

Starting at the beginning

This paper begins with a new and important understanding of our customer base. Three had grown to over 9m customers to claim 12% share of the mobile phone market (Source Three). We were 'the network that was built for the internet', and our focus on data deals and low prices had pulled in customers.

However, the flip side was that they were relatively low margin and loyalty customers who were quick to leave for new price deals when their contracts were up.

As a result, Three's annual churn rate was the worst in the category. Ultimately a Three customers' lifetime value was far below what it needed to be.

So we conducted new research that allowed us to develop a comprehensive segmentation of our customers for the first time. In doing so, it became clear that Three over-indexed with tech savvy, heavy 'internetting' trendsetters - who loved us for our no-limits data deals.

But the opportunity for acquisition and retention lay with a broader, mass market, who sought different things from their mobile provider.

In particular, we identified 'Sociable Enthusiasts' as a core target for acquisition: They are in their mid-twenties to thirties, busy professionals who are increasingly looking for value as life becomes more expensive. 95% of them own a Smartphone (source Mindshare) and they are real 'social butterflies' with their finger on the pulse - they're online, chatting 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.

We also identified a secondary target segment – the Pragmatic Dabblers. They are 35-55, family-oriented and financially stable. Technology doesn't sit at the heart of their lives like with Trendsetters and Sociable Enthusiasts, but once a bit of technology proves it's use to them, it'll become something that is regularly used. Smartphones are increasingly in that bracket, with 73% now owning one (Source Mindshare).

From price led, to brand led

In light of this customer base analysis, and using learnings from the IPA effectiveness databank, Three decided to make a fundamental shift in strategy: Rather than retaining and acquiring customers based on price, they would retain and acquire customers through the brand. In theory, a brand led approach could attract higher value customers and encourage them to stay longer.

However, in the mobile network category it is hard for brands to differentiate themselves and add true brand value – essentially when we are all selling wobbly air.

To help achieve our brand ambition we needed to understand how customers currently perceived mobile network brands. Although we had broken down our customer base into segments, we were keen to understand the customer perception commonalities, rather than differences.

As bad as politicians

The category as a whole suffers from perception problems and a lack of trust. Mobile networks are lumped in with banks, energy providers and politicians – all pretty much the same and as bad as each other, in customers' eyes.

We conducted further customer research to ascertain the reason why mobile networks were held in such low esteem. It was clear that people felt undervalued, ripped off and opaquely overcharged. They were treated as numbers, not as people.

Understanding customer pain points

A core part of Three's challenger brand stance is to put the customer at the heart of everything we do, to understand the network pain points and frustrations in their lives, and attempt to remove as many of them as possible to improve their mobile experience.

We found many examples of customers feeling like they were being treated unfairly by their mobile networks, but one particular pain point that came up again and again was being charged extra for roaming – using their phone to make calls, send messages or access the internet – abroad: Only 25% of them used mobile data abroad, with 25% turning their phones off altogether for the duration of their trip. (Source Three)

Many customers told first or second-hand stories of astronomical bills on their return from holidays. Mobile networks were making millions, but many customers were scared - they had to protect themselves from being stung by keeping their phones off or only using hotel Wi-Fi when abroad.

Taking a challenger approach

We decided to investigate adopting a challenger brand stance to roaming charges – a category convention that every network was guilty of. The 'rules' of the category dictated that customers must incur extra charges for using their phone abroad. But that felt unfair. And at Three, we want to reinvent the rules to make mobile better.

So, what if we let customers use their phones abroad at no extra cost? 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?

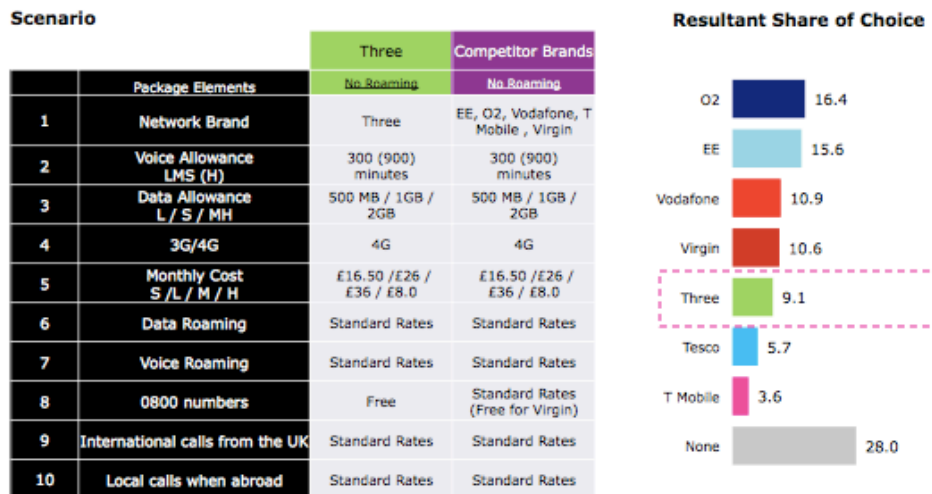
Sure, we would lose some revenue. However, we hypothesised that we could more than earn it back through existing customers using their phones abroad more, existing customers staying with Three and new customers joining Three to reap the benefits of 'Feel at Home'. Being able to use your phone abroad at no extra cost was a strong brand reason to stay with us, endorse us and want to join us.

So we worked out how many more new and retained customers we would need to break even and set ourselves the goal of reaching that number.

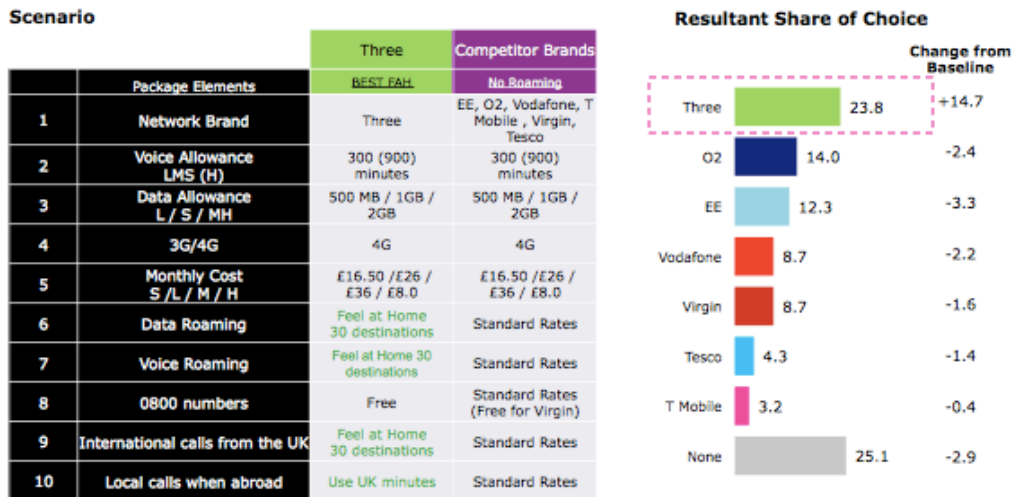
Improved value for customers

The improved value for customers being able to 'use their phones abroad at no extra cost' was abundantly clear. We estimated that they could save £97 per trip on average compared to the competition (source Three). And when the offer was initially launched to customers, the positive reaction was overwhelming. TNS research indicated that our FAH offer was so attractive, it actually moved us from 4th choice to 1st in customers' eyes. We had really struck a chord with customers by offering them something none of the other networks did.

Modelling the Market: Choice share if no roaming offers available



Modelling the Market: Choice share if Three offers 30 destination Feel at Home including international calls and calling local numbers



SOURCE: From Conjoint trade-off analysis
BASE: total FROM 724

TNS

An interesting insight

Now we needed a way of bringing 'Feel at Home' to life in our communications – a behavioural insight that unlocked an emotional connection in customers. So we looked at how customers really use their phones today, particularly when on holiday.

We started by analysing the initial behaviour of Three customers taking advantage of the offer. We discovered that they were using their phones abroad just like they did at home.

'Feel at Home' meant they could now make a few calls and texts without fear of racking up expensive international charges. But more tellingly, they were using up to 71 times more data than they did before Feel at Home launched (Source Three). Just as we've observed in the UK market over the last few years – where rapidly declining SMS and call volumes are being replaced by steeply rising data use – Three customers were using their smartphones on holiday to connect to services and with each other through the mobile web.

So, they could now make the most of their holiday by using Google Maps to find local attractions, or Trip Advisor to browse local restaurant and hotel reviews. However, the main use of data was actually to access social networks. It seems that even on holiday, people couldn't resist keeping up with the latest from their friends and family back home.

In fact, more specifically, customers were using their data to actively brag about their holidays on social media. After all, 2014 was the year of the 'braggie', and the best place to brag from was on holiday (Source Daily Mail)

Forget selfies - it's all about the 'BRAGGIE': One in three upload photos to social networks just to show off

- A 'braggie' is a photo posted to social networks to make friends jealous
- The most popular place to take these bragging photos is on holiday
- 70% of people admitted to tweaking photos before uploading them
- Men were the worst offenders editing photos more often than women

By VICTORIA WOOLLASTON

PUBLISHED: 13:31, 21 November 2013 | UPDATED: 13:53, 21 November 2013



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Vite
comments

Selfie may have been voted the word of the year, but a new term is set to challenge it in 2014 – the 'braggie'.

A 'braggie' is an image posted to social networks designed purely to show off or make friends jealous, and according to new research one in ten users do this regularly.

The poll also found that 5.4 million people in the UK post these bragging photos within 10 minutes of arriving on holiday, for example, as well as of hotel rooms, in bars and nightclubs and even of their bed.



© C Ken Gierke/An Canada Photos/Getty

A third of people in the UK admit to sharing bragging photos on social networks with almost half of them claiming holiday pictures are the best way to show off. The poll found 5.4 million people post these bragging photos within 10 minutes of arriving on holiday.

'Brag Away' Three Customers

We decided to playfully embrace their behaviour and encouraged them to brag freely. We received thousands of tweets and photos entering our #holidaybraggie competition. The improved value for customers was clear to see.

The winning 'Selfie'



Runner up

The winning 'Freestyle'



Runner up

An 'apology' to Non-Three Customers

However, the value we had offered our customers had 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, beach feet, plane wing - all the clichéd holiday images that clog up your social feeds every Summer thanks to friends and family abroad. We've all been guilty in the past, but now the floodgates were open.

So we created a 'public apology' advertising campaign, apologising on behalf of all our customers and encouraging them to 'please brag responsibly', in an attempt to limit the volume of holiday spam hitting the UK. The campaign mimicked a 'corporate crisis' with open letters in the national press, educational online films and a holiday spam clean up operation (stophoildayspam.com).

TV



Online Educational Films

Plane Wings



Hot Dog Legs



Full Page Apology Press

We're sorry.

Recently, you may have noticed a dramatic rise in sunsets appearing in your social media feed.

We're sorry.

Responsibility for this holiday spam rests entirely on our shoulders.

We thought allowing our customers to use their phones in 16 destinations worldwide, like they would at home, was a good thing.

No extra cost for calling and texting back home.
No extra cost for data.

But we failed to consider the consequences.

We're sorry.

Sorry for all the sunsets, the fancy cocktails, for plane wing after plane wing after plane wing.

Sorry for the mini monuments, the beach feet, the street food, the #nofilters, the hot dog legs.

We deeply regret the frustration this has caused.

We urge all Three customers, when abroad, please brag responsibly.

Thank you.



Three.co.uk

Outdoor

Sorry for all the cocktails.

Our customers are now using their phones abroad at no extra cost.
#holidayspam

Three.co.uk

Visit stopholidayspam.com for destinations

With Four At Home, you can use your smartphone to call and text back home and use data in 16 destinations worldwide. Pay As You Go customers require an Add-on. See Three.co.uk/FouratHome to find out more.



Sorry for all the palm trees.

Our customers are now using their phones abroad at no extra cost.

#holidayspam

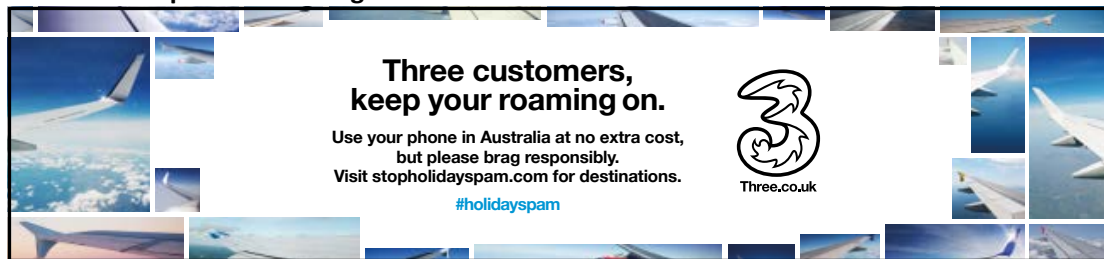


Three.co.uk

Visit stopholidayspam.com for destinations

With Total Air Roaming, you can use your smartphone to call and text from home and use data in 16 destinations worldwide. Pay As You Go customers require an Add-on. See Three.co.uk/FreePhone to find out more.

Destination Specific Boarding Passes




Three customers, keep your roaming on.

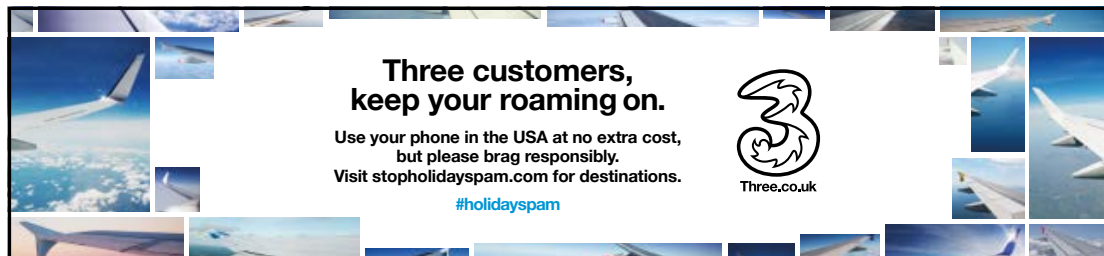
Use your phone in Australia at no extra cost, but please brag responsibly.

Visit stopholidayspam.com for destinations.

#holidayspam



Three.co.uk




Three customers, keep your roaming on.

Use your phone in the USA at no extra cost, but please brag responsibly.

Visit stopholidayspam.com for destinations.

#holidayspam



Three.co.uk

stopholidayspam.com

Holiday Spam Crisis Centre

Our customers now use their phones abroad at no extra cost.

If you're reading this, we're sorry. Chances are you've been subjected to numerous cases of holiday spam shared by our customers. If you would like the freedom that comes with posting your hot dog, sunsets, and cocktails abroad for you, we'll be happy to help.

But remember to please brag responsibly. Post pictures that you use your UK allowance to call and text the UK and use data without paying a penny more.

[LEARN MORE](#)

Use your phone in the following destinations at no extra cost!

Australia	France	Italy	Spain
Canada	Germany	Japan	Sweden
Denmark	India	South Korea	Switzerland
Finland	Indonesia	Taiwan	USA
Greenland	Malaysia	Thailand	

WARNING: Numerous Hot dog legs reported in the French French

We're sorry

An Apology From Three - We're Sorry

Phone 011 234 567 890

Tag A Bragger

Help us fight holiday spam by tagging a bragger's holiday photos. Each and every tagged photo will be contacted by Holiday Spam Crisis Centre.

Thank you for your help. Together, we can stop holiday spam.

002107
Braggers Tagged

Do you suffer from Travel Selfie Disorder?

To learn how you, or someone you know, can be cured of TSD download a free brochure by clicking below.

[DOWNLOAD](#)

Take the Spam Pledge

Do you agree to limit the frequency of holiday spam in which you are posting abroad? Do you agree to limit the frequency of holiday spam in which you are posting abroad? Do you agree to limit the frequency of holiday spam in which you are posting abroad?

☒ I AGREE

Stop Holiday Spam Violations

HOLIDAY CHECK IN VIOLATION

sec. 2-19

HOLIDAY CHECK IN VIOLATION

ISSUED TO:

DATE:

THIS POST HAS BEEN IDENTIFIED AS HOLIDAY SPAM AND IS A BREACH OF SOCIAL MEDIA PHOTO ORDINANCES SEC. 2-19, WHICH STATES IN PART:

"Regular updates indicating your exact location whilst on holiday are officially classed as holiday spam. This covers buildings of present geography, galleries you are visiting and landmarks you are standing next to."

PLEASE BRAG RESPONSIBLY UNTIL FURTHER NOTICE. #HOLIDAYSPAM

Three.co.uk

#NOFILTER VIOLATION

sec. 37-90

#NOFILTER VIOLATION

ISSUED TO:

DATE:

THIS POST HAS BEEN IDENTIFIED AS HOLIDAY SPAM AND IS A BREACH OF SOCIAL MEDIA PHOTO ORDINANCES SEC. 37-90, WHICH STATES IN PART:

"Use of the nofilter hashtag is prohibited in conjunction with photos where the clear intention is to indicate the optimum lighting conditions of your holiday destination, even if the timelapse features a creative use of lens flare."

PLEASE BRAG RESPONSIBLY UNTIL FURTHER NOTICE. #HOLIDAYSPAM

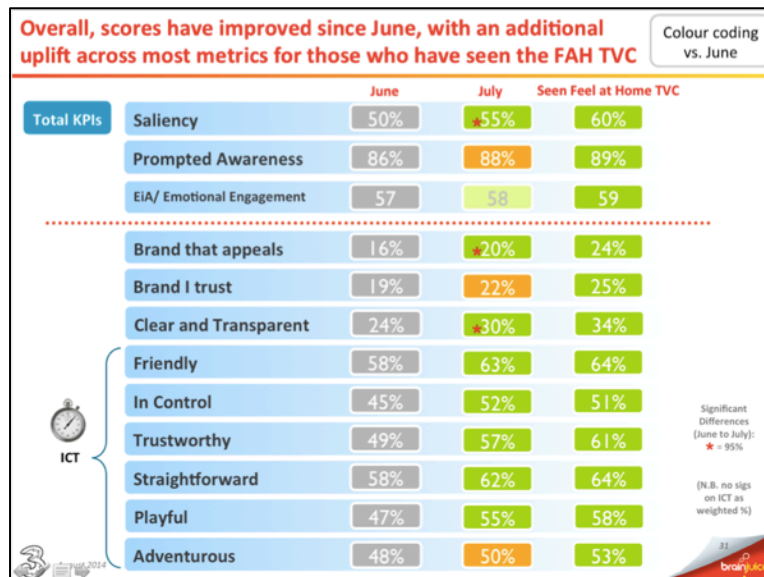
Three.co.uk

No Braggie Zones on Beaches



Campaign Results

- Our £3m marketing campaign was an instant hit with people who enjoyed the playful insight coupled with a strong customer benefit.
- #holidayspam trended over the weekend of launch, reaching 9m people.
- #holidayspam resulted in a 19% increase in conversation volume from June and, along with a 27% decline in customer complaints, shifted Three's Net Social Sentiment from -12% in June to +7% in July (Source Beyond, July 2014).
- The campaign generated positive word of mouth with a net sentiment score of +42
- We achieved 1.162m YouTube views and 585,000 visits to stopholidayspam.com
- Adwatch research revealed that the campaign was the second 'most liked' in the UK that month, and it was voted 'Campaign of the Month' by readers of Campaign Magazine.
- Brainjuicer campaign brand tracking showed a +5% rise in brand salience and a +4% rise in brand appeal during the month of the campaign, with additional uplifts for those who saw the TVC.

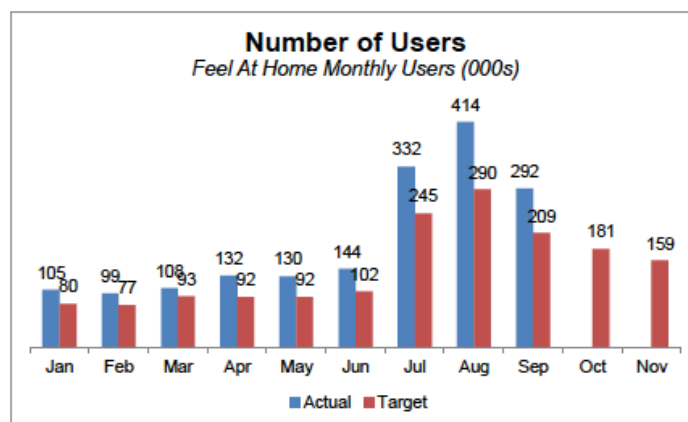


- Three were hailed as being on the pulse with the cultural zeitgeist in a number of social comments— demonstrating that Three know and celebrate how people *really* behave online on their mobiles today.

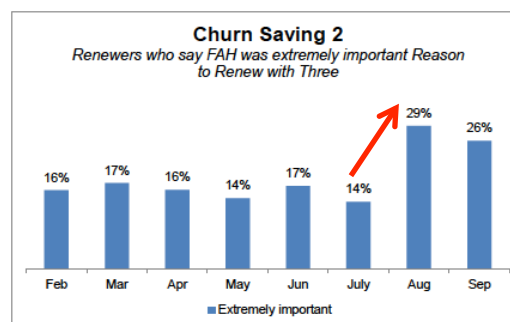
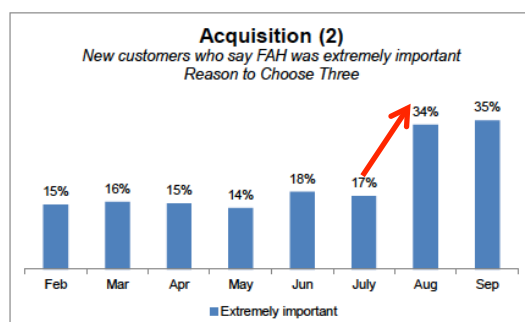


Commercial results

- 332,000 customers used their phone abroad at no extra cost in July, which was +36% above target (Source: Three)



- Footfall increased by +3.9% during the campaign (Source: Three)
- The number of people saying 'Feel At Home' was an extremely important reason to join and to stay doubled as a result of the campaign (Source: Three)



- Those using their phone abroad at no extra cost reported higher customer satisfaction - churn amongst FAH customers is now 25% less than other customers (Source: Three)
- Three are now at an all-time-high in terms of customer base and market share, with 9.8m customers and 13.1% of the market (Source: Three)
- By the end of 2014, over 1m Three customers had used their phones abroad at no extra cost (Source: Three), so despite our best efforts, the holiday spam epidemic is now out of control.

- The powerful customer insight behind both the FAH offer and campaign has proven so successful that in 2015, Three have committed to a second #holidayspam campaign with double the investment.

(1,824 words)