

# Demo & Event Marketing

CREATING A WORLD-CLASS PROGRAM,  
AND 5 FACTORS THAT WILL  
MAKE OR BREAK IT



promomash

Demos and events can be the most profitable marketing vehicle your CPG company can invest in – or they can be your worst nightmare.

There's a reason that so many marketers these days focus on digital and social marketing techniques: because it's "easy". From the safety and comfort of their keyboards, they can spend their marketing budget, and never get their hair mussed. You can digitally target humans, without actually having to deal with humans.



But person-to-person (p2p) marketing... well, now there's a kind of marketing that is NOT easy. Because it involves people. Face to face. Real relationships. Sometimes messy. Harder to quantify. But as a reward for the trouble, the returns can be extraordinary... if you do them efficiently and effectively.

## Positives

- Incomparable consumer engagement.
- Unparalleled market education.
- One of the only ways a small company can rise above the noise of a competitive market place.
- Increased sales – maybe even measurable, scalable profitability.



## Negatives

- Large investment.
- The large expense greatly amplifies the impact of any mistakes or inefficiencies.
- Difficult to know if demos and events are appropriate for your product;  
difficult to staff and manage without help;  
difficult to know if you are deploying the correct strategy;  
difficult to know why you're having difficulty.



In the face of the negatives above, brands respond several different ways:

- They do demos and events, but only because they “have to” in order to support retailers.
- They put off doing demos and events, because they don’t know how to set up and run a demo/event marketing program.
- They try doing demos and events and then give up, because they never figure out how to make them work.
- They do demos and events happily (usually because they’ve seen them done well before), and reap massive benefits in both marketing and sales objectives.



**So, should YOU do demos and events?**

**Are you doing them well? What can you do to ensure that you are getting the most you can get from them?**

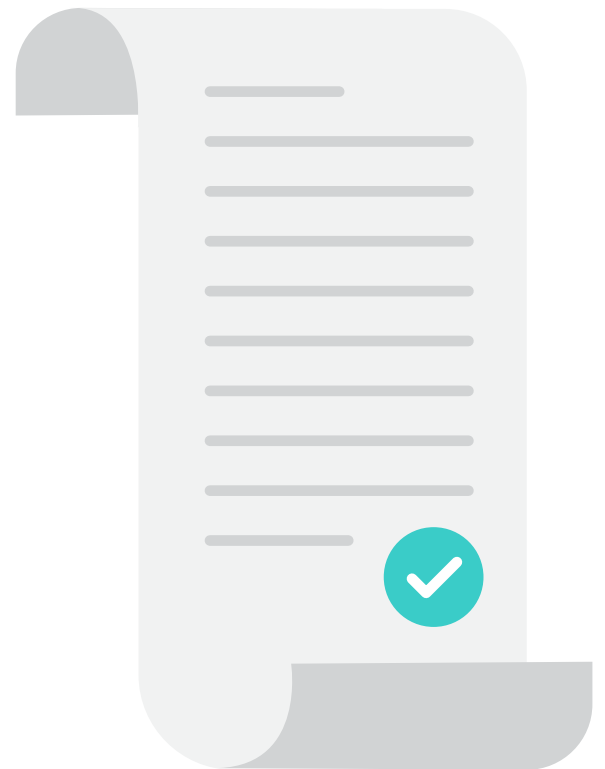
This e-booklet answers these vital questions. Whether you are doing thousands of demos per month, or just a few, or you tried them in the past and gave up, or you want to start but you don’t know how, this compact report will inform you and help you decide with confidence what is the right move for your company.

# 1. Do I even need a p2p marketing program?

The decision to make demos and events a significant part of your company's marketing plan (or not to) is easy, once you know what factors you should consider in your decision. And what are those factors?

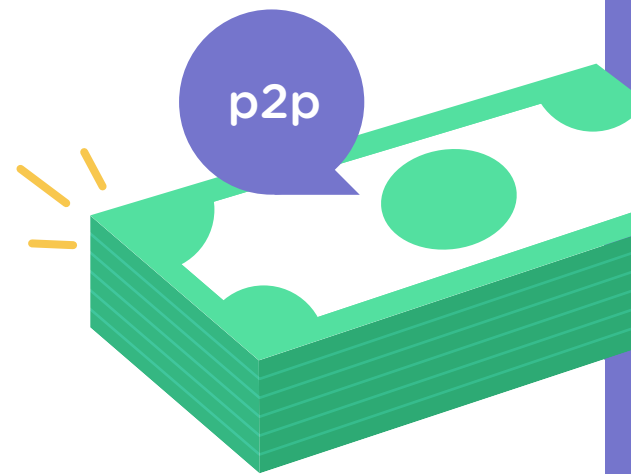
## **A** Stage of your company's development.

Startups and early-stage brands often find that demos and events are extraordinarily important to their success. First, early in a brand's evolution, it's important to be in close contact with shoppers, to test and validate their selling proposition and messaging. Second, they often discover that digital and social strategies are difficult because their space is crowded. Early-stage brands often spend 80% or more of their marketing budgets on p2p marketing. (That's not a typo.)



As sales grow and the brand progresses to small and then medium size, in parallel brands are gaining new stores and chains. Very often, retailers request or even require in-store and event support as part of distribution deals.

This is a critical stage as well, as the expense of p2p programs ramps in direct correlation with the number of stores to support, and efficiencies (or inefficiencies) are greatly magnified. At this stage, brands often spend 40% - 60% of their marketing budget on p2p marketing.



It should be noted that the concept of “critical mass” applies somewhere around this point. Critical mass is the point at which your brand has achieved enough consumer awareness and demand that if you stop doing p2p marketing, your sales will continue without declining. We have observed firsthand that if you stop doing demos and events before this critical mass has been achieved, then it’s only a matter of time (a few months) before your brand loses shelf space and store staff mindshare, and eventually you will be “disco’d” (discontinued).

As a brand grows to larger size (in the multi-tens of millions of dollars in sales), p2p marketing tends to either give way to other types of promotion (TPRs, advertising, couponing, etc.), OR they continue unabated.



The decision here is purely one of ROI: if demos and events reliably result in continued sales lift, then there's no reason to stop doing them. (We have seen a client that continued demoing until about \$100M in sales, at which point they were purchased by a large beverage manufacturer; we also have other clients who are at that stage and have no plans to stop doing p2p marketing at all.)

## **B** Differentiating characteristics of your products.

The general principle here is: "Is there something about my product that plays markedly better in person than any other way?"

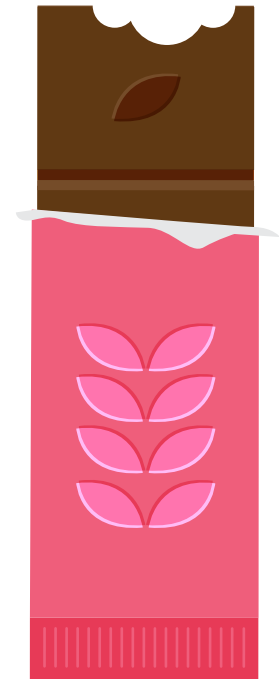
One such criterion is taste. If you find yourself saying, "If we can just get our product in the shopper's mouth, they will buy!", then your product is a prime candidate for demos and events.

Another such criterion is education. In the healthy / natural / organic / sustainable space, things like ingredients, practices, and company mission are key factors in the shopper's decision to buy or not. So, if you are fair trade, or certified organic, or gluten free, or a host of other differentiators, consumer education is paramount. And there is no better way to educate a consumer than to get their attention, and then be able to cheerfully answer their questions about your product. (And obviously, the quality of your ambassador is critical to achieving this.)



## **C** Value (price) of your products.

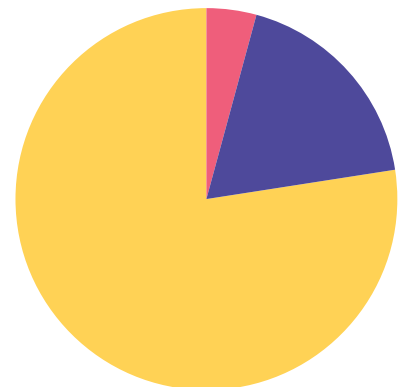
Clearly, it's not cheap to put an ambassador into a store or under a tent. So, the potential to do enough volume at your price point is an important consideration. It's quite easy to recoup your investment by selling a few units of a protein formula that sells for \$39.99 per unit. If you're selling a bar for \$1.99 though, it's still possible – but you have to move a lot more units. And your ambassador needs to know this.



## **C** How well you are running your demo program.

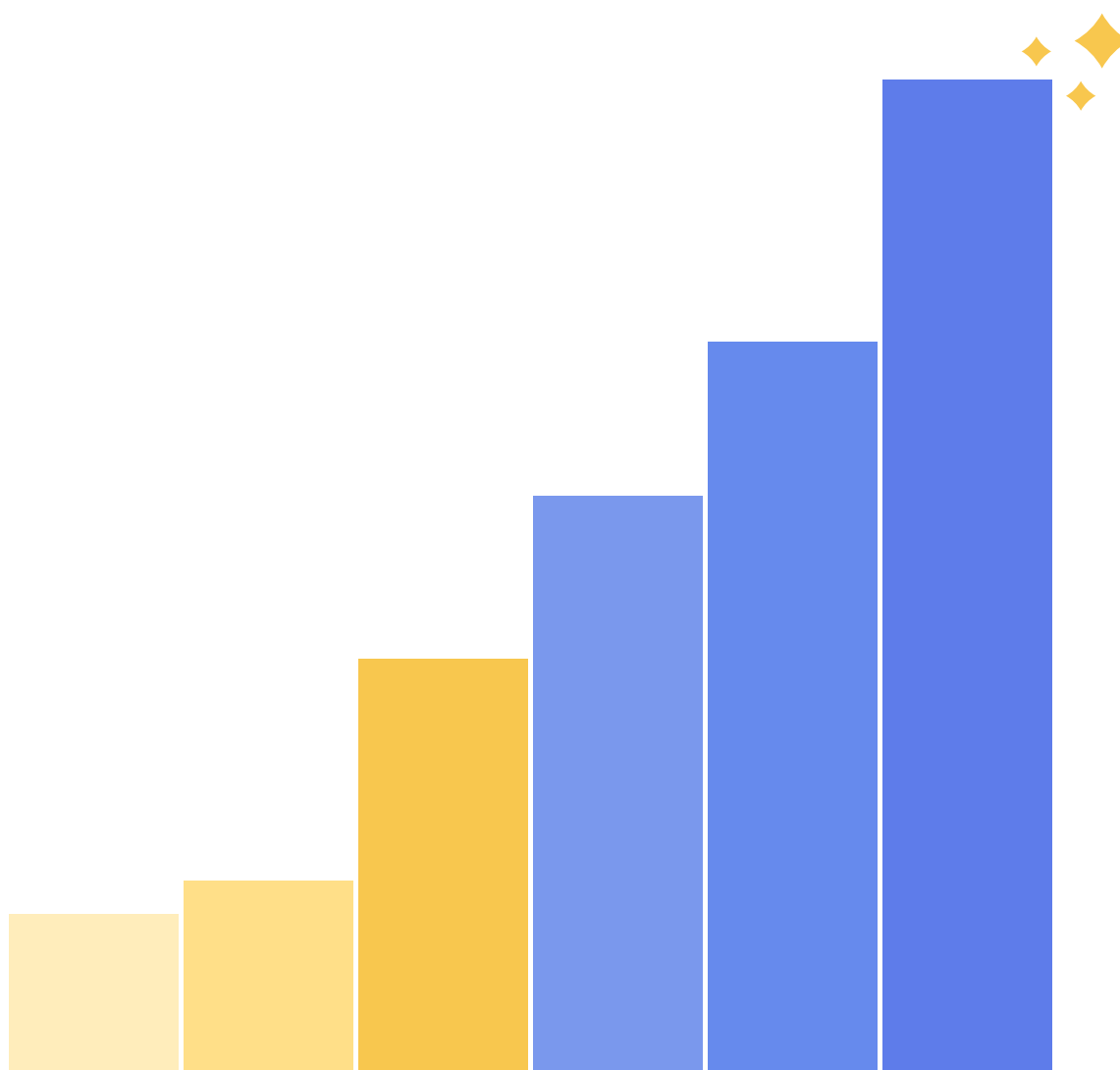
Finally, how well you are running your demo and event marketing program will greatly influence your company's willingness to continue allocating resources to it.

Here, it is crucial that you are measuring everything that moves, and managing by data. You need to be able to tell your VPM and CFO what they are getting in return for those precious marketing dollars – and in order to do that, you need to be tracking every demo and compiling the results into simple, clear, and regular reports that ultimately indicate the achievement of your company's objectives.





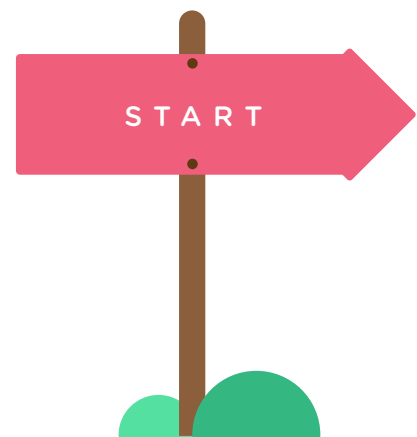
Perhaps the most important metric you can provide your management is ROI – the return on their marketing investment. Many brand managers look at demos and events as a marketing expense: money that has to be spent in order to go to market. A “cost” of doing business. But the moment that you can demonstrate that you actually make a profit on your p2p marketing, that “cost” is transformed into a sales investment. If you can show that for every \$1,000 you get for demos and events, you will return \$1,500 or \$2,000 or \$3,000... you will never again be fighting for budget (or respect!). Your challenge will be how quickly you can scale your program.



2. So, you've made the choice to do demos and events.  
Which stores are you going to support?

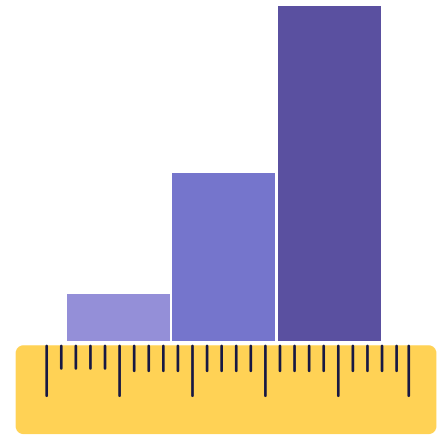
Most retailers will jump at the opportunity to have you pay for one of your friendly and knowledgeable ambassadors to come into their store and promote your products. They know how effective p2p promotion is – and from their perspective, it's free marketing. Some retailers even charge a "demo fee" for the honor of coming into their store, making it a profit-maker for them.

Whether your expectation is that your p2p program is a marketing expense, or a sales generator, you can't let yourself be managed by the retailer. You must decide where and when you are going to spend your precious p2p marketing dollars.



There are 2 major components to this decision. First, you need guidance on where to start. You should focus your initial efforts on demographic matching (typically done at the chain level), and then on store size and traffic. Unfortunately, there's no shortcut on this. You either need a brand manager (/demo coordinator) who is familiar with the chains and stores that you have a presence in, or you need to get this guidance elsewhere (i.e., a knowledgeable consultant).

The second component (again) is that you need to MEASURE everything, so that you can verify that both the store (traffic) and your ambassadors (selling ability) are performing for you. We'll make some suggestions for how best to measure toward the end of this booklet.



### 3. Which brand ambassadors should I use? How do I find them?

By far, the biggest single impact on the success or failure of your p2p marketing program (aside from you, of course) is the quality of your brand ambassadors. Your recruiting and training process will literally make or break your program's success.



There are some challenges here. The first is finding any ambassadors at all. The second is that the quality of ambassadors in the market varies wildly. The third is retaining them. Yet another is whether to use independent contractors, or captive employees.

We recommend a progressive approach, depending on where you are in the process:

First, you need to get started. If you're a small company, the founders may even be doing the demos, just to get a firsthand feel for how the product is selling in local stores. Next, as you expand in the local area, a demo manager and/or other staff will do demos. At this point, you're probably doing a few demos or events per month. And then, at some point, whether because of volume or geography, you'll need to start hiring dedicated ambassadors. This will probably be the first test of your program's viability. The first challenge will be finding ambassadors.

Perhaps the easiest way that we have discovered for finding ambassadors is Facebook. Yes, FACEBOOK. In nearly every major urban area, you can find Brand Ambassador groups (for example, Brand Ambassadors of Greater Los Angeles, or Brand Ambassadors of New York, or Brand Ambassadors of San Francisco). You can contact the admin for each group and ask for the guidelines for posting opportunities in their page. (In our experience, you can get a much better feel for the ambassadors on Facebook than you can get on other free labor marketplaces like Craigslist.)



One limitation of this method, however, is that there's no way to know the quality of the ambassadors that respond to your posts. You can increase your chances of success with a good interviewing process, but at the end of the day you're going to have to hire someone and evaluate them to ensure that they are a good fit.

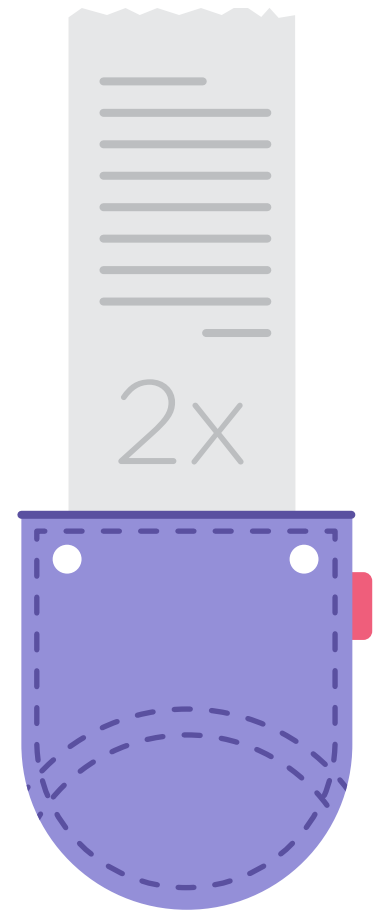


An alternative to the free marketplaces is to purchase access to a more pre-qualified labor pool. This can be a step in a better direction, but it will still require that you develop a structure for managing the ambassadors yourself.



Depending on how quickly you and your company need to move (and what management resources you have available), it may make more sense for you to outsource the entire process of sourcing and managing the ambassadors. There are hundreds of agencies dedicated to this purpose, all with pros and cons.

On the “pro” side, you quickly gain access to as many ambassadors as you need, and they will get the job done for you quickly. However, on the “con” side of the coin, the quality of the ambassadors is still quite variable (though not as bad as the open market), and you will have little to no control over improving their performance. You may never even get any visibility into who your ambassadors are. The other main con is that hiring an agency comes at a cost. Agencies will charge anything from \$100 to \$300+ for a 3- to 4-hour demo, typically almost double the out-of-pocket cost of hiring your own ambassadors. The agency charges you for managing the ambassadors (so you don’t have to), and of course they have to make a profit.



#### 4. How much am I going to pay them, and how do I manage them?

Brand ambassador pay varies by region, with ambassadors in large urban areas such as LA and New York costing more than those in, say, Kansas City. You should expect to pay between \$18 and \$35 per hour for independent contractors.

In-store demos typically last 3 to 4 hours, and if you want to be considered a star employer, you should compensate them for mileage, setup/teardown, and paperwork time. Experiential events are much more variable, as they can last anywhere from a few hours to all day (or evening), but similar hourly rates apply.

Managing ambassadors is extraordinarily important. As they will most likely be part-time workers, there is relatively less loyalty to your company until you have established a relationship with them. You'll need to have a process in place (informed by your experience doing your own events), and you'll need to be diligent about setting expectations and measuring their performance to those expectations.



In the early stages of your p2p marketing program, all of this can be managed via common tools such as Excel and Google Docs. You'll need to keep track not only of your ambassador logistics, but also their supplies, and their post-event reporting, and accounting (expenses & payroll).

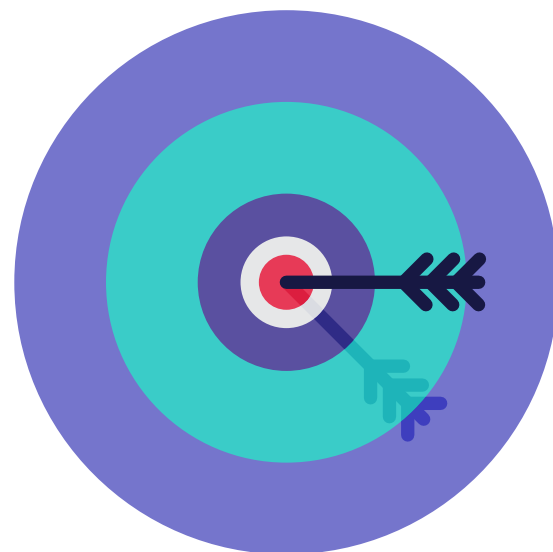
A spreadsheet-based management approach will suffice up to the point where it becomes unwieldy – which typically occurs around 40 or 50 events per month.

You'll know when this point arrives, because you will start to get unexplained headaches, less sleep, and you may start losing your hair. But don't worry – at that point, dedicated management software and services (such as Promomash) is available that will eliminate about 80% of your work (and expense).

## 5. What must my p2p marketing program achieve to be successful?

As we've suggested earlier in this piece, demos and events really have 2 basic objectives: marketing (increase brand awareness), and increase sales.

If your brand is well-financed and backed by management experienced in CPG marketing, your management may well be content to set marketing objectives that they are willing to pursue at a given expense. The key here will be to plan for a way to measure that marketing impact and measure it as you go.



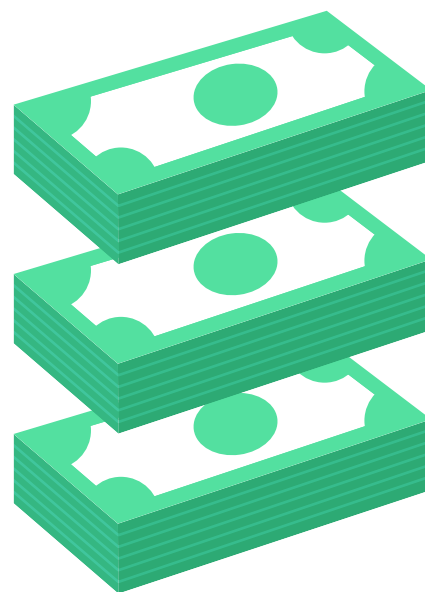
Our experience, however, is that demos and events, properly managed, can achieve not only marketing objectives, but they can also become a sales center. Fulfillment of this potential will dramatically alter the course of your company's overall success (and thus, value).



## The key metric(s) here will be ROI: the marketing ROI, and the sales ROI.

Marketing ROI is a complex subject, and is beyond the scope of this document. We can, however, say something about the even-more important sales ROI. It is similarly complex, but it is much easier to quantify and measure.

The nature of demos and events is that you'll see a sales lift on the day of the event, and then there will be some follow-on sales. Most brands don't have a good idea of how to quantify these follow-on sales, or how much of the overall event ROI that they account for.



Based on our experience with hundreds of brands, we can give you some rough, “back of the envelope” guidelines for where and when to continue, and when to reconsider.

Fundamentally, if you are able to achieve increased sales (at wholesale) of roughly half the cost of doing the demo or event, you are probably at least breaking even, financially, on having done it.

If you are able to achieve increased sales on demo day, then for sure you are achieving a significant return on your investment in the program – probably in excess of 100% ROI. (That’s not a typo. At Promomash, we have clients who are achieving ROI values of 300-500%.)

**Now do you see why a well-run p2p  
marketing program is worth the effort?**

## A word or two about Promomash:



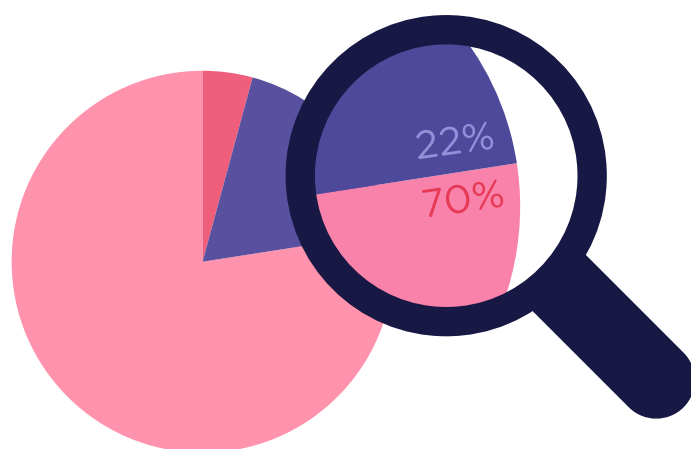
If the opportunities (and pitfalls) described in this booklet are a bit overwhelming to you, you're in good company. Designing and running a successful demo and event marketing program isn't the easiest thing to do in life. But that (and the potential rewards) are precisely what makes a great p2p marketing program such a potential differentiator for your brand.

Promomash was created specifically because one of our founders actually has another company in body care products. He discovered exactly how challenging it was to run a successful in-store demo program, because his demo program nearly killed his company as they gained national distribution. And this makes sense: many early-stage brands spend most of their company budget on their demo programs – so a program that isn't productive could very well kill an otherwise viable brand.



At Promomash, we offer brands an increasingly complete cloud-based solution for easily designing, setting up, and running an effective, efficient, and excellent demo and event marketing program. We can assist you with sourcing excellent ambassadors (who already know how to work with our system), training them, managing them, effortlessly gathering and analyzing event data, and even accounting and payroll. If you want to move fast or simply don't want to reinvent the wheel, then we can put you in contact with our trusted-partner demo companies around the USA and Canada.

We offer executive teams analytics that clearly show how you're doing, how you compare to other brands in your space, and how to improve your results. There is literally nothing like it in the market.



That said, our support team are our secret weapon, and your company's best friends. You can safely think of our team as an extension of yours. Nothing pleases us more than helping brands to run a fantastic p2p marketing program. If there's anything we can do to assist you with yours, please schedule a demo with us and we'll get you doing demos better and more easily than you imagined.

**To schedule your demo, go to:**

**<https://calendly.com/promomash/live-demo-request>**

## More Free Stuff!

As we stated earlier (if you want to save money in the early days up until about 40-50 demos per month), it's quite possible to manage your demo and event marketing program using Excel and Google docs – and we also said that we like to help people do demos.

With that in mind, if you go to (address) you can find templates that will show get you started on your p2p marketing program, at no cost to you.

We hope you find them useful.