

# Sampling 101

An Introduction to Product Sampling  
and Methodologies

the **samplingstore**<sup>TM</sup>  
*Trial without the error.<sup>SM</sup>*

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# 1

## Purpose

Savvy brand marketers know that product sampling is a critical strategy to drive awareness, trial, and purchase conversion for new products and line extensions, critical to the retail sales process and brand building. But it's also a powerful tool for growing existing brands, expanding to other audiences, demonstrating claims, and so much more.

The purpose of this brief is to provide an overview of product sampling as a strategy and promotional tool and to outline and assess tactical sampling options, their situational uses, pros, and cons—equipping you with what you need to formulate best practice sampling plans and tactics.

We originally created *Sampling 101* for Kraft Foods as an internal primer, which has been updated significantly to also share key learnings from our 25 years of expertise as a sampling market leader. Throughout this document, we've peppered pages with visuals of actual executions as examples. We hope you find this deck valuable and invite you to share it with your entire brand/promotion marketing and agency teams.

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## Sampling Overview

# An Introduction to Product Sampling

## Product Sampling Overview

### **Definition:**

Sampling is the act of providing potential consumers with the opportunity to try a product, either by direct demonstration or by delivering some amount of that product free of charge for later use (usually as a trial single or two-use size, but sometimes as a multi-use or even full-size retail product for categories such as household brands to build experience and demonstrate efficacy with the product).

### **Desired Outcome:**

Consumers who try the product will become purchasers, brand advocates, and ultimately, frequent and loyal users.

### **Why Should We Carefully Review and Evaluate Sampling?**

Sampling is probably the most expensive tool that a marketer can deploy to drive purchase and new users to a brand. This is due to the cost of the product itself and the relatively high cost of the methods of distribution vs. other promotional strategies such as promotional discounting (coupons) and other purchase incentives.

## Then Why Do Sampling?

Brands and agencies engage in product sampling to:

- Provide direct interaction / engagement between a product and the potential consumer/shopper, especially for new products with low awareness and high potential failure cost risk at retail.
- Present targeted consumers/shoppers with a “no-risk” means of trying a product to generate trial (and when it resonates, conversion to purchase).
- Target specific high-conversion and high usage potential consumers to drive consumption bases.

## When Does it Make Sense to Sample?

### 1. New Product Introduction

Undoubtedly the most common reason to sample, most necessary when:

- The brand is not well known yet, and therefore trust needs to be built.
- The brand is introduced as a later entrant in its category, and other competitive category players are already strong (with high BDI / Business Development Index in the category or specific market. Therefore, the marketer needs to switch consumer behavior away from an established product in order to allow consumers a no risk way to make the comparison.
- The product has an attribute/benefit that is unusual or needs to be conveyed through physical trial vs. other consumer communications.
- The new product has been determined (through research) to have a high degree of conversion opportunity and loyalty potential among a highly targeted consumer group(s), which may make targeted sampling more efficient and effective than broad reach vehicles.

## When Does it Make Sense to Sample?

### **2. Product Improvement or to Change Product Perception**

This could mean that there are some existing negative or lukewarm perceptions to overcome. Sampling could be critical here, especially if there is a barrier to trial (such as a perception that a healthy product will not taste good), or a competitive product has been viewed as superior to yours in the past. If a brand has a reformulation or unsung new position or benefit / improvement that will move the consumption needle, another reason to sample.

### **3. Demonstration of Product Superiority Claim**

The most recognized example of this is the Pepsi Challenge, when Pepsi conducted a nationwide product demonstration taste preference challenge vs. Coke. Pre-event research found a real, clear superiority. They used the sampling in their advertising to build awareness of the superiority. This forced Coca-Cola Co. to reformulate Coke, which ultimately ended up backfiring, and Coke went back to the old formula. There are many other examples of this rationale in more modern times.



## When Does it Make Sense to Sample?

### **4. Demonstration of a New Usage for an “Old Standby”**

Even mature brands can benefit greatly by providing a breakthrough usage idea for the product. A classic example of this is the classic JELL-O® Jigglers®, where the brand was challenged with store-to-usage pipeline fill in households, but usage was waning and velocities at retail slowing. Promotional plastic molds and new preparation instructions completely turned around the brand, building a fun activity and treat for Jell-O, more like gummy bears than original Jell-O. 100 calorie snack packs are another example of providing portion controlled on-the-go usage for legacy Nabisco® snack favorites.

### **5. Determination of a New, High Opportunity Target Group for a Mature Product**

A marketer may determine that a product is indexing high among Hispanics or African Americans, or among Surfers or Snowboarders, but that penetration is lower than expected. Untapped but viable demographic segments often indicate a strong sampling opportunity. Also, a decision to change a product's image to appeal more to a certain target (e.g., more fun packaging, advertising and promotion to appeal to kids) may call for sampling support to reach and convert that target.

## Selecting the Correct Target Audience

The first step to effective and efficient sampling is selecting the right target. A variety of sampling methods allow the marketer to target consumers in various ways:

- Geography
- Presence of kids in household
- Income level
- Age
- Gender
- Lifestyle preferences
- Occasion/seasonal usage
- Complementary product usage
- Combinations of the above
- Shopper Marketing behaviors



Research and shopper demographic analyses should play a major role in targeting decisions.

## Conversion Assessment

The primary method of ROI / sampling success evaluation is to examine the conversion rate and its value to the brand, vs. the expense of each program. Here is a simple formula for determining the program breakeven point:

1. Determine the unit cost of your product sample. (A)
2. Determine the unit cost of sampling distribution. This is simply the total cost of the program divided by the expected number of samples to be distributed. (B)
3. Add A + B to get total sampling cost per unit and multiply by the total quantity to be distributed (C)
4. Determine the profit from each new user for one year by calculating the profit per unit multiplied by the expected number of purchases per year (D) – *see next page*
5. Divide the total sampling program cost (C) by the profit per new user (D) to get the number of conversions needed to break even in one year (E).

While it may be difficult to determine the conversion rate you'll actually get from each program you consider, this formula allows you to compare programs and check directional feasibility of each. Note that in-store sampling tactics can also provide volume metrics, but does not account for competitive activity in the store and does not provide data on whether purchases were from rewarding existing customers or attracting new shoppers.

## Conversion Assessment (Cont'd)

Also, the method above suggests that once a first purchase is made, the purchaser will continue to use the product loyally for at least a year. Individual purchase dynamics of the brand and the category should be considered in calculating this. In certain categories with a longer purchase cycle, a two-year breakeven point may be acceptable.

Generally, and this will vary widely with the method of distribution, the product cost and purchase frequency, sampling programs should afford between a 10% and 20% conversion rate. Factors to look at in estimating a conversion rate are as follows:

- Percentage of your target reached out of total recipients of sample.
- How close the sampling is to the purchase decision (in store offers highest conversion rates, somewhere around 20%).
- How good is your product? If you have done consumer research prior to introduction or relaunch, you should have an idea of expected conversion rates—which can then be applied to the sampling ROI formula for (D) and checked again with longitudinal post-event research.

## Sampling Execution Compliance

Compliance is at the top of everyone's list of executional must-haves. For all your sampling programs, ask what compliance measures are to be deployed in advance. For best practices, make sure all your sampling programs have at least these measures in place.

### Pre-Program:

- Project plan and timelines.
- Custom signage with creative that resonates with your target audience.
- Opt-in/opt-out communications with venues (if multiple locations).

### Program:

- Shipping tracking of all samples to locations (or for program).
- Compliance calls following shipments to at least 10% of locations (for multiple locations).
- Multiple location feedback reporting options (print, fax, online with dedicated URL) for sampling agency to solicit location feedback (product appeal, ease of execution, duration of execution, too few / right amount / too many samples, and open-ended feedback).
- Executional photos that can easily be provided by location.
- Sampling recipient depth research.

## Sampling Research for Usable Metrics & Insights

Consumer research conducted with recipients of your samples (and highly recommended for all programs) can be a powerful tool—learnings, metrics, insights that you can both plow back into your next planning cycle, and priceless information that your sales team can leverage with buyers. Here are a few guidelines:

- Ask a broad swath of research questions, including those for: brand awareness, appeal, and sample experience, multi-attribute category preferences and how your brands measures up against them, category shopping behavior (including classes of trade preferences), competitive brand usage, purchase intent (use the best-in-class 11-point Juster Scale if possible), open-ended opinion questions about the brand, and a spread of demographic questions for cross-tabulations and comparisons. Consider running a second, longitudinal study three to six months later with a portion of the respondent base to validate reported conversions of the initial research.
- Ensure you have the physical means to provide trial consumers with an invitation to your survey at point-of-execution (e.g., part of your sample, a take-one tear sheet on an easel card, etc.) and that you have a dedicated simple access URL for the survey.
- Incent respondents to complete the survey with a small reward (\$5 to \$10 cash or gift cards to complete a 5 to 8 minute online survey) and include a validation question to make sure those answering your survey actually received the sample (e.g., a flavor, tag line, etc., something they can see in real-time on your sample).

## Additional Thoughts for Sampling Planning

A few things to consider as you plan product sampling activations:

- Sampling is an investment in the brand and will not immediately pay back as a consumer sales tactic, which is why we always look at the long term value of new users, avoidance of failure fees, and other factors. Brand managers should realistically determine measurable objectives that are based on other criteria than immediate payback.
- When budgets are tight and/or when samples are limited in quantity, consider sampling only to key opportunity market areas, or geo-mapping around key retailer locations.
- Always build in budget for some communication to continue or pay off the engagement (e.g., a coupon, a website address, tie to an ongoing brand campaign / activation, etc.) to give the program “legs” and help support other communications. An experienced sampling agency should be able to help with this.
- Use the research and insights with the sales force to take back to buyers, especially if you are sampling around their store locations, in which case those insights will stand out and have value to those chains.

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## Assessment of Sampling Methodologies

# Tactical Options for Product Sampling



## In-Store / Point-of-Purchase Sampling

This is product sampling in grocery stores, mass merch and club store outlets, drug stores, and other classes of trade / locations where the product is sold and purchased. It is conducted either by live demonstration (sometimes called “wet” sampling) or product hand-out for later consumption (“dry” sampling).

In-store sampling (or “point-of-purchase” if near or at your shelf edge, end-cap, or other display, is usually conducted by local companies that service area stores. Large companies specializing in in store sampling may be hired for their ability to manage and organize a company’s sampling requirements and execute and manage the many local companies involved. These companies normally have their own managers in the field.

Live demonstration “wet” sampling can be highly effective to move product each location because the consumer has immediate access to the product to purchase (often with a coupon or other incentive that accompanies the sample). However, the sampler needs to ensure that the demo personnel are well versed in preparation and can answer questions properly and positively.

Take-away/product hand-out sampling is usually conducted if product is not able to be consumed immediately in the store. There is less justification for the higher expense of in store sampling from a consumer behavior standpoint.

## In-Store / Point-of-Purchase Sampling

### When to Use In-Store / Point-of-Purchase Sampling:

- To introduce a product or a new usage benefit, when the product has characteristics that will benefit from direct demos/tasting among a general consumer audience.
- To provide actionable solutions to shoppers to specific needs (e.g., a simple, time-saving dinner recipe).
- To help secure distribution or gain incremental merchandising benefit from spending sampling money with the trade (e.g., guaranteed display placement while sampling is being conducted, feature pricing, etc.).



## In-Store / Point-of-Purchase Sampling

### Pros of In-Store / Point-of-Purchase Sampling:

- Captive audience at the time of the purchase decision normally results in a high conversion rate among shoppers who do stop to try the product.
- Can be leveraged to obtain merchandising support from the trade.

### Cons of In-Store / Point-of-Purchase Sampling:

- In-store hand-out sampling is probably the most expensive way to reach consumers (usually runs from \$125-\$220 per store day, including demo and store access fees, to reach an average of 500 consumers per day).
- It is difficult to control execution--local agencies are difficult to coordinate and manage. Scheduled dates are sometimes rescheduled without client notification.
- You are targeting all shoppers, not just those who are likely loyal and continued users (based on demographics or lifestyle) so cost per reaching a new shopper / 'user can be significantly higher because of appeal to your existing customer base at POS (existing household penetration percentages are often used for these cost/sample calculation adjustments).

## Experiential Event Sampling

Experiential event sampling is usually conducted to link your brand and sample to a lifestyle or activity that is important to your target consumers. Product association with the event enhances the product image, and the events are usually selected with a certain target consumer group in mind (e.g., rock concerts for young adults, spring break for teens, sports events for fans, festivals, etc.).

Normally, event-based sampling goes along with a sponsorship fee of the event plus activation fees for the set-up on site, and other benefits may be derived in terms of exposure.



## Experiential Event Sampling

### When to Use Event-Based Experiential Sampling:

- To change or enhance image of the product in line with the event image.
- To reach a targeted audience likely to attend the event.
- To align with a retailer/trade partner who is supporting the event.
- To enhance national marketing efforts in key local areas.

## Experiential Event Sampling

### Pros of Experiential Event-Based Sampling:

- Can target specific groups based upon lifestyle interests.
- Can be leveraged to obtain local PR to improve brand image.
- Can be leveraged with trade partners.
- If done correctly, can create a quality engagement with the consumer and a positive and memorable experience with your brand, leading to purchase.

### Cons of Experiential Event-Based Sampling:

- Audience is in “information overload”—often more concerned with event and getting free “stuff” than with product interaction.
- Difficult to logistically coordinate, especially when dealing with food and live demonstrations.
- Is expensive on a cost-per-person-reached basis based on sampling alone.

## Direct-to-Home & Internet Sampling

The most common methods of distribution include: targeted mailings based on shopper card purchase data; direct mail from other purchased lists; doorknob hangers; newspaper pouch sampling; magazine subscription ride-alongs; catalogue order sampling; and online requests delivered by mail (either directly from brand fulfillment or third party delivery conduit).

### When to Use Direct-to-Home Sampling:

- To directly target frequent purchasers of a competitive product or a complementary product (from consumer and shopper data).
- To target certain geographic, socioeconomic, or lifestyle groups that can be pinpointed through mailing lists, zip codes or catalogue ordering information.
- When the usage of your product is mainly in the home situation (e.g., laundry detergent), and the product does not really benefit from live demonstration.



## Direct-to-Home & Internet Sampling

### Pros of Direct-to-Home Sampling:

- Can target specific groups very effectively, based upon a number of criteria.
- Delivers product directly to the most likely point of usage.
- There is typically a good conversion rate with highly targeted distribution methods.
- Can be done cost effectively as a ride along with other deliveries (e.g., catalogue orders).

### Cons of Direct-to-Home Sampling:

- Solo direct mail is highly cost prohibitive.
- There is a fragility issue—some types of samples may be damaged when sent through certain vehicles (direct mailing in warmer climes and months can also be problematic).



## Targeted Lifestyle Venue Sampling

This type of product sampling occurs in the places where the target consumer is likely to frequent and has a lifestyle affinity for the touchpoint. An agency would explore venues with customers or patrons that match the brand's targeting objectives, and present options. Here are some venue examples through which brands can sample to highly targeted audiences:

**Health & Fitness:** Physician offices, yoga studios, fitness centers, campus gyms

**Travel & Leisure:** Ski resorts, airlines, airport stores, hotels and resorts, car rental counters

**Other:** Malls, senior centers, coffee shops, dry cleaners, etc.



## Targeted Lifestyle Venue Sampling

### When to Use Targeted Lifestyle Venue Sampling:

- When the venue effectively reaches a large percentage of the target consumers.
- When the venue provides an image that corresponds to the product's desired image or produce usage occasion.
- When the venue can provide an effective and efficient means of distribution and compliance.
- When your sales team needs ammunition with certain retailers for sell in, geo-mapping can be used to sample around retailer store locations to drive awareness and traffic.



## Targeted Lifestyle Venue Sampling

### Pros of Targeted Lifestyle Venue Sampling :

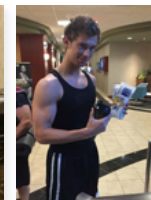
- Can be a highly cost effective way to reach large numbers of brand's target vs. other methods (i.e., no staffing costs or retailer fees).
- Affords brands the ability to target specific groups based upon behavior (e.g., travelers, commuters) interests (e.g., ski lodges, health clubs) and/or life stage (e.g., expectant moms, college students) vs. standard demographic criteria.
- Provides sales force with ammunition to show brand support.

### Cons of Targeted Lifestyle Venue Sampling :

- Trade off with having venue staff handle sampling...while very cost efficient, 100% compliance is difficult to control. Brands should ensure the sampling agency they work with can implement controls to the best extent possible.



*Hudson News*



**LIFE TIME**  
HEALTHY WAY OF LIFE

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MARKETING GROUP

## Cross-Product Sampling

One of the most efficient way to distribute samples to target audience or usage set is to find a complementary product with the ability to carry your brand sample. This is because the “carrier” brand will often fund production/insertion if the product adds value for their purchase, and the sampling brand will supply/fund just the sample and packaging for delivery (often with a joint offer).

With line extensions, it is sometimes smart to place the product inside your own base brand packages to increase the overall usage, but if your goal is to attract new users, sample in/on another brand. Look for partners that have an attractive consumer base or usage occasion that fits with your brand’s objectives to attract new users to your product.

### When to use Cross-Product Sampling:

- When clear user and usage links exist potential “host” categories and your brand.
- When shelf life is not an issue and/or the carrier product has quick turns.





## Cross-Product Sampling

### Pros of Cross-Product Sampling:

- Can be very highly targeted if opportunity can be identified through complementary usage patterns.
- Can be very efficient if the proposition is a “win-win” for the carrier and the sampler.



### Cons of Cross-Product Sampling:

- Logistics and timing issues often associated with packing on/in another product, which can limit opportunities.
- Matching objectives with and searching for a partner carrier products is a difficult process...normally a sampling partnership agency would be used.
- Sales force and retailer objections when sampled product is not carried in the stores (host product must have high ACV).

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## Leveraging Product Sampling with Retailers

### Geo-mapped Sampling for Retail Case Buys & Display

## Retail Surround / Geo-Location Based Sampling

- You don't have to sample in-store for your sales team to benefit from sampling initiatives retail with key accounts and buyers. Brands can tie out-of-store sampling initiatives to specific retailer account(s), allowing sales teams to leverage programs with buyers to drive incremental volume sells and display activity. For retailers, this translates to local foot traffic into the stores and increased velocities and shelf conversion of your brand.
- This is done through geo-location technology, "*geo-mapping*" lifestyle venue locations where you sample within "X" miles of one or more of your key retail account(s) store locations nationally, regionally, or in specific DMAs.
- If you want to fully engage with a key retailer, customize consumer-facing executional display and other materials for execution to include that retailer logo (by retailer permission of course), along with account-specific coupons, copy, or offers.

## Retail Surround / Geolocation Based Sampling



Above, Walmart Diabetes CarePak. We geotagged all Endocrinologists within 5 miles of a Walmart store.

Example of a multi-brand Diabetes pharmacy program the *Sampling Store* ran for Walmart at Endocrinologist & Diabetes Educators offices in its Access Health Network™, offices geo-mapped within five miles of Walmart superstores. This program included a script transfer offer from Walmart to drive traffic and new pharmacy customers.



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## Conclusions and Recommendations

# Key Insights & Take-Aways

## Conclusions & Recommendations

- Sampling is a highly effective tool to gain trial among targeted consumer groups deemed to be of high potential to the brand. It is also among the most expensive promotional tools in a marketer's arsenal.
- Conversion potential and long-term value to the brand vs. cost should be evaluated carefully for each sampling event to be considered. Maintenance or repeat in successful venues to build trial and conversion penetration (and loyalty) are also important.
- Sampling that can help the sales force leverage with buyers to garner display activity, incremental case buys, or carriage if tied to those retailers.
- Proper logistics, maintenance of product integrity, and consistent sample delivery and tracking are all vital to success, so it is critical that sampling be conducted by a reputable firm and proven methodology.

## Conclusions & Recommendations

- Utilize **in-store and cross-brand sampling** when immediate retailer benefits can be garnered by the sales team, though less targeted and more costly than other tactics.
- Utilize **event-based sampling** selectively in key targeted heavy-up locations, or as appropriate when targeting with needs of particular brands warrant them. Always add a consumer engagement tactic, and a “legacy” take away piece to encourage purchase and/or future interaction beyond the event.
- Utilize **targeted lifestyle venue-based sampling** to reach specific audiences cost-effectively when new products are introduced, and/or when a clear consumer targeting opportunity is identified. In addition to in-store sampling, out-of-store geo-mapped lifestyle sampling provides a lower-cost, more targeted means of accomplishing shopper marketing and sales objectives, and can be leveraged by sales with accounts.
- Utilize more costly **direct-to-home sampling** for limited pinpoint campaigns on your own website or to combat competitive activities, typically as a supplement to other sampling tactics or when they can be delivered under a specific retailer platform.

## Conclusions & Recommendations

Always hire an experienced sampling agency and ask for compliance and post program research capabilities, regardless of the attractiveness of the sampling channel or offering.

# the samplingstore™

The Sampling Store™ has been a leading U.S. lifestyle and retail partnership-based product sampling agency since 1994, delivering more than 600 million samples for brands across numerous categories. Our focus today is active / healthy lifestyle sampling with brands that meaningfully engage consumers and shoppers along their wellness and passion paths. Product sampling is powerful but costly, which is why you should entrust your activations to a company with experience, like ours.



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## Leadership & Contact Information



### **CEO/Managing Director**

Brian brings more than 30 years of marketing and new product experience to the business from both client and agency sides. Prior to founding CoOptions and Sampling Store in 1994, Brian was a brand manager at Kraft Foods and co-founder / CEO of Colangelo Synergy, now an Omnicom agency. Brian has his BA in Psychology (Binghamton University) and his MBA (Wharton). He is also an author of eleven published books, including *The Pocket Marketer* (Warner/Hachette). **Contact Info:** 919.303.3223 x402 / [bsockin@cooptions.com](mailto:bsockin@cooptions.com)



### **President, Health & Wellness & The Yoga Studio Network™**

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### **Vice President, Business Development & Strategy**

Janet is an accomplished marketing professional who turns brand strategies into impactful plans, grounded in consumer insights and brand equity and benefits. Janet has held senior level management positions for both consumer packaged goods companies (Kraft Foods and Pepperidge Farm) and agencies (Octagon, CoOptions). Janet holds her BA in English/Journalism (Binghamton University) and her MBA (St. John's University). **Contact Info:** 919.303.3223 x407 / [jnicolini@cooptions.com](mailto:jnicolini@cooptions.com)

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