by consumers who have the HHI and knowledge to become a brand advocate of your product or service, it's going to be more important than ever to engage them in a way that compliments their lifestyle and purchase behavior. For information, Contact: Doug Guyer, President dguyer@brandshare.com (610) 993-0500 x217

Sampling Effectiveness Advisors

PO BOX 706
Miamitown, OH 45041

PHONE:
(513) 353-0131

E-MAIL:
cindy@
samplingeffectiveness.com

WEBSITE:
www.samplingeffectiveness.com



See us at:

www.samplingeffectiveness.com

SAMPLING ROI... More measurement and analytics

One thing both brands and sampling vendors seem to be focusing more and more on is the payout of their sampling program. As a P&G alumni, I have always wondered why brands aren't doing more research to measure results and why they aren't looking at ways to improve the ROI of their

programs. Because of the economy and the focus on showing a return on valuable spending, finally there seems to be more interest in just what sampling is doing for the business. Hopefully, companies are taking that same hard-look at other areas of their marketing plans and comparing the

efficiency of sampling to other items in their promotion budgets. While no market research study can project an ROI with 100% accuracy, it's reasonable to say that sampling effectiveness research can give brands a very good idea of the ROI they are getting from their programs.

Established Brands: Sample at life change-points

One type of successful sampling that brands can count on is one that reaches consumers at life-change points. As an example, Target Media Solutions created a sampling program with Destination Maternity stores, targeting expectant women. With controlled

distribution and proof-of-delivery provided, most advertisers return. Since brands share the costs of a co-op program and duplication is controlled by limiting the gift-bags to one per consumer – this type of program offers brands an efficient and effective way of reaching

consumers at a life change-points. There are other entry/change point sampling opportunities proven to work well; daycare, high school or college orientation, brides and groom, etc. Choose experienced vendors to be sure your investment is maximized.

About SEA..

Sampling Effectiveness Advisors celebrates its 9th anniversary in January 2013. Besides nine years of working with brands and sampling vendors on improving the ROI of sampling programs, owner

Cindy Johnson also spent 13 years in marketing at Procter & Gamble. She worked with all brands in the company on optimizing sampling budgets and reviewing sampling effectiveness research results.

Only SEA offers impartial/unbiased third party expert advice on how to improve sampling results. No other company provides market research focused solely on measuring sampling effectiveness at low affordable rates.

**SAMPLING
ADVISORS
PO BOX 706
45041**

