HERDIFY

Targeting word of mouth using Door drop

This guide will tell you all you need to know about aligning your door drop campaigns to benefit from word-of-mouth using Herdify targeting.

The targets

The Herdify targets for door drops are provided as a list of scored postcode sectors. These can be downloaded from the Herdify platform.

Included in the list are only postcode sectors where word-of-mouth activity has been detected. Scores range from 0.1-100, and the higher the score the more word of mouth activity in the postcode sector, and therefore the biggest potential for better response rates.

Sector selection

How you use the Herdify scores to target word-of-mouth will depend on whether you are using other methods or models to help make the selection.

We recommend using the Herdify scores in combination with other methods of selection such as those offered by door drop providers and media agencies when they are available. However, if no other selection methods are available then the Herdify scores can be used by themselves.

Herdify combined with other methods [Advised]

To target word-of-mouth with Herdify scores alongside other planning methodologies use the following steps:

1. Decide the approximate desired volume for the campaign and the extent of postcode sectors which could be selected. For example, remove any postcode sectors that you definitely don't want to select and apply any regional constraints.

2. Unlike other planning methods you may be familiar with, Herdify does not score all postcode sectors, only those where word of mouth has been detected. Check the volume available in sectors with Herdify scores, within those remaining after step 1:
   a) In most cases the volume available will be more than the desired volume for the door drop. In the next steps we will only consider areas with Herdify scores.
   b) On the rare occasion that the volume available in Herdify areas is less than the desired volume. Select all areas with a Herdify score and use the other methods to select the remainder in the way you usually do.

3. The next steps depend on the details of the methodology usually used, however in all cases we will only consider sectors that have a Herdify score.

   For methods that identify groups of sectors from which selections will be made, for example, sectors with specific demographic profiles:

1. Select the groups you usually would. You should be left with a list of sectors in the groups selected by the existing method, and that also have a Herdify score.

2. Sort the sectors by descending Herdify score

3. Select the desired volume, choosing the sectors with the highest Herdify scores first.

For methods that assign a score to each sector:

1. You should have a list of sectors which have a Herdify score above 0 and are scored by the existing methodology.

2. In the first instance we recommend selecting the sectors from this list, using the method usually used, with the scores from the existing methodology.

3. Finding the best combination of scores will require testing over time, please see the section on extensions below.

Herdify only

If targeting only word-of-mouth activity, then you should work with your door drop provider to select the highest scoring Herdify areas up to the volume required for your door drop. To do this:

1. Sort the list of targets by descending score [100-0.1].

2. Select sectors going down the list until the volume is filled.

<u>Extensions</u>

The processes covered so far are the basics of incorporating word-of-mouth targeting into your door drops with Herdify. Most users will start with one of these, as they incorporate the benefits of Herdify while sticking closely to what users have done before.

Once comfortable users can explore additional benefits to their campaigns from word of mouth by:

- Including sectors that are excluded by existing methods, but which have a lot of word-of-mouth activity (high Herdify scores). For example, lower propensity demographic segments may still have high response rates when word-of-mouth activity is present.

- Testing methods of combining Herdify scores with existing scores to identify the combination which gives the best performance. Analysing the performance of

campaigns across both existing and Herdify scores at the same time can indicate groups to explore in future campaigns. For example, it could be shown that sectors with Herdify scores above 10 perform equally well regardless of their scoring in the existing method, suggesting that sectors with these Herdify scores but lower scores in the existing method could be added to future campaigns.

- Using targeted messaging in the creative. Such as referencing the local area by name or asking recipients if they know anyone using the brand.

Testing

Many users want to set up a test in their first door drop campaign to measure the benefit of using Herdify to target word-of-mouth. Doing so can help identify how Herdify can combine with existing methods to have the largest impact and will help you report the value of Herdify now and in the future.

We recommend that testing follow some simple guidelines:

1. Limit the test to two targeting groups:
    a. One selected using the existing method
    b. The other selected using existing method combined with Herdify
    There may be sectors with Herdify scores in group a., as they can be selected by the existing method. Including these ensures it is a fair test of the benefits of Herdify over the existing method. Including these ensures it is a fair test of the benefits of word-of-mouth targeting over the existing method. To prevent bias, you should ensure the highest ranking sectors from the existing model are not reserved for group a. The best way to do this is to allocate sectors alternately to each group i.e.:
    1. Rank all sectors using the existing method.
    2. Allocate the highest rank sector in the existing method group a.
    3. Allocate highest remaining sectors with a Herdify score to group b.
    4. Allocate the highest remaining sectors to group a
    5. Continue alternating steps 3 and 4 until enough sectors have been selected to each group to reach the desired volume.

2. Split budget 50/50 between the two methods. If this isn't possible then whichever group has the smaller budget should have enough to target 300 responses, the test could be conducted over multiple door drops if necessary to reach this figure.

3. If there are other tests running at the same time, then split these evenly between the test groups. For example, if you are testing 2 creatives with a 50/50 split across the whole drop then the distribution for each targeting group should also be split 50/50 between the creatives.

4. Include a measurement of the *halo* effect in the post campaign analysis. This is necessary to measure the full impact of word-of-mouth on the campaign, as it includes

people who were not targeted directly but who had the message passed to them by someone else. Herdify can provide this analysis for you.

5. Conduct additional analysis of the performance of sectors based on their scores in the existing model and the Herdify model. This will enable you to identify the biggest opportunities for optimising future campaigns. Herdify can provide this analysis for you.