**Topic 3.2 Product Trial and Repeat Purchase: Activity**

**Product Trial**

Product trial is the way in which a business persuades customers to try out a new product or service to help raise the awareness of its existence and gain feedback on its possible success. Product trial is also designed to help build loyalty to the product and thus establish repeat purchase. If the two new variants of Cadbury Dairy Milk are to be successful, Cadbury first has to get customers to try them out. There is a large number of different ways in which Cadbury potentially could get customers to trial the apricot crumble crunch and cranberry and granola versions of Cadbury Dairy Milk.

**Advertising:** Customers are more likely to trail a product if they know about it. Advertising is one way in which customers can be informed about the product. Cadbury spent approximately £2 million on a media campaign to launch the two products. The media is television, radio, cinemas, newspapers and magazines. Television advertisements or advertisements in magazines are examples of media advertising. Outside of the media advertising can also be placed on large bill boards by the roadside.

**Free Publicity:** Free publicity or PR (public relations) was part of the media campaign by Cadbury. Businesses launching a product want journalists and producers in magazines, newspapers. The television and on the internet to write about their new product. This gives the product free publicity. So journalists and producers may be invited to a launch party for the product. They may be sent articles and information which the business ha written itself. Journalists can then adapt the material to use in their own publications. On the internet, one way of getting publicity is to get people recommending a product to a friend. This is called viral marketing because the message is spread like a virus from one individual to another. Internet sites like MySpace, Facebook, Twitter or YouTube can be targeted in this way.

**Free Samples:** Another common way for businesses to launch a product is to give free samples. Cadbury, for example, could have chosen to give free samples to customers to try out. A special stand in a supermarket is sometimes used. For some products, such as perfume or make-up, free samples may be given in magazines.

**User Testing**: With some products, it is not possible to give out samples. However, potential customers can be offered a test trial of a product. For example, cars can be taken for a test drive by potential buyers. Games consoles can be tried out in shops or road shows.

**Low Trial Prices:** Businesses may choose to offer new products at a lower price. This strategy is known as penetration pricing. There is a variety of ways of doing this. A product might have a low price for the first month after launch, or there may be special offers such as two for the price of one on the new product. Coupons given away free in magazines and newspapers or over the internet may give money off or provide a free sample.

**Targeting Trade Buyers:** Cadbury does not sell Cadbury Dairy Milk directly to consumers. It sells the product to trade buyers such as supermarket chains and wholesalers. Wholesalers are businesses that buy in bulk from manufacturers and then sell in smaller quantities to retailers or shops like the local corner shop. Cadbury can market a new product like apricot flavoured crumble crunch Cadbury Dairy Milk to trade buyers in the same way that it sells to consumers. For example, it promoted the product by sending it out advertising literature to supermarkets and wholesalers. Its sales force visited its main customers to show them the new product. New products can also be offered at low introductory price to trade buyers. In some cases, manufacturers have to pay the large supermarket chains to stock their products. Paying a large supermarket may be the only way that a manufacturer like Cadbury can get the supermarket to give the product shelf space.