



# Sampling Effectiveness Advisors

## Improving Product Sample Trial Rates A White Paper on Effective Sampling

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Ask brand marketers why they would want to include product sampling as part of their marketing plan and you may get a variety of answers: demonstrate superior performance in the category, add new or younger users to the brand franchise, overcome an unfavorable impression of the brand, etc. But in reality, **the ONLY reason to include sampling is to gain product trial. Without trial, none of the other brand objectives will be met.**

**The purpose of this white paper is to provide brand marketers with information which will help them improve product sample trial rates.** (To clarify, trial refers to the % of sample receivers who actually used or tried the sample). Since trial rates average between 40% and 70% for most categories\*, many brands are wasting the majority of their sampling budgets. In many instances, fewer than 50% of samples distributed ever get tried! By following success principles for effective trial, some brands can easily double their trial rates. This paper also provides suggestions on how to measure the success of a program, typical benchmarks, and suggests ways to calculate the ROI behind the brand's investment.

This white paper is one in a series of four papers to be published in 2006 by Sampling Effectiveness Advisors (SEA). In the second quarter (May), SEA will publish a paper titled "WHY SAMPLING?". This paper will address the function of product sampling and what sampling can accomplish for the brand's business (compared to other marketing tools). The third quarter paper, published in July, will address the secrets of successful sampling planning; the answers to the who, what, when, where, and how. There are many options within each area and the chemistry of what the best decisions are in each of these areas is really a type of science. The fourth and last paper, to be published in October, will address the many issues associated with measuring product sampling results. What's the best way to design a test? What type of research is necessary? How can you improve ROI? Because product sampling is one of the most expensive promotions (on a "per consumer" basis), a brand will want to know what the results are and how those results compare to other sampling programs or to other promotions in the marketing mix. Because the cost per reach is high, brands should carefully plan sampling activity and take advantage of the knowledge and expertise available to them.

### An overview of the basics...

Before delving into the details of improving product sample trial, an overview of some of the principles of effective sampling is important. Brand marketers should take this information and apply it to their particular situations. For example, some brands may not feel sampling is applicable to their category, since a "one-use" trial sample is cost-prohibitive (i.e., hair color, a roll of film, etc.) But since a sample is "something which offers the consumer a unique experience of one or more of the brand's benefits", then sampling could work for almost any brand. For example, a new car manufacturer may offer a free test drive of their latest model. The purpose of sampling is generally the same for all product categories - to give the consumer a positive experience of what the brand is like, which will hopefully convince them to buy the product.

\* SEA interviewed CPG marketers and sampling vendors to obtain averages on product trial rates.







### What advantages does sampling have over other marketing tools?

Easy enough--no other marketing tool gives the consumer the actual brand experience. How powerful is that? Brands that have a great product should put it in the hands of consumers to allow them to try it! Actually, a brand doesn't even need to have the BEST product – if the brand has a good value proposition (meaning that it's not the highest quality in the category, but for the money, it's the best value), then sampling may work well for the brand. Or if a brand can reach its target consumer with a sample just as they are entering the category, that's one of those special moments when a consumer bonds with the brand. Brands don't often think of sampling as a way to create loyalty but if a consumer likes the first brand they try within a category, they may never need to look outside the franchise to have their needs satisfied! Regardless of when and where a brand chooses to sample, they should **make it the best experience possible**. If a consumer needs a two-use sample to really get the brand experience, the budget shouldn't be wasted on a less-than-optimal experience.

### What's the best way to target consumers with product samples?

They say all marketing begins with targeting. This is not the case with sampling; product sampling starts with trial. If the sample never gets tried, then it doesn't matter who the brand has targeted! While targeting is extremely important, if the brand doesn't consider *when* and *where* to reach their target, the sample could very well end up in the garbage. It's far better to reach a secondary target when or where they are likely to try the sample, than it is to reach a primary target at a time when they are not considering product choices or where they are not likely to try the sample. Some of today's highly-targeted, psychographic profiling leads brands to a short list of possible ways to execute the sampling event. They may think the best way to reach highly-active, sports-minded females with a shampoo sample is at 10K run events. Certainly there are highly-active, sports-minded females at these types of events, but the *when & where* have not been considered in this example. Is this consumer in the frame of mind to compare the sample to her current brand? Is she considering product choices at all? Is she likely to try the sample at this event? Is the sample even likely to make it home, since she probably has no where to put it? It's a total disconnect and few samples will ever get tried. *Sampling cannot start with "the who", but must encompass the other elements of consumer receptivity*. Brands need to close-the-loop on the sampling experience: reach the target, but reach them when and where they are receptive to the brand message!

**What types of sampling programs have the best results?** The obvious answer to this question is; whichever program will give your brand the best chance of product sample trial. A secondary (but important) consideration is sample waste; a brand may have several programs which offer high trial rates but because re-sampling (giving more than one sample to one consumer) is an issue with most programs, the brand must take this into consideration when comparing programs. For example, event sampling or other forms of guerilla, hand-to-hand sampling have been shown to have poor sample control. Events have been shown to have the highest re-sampling numbers (a consumer study indicated consumers received an average of 2.5 samples each\*\*). When looking at the total number of samples received by a household (since events are often attended with other members of the household), that number may be as high as 6 or 7! Compare these event numbers to a more standard, structured sampling program (average of 1.4 samples per consumer) and a ROI calculation probably isn't even needed to know which program is the best investment! *This is not to say that event marketing can't be a successful promotional tool; but rather that there are better, more controlled places to sample.*

\*\* Average number of samples received at an event was determined by an independent consumer study conducted by National Research Inc., June 2001

Example: A brand plans 1,000,000 samples for event sampling. However, research indicates each consumer received an average of 3.3 samples. Rather than spending \$.30 per consumer, the brand just spent \$1.00 to reach each of 330,000 consumers. This payout will look quite different than the original plan of one sample per consumer!







*If trial is the key to successful sampling, what can marketers do to improve trial rates?*

**Eliminate barriers to trial.** Simple enough; if a brand distributes their sample to consumers when they are in a position to try it, that alone will result in higher sample trial numbers. While food brands can gain trial in almost any setting, non-food brands will benefit by using **point-of-use** or **point-of-need** sampling, since consumers can actually use the product at the time they are sampled. Examples: If a product needs water to be used, place it near a sink (in his/her hotel room) or sample where a faucet or water fountain is available (the gym, etc.). Some brands may want to avoid sampling in-home if there are barriers to trial due to category usage habits. Think of how many different brands of hair care products the typical family uses at home: giving a new shampoo to consumers when they are away from home and don't have all of these choices is probably going to result in better trial numbers. The more hurdles a consumer has to overcome and the more options they have to meet their needs, the less likely it is that the sample will ever get tried. Why sample at an event if the consumer has to bring it home to use? Unless it's a food or beverage product, the brand is asking the consumer to carry the sample around with them at the event, transport it home, get it to the appropriate place to be tried, and then remember to try it. There are too many barriers to getting trial in that situation. Get the sample as close to the point of trial as possible!

Other barriers to trial include: sample packaging issues, lack of information, etc. If the product sample requires scissors to cut through packaging, but is distributed in a non-home setting, it may not get opened. If the consumer doesn't have enough information to know how/when to take an OTC sample, it may never get used.

**Provide a compelling call-to-action** - While direct mail provides great targeting ability, it doesn't necessarily provide the best setting for trial for some categories. Other in-home delivery vehicles may also fall short of reaching a consumer in a state-of-need. (The consumer has already stocked his/her shelves with the products they like and want to use.) Without a compelling call-to-action or **reason to use immediately**, many brand samples may get thrown away or saved for travel, when a smaller size product is preferred.

**Determine when the target will be receptive** - If a brand wants to reach a particular target with a sample, thought should be given as to the receptivity of the target. If it's not possible to sample the target in a state of need, at least sample in an environment where the brand will be received well and remembered favorably.

**Consider who will be distributing your sample** - The delivery vehicle consideration must include, "Who will represent the brand?" Sometimes brand ambassadors contracted for events are not properly trained as to the product benefits. Since events are often a one-time occurrence, these samplers are never used again. Their goal, at the end of the day, is to have an empty bag. (Who wants someone handing out their samples, who want nothing more than to end their day early?) Unfortunately these "samplers" do not get compensated for hitting the right target, or for handing out only one sample per consumer, or even for talking to consumers about the brand.

### Point-of-Use sampling example?

- Provide consumer with sample when and where they will use it.
- Sample a deodorant at a fitness club or to a high school sports team.
- Sample cologne to men or women in the cabin of their cruise ship.

### Point-of-Need sampling example?

- Provide consumer with sample when and where they may need it.
- Sample pain reliever at a ski or golf resort.
- Sample breakfast bar or fruit juice to bus tour groups or at conferences.





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If a brand is one which wishes to project an image in the likeness of its target, the brand should consider which venue will deliver this objective. As an example if most in-store samplers are women aged 50+, but the brand needs to relate to and communicate with young, outgoing trendy males, a different type of delivery vehicle may be in order.

When appropriate, the sample should be delivered by an authoritative or professional figure; someone the consumer knows or trusts. For example, it would be ideal to have a dietitian sample low-fat snacks, or to have dentists sample oral care products. In-store samplers should know how to prepare food products and be prepared to answer questions about ingredients. For less-involved, or "fun" categories (candy, beverages, etc.), obviously an implied endorsement by a professional is not required but still, *having a positive brand ambassador is an asset to any sampling program.*

A common mistake marketers often make is not involving sampling experts in their plans. They should choose companies that have experience in the type of sampling they want to do. Many companies claim to be able to reach any target through any venue, but only through past experience can the vendor learn to improve their program's execution.

### Think through the risks...

The most important thing to understand about sampling is that it's not as easy as just getting the sample into the hands of a target consumer. *Effective sampling is very complex; there are many elements which go into the success of a program.* A brand has to choose the right version of their product (which flavor or scent), the right execution of their product (sachet or bottle), the right vendor to distribute the product, the right target- at the right time (when they are most receptive to brand's message), the right location, etc. **If one wrong choice can result in poor results, imagine what multiple wrong choices can do to your chances of success!** A common mistake marketers often make is not involving sampling experts in their plans. They should choose companies who have experience in the type of sampling they want to do. Many companies claim to be able to reach any target through any venue; but only through past experience can the vendor learn to improve their program's execution. In recent years, event sampling has become more popular. But as we've mentioned, events have their own list of potential hazards. Add to the items above- potential issues with the weather, smaller-than-anticipated crowds, poor sample control, untrained event staff, etc., and the possibility of a disaster becomes far too likely.

### Common errors are driving trial rates down:

**Failure to think beyond targeted delivery** - Probably the most common error affecting trial rates today is failure to make the most of the product sample experience. It's critical for brands to remember that regardless of who their target is, they need to be in a position that gives the brand the greatest chance of getting the product tried. Many times the brand has a specific target they think they want to reach, but the only way to reach the target is at a place where there is no connection to the brand. In the end, this type of program may have a lower ROI than reaching a similar target in a more effective way. A brand may have to double (or triple) trial and purchase numbers to payout a highly targeted or event-driven program. (This is highly unlikely.)







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**Using product sampling to achieve marketing objectives other than trial** - Product samples are expensive and should only be used when product trial is the objective. A brand who wants to create "buzz" or "word-of-mouth" can develop a campaign without sampling. *Sampling starts and ends with trial.* While it may be intriguing to sponsor a national lip-syncing competition in bars and nightclubs across the country, it probably isn't wise to provide a person with a sample of a razor at the same time.

**"Free" Sample Distribution** - Because of the way brand budgets are managed, brands are often looking for "free distribution". They have produced the sample, it's sitting in storage, but they have little or no money to have it distributed. They paid \$.25 for each sample produced and are looking for ways to distribute the sample as inexpensively as possible. What the brand should remember is that when the sample production costs are the largest part of the program budget, there is no such thing as "free" - and that they should try to make the best use of the available samples. It's far better to pay \$.15 to get a sample distributed in a program with high trial numbers; than it is to pay \$.05 per sample distributed, in a program with low trial numbers. Even if sample distribution costs are free (see cost-per-sample-tried calculation), the more expensive program may be the better investment.

**Sampling in-store for non-food brands** - When considering possible sampling vehicles, a brand may choose to sample in-store to get "free" trade support behind their event. While this would seem to be the case, the cost to sample in-store is usually much higher than other structured sampling programs (which also provide better targeting). If it is trade support the brand needs, the brand should consider other more effective retail promotions which are a more efficient use of the brand's marketing dollars.

Actually in-store sampling for any category other than food is counterintuitive. If a shopper is offered a new cheese spread, she can try it immediately. If she likes it, she may very well buy it. If however she receives a toothpaste sample (or shampoo, facial cream, etc.)- what is she to do with the sample; take it home, try it, and then come back to purchase it? The likelihood that she will save it for when there is a future need is also very low. Why? Because she has 3 different brands in her medicine cabinet already. *Satisfied needs do not help motivate trial!* Furthermore, sampling in-store may actually discourage a consumer from purchasing the brand until after he/she tries the sample. As we have mentioned, the likelihood that the sample doesn't get tried is rather high which eliminates the advantage of sampling in-store.

### Measurement - understanding sampling program results

**How does a brand determine which programs have the best results?** Many brands choose not to spend the money for market research to measure the results of a sampling effort, because they feel that it's a one-time event - not to be repeated in the future. While there may be no plans to execute the exact same program or event, all market research results will help the brand make more educated decisions in the future. If a brand knew going in that trial rates would only be 40% with a certain program or that the average number of samples received would be 3.6, they would never have participated in the program. Another reason a brand should measure results is that they need to know what purchase or claimed purchase is, to be able to calculate ROI. Without this measurement, they won't know whether to participate in the sampling program again, or whether their budget might be better spent on a different consumer promotion.







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**How do most brands design sampling research? What is it that they measure?** It's not too difficult to structure research of a sampling program. The sampling vendor should assist the brand in setting up a process to collect consumer information in order to contact them later. Then depending on the brand's purchase cycle, these same consumers would be contacted 4 to 10 weeks later (to coincide with purchase cycle) and asked a few questions. Most brands want to know, 1.) Did the consumer get my sample? (-did they remember it?) 2.) Did they try or use my sample? (what are trial rates?) and, 3.) Since trying the sample, have they purchased my brand? SEA also recommends asking the all-important, "how many samples did you receive?" question. While frequently overlooked, the answer to this question can really make a huge impact on ROI.

There are two common methodologies for the research: 1.) Collect "pre" purchase data at the time of sample distribution, and compare that to the claimed-purchase numbers (post research) to determine the incremental purchase (*purchase conversion*), or 2.) Develop a control group (just like sample recipients, only don't give them the product sample), and ask them the same questions as the sample recipients (test group). All things being equal, the difference in purchase numbers (between test and control) should be attributed to the product sample. If a brand has strong trial rates and costs are kept under control, the program will likely have a positive ROI.

How NOT to measure sampling programs? Advertising impressions! Product sampling is not an advertising vehicle and should never be looked at as delivering impressions. The purpose of sampling is trial; so measure trial rates!

How NOT to measure sampling programs? Advertising impressions! Product sampling is not an advertising vehicle and should never be looked at as delivering impressions. The purpose of sampling is trial; so measure trial rates! (But determine ROI based on increase in claimed purchase.) Another common error is to measure results within a market which is not representative of the national sampling program. Some vendors will "heavy-up" sampling in one market to be able to read results via IRI or panel data. This is not representative of how the program was distributed, so is not representative of actual results.

**What does "good results" look like? What should my brand expect to see in the way of sampling results?** While product trial rates average around 55%, SEA recommends brands strive for a trial rate of at least 70% for most categories (among those who received the sample). Purchase numbers are going to range widely, depending on the category. (*Note: our third white paper, published in July, will provide more detail about what trial rates are across different types of programs and what claimed purchase numbers look like for some categories.*)

**How are research results used to determine ROI?** Once the brand knows what the difference in purchase is (between test and control), that number should be used to determine the ROI. There's no one ROI model that works for every brand, since purchase data is different for every category, but the principles of payout are all the same. The brand's finance manager should determine how much incremental business was sold, based on the incremental difference in claimed purchase. (The incremental business is usually calculated on a per-year basis.) Subtract the cost of the sampling program from the incremental business, and the difference is the ROI.





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### Cost-Per-Sample-Tried calculation example:

#### Program A.

(Free distribution)

\$.20 product cost + free distribution  
x 1 million samples = \$200,000.00  
divided by 333,333 (30% tried sample)  
= **\$.60 cost-per-sample-tried.**

#### Program B.

(Higher cost but better targeting)

\$.20 product cost + \$.15 distribution  
x 1 million samples = \$350,000.00  
divided by 700,000 (70% tried sample)  
= **\$.50 cost-per-sample-tried.**

While Program "B" is more expensive to distribute samples, the cost-per-sample-tried is lower due to higher trial numbers. The clear "winner" is Program B!

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**What other measurements are important?** While brands will ultimately want to know if the program had a positive ROI, *a better way to evaluate sampling program performance is "cost-per-sample-tried"*. ROI is dependent upon many things: did the consumer enjoy the sample experience, were product benefits obvious, was the target reached, etc.? So even if the vendor does a great job of getting only one sample into the hands of each consumer, if the product sample lacks performance, ROI may ultimately suffer. (This should factor into the decision on whether to sample at all; is the benefit obvious in the sample? If not, the problem rests with product development and the brand should not consider sampling until this is resolved.) The way to calculate *cost-per-sample-tried* is to divide total cost by the total number of samples tried. Not only is it a more fair comparison of program performance, it's an easier, quicker calculation than ROI and will provide brands with a metric that accomplishes the primary task of a product sampling initiative and allows brands to evaluate the difference between different sampling options.

### Be not afraid...

While this paper has pointed out some of the risks involved with sampling; the intent was certainly not to scare marketers away from product sampling. It's a very powerful marketing tool and the *closest to the brand experience!* Rather, the intent of this paper is to prepare the brand marketer for the issues he/she needs to consider. Many times sampling plans are given to the most junior marketer/ABM on the brand. While it's good training, this decision can be disastrous unless more experienced marketers are involved in making the final decisions surrounding the sampling plan. It often takes a full year to develop, execute, and measure a sampling program and by the time the results come back, a different person is now managing the plan. Because of that, *most brand marketers never know how their program turned out* and so expertise on the brand is often lacking. That's the logic behind the creation of SEA: to provide brands with an external source of sampling knowledge. SEA is the only company 100% focused on helping brands improve sampling success rates. The experience we have spans many categories and many types of sampling. No other company takes the sampling program from concept to measurement, or provides an impartial look at which types of sampling are going to be most effective for a brand. The earlier we are involved, the more efficient the brands program will be and the more effective the sample will be in driving purchase. In the end, the small cost of our involvement will be insignificant compared to the increase in the brands business.

### SEA... Bridging the gap

Sampling Advisors was created to bridge the gap between the junior marketer and the promotion agency and/or the sampling vendor. Brands rarely have the experience or time to thoroughly review the sampling plan, look for efficiencies, or even measure the programs success. We provide *unbiased direction* as to which type of sampling will be most effective. We can also assist promotion agencies in developing strong program recommendations to the brand or help sampling vendors strengthen their own program results. We can provide unbiased research results of the sampling vendors program and bill the brand through the promotion budget. **Our ultimate goal is the same no matter who we are working with; to help brands make the most of their sampling investment!**

Visit our website, [www.samplingeffectiveness.com](http://www.samplingeffectiveness.com) for more information or to download other white papers to be published in future months.

