Case Study

2016 GOLD UNITED KINGDOM EFFIE AWARD WINNER

“SORRY FOR THE #HOLIDAYSPAM”

As the 4th and smallest player in the market, Three needed to find a way to steal their competitors’ customers in a category beset with inertia and apathy in order to grow. To stand out, we’d show we understand how customers use their phones better than anyone else, including their biggest pain-points. So we created a market-first offer that allowed customers to roam abroad at no extra cost. It created an avalanche of holiday spam. We “apologised” for the best thing we’d ever done. The campaign helped Three grow to an all-time high with 10.4m customers.
Executive Summary

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Strategic Communications Challenge

By 2014, Three had 9.8m customers but were still 4th behind the big players EE, O2 and Vodafone.

Three had launched as ‘the network that was built for the internet’. But over a decade on, we suffered from an image problem – a hangover from their early years where network and customer service weren’t quite up to scratch - which meant we were not seriously considered and often poorly thought of by much of the market.

As a result, Three struggled to acquire new customers through anything other than cheap phones and data deals, which in turn attracted the wrong kind of customers: we over-indexed with heavy ‘internetting’ bargain-hunters.

Worse still, in a switchers market where most customers can’t be bothered to switch, because they think we’re all much the same and as bad as each other, “where you can run around the streets shouting ‘everything free forever’ and people would ignore you” (source: Richard Huntingdon, Marketing Magazine, 04.09.2014), these bargain-hunters were more prone to leave us for cheaper deals when their contracts up.

It was hard for us to get customers in the front door.

In order to grow, we needed to give people a bold reason to choose Three other than the cheapest price, and communicate it in a way that made people take notice.
**Audience**

We wanted to target the mass-market with a unique offer and emotive campaign that would resonate with as many people as possible. But in particular, we identified ‘Sociable Enthusiasts’ as a core target for acquisition: They are in their mid-twenties to thirties, 95% of them own a smartphone (source: TGI/media agency research, November 2013), they favour the latest devices and could deliver a higher AMPU (Average Margin Per User) – vital for growth.

More importantly, they are real ‘social butterflies’ with their finger on the pulse - they’re online, chatting, hashtagging, instagramming and sharing all the time. If we could get them chatting, sharing and thinking more about Three, we could not only grow our customer base but also tap into a powerful source of advocacy for the brand.

**State of the Marketplace & Brand’s Business**

The UK mobile networks market is mature and largely flat - with a mere 2% change in value year on year since 2008 - and with little room for growth forecast in the next 5 years (Source: Mintel Mobile Networks Report 2015).

It’s also increasingly commoditized and inert. It’s difficult to stand out when we’re all just selling ‘wobbly air’. Which makes it a switchers market where not many are prepared to switch.

It didn’t help that the communications landscape was wallpapered with handset deals and discounts, or various claims of being the most reliable, or the fastest, or the biggest. Everyone was shouting about what they had to offer. But it seemed that no one was actually listening to what customers really wanted.

Extensive qualitative research into our own customer base confirmed as much (source: Incite Marketing Planning, 2012). The category as a whole suffers from an image problem. Mobile networks are lumped in with banks, energy providers and politicians: all the same and as bad as each other.

Customers felt misunderstood, misled and opaque and overcharged. They felt they were treated as numbers, not people.

We concluded, plainly, that the mobile industry sucks. And we were going to do something about it.

In order to redefine the category and stand out from the competition, we would show that we understand how people really use their phones today better than anyone else.

That meant celebrating the good stuff that mobile brings into their lives, and tackling the bad stuff that hampers their experience.

It meant speaking to them in their language, not the language of a typical telco. And it meant we needed to back up our stance with actions, not just words.

**Objectives & KPI’s**

(*Once we decided we needed a new offer as part of this campaign response, we added secondary objectives to the brief*)

Attitudinal:

1. *Increase awareness of Feel At Home (from 17% to 30% post-campaign)*
2. Increase in social buzz and social sentiment (from -12% social sentiment to +3% post-campaign)
3. Increase consideration for Three (from 16% to 18% post-campaign)

Behavioural Objectives:

1. Increase customer acquisition – contribute to Three’s end of year target of 9.6m customers
2. Increase users of Feel At Home* to 245,000 customers in July

    to give people:

    a) A reason to stay (target: 25% saying Feel At Home was important)
    b) A reason to recommend us (increase NPS from -5% to +5%)

Business Objective:

Increase brand share of market from 12.5% to 13% in 2014
1. TOWARDS ‘FEEL AT HOME’
We delved into the ‘pain points’ causing customers most dissatisfaction. One that repeatedly came up was being charged extra for roaming, with people discovering astronomical bills on their return from holiday.

Only 25% used data abroad, most restricted themselves to hotel Wi-Fi, and 25% kept their phones off altogether (Source: TNS 2014)

So we asked a bold question: **What if we abolished roaming charges?**

That would be a market-first. No other network offered their customers such a deal. But that would also be crazy for the business, wouldn’t it?

Amazingly, Three’s business brains didn’t think it was totally bonkers (they had seen more bonkers ideas from us in the past, which helped). We hypothesised that Three could more than earn it back.

Sure, we’d lose some revenue short-term. But being smaller meant it would cost Three less than the competition. Existing customers could use their phones abroad more, and be more inclined to stay, and more customers would have a reason to join us.

Quant research confirmed the potential power of the offer (Source: TNS 2014)

2. TOWARDS A CAMPAIGN IDEA

Three ‘soft launched’ the offer to their own customers in a few destinations, and we observed how they used their phones to see what we could learn.

It turned out they were using their phones just like they did at home, with declining texts and calls and increasing data use reflecting UK trends (source: Ofcom Telecoms Report 2014).

But interestingly, when they took advantage of our offer abroad, they were using an astonishing 71x more data (Source: Three)

What were they using all of that data for? Some things you’d expect: Google Maps to find their way; Translate for local phrases; Trip Advisor for local restaurants, etc.

The obvious area for focus was that Three was improving customers’ holidays by helping them explore their destination.

But that felt like a boring travel cliché.

The more exciting revelation was that customers were actually spending loads more time on social networks. Even on holiday, FOMO kept them glued to their newsfeeds.

Most interestingly, customers were actually using social media to brag about their holidays to friends and family back home.

They were sharing an overload of perfectly-filtered, prolifically-hashtagged, hilariously-clichéd images: Sunset-selfies, cocktails, beach feet, palm trees, plane wings, yoga poses, mini-monuments, little lizards, local cuisine, hotel pools... all just to show people back home how much fun they...
were having.

We trawled social networks for more examples and found 37 different types of holiday braggies.

This mobile-centric, social insight felt like an observation that could tap back into Three’s ‘built for the internet’ credentials.

And culturally in early 2014, we found that ‘holiday bragging’ was really beginning to bubble up as a phenomenon - 2014 was set to be the year of the ‘braggie’ (source: Daily Mail, 21.11.2013). And the best place to brag is on #holiday.

Thanks to Feel At Home, Three would only add more fuel to the fire.

The Big Idea

By creating Feel at Home, Three and our customers were inadvertently fuelling the modern phenomenon of ‘holiday bragging.’

Evolution of the Big Idea

We originally started developing a campaign encouraging our customers to ‘brag away’ now that they could use their phones abroad at no extra cost.

However, something didn’t feel right. Encouraging holiday bragging, even playfully, felt wrong. Besides, we realised we were talking directly to existing customers, rather than non-customers at home unable to take advantage of the offer and suffering our customers ‘holiday braggies.’

So we turned our creative approach on its head: Three would instead apologise for all the holiday bragging it inadvertently was responsible for. This would highlight the generosity of our offer to our customers whilst also making non-customers jealous, encouraging them to join Three. The shift inspired a new term ‘holiday spam,’ that perfectly captured the issue of over-sharing.

When we presented this change in direction to Three’s Director of Marketing, she said… “You want me to apologise for the best thing we’ve ever done?! I love it.”

Bringing the Idea to Life

The idea of an apology was the inspiration for our media strategy. We asked ourselves: ‘what would BP do in an oil spill crisis?’ They would put open letters in newspapers. They would put an awkward spokesman in PR. They would hastily create a website trying to explain themselves. They would try and make amends for the mess they’d made.

With this as inspiration, we worked with our media agency to orchestrate a 3-phase campaign that would build across the whole summer.

Phase 1. F**k Up (May 23 - June 5)

Three inadvertently creates an outbreak of ‘Holiday Spam’ by encouraging customers to ‘Brag Away’ now they can use their phone abroad at no extra cost.

We kicked off by using our original ‘brag away’ creative work, directed only at existing customers in social and using airport media and boarding passes. At the heart of our social strategy was a #holidaybraggie competition which generated a wealth of user-generated content for Phase 2.

Phase 2. Apology (June 6 - June 29)

Three releases a public apology on behalf of all our customers for all the ‘Holiday Spam’ and urges them to ‘please brag responsibly’.

We then turned our attention to potential new customers. The value we had offered our customers had now ‘inadvertently’ caused a problem for people back home on other networks. They were subject to a barrage of ‘holiday spam’ – the hot dog legs, sunsets, cocktails, plane wings - all the clichéd holiday images that clog up your social feeds every summer thanks to friends and family abroad.

We’ve all been guilty of it in the past, but now the floodgates were open. So we apologised. Media selection was inspired by a ‘corporate crisis’ and included open letters in national press, a public announcement TV ad, and social media. Everything fueled discussion in social channels where the #holidayspam crisis was at large. The language from our campaign would go on to become part of popular culture.

Phase 3. Clean Up (June 30 - August 15)

Three desperately tries to curtail the onslaught of ‘Holiday Spam’ but only makes things worse.
We created a series of educational online and in-flight films explaining what holiday spam was and offering guidance on how to avoid it. Each film highlighted a different type of holiday spam (hot dog legs, sunsets, plane wings, cocktails, little lizards). We optimised which films were served in real-time by monitoring shares and click-throughs.

We created stopholidayspam.com to offer people advice and provide #holidayspam forecasts as the offer launched in more destinations. It included a downloadable brochure to help people suffering from TSD (Travel Selfie Disorder), a new ‘medical’ condition that Three was responsible for. We encouraged victims of holiday spam to fight back and ‘Tag A Bragger’ with #holidayspam and send ‘violation’ warnings to perpetrators of holiday spam.

‘Taggers’ could then win a holiday with Three, which would of course add to the crisis. We even went to French beaches to stop the onslaught of holiday spam, creating ‘no braggie zones’ and handed out ‘penalty notices’ to repeat offenders.

Everything was designed to further fuel the crisis and keep the offer and the brand in the conversation across the whole of the summer-holiday season.

### Results

#### Attitudinal objectives:

1. Increase awareness of Feel At Home
   - The campaign increased salience by 10% amongst all consumers, driven by a 20% increase amongst those who had seen the TVC (source: Brainjuicer campaign evaluation, August 2014)
   - And we put ‘Feel At Home’ on the map, driving a massive 112% uplift in association between Three and ‘Feel At Home’, and a further 54% rise in association with ‘best overseas charges’ (Source: Primesight audience survey, July 2014).
   - The campaign hub Stopholidayspam.com was visited 600,000 times.

2. Increase social buzz
   - We got people talking about us – with a 19% increase in conversation volume (Source: Beyond social analytics, July 2014)
   - And talking positively – social sentiment shifted from -12% in June to +7% in July (Source: Beyond social analytics, July 2014)
   - We made ‘holiday spam’ common parlance, with the hashtag trending organically (2000+ uses) in the opening weekend, and being used more than 40,000 times across Twitter and Instagram alone 6 months after the campaign first launched (Source: Three Social Analytics, December 2014)
   - Importantly, 65% of those who used #holidayspam went on to visit the microsite, indicating that the brand didn’t get lost in all the chatter (source: Google Analytics, August 2014)

3. Increase consideration of Three
   - There was a 25% uplift in brand appeal amongst all consumers (10% above target) and 50% amongst those that saw the TVC (Brainjuicer campaign evaluation August 2014).
   - Another strong indication of the campaign’s role in this increase was the microsite’s engagement rates – 23,961 of those who visited the site visited Three.co.uk to find out more, with 1,648 direct clicks to buy a phone (Source: Google Analytics).
   - The campaign also generated a 38% uplift in those agreeing that Three is a brand that understands its consumers (source: Primesight, July 2014), reinforcing the customer-centric power of both the offer and the insight behind the creative idea.

#### Behavioural objectives

1. Increase customer acquisition
   - The campaign helped Three acquire a net total of 600,000 customers in 2014
   - Looking at the available data on contract SIM customers from Three’s econometric model we can isolate the immediate incremental contribution to acquisition of FAH. (data confidential).
• Footfall was up +3.9% - during the campaign (Source: Three, July 2014)

• And the number of people saying 'Feel At Home' was an extremely important reason to join doubled after the campaign (Source: Three customer satisfaction research, October 2014):

  New customers who say FAH was extremely important
  Reason to Choose Three

2. Increase usage of Feel At Home

• We encouraged 332,000 customers to use Feel At Home in July, +36% above our target (Source: Three FAH Use 2014):

  Number of Users
  Feel At Home Monthly Users (000s)

• By the end of 2014, over 1 million customers had used their phones abroad at no extra cost

  a) Make Feel At Home a reason to stay with Three

  • As a result of our campaign, the number of people saying 'Feel At Home' was an extremely important reason to stay also doubled (Source: Three customer satisfaction research, October 2014):

    Churn Saving 2
    Renewers who say FAH was extremely important Reason to Renew with Three

  • Churn amongst FAH customers is now 25% less than other customers (Source: Three customers satisfaction data, October 2014)
  • And overall customer churn had fallen by 2% by the end of 2014 (Source: Three, December 2014)

  b) Make Feel At Home a reason for customers to recommend us

  • Our campaign helped take our NPS from -5% to +13%, well exceeding our target of +5%. 
Business Objective:
Increase brand share of market

- By the end of 2014, Three were at an all-time high in terms of customer base and market share, with 10.4m (Source: Enders, 2014)
- The campaign played a key role in helping Three transition from price led to brand led acquisition, as evidenced by econometric modelling introduced in 2015 (source: Three Brand Drivers Analysis – confidential)
- In addition, average margin per user has significantly increased since the campaign, indicating we’re bringing in a better quality of customer, and proving that by giving a little, we got a lot back.

The powerful insight behind both the offer and the campaign proved so successful that in 2015, Holiday Spam returned on three further occasions, with new evolutions of the original campaign, helping acquire 250,000 new contract subscribers, 500,000 new PAYG users, and increase total revenues by 9.9% YOY (Source: Three Financial Results, August 2015).

What’s more, in its first 2 years of launch, Feel At Home has saved Three’s customers what would amount to a total of £2.3 billion had they’d stayed on another network (Source: Three Financial Results, August 2015), proving our commitment to righting the wrongs of the industry on their behalf.

Other Contributing Factors
- Distribution: There was no significant change in distribution or store openings during the campaign period.
- Pricing: There was no discernable change in pricing leading up to or during the campaign period by Three or their competitors
- Media spend: Three actually spent 19% less in 2014 than the previous year, of which the Feel At Home campaign accounted for just 10.5% of our total spend (source: Three/Addynamix).
- Furthermore, during the campaign months of July and August, our share of advertising spend was just over 4%.
- Product: The only change was the introduction of the Feel At Home offer, an integral feature of this campaign solution and something that strategy went upstream into the business to influence.