

Product Sampling Via The Mail



“The Right Offer... To the Right Target... At the Right Time”



Insert customer logo

Insert current date

Why Sample?

When is Product Sampling Used?

Sampling Vehicles

In-Home Sampling

Benefits of Product Sampling Via the Mail

Sampling Through the Mail

Pricing and Handling Fees

Product sampling reaches a large audience:

70 million consumers receive product samples every quarter.

Source: Arbitron Study 2009





Agenda

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Top three reasons brands should sample:



Personal Experience



Samples Are Social



Retain And Convert Customers



Personal Experience

- ❑ Consumer decision making science shows that personal experience **trumps everything else** as an influence on personal choice
- ❑ Sampling **creates personal experience**
- ❑ Nothing else is as powerful as a **direct experience** with the brand

Product sampling is an engaging marketing method: 2 of every 3 consumers accept product samples.

Source: Arbitron Study 2009





Samples Are Social By Nature

- ❑ Consumer decision making science tells us that **recommendation** from a trusted friend is clearly the **2nd most important** purchase decision influencer
- ❑ Sampling generates valuable and genuine “earned media.” People readily share their positive experience pushing sampling’s **value and ROI** higher than ever
- ❑ Product sampling persuades consumers to buy products they heard of but never tried before: **6 in 10 consumers** buy the product after sampling it



Samples help retain and convert customers



***Half of consumers** who try a sample plan to buy it in the future



***One-third of consumers** who bought a product before, purchase it again after sampling it

+92% have purchased a product after trying a sample

+75% became aware of a product through a sample

+63% were “very” or extremely likely to buy the product after sampling

Sources: *Arbitron Study 2009

+All about Sampling & Demonstrations, Art Averbook, Russ Brown and John Karolefski, PMA

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Product Sampling is used by companies when:

Launching **new products** or **product extensions**

Promoting a new product that people will love **once they try it**

Currently **using sampling successfully** and have an excellent trial/conversion rate

Trying to **convert** consumers from another brand

Looking for **measurable results** to help gauge campaign success

Wanting to **up-sell or cross-sell** products to existing customers

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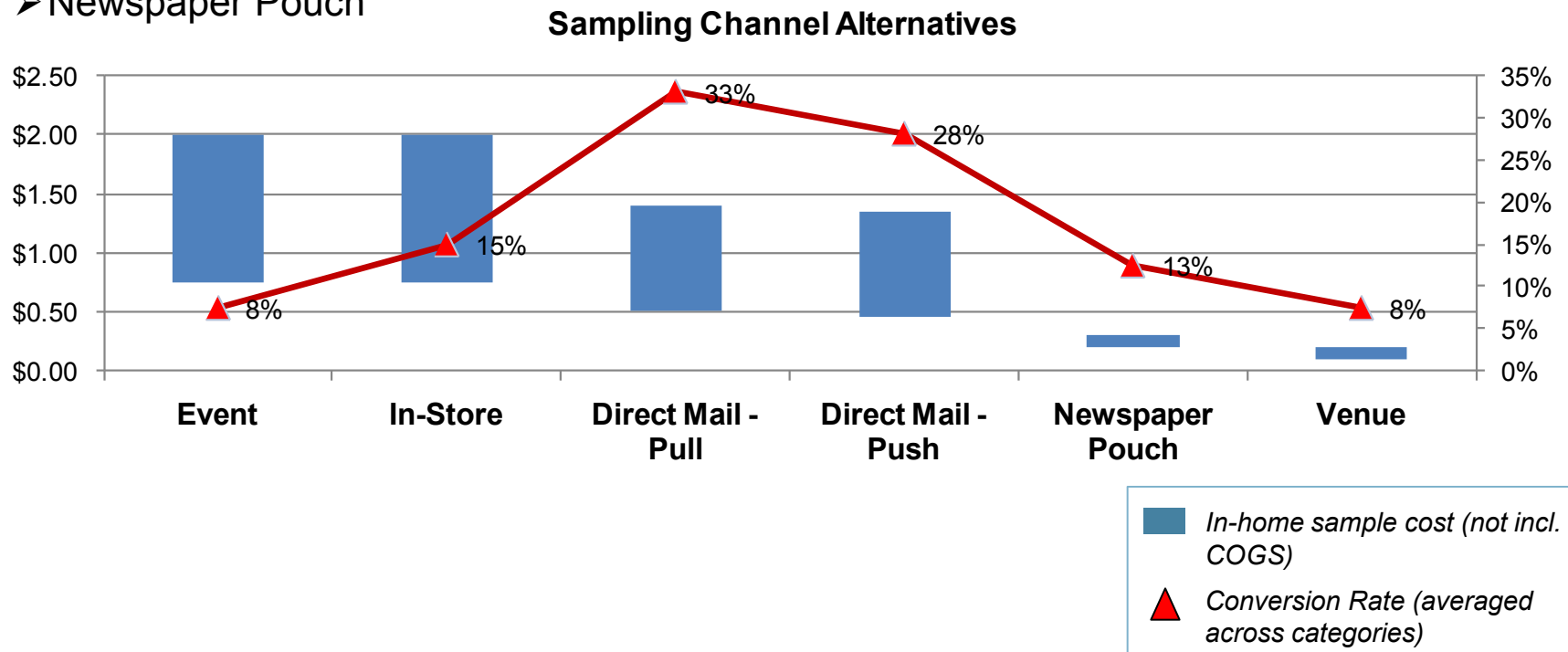
Benefits of Product Sampling Via the Mail

Sampling Through the Mail Now

Coming Soon to the Postal Service

Each sampling channel has different costs and ROI:

- In home (via the mail)
- In-Store Demonstrations
- Events and Venues: college campus, community fairs, concerts, sports,
- Other unique locations: Malls, Movie Theatres, Salons, Cruise ships, Fitness centers, etc.
- Door Hanger and/or Direct Delivery
- Newspaper Pouch



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- ❑ **In-home trial is key to overall experience. More decisions are made at home.**
- ❑ **At-home samples give consumers more time to evaluate products, while being perceived as a welcome respite from life's daily routine.**
- “Today’s shopper is researching, planning, weighing options, making decisions, and even looking for ROI. Shoppers are prepared. 72% make lists for their routine shopping trips.
Major decisions on what to buy have moved from in-store to at home” (Acosta 2011)
- “The balance of power is shifting to brands, which have greater opportunity now to reach consumers and influence their purchasing habits **before they walk into the store**”. (2/2011, Knowledge@Wharton).
- **81% of consumers will buy a product after they receive a free sample, and most prefer to sample products at home** (Katz, Steve. “Sample Size Show Growth”.)
- According to research, “Sending samples is one of the best ways to reproduce a store experience in the customers’ homes” (Rhodes, Burt. Deliver Magazine, March 2010.)





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Sampling Through the Mail

1. Mail puts your samples into the hands of consumers where they feel most comfortable: their own home

- **65% of customers said they would prefer to have samples mailed to their homes**
(Rhodes, Burt, Deliver Magazine, March 2010).
- **63% of consumers surveyed scan the mail , looking for important/interesting mail they will set aside to read and use later (Mail Moment Research).**

2. Allows brands flexibility to creatively target their audience through a variety of formats-letters, flats, parcels-to get samples into consumers' hands

3. Mail is targetable

- Use mail to reach out to your best customers and prospects
- Target by occupation, income, ZIP code, interests
- Eliminate waste by cleaning your list with help from USPS
- Reach emerging markets with mail



4. **Mail is measurable**

- Get reliable ROI numbers to help gauge effectiveness
- Use response rates to learn where to focus future initiatives
- Examine results to spot trends and opportunities

5. **Mail is flexible**

- Send mail any time of the year to anyone you want
- Test different offers with different customers or prospects
- Use mail to prompt customers to go online
- Give customers a response method, and learn more about them so you can communicate more effectively





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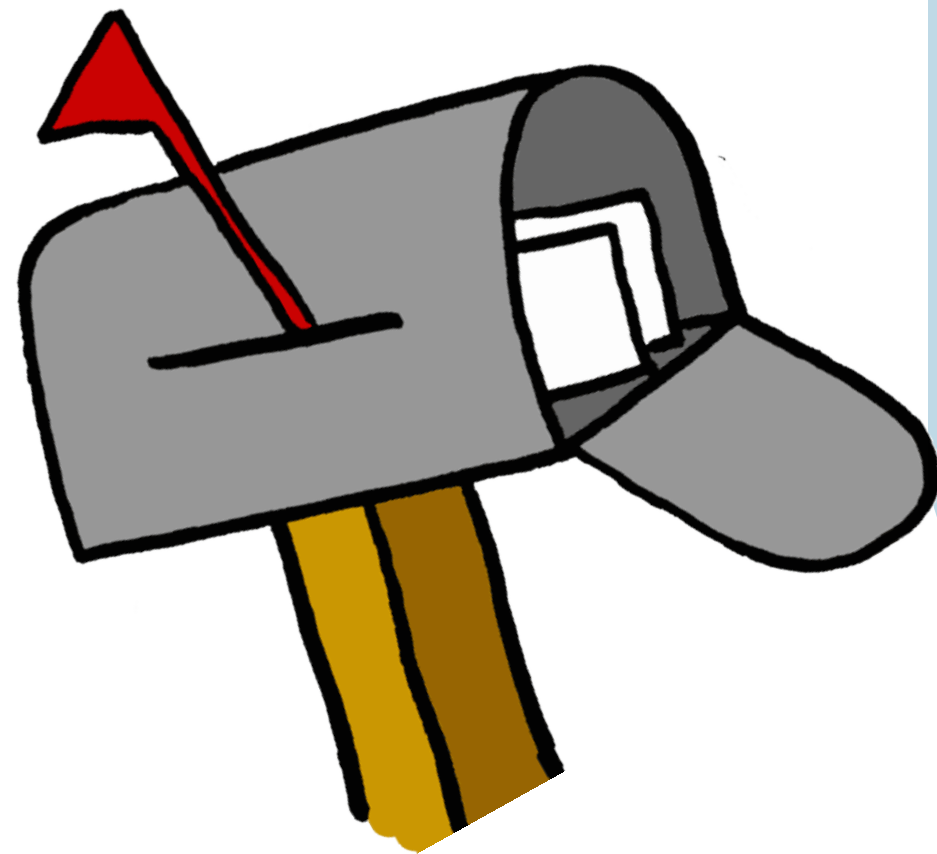
In-Home Sampling

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Sampling Through the Mail

How can brands send samples via the mail?

- ✓ **Different mail formats:**
 - Marketing Parcels**
 - Letters**
 - Flats**
- ✓ **Simple Samples**
- ✓ **Sample Showcase**



Different Formats:



Marketing Parcels (Presort and Simple Samples)



- Allow for greater rigidity, thickness and unevenness in the product sample and packaging material
- Consider when sending products of uneven thickness, multiple products or products that need added protection such as tubes and bottles
- Non flat machinables are now called Marketing Parcels.
 - Allowable thickness has increased from 1 1/4 inches to 2 inches. Good news for samplers as it increases what they can mail under Marketing Parcel while lowering their costs!
- Product Ideas: Cereal, Bar Soap, Coffee, Bottles of lotion/shampoo, Diapers



Letters

- Great for small, lightweight samples of minimal thickness.
- Product Ideas: foil packet with toothpaste, lotion or shampoo

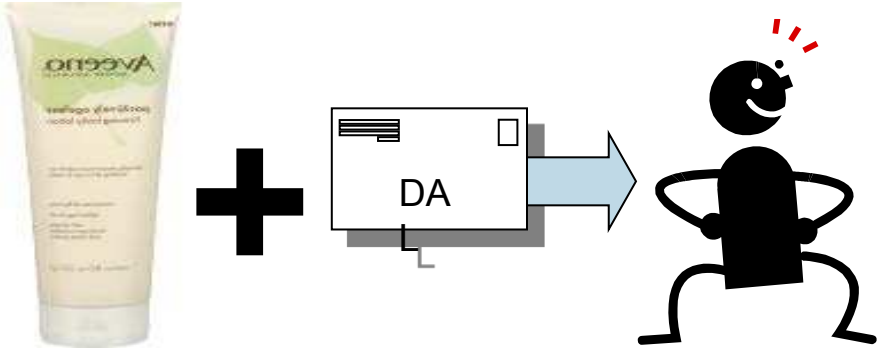
Flats

- For samples that need a bit more room
- Allow more dimension and yield a lot of marketing space so you can include sell copy or product information
- Product Ideas: Tissue, Paper Towels, Dryer Sheets

New! Simple Samples

Two ways to reach customers...

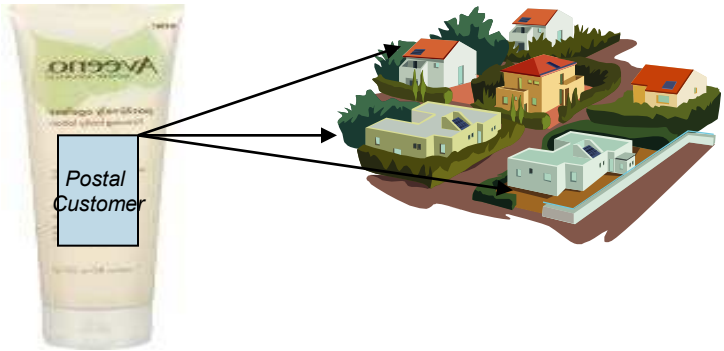
- Sample to **Targeted** Households:
 - Sample sent to targeted customers
 - A Detached Marketing Label (which provides customer address) is required but there is no additional cost.



DDU entered price:
 Small Sample: 36 cents*
 Large Sample: 40 cents*

* Additional handling fees apply if entered at DSCF and DNDC

- Sample to **Every** Household:
 - Every Door Direct Mail concept
 - Simplified address must be on the piece
 - No DAL required (optional for a minimal fee)



DDU entered price:
 Small Sample: 26 cents*
 Large Sample: 30 cents*



New! Simple Samples

Details:

- Flat rate pricing per sample
 - Small: 4X6X 1½
 - Large: Greater than 4X6X 1½ with maximum size 9X12X2
 - Flat rate price differs if going to every household or targeted
 - No more per piece and per pound pricing
- Handling fees will apply if mail is dropped off at destinations other than the DDU
- No minimum quantities required per route
- No box or outer packaging required for samples (saves CPGs costs and need to reconfigure samples)
- Volume discounts offered
 - 1 cent off for every additional 200K pieces per mailing

Sample Showcase

- Solo owned box , e.g. a Procter and Gamble box or a Kraft box
- Retailer" buyout box" - box is owned by the Retailer, e.g. Wal-mart or Target
- High quality mailer, ideal for food, beauty, snacks, confection
- Branded and private label products and coupons





What else are we doing to reinvigorate sampling?

Summer 2013: Samples Promotion

- 5% off Marketing Parcel Samples
- Examples of eligible samples: trial sized shampoo and lotions, cereal, deodorant, etc.
- Promotion period: August-September
- Target: Consumer Package Goods companies (CPGs) and Mail Service Providers (MSPs) mailing on behalf of CPGs
- Registration opens May 2013

Questions?





Appendix 1-Pricing and Handling Fees

Marketing Parcels-Samples

Volume	Targeted		Every Door ¹	
	Small ²	Large ³	Small ²	Large ³
1 - 200,000	0.360	0.400	0.260	0.300
200,001 - 400,000	0.350	0.390	0.250	0.290
400,001 - 600,000	0.340	0.380	0.240	0.280
600,001 - 800,000	0.330	0.370	0.230	0.270
800,001 - 1,000,000	0.320	0.360	0.220	0.260
Over 1 Million	0.310	0.350	0.210	0.250

Handling Fees For Mailings entered at DSCF and DNDC

Entry	Small		Large	
	Pallet Fees	Carton Fees	Pallet Fees	Carton Fees
DNDC-3 digit	45.614	6.212	45.614	6.212
DNDC-5D	74.168	N/A	74.168	N/A
DSCF-3 digit	N/A	6.212	N/A	6.212
DSCF-5D	34.750	N/A	34.750	N/A

1. Additional DAL/DML fees apply (.031)
2. Small= 4x6x1.5
3. Large= larger than 4x6x1.5 but not exceeding 9x12x2