

Something for Nothing? An Investigation into Online Product Sampling

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Abstract:

The application of websites to offer free samples of products and services to consumers is widespread. Online approaches, including the use of “freebie” sites and social media, offer consumers free product samples by completing a request form. However, this study demonstrates that a significant number of requests are ignored or unfulfilled. Companies who fail to provide the requested samples, risk undermining the potential benefits of offering freebies online by creating customer dissatisfaction.

Keywords marketing, free product samples, freebie, consumer behavior, Facebook

Introduction:

Marketers have used free samples to promote goods and services for centuries. Traditional channels such as shopping malls, supermarkets and retail stores are commonplace, allowing consumers to try a product or service free of charge. The intention is that by offering a risk free trial, companies can promote new products, promote themselves and evoke switching between rival products to increase market share. Consumers who have the opportunity to try free samples are often more willing to purchase the products later and have the potential to become loyal customers. (Laran and Tsiros, 2013) and free sample usage has a positive impact on brand image (Amor and Guilbert, 2009).

The internet has revolutionized marketing and advertising over the past three decades and has become an essential channel for promoting and selling goods and services. Therefore, it is not surprising that retailers are applying this non-traditional marketing channel to promote and distribute free samples or “freebies”. Freebies have an edge over other types of promotional campaigns, especially among younger age groups (Banerjee, 2009). Clearly, there are significant benefits to this approach in terms of increasing the customer reach and market research. However, as this study will demonstrate, there are a significant number of retailers who risk customer dissatisfaction by failing to provide the products requested.

Current literature mainly focuses on traditional (physical) forms of sample distribution, whereas research focusing on online requests through websites and social media is relatively limited. This study explores the effectiveness of retailers in meeting customer requests free samples. The primary aims are to:

1. measure the success rate of companies fulfilling customer requests for freebies and samples

2. compare the success rate where customers make their requests directly through the website of primary companies (manufacturers) or indirectly through social media and other third party sites.

Literature Review:

Product Sample Marketing Campaigns

Research has shown that offering free samples to consumers is an effective method for promoting both brand and product awareness, when targeting the right client base with appropriate products. A study by Amor and Guilbert (2009) highlighted effective product sampling campaigns in the luxury cosmetic market with very high usage of samples (up to 72%). Their findings encouraged the use product sampling, especially for well-known brands, but reasoned that it is not profitable to target consumers with low-annual spending for these types of products. Heilman (et. al., 2010) also supports the effective use of free samples in encouraging product trial, especially with educated consumers. Their finding demonstrated that sampling encourages consumers to purchase products and to switch to the promoted sample brand.

Successful campaigns have encouraged marketers to increase their offer of free samples. In 2010, the Promotion Marketing Association reported that samples reached 70 million U.S. households and 81% of consumers indicated they would try a product offered as a free sample (Rhodes, 2010).

Banerjee (2009) classifies samples as either utilitarian or hedonic. Utilitarian samples relate to products that have a specific use, e.g. cleaning products, ballpoint pens. Hedonic samples include more pleasurable or novelty products, such as gifts, ornaments, luxury goods. Banerjee suggests that successful sample campaigns may promote both classifications of products as different consumers have various needs and desires. The right combination of product and promotion can be effective in increasing product sales and helping brand recognition.

In 2010, companies spent over \$94 billion promoting the trial of new products (Tuttle, 2011). Tuttle also supports the use of free samples, reinforcing the view that companies will find it much easier to encourage consumers to try a product where is no financial loss.

Online Sample Marketing

By exploiting the worldwide customer reach, marketers have inevitably integrated product sampling into web-based promotion campaigns, thus providing an alternative channel for consumers to trial goods and services. As well as promoting their goods, marketers can use online registration processes to collect personal information about consumers (Rhodes 2010). Beeler (2000) indicates that marketers can also use online freebies to gain specific niches within consumers groups. Amor and Guilbert (2009) however, ask marketers to consider the implications of freebie websites, where the types of consumers cannot be fully controlled.

The use of social media is another effective channel for marketing campaigns and should be considered for promoting and distributing freebies. Rhodes (2010) reports that brand name companies are adopting social media networks, using their sites to post reviews and videos about new products samples. Corcoran (2009) describes a joint venture between beauty

consultants and marketers to create freebie sites on Facebook. These ventures have succeeded in generating sales leads, but have also triggered a number of viral campaigns.

Zetlin (2013) also supports the use of social media for effective brand or product promotion, but suggests that marketers may wish to be more selective in who receives the free sample. The author suggests selecting consumers that are more likely to purchase the product, or those that will write a review promoting the product, e.g. via a 'blog. Beeler (2000) discusses freebie sites where companies respond to consumer questions about the products, providing instant feedback furthering market research. Gathering information from consumers before and after they sample products allows manufacturers, such as Proctor & Gamble, to assess the reaction to new products and adjust the marketing mix accordingly. When requesting consumer feedback, freebie sites have an average response rate of up to 70%.

The success of offering free samples is well documented, as there are significant benefits to both marketers, in terms future sales, and consumers in trying products "risk free". However, Slutsky (2009) indicates that increased internet traffic does not necessarily translate to increased sales. When embarking on a marketing campaign with freebies, companies must ensure that they have enough free samples to cover what could be an unprecedented demand. Failure to supply products, even when given free, can have a detrimental effect on future orders. If consumers feel deceived the resulting publicity (especially online) could be devastating. Tresemme, a manufacturer of shampoo and conditioners, were beset by angry customers via Facebook when it was felt they had failed to honour a freebie shampoo campaign (White, 2011).

A collateral benefit of offering free samples online is the customer information gathered through registration. Clearly, this information can support the market research of the company collecting it, but could also be sold legitimately to third parties. Clearly, experienced customers will be aware of the implications and therefore may have concerns about privacy. Rudzki and Li (2007) highlight the subsequent risks to consumers spending time dealing with unsolicited e-mails, other non-consented marketing approaches and even the fraudulent use of their credit cards. With "big data" technology such as data mining becoming more available, the rewards for enticing customers with free products in exchange for personal data are greater than ever. Limbu (et al, 2012) study suggests that deceptive practices and even the perception of unethical behaviour will result in consumer mistrust and a suspicious attitude towards a company's website and any future promotions.

Clearly, there are cost implications in the creation, promotion and distribution of freebies and these must be outweighed by increased sales and more intangible benefits, e.g. market research. However, with the increase in aggregate sites such as "Fatwallet.com" and "Seriouslyfreestuff.com" a subculture is emerging where offering free products attracts consumers who solely collect samples and have no intention of purchasing the product in the future (White 2008).

Legal Issues

In campaigns where consumers are being given something for nothing, there is a temptation to play on this desire by offering deals that are "too good to be true". The practice of offering a free trial period and then charging customers afterward may be legal, but can be seen to mislead. Many customers claim that they were unaware that they had to explicitly cancel the order after the trial period and the procedure to cancel is excessively complicated. There are

legislative bodies that provide some protection against deceptive or misleading advertising. For example, in the US, there are federal, state and local government bodies that detect and prosecute companies that engage in deceptive online practices. In 2009, the Federal Trade Commission (FTC, 2009) charged a weight-loss marketing firm with violating the Electronic Fund Transfer Act by debiting customer bank accounts without obtaining written authorization. The FTC state that negative option marketing can pose a serious financial risk to consumers, who may think they are only ordering free samples, yet are charged for goods without their consent. The FTC recommends the firms have a clear disclosure policy on their site.

Fitzpatrick (n.d.) proposes that advertisements for freebies must fairly inform the consumer to keep within stated legal limits. One suggestion is that companies must have reasonable quantities of stock to meet the demand for the sample product. If this is not possible, then the advertisement must explicitly state that quantities are limited and not everyone who requests a sample will necessarily receive one. Some US states, including California, now have a law that mandates this practice.

The FTC (2001) also has shipment and delivery time legislation for orders placed by phone, fax or the Internet. Federal law requires companies to have a reasonable basis for a product shipped in a certain time, and this should be clearly stated e.g. on their website. Customers should also be notified when products cannot be shipped within that time. This FTC law would seem to indicate that companies that promise product shipment for purchased products or free samples should honor their commitment to customers.

Prior Studies

There have been a number of quantitative studies demonstrating the extent of traditional forms of product sampling as an effective method to increase brand awareness. However, most academic studies have focused on the potential benefits of product sampling from a consumer point of view. For example, Saleh (et. al., 2013) found high levels of consumers purchasing responsiveness related to free samples given in retail grocery stores, and summarized the findings by gender, age and income. They concluded that marketers should pay more attention to free samples as an important marketing incentive, and also found women and younger consumers are more attracted to free sample campaigns. A survey conducted by the Opinion Research Corporation found that 81% of consumers stated that they would try a product after receiving a sample (Rhodes, 2010).

Academic research examining the use on online freebie/sample sites is sparse and there were no studies found reviewing the effectiveness of companies actually providing the requested samples. Thus, this paper contributes to the academic literature by providing a methodological study of the responsiveness of online freebie sites to consumer requests for product samples.

Methodology:

To measure how effective companies are in honoring consumer's requests for product samples, the study selected several freebie sites. Once selected, specific free samples were ordered from these sites and the date recorded. The progress of each sample was then monitored to obtain a final delivery date. The study took place over seven months in 2013.

Selecting Freebie Sites

Consumers can request freebies from several types of websites. Companies can promote and process requests directly from their websites or indirectly via social media sites such as Facebook. Alternatively, consumers visit aggregate ‘blogs sites which allow companies and “bloggers” to post information or links to current freebie promotions. The popularity of these aggregate sites and the sheer number of posts, mean that consumers often perceive them as a ‘one-stop’ shop for freebies.

For this study, three aggregate freebie sites were chosen from a random sample of the top twenty websites in a Google search of ‘free sample sites’. By reviewing the random sample, several sites were eliminated because they did not meet specific criteria including:

1. The site must offer links to specific request sites directly representing the product manufacturer. The consumer will complete a request form independently of the original freebie site.
2. The site must be independent, and not endorsed or created by a specific manufacturer
3. The aggregate freebie site does not require customer registration.

The three freebie sites selected were:

1. Fatwallet.com
2. Seriouslyfreestuff.com
3. Allyou.com

Choosing Which Samples To Order

The freebie sites were reviewed daily, to identify potential product samples from the list of new postings. Each link was followed to the request site where the sample would be ordered, if it conformed to the following criteria:

1. The sample was a specific physical product, rather than services and downloads, such as apps, online music or publications.
2. The sample, including delivery, was free
3. The request only required a minimum amount of personal data, e.g. name, email and shipping address. Requests that required confidential information such as credit card information or social security numbers were excluded for privacy and data protection.
4. The request was made directly via an online registration system. Some sites insisted that consumers email their request separately.
5. The sample was available for delivery to a residential address in the USA. Unsuitable products, for example, free sports games tickets outside the geographical location of the residential address were not ordered.
6. Only samples delivered directly to the consumer’s address were requested. This excluded any requests that required the consumer to collect the product using, for example, an online coupon.

Data Collection

The daily review of the selected freebie sites resulted in the collection of data over a seven month period from 1st May through to 30th November 2013. Any product samples that met the above criteria were requested and the following information was recorded on an Excel spreadsheet.

1. Freebie site name (Fatwallet, Seriouslyfreestuff or Allyou)
2. Description of product sample
3. Request site link of where the request was made
4. Date ordered
5. Date received

The “Date received” column was set once the product sample had been delivered to the residential address in the USA.

During the initial two weeks of data collection, it was noticed that many product postings were replicated on all three freebie sites. Two of the sites, Seriouslyfreestuff and Allyou, had far fewer product postings, and nearly all postings to these two sites were duplicated on the third site, Fatwallet. Therefore, for simplicity’s sake the decision was taken to only review the Fatwallet site, as this seemed to include the vast majority of sample offerings. The resulting loss of data was considered negligible and was clearly outweighed by a far simpler data collection process. The freebie sites themselves were not being studied and were simply being used as a source to related request sites where the sample could be ordered.

The request sites themselves were categorised into three distinct types:

1. The company / manufactures website, e.g. www.finishdishwashing.com
2. A social media site, e.g. the vendors Facebook page instead of their specific company site.
3. A third-party site where companies such as Walmart and Target stores would promote, process and distribute free samples on behalf of the manufacturer.

The sample requests were for a range of non-perishable products, divided in the following main categories:

1. Personal care (soap, shampoo, conditioner, body lotion, anti-aging cream, toothpaste, dental floss)
2. Health care (dietary supplements, vitamins, pain relief, eye contact solution, sleep aids)
3. Food (sweetener, oil, coffee, fruit juice, tea, salt, seasoning, candy)
4. Other (calendars, coloring book, dog/cat food, blade saw, toilet paper, rubbish bags, wipes, decals, cookbook)

Occasionally, a product sample could not be ordered, due to technical problems with the web browser, e.g. the registration form would not process correctly. There were also some promotions that would appear as a free product initially, but on closer inspection would be an offer was for a printed coupon or a game of chance to win the product.

Results:

By summarizing the data collected over the seven-month study, it was possible to calculate the total response rate for sample requests from the selected websites. Table-1 displays this and compares the websites by the categories described earlier, i.e. company websites, social media sites, and third-party sites. The following information is displayed for each category and total.

1. Responded: - the number of companies that responded to the request for the sample product. A response is recorded if the requested sample is delivered to a residential address. There has been no account taken for samples that may have been dispatched, but

for some reason were not received. The statistics are shown with the actual number, as well as a percentage, of the total requests.

2. Average response time: - the mean delivery time for samples dispatched and received in days.
3. Fastest response time: the fastest delivery time in days.
4. Slowest response time: the slowest delivery time in days.
5. No response: - the number of requests that were not fulfilled, i.e. undelivered. Again, the statistics are shown with the actual number, as well as a percentage of the total requests.

Table-1: Sample Product Response Results

	Company site	Social media site	Third party site	Total sites
Responded	38 (37%)	32 (71%)	34 (69%)	104 (53%)
Average response time (days)	35.8	30.3	32.3	33.0
Fastest response time (days)	7	11	9	7
Slowest response time (days)	96	62	95	96
No response	63 (63%)	13 (29%)	15 (31%)	92 (47%)
Total	102	45	49	196

In total, 196 product sample requests for were made over the seven month study resulting in only 104 (53%) being fulfilled, i.e. almost half of products sought were not received. The average delivery time was 33 days, i.e. just over one-month after the initial request.

This poor total response rate is the result of the companies that use their own websites to promote and process the requests for freebies. Over half (52%) of all of the requests were made directly to the manufacturers websites, but unfortunately less than 2 in every 5 (37%) were received. Where companies used either a social media or third party site the response was far higher, 71% and 69% respectively.

The average delivery time for company websites also compared unfavourably to those recorded for social media and third party sites, being 5.5 and 3.5 days slower respectively. The company websites also recorded the fastest (7 days) and slowest (96 days) delivery times.

In comparison, social media sites fared slightly better than the third party sites. The response rate (71%) and average delivery time (30.3 days) of the social media sites was marginally better than the figures (69% and 32.3 days) recorded against the third party sites.

Implications, Discussion and Future Studies:

The study statistics show that almost half of the requests made were unfulfilled, i.e. the samples were not delivered. If this is indicative of all freebie requests, many companies may have the mindset that the processing of free samples is less important than orders purchased. Clearly, any company that only shipped half of its orders would not survive long. However, marketing departments may wish to consider the impact of not fulfilling sample requests. Firstly, the sample will not be tried by as many consumers and therefore reduce the potential for future purchases. Secondly, consumers may attribute the failure to deliver a sample as a failure of the company. This could result in a simple case of apathy towards the company's

other products to a damaging complaint via social media sites. It is interesting to note that where companies have promoted and processed free samples using their own website the response rate plummets to 37%.

Following on from this, is the significant difference between the response rate of company websites compared with sample promotion via social media and third party sites. Consumers requesting samples through a social media site are almost twice as likely to receive it. One theory is that company staff who deal with social media are more aware of the consequences of not fulfilling the requests and therefore ensure that samples are delivered appropriately. When considering third-sites, e.g. Walmart and Target, one should consider it as a well-established relationship between the manufacturer and the vendor, with mutual benefits and risks. Therefore, it could be theorized that the third-party sites ensure sample requests are fulfilled to protect the reputation of both the vendor and the manufacturer.

Further studies would be required to support the above theories and it would be interesting to analyse the sample requests in more detail, to identify the indicators determining their successful fulfillment. Factors to consider could be the type and size of the manufacturer, and the size, category and cost of the product.

Finally, one should also consider the possibility of freebie promotions established for the sole purpose of gathering personal information. During the study, there was a significant increase in spam emails to the addresses specifically established for requesting samples. This may be an indication that the email addresses were simply being harvested and sold to third-party marketers. Polakis et. al. (2010) conducted a study where they were able to acquire 9 million unique email addresses from Facebook and Twitter. Consumers are becoming more aware of these activities and are beginning to weigh up the potential irritation of spam emails against the benefit of the receiving something for 'free'. Further research could determine which sample requests resulted in spam email. This information could highlight potential harvesting sites and well as those who fulfill sample requests, but exploit or sell on personal information.

Conclusion:

The use of free samples in promotion campaigns has clear benefits to both the marketer and consumer. From the marketer perspective, offering free samples is an effective method of promoting new products and encouraging brand switching. Online campaigns provide additional benefits by increasing the customer reach worldwide and providing approaches to gather market research through automated registration processes. The benefit to the consumer is the opportunity to try a product or service without any financial risk or simply to get something for nothing.

However, there are associated concerns with offering product samples particularly when promoted online. Clearly, there are significant costs involved with these campaigns, e.g. the sample products and their distribution, and the marketer cannot easily target which consumer types receive free samples. The emerging freebie culture is encouraging consumers to request free samples of products that they do not intend to purchase later. Consumer concerns focus on the privacy of the personal information provided to request a sample. This study observed a significant increase in spam emails sent to the addresses used to request samples. This suggests that personal information may well have been sold to third parties.

There have also been many recorded incidents of fraud when credit card details have been supplied.

For a campaign to be effective, it is essential that the consumer receive the product samples. This study has shown that the response rate to product sample requests, over a seven-month period, was surprisingly low. Almost half of the samples requested in the study were undelivered, despite US legislation. It can be surmised that company staff perceive free samples as less important than purchased products, despite the negative publicity that can result from unfulfilled requests.

The response rate to sample requests improves dramatically when companies employ social media or third-party websites, to promote their campaign and process the requests. It can be suggested that this may be because staff working with social media are far more aware of its public relations potential and hazards.

To conclude, companies must significantly improve their product sample processing and ensure that consumer requests are fulfilled and products delivered. Legislation may become tighter and more widespread and negative publicity can damage reputations globally. The main purpose of free sample campaigns to promote products by allowing consumers to try them. Companies need to be aware of how many potential customers are being lost through unfulfilled requests.

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