



Scheduled for Jan 20, 2018

Hy-Vee Health Market Sampling Event

The Opportunity

- Found out Hy-Vee will be conducting a Chain-wide Health Awareness Sampling event on January 20th 2018
- Our two primary goals are to increase sales of our product and increase shopper knowledge
 - In-Store sampling effectiveness study conducted by Knowledge Networks-PDI, commissioned by PromoWorks concluded the following:
 - Consumers will buy the sampled product again
 - Sales keep growing months after the sampling event
 - Sales of additional products in the same category rise
 - In-store sampling delivers new buyers
 - Sampling increases shopping basket size
 - We want to take advantage of this opportunity

Just for Ashley to review
with her manager

- You walk into a store and there are people lined up sampling Ice Cream
- Hy-Vee has a chain-wide Health Market Sampling event Jan 20th and we should participate
 - We could participate in 100 stores
 - On average 25 people per/store will try the sample
 - 2500 shoppers trying our Ice Cream in 1 day! Many will be new triers
 - Health conscious shoppers will want to start their new year with a weight loss/maintenance program
- We have the right 'Mix' but need more shoppers to try all our flavors
- More importantly in today's economy, consumers want to know what they're getting and sampling is a way to gain consumer confidence and lower the perceived risk of trying something new.
- We could present the concept at the December meeting

Selling the program to management

Triers per/store	% Converters	HyVee Sales per/Yr	Units Sold per/Yr	Estimated AZ Sales	1 Year Break Even
25	10%	\$12,500	2,500	\$10,625	\$19,375
25	20%	\$25,000	5,000	\$21,250	\$8,750
25	30%	\$37,500	7,500	\$31,875	\$1,875
50	10%	\$25,000	5,000	\$21,250	\$8,750
50	20%	\$50,000	10,000	\$42,500	\$12,500
50	30%	\$75,000	15,000	\$63,750	\$33,750
75	10%	\$37,500	7,500	\$31,875	\$1,875
75	20%	\$75,000	15,000	\$63,750	\$33,750
75	30%	\$112,500	22,500	\$95,625	\$65,625

Assumptions

# of stores	100			
Purchases per year	10			
Average retail price	\$5.00			
Estimated cost	\$4.25			
Cost of Demo	\$30,000			

- **Customers will buy the sampled product again.** They will also buy other products from the same brand. Repeat purchases of sampled products increased 11 percent during a 20-week period, and 6 percent for the entire brand.
- **Sales keep growing months after the demo.** Sales of the sampled products skyrocketed more than 177 percent the day of the demo and were still up more than 57 percent 20 weeks afterward.
- **Sales of additional products in the same category rise.** Line extension sales exploded, gaining 919 percent on the day of the event and more than 107 percent after 20 weeks.
- **In-store sampling delivers new buyers.** The average increase in new buyers for sample products was more than 85 percent on the day of the demo and more than 23 percent for the brand after 20 weeks.
- **Sampling increases shopping basket size.** Shoppers who sampled products spent 10 percent more than the average frequent shopper.

Sampling Campaign

• Hy-Vee Benefits

- Increase sales in the category and entire store
- Increase Health Awareness at critical start of New Year
- Generate 'Fun atmosphere'
- In-store sampling has the highest sales lift compared to other in-store mediums
- Satisfy customer needs
- Increase basket size
- *Dr. Ariely, a Behavioral Economist at Duke writes;*

“Reciprocity is a very, very strong instinct”. “If somebody does something for you, you really feel a rather surprisingly strong obligation to do something back for them”

• Our Ice Cream Benefits

- Consumer engagement/education
 - Hundreds of consumers in one day
- Increased sales during the sampling event as well as post event
- Conversion of Triers to Buyers
- Increased product and brand loyalty
- Opportunity to switch consumers to Our Ice Cream during sampling event
- Provides a channel for immediate consumer feedback
- Opportunity to introduce our New Ice Cream to hundreds of Hy-Vee shoppers

The Sampling Event Execution

Training – do it right Or don't do it at all

- Manual – every thing that needs to be addressed
- Video with Q & A
- Address what could possibly go wrong

Key questions to ask consumers and how to guide them to answer thoroughly

Data collection items

- # Triers
- # Converters (Buyers)
- Are you currently an Arctic Zero customer
- Sales (Hy-Vee)
- Store location

Post sampling event, what, so what, now what

Consumer feedback

Learnings for future sampling events

Email sign-up sheet to allow us to reach out to consumers with coupons and other information (SOCIAL MEDIA)

Product information sheets

- Caloric info
- Our sugar vs others
- Great taste

Cost of Sampling Event

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Questions from Ashley

HyVee will not go for this

Answer – looking at the chart it is a no-brainer for HyVee, sales increases across the category

Satisfies customer needs

We are protecting our real estate and positioning our New Ice Cream for success

How will we cover 100 stores

While I don't know the cost of the event nor the contractual obligations with CA Fortune, we should investigate

Bob will never go for this

Even if the answer is NO, we are showing Bob that we are thinking outside the box and finding ways to drive sales

Also we are doing more than just fixing the mix (let's get our return on all that Fix the Mix work

HyVee will need to order more product for the Sampling Event with potential sales increase

Potential quick return on investment

We don't have enough to execute

We will have a tight timeline --- but we may never get an opportunity like this again

Next Steps

Set up meeting to walk through deck with Ashley

Coordinate meeting with Ashley's manager to assist in sell-in to management

Develop walk through deck for review with Hy-Vee

Review walk through deck with manager and get go/no go

Schedule meeting with Broker to determine feasibility of Sampling event

Coordinate meeting with Hy-Vee, Broker and our sales team

Get Go/No Go from Hy-Vee

Assist Hy-Vee in order process to cover Sampling event

Get commitment to deliver all orders prior to Sampling event

Select 100 stores based on specific sales data criteria

Recruit Sampling team

Develop success criteria and build reporting format

Launch Sampling event