



# ENTRY FORM

THE AOTEAROA EFFIE AWARDS IN ASSOCIATION WITH TVNZ – ENTRY FORM

**ENTRY ID** 264-B13

**ENTRY TITLE** Get the Skinny

**CLIENT** Spark NZ

**PRODUCT** Skinny

**FIRST MEDIA APPEARANCE DATE** 1<sup>st</sup> July 2018

**CATEGORY** B13. Sustained Success

## CATEGORY DESCRIPTION

Products or services that have experienced sustained success for a period of at least 36 months. Entries must have a common objective and utilised the same strategy throughout the length of the campaign. They may have done so using different executions, but still deliver to the core insight and idea. The current year's results must be included and be shown to build on the previous results. This award recognises strategy and creative platforms that are 'built to last' and demonstrate effectiveness over time. Judges will be looking for proof around the scale of challenge, where the strategy came from, where it's going and how it continued to deliver results for the client over a sustained period of time.

### WORD COUNT: 3000 MAX

#### Sustained Success Eligibility Requirements & Guidelines

- Campaigns that ran for at least 36 months between 1 June 2020 and 30 June 2023 are eligible for entry. Campaigns may have been introduced earlier but must have run during this period and have data relative to the qualifying time up to close of entry in August 2023.
- The campaign must be able to demonstrate sustained effective results for 36 months or more. Judges will be looking for evidence from each year in question to show that the results were consistently good across all years and campaign executions.
- The entry must be for one campaign throughout the period. The campaign can show some evolution or refinement in focus, execution, and media use, but it must clearly be one campaign. Multiple campaigns for a brand or different product or variants over the period are not permitted.

## 01. CASE SUMMARY [0%]

Please write a brief summary of the case study and results not exceeding 90 words.

In 2018, Skinny was struggling. It had lost half its distribution in one go, brand measures were stalling, and revenue was declining.

This isn't just four years of good numbers. It's a complete comeback story.

We reimagined and relaunched the brand, with a new target audience and clear proposition. We convinced New Zealanders that they didn't have to choose between low prices and high quality. They could 'Get the Skinny' instead.

Since relaunch, we've consistently grown our brand trust, brand consideration, customer base, and revenue; setting Skinny on a path to success.

## 02. WHAT WAS THE CHALLENGE AND WHAT WERE THE OBJECTIVES? (15%)

What was the market context, what was the strategic challenge the client faced, what was the creative challenge the agency was set, and what were the short and long-term objectives that were set for the campaign?

The telecommunications market in New Zealand is highly regulated and extremely competitive.

'Spark New Zealand' is one of the two largest players in this market, and in 2012, they created Skinny as a sub-brand, designed for the youth market.

Skinny enjoyed fast growth initially, but had stagnated significantly by 2018, as other low-cost brands began to enter the market.

Because of its sub-brand status, Skinny suffered from a lack of investment. Our share of voice was small, at just 6% (less than half of the next biggest competitor in market). We had big ambitions, but not the budgets to match. <sup>1</sup>

-

By 2018, the future of Skinny was under examination, it had to pick up the growth pace to ensure continued investment.

Skinny should have been killing it. With the best prices, a world-class network and award-winning service. But years of erratic short-term retail campaigns had resulted in stagnation of customer numbers, revenue and all brand metrics.

<sup>1</sup> TRA Brand Tracking Survey

**The Problem: Outgrown & Out of stock**

We were known as the telco for teenagers. More than a third of our customers were under 35.<sup>2</sup> We were cheap, without the cheerful, and this was limiting our growth

Adding to our woes was that we'd just lost our largest distribution channel. Prior to 2018, a retail chain 'The Warehouse' had been our biggest stockist, making it easy to grab a SIM card near you. In fact, selling through The Warehouse was delivering over 70% of our sales.<sup>3</sup>

But, The Warehouse wanted in on the telco game and were launching a competing own-brand offer instead, Warehouse Mobile.

Imagine over half of your stores closing simultaneously. Over a hundred and fifty doors shuttered. Just like that.

**Our Challenge**

Brand awareness was high, at 90%<sup>4</sup>. But consideration – the percentage of people who would consider us if they were shifting telcos – was almost half of everyone else's.

People didn't see us as a viable option. When we dug into why, one thing became very clear; we had a huge credibility problem.

For years, Skinny had focused on youth and low prices, but that history had done us dirty. In the telco world, credibility is a crucial part of being in the consideration set. People don't want to worry about coverage issues, slow speeds, or connections that drop out. And only 1/3 of people thought our network was up to scratch (Source 4).

But, the irony was, we use the same network as our parent company, who are the biggest telco in the country. And their network credibility was at 74%, more than double ours (Source 4).

So, our credibility issues were purely brand-based. By appealing to a cheap, youth audience, Skinny had built a rod for our own back.

Finally, scale goes a long way in the telco world – the bigger, the more reliable, the better. And unlike our competitors, Skinny had zero stores, and only 3% share of voice<sup>5</sup>.

-

Success would come in a simple, linear fashion.

We needed people to trust us (credibility).

We needed them to consider us (consideration).

We needed them to join us and then stay (acquisition and retention). And we needed them to stay longer and spend more (lifetime value).

Therefore, our objectives were:

---

<sup>2</sup> Internal Skinny Customer Data

<sup>3</sup> Internal Skinny Sales Data

<sup>4</sup> TRA Brand Tracker

<sup>5</sup> Average SOV based on 2019 rate-card media spends for telco category

### 1. Credibility

Pre-campaign, network credibility was at 34% (less than half of Spark's, despite having identical networks). We wanted to lift this to 38%.

### 2. Consideration

Our pre-campaign brand consideration (35%) was substantially lower than 2Degrees or Vodafone (our biggest competitors, both at 60%). Consideration is hard to shift, but we wanted to lift it by 2pp each year.

### 3. Customer Growth & Retention

Our removal from The Warehouse, saw our growth decline. We aimed to grow our overall base by 5% each year.

Retention: There would be no point in filling a funnel if it continued to empty.

With a pre-campaign churn rate of 63%, our base growth relied not only on acquiring new customers, but also retaining the ones we had.<sup>6</sup>

We were therefore tasked with reducing churn by 5% each year.

### 4. Increase Customer Value

Additionally, to demonstrate that we weren't just acquiring budget-conscious teenagers, we wanted to increase revenue per customer (ARPU) by +2%.

## 03.

### WHAT WAS THE STRATEGIC THINKING THAT INSPIRED YOUR BIG IDEA? (15%)

What was the insight or insights identified as key to unlocking the solution? How and why did the strategic thinking address the objectives set?

Skinny's customer base reflected their focus on youth. In the telecommunications market in NZ, 22% of customers were under 35. But for Skinny, 35% of our customers fell into this age group<sup>7</sup>.

With younger customers being less committed and more promiscuous than older customers it was a problem when we had a lot of them.

So, part of the brand challenge was shifting our brand appeal to a more mass audience. So, we ensured we over-indexed on speaking to an older demographic who we needed to shift perceptions with.

After doing this successfully for two years we still had some stubborn non-considerers, so narrowed back onto them. We saw that 25% said they didn't consider because they "don't know anyone who's on Skinny." Which meant they didn't think Skinny was a brand for them either.

Hmmm. Because with over 200,000 customers (and New Zealand being a small place), the chances were that they did in fact know one of our customers. Probably more than one.

<sup>6</sup> Internal Skinny customer data

<sup>7</sup> Internal Skinny customer data

This gave us an opportunity to overcome our youth perceptions whilst solving our biggest barrier to rejection.

In Year 4, we would combine both of our previous audience approaches, speaking to the masses through the voice of those who already like and use Skinny. This would help us to weaponise our own fandom on a mass level.

-

Insight #1: It was seen as embarrassing to be with Skinny.

As an adult, signing up to Skinny felt like you were cheap-ing out, like booking Ryanair when you wanted Singapore Airlines. People don't want to feel like cheapskates, and we didn't want our brand to be either.

However, when we visited the Skinny Customer Care Centre team, in a crusty downtown office tower, we saw that cheap wasn't a compromise, but a challenge and a point of pride. They didn't sacrifice quality for low prices – they were proud about being smart about spending money. This was our first strategic leap - reframing low prices as smart, not cheap.

Insight #2: Recommendations from fans can be your most powerful vehicle, and we got fans.

Even though we lacked scale and physical stores, we had something that no other telco did.

Because of our niche-yet-highly-engaged audience, our NPS was outstanding. +50, the highest of any telco in NZ.<sup>8</sup> Our customers loved us.

Could this solve our credibility challenges?

Well, it turns out, people trust the recommendations of friends and family 92% more than they trust ads.<sup>9</sup>

Perfect.

We therefore decided to put regular New Zealanders at the very heart of our communications from there on out. This would not only help us to overcome the embarrassment some felt by being with Skinny, but also helped to unlock the power of recommendations as a way to recruit new Skinny customers.

This approach informed everything we then did across the four years:

Phase 1 - an advertising campaign to launch our brand platform, communicating the dedication and smarts Skinny has in keeping prices low but customers satisfied.

Phase 2- an advocacy campaign to reinforce it, leveraging an unusual level of recommendations to utilise the power of Skinny's customers.

Phase 3 – outsourcing our campaign to regular New Zealanders, taking recommendations to the next level.

One platform. Three creative phases. Over four years, and beyond.

## 04.

### WHAT WAS YOUR BIG IDEA [10%]

<sup>8</sup> TRA Brand Tracking survey

<sup>9</sup> Nielson 'Global Trust in Advertising' report

State in one sentence. What was your core idea that drove your effort? Consider 'idea' in the broadest sense, ie., ranging from communication-based to the creation of a new service or resource. The idea should not be your execution or tagline.

Skinny will do anything to keep prices low and customers happy.

## 05.

### WHAT WAS THE CREATIVE EXECUTION AND HOW DID IT BRING THE BIG IDEA TO LIFE? [15%]

Describe the creative work that delivered the big idea. What was the launch creative, and how did the work evolve over subsequent years and executions?.

'Get the Skinny' rolled out in ways that demonstrated how Skinny will do anything to keep prices low and customers happy. But how we did that evolved and became more out-there over the years.

#### Phase 1

Celebrity endorsement, with a twist.

Our launch campaign recruited eight of the biggest names in Hollywood to endorse Skinny. But not actual celebrities, regular New Zealanders who happen to share their names with A-list stars.

Our 'big names' told our story of being smarter with your money, shot in big-budget styles of their famous namesakes to de-couple Skinny from our no-frills image.

Michael Jordan (5'7" web developer from West Auckland) was shot under dramatic sports lighting, like a Nike ad. Clint Eastwood (electrician from Pukekohe) was shot on horseback at dusk. Sarah Jessica Parker (farrier from Warkworth), sipped cocktails in a sexy inner-city bar.

The high production values worked hard to highlight the glaring gap in talent between these household names and the thoroughly ordinary Kiwis who share them.

We manufactured the same media coverage and attention that real celebrities achieve; introducing our famous names to the country through editorial partnerships and on-air radio interviews, and had Woman's Day (New Zealand's bestselling women's magazine) run their first-ever false front cover featuring our celebs. 'The Skinny Orange Carpet Party' was a VIP(ish) event for customers and Skinny celebs designed for amplification and hype behind the campaign. They appeared at every touch point - trade materials, social posts, website, app, merchandise.

Phase 2 - unlocking the power of recommendations.

#### Friend-vertising.

A nationwide campaign designed to reach New Zealanders, not with a celebrity but with someone they might know, unleashing the cult of Skinny customers.

More than one-thousand ads were made with different Skinny customers, upping the chances of our target audience seeing someone they know, or know of, or know someone that knows them.

There were three pillars:

1. Recruitment - We texted all our customers, inviting them to star in our campaign. We selected our Friend-vertisers from 100s of entries, ensuring representation across all ages, stages, ethnicities and languages. Personalised ads were produced for every single friend-vertiser, including TVCs, DM flyers, street posters, social assets, promotional packs and banners.

2. One to few - To launch, our Friendvertisers posted their uniquely tagged TVC to their social channels. We built retargeting pools for each that allowed us to re-target their followers throughout the rest of the campaign across display, video, social and SEM, with personalised landing pages to drive sign-ups.

3. One to many - We gave New Zealanders the best chance of seeing someone they knew, using over 500 data points from each Friendvertiser to build digital ads served through smart media. Whether you lived in Hamilton, worked in Finance or loved dogs, you'd see a Skinny customer who did too!

In OOH, we handpicked billboards, bus routes and street posters where our Friendvertisers lived and worked. And for TV, we ran language-specific executions in non-English speaking channels, even a sign language version inviting people to Get the Skinny!

Phase 3 – outsourcing our campaign to everyday New Zealanders.

Phone It in

A campaign that called on everyday New Zealanders (not just our customers) to star in Skinny's latest campaign. All they had to do was phone a number, read the script on the ad they had seen into an answering machine (where they convinced other New Zealanders to *Get the Skinny*), and wait to hear themselves on the radio.

We showed up in unexpected places. Billboards and street posters gave us scale, but then clever digital buys and ambush media placements gave us talkability. We were also smart with media dollars, wrangling our way into 3am TV slots to speak to insomniacs, and pie packaging to capture hungry workers.

Knowing this would increase engagement and participation, every script was totally unique to where it was located, with our writers' room of three copywriters working closely with the media company.

Each script included our messages about Skinny's low prices and great network, but everything else was crafted to make the most of the space it was in. This allowed us to see exactly what placements drove submissions too.

Once we put our scripts out in the world, we used a nationwide radio partnership to point people toward them. We had the radio ads playing on air, while hosts talked about the campaign and where to find scripts. It was like a nationwide treasure hunt, just without the treasure because no one was getting paid.

---

06.

## WHAT WAS THE COMMUNICATIONS STRATEGY? [10%]

Outline the media and communications thinking and strategy that brought the creative solution to life in the most powerful and relevant way for the target audience. How did the media thinking evolve over subsequent years?.

While our tactics over the years may have varied, our comms strategy principles have remained the same. Namely: using everyday New Zealanders to be our face and mouthpiece to tell the nation to 'Get the Skinny', giving them a platform in media for their moment of fame, in channels that that don't feel luxurious and frivolous because we are a value-based brand (you won't see Skinny on the Queen Street digital takeover any time soon).

Finally, in order to cut-through with our relatively modest budgets we looked to 'worst practice' as a way to drive distinction and memorability. Instead of reaching everyone in NZ with the same message, we created thousands of personalised campaigns activated at a community level. Instead of using a max of eight words on OOH sites, we posted whole 30" radio scripts onto them for people to read out..

This consistent challenging of the rules has helped us to continually outsmart the competition when we couldn't outspend.

List all consumer communications touch points used in this campaign.

<b>Year 1</b>	TV, OOH, Social, Display, PR
<b>Year 2</b>	TV, OOH, Radio, Online video
<b>Year 3</b>	TV, OOH, Radio, Online video

## 07. WHAT WAS THE \$ SPEND? [0%]

Outline the media and production spend on the campaign. Use actual spend rather than rate card. In the case of donated media please list the rate card value separately from the bought media spend.

<b>Year 1 Media Spend:</b>	\$750k-\$1m
<b>Year 2 Media Spend:</b>	\$500k-\$750k
<b>Year 3 Media Spend:</b>	\$750k-\$1m

Outline the media spend in relation to competition and versus last year:

<b>Year 1 Creative Production Spend:</b>	\$1.6m
<b>Year 2 Creative Production Spend:</b>	\$1.34m
<b>Year 3 Creative Production Spend:</b>	\$157k

## 08. WHAT OTHER MARKETING EFFORTS WERE USED IN CONJUNCTION WITH THIS CAMPAIGN? [0%]

List all other marketing or communications programmes not considered part of this campaign, that also affected the results e.g. coupons, sales promotion, planned PR, sampling, direct response, point-of-purchase, etc.

Indicate the extent to which any revised pricing, distribution or promotion programmes also affected the results.

Any marketing communications that contributed significantly to delivering an integrated campaign strategy and results should be described elsewhere in the entry form and any relevant contributing partners acknowledged in credits separate to the entry form.



With a brand promise of keeping prices low, Skinny do not indulge in many of the marketing behaviours enjoyed by our competitors.

We do not have sponsorships, like Spark Arena.

We do not offer value-adds, like Netflix or Spotify, like all of our major competitors do.

We are, by design, last-to-market with almost every brand or product innovation, thanks to being the low-cost brand in the stable, and allowing Spark to be first.

We have an always-on search and digital retail layer, but this has run consistently prior to the brand relaunch. And we are wildly outspent every single year.<sup>10</sup>

Our brand was the only thing that changed, getting more customers, to spend more with us, and stick around.

## 09.

### WHAT WERE THE RESULTS? [35%]

Outline the results achieved by the campaign against the short and long-term objectives set, provide conclusive proof that it was the campaign that drove the results.

In this section, the judges will be looking to see a clear cause and effect between the communication activity and business performance over time. Show the compelling evidence that will convince even the most cynical finance director. They will be awarding points on the following basis:

- \_ Overall achievement against objectives. Clear proof that objectives established in earlier sections have been achieved. Judges will be seeking quantified results. Demonstration of ROI is helpful. [15%]
- \_ Clear demonstration of long term results beyond 6 months [5%]
- \_ Convincing proof that the results were a direct consequence of your campaign, the inarguable evidence. [15%]

**Please Note:** All results must be sourced to be judged; any unsourced results will not be taken into consideration.

*Get the Skinny* has continued to overdeliver on every metric we set out to achieve.

1. Get people to trust us: Improve credibility perceptions by 4pp (from 34% to 38%) Achieved.<sup>11</sup>

<sup>10</sup> Internal Skinny competitive data

<sup>11</sup> TRA Brand Tracking survey

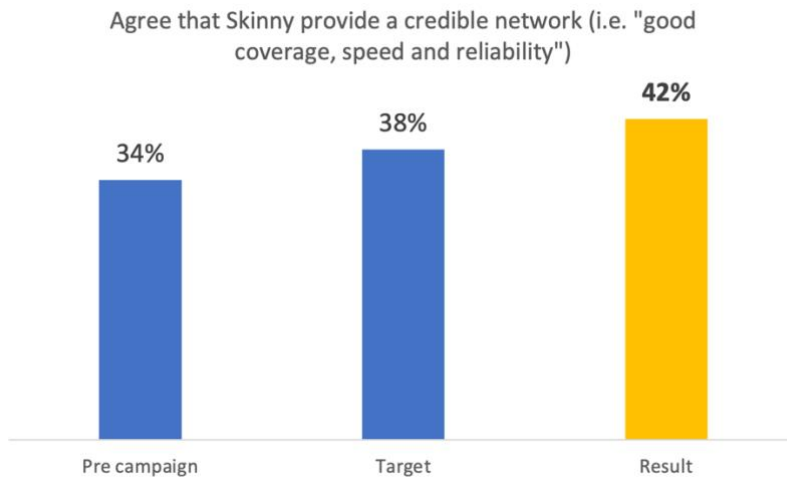


Figure 1: Skinny Credibility

Our new brand platform transformed the way New Zealanders thought about our network. Despite not changing a single thing about our actual speed, coverage or service, 400,000 more Kiwis believed we had a credible network post-campaign.<sup>12</sup>

All other telcos either dropped or maintained network credibility scores over the same time frame.

2. Increase our consideration: From 35%, by at least 2pp each year. Achieved.<sup>13</sup>

While we didn't achieve our 2% goal in our first year, we made up for it in Year 2, and continued to grow consideration into 2021 and 2022. While initial shifts were small, Phone It In drove a whopping 6% increase in consideration in just three months.

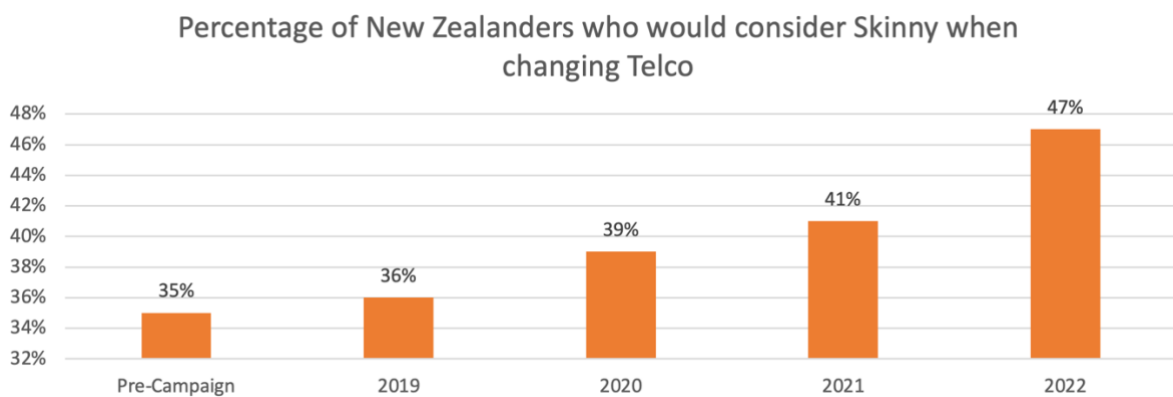


Figure 2: Skinny consideration during 'Get the Skinny' campaign period

The same could not be said for our competitors. Of our three key competitors, who make up more than three quarters of the NZ Telco market, not a single one saw the same rate of growth as we did over this timeframe. In fact, overall, Vodafone saw a net zero change in consideration, while 2Degrees and Spark's increases were just 3% vs our 12% (Source 13).

<sup>12</sup> Based on NZ statistics data, March 2020 estimated resident population

<sup>13</sup> TRA Brand Tracking survey



Figure 3: Skinny consideration versus competitors during 'Get the Skinny' campaign period

3. Customer Growth & Retention – Growing the base by 5% each year. Reduce churn by 5%.

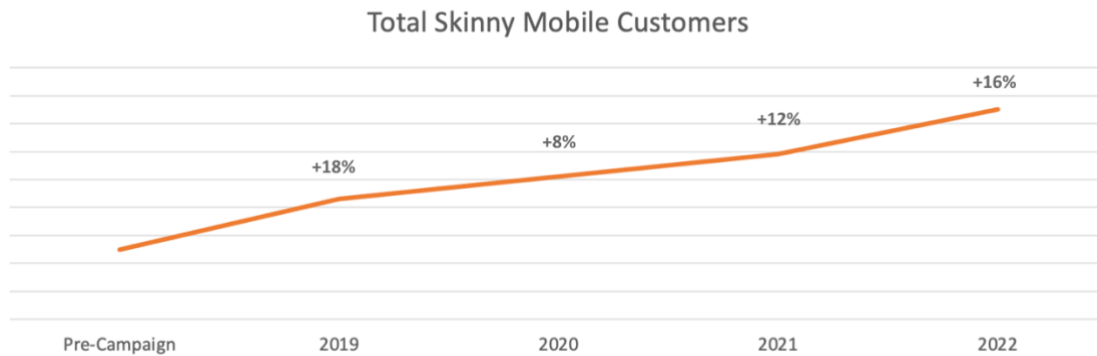


Figure 4: Total Skinny customers during 'Get the Skinny' campaign period

**Growth:**

Prior to the brand relaunch, we were losing over 1% of our customer base every month. In the three years since relaunch, we have seen consistent growth every year in our customer numbers, attracting New Zealanders looking for low prices, without skimping on quality.<sup>14</sup>

**Retention:**

This growth didn't just come from acquisition alone. We also turned Skinny into a brand people wanted to stay with.

Pre-campaign our churn rate was 59%. Over the three years to 2021, we've seen consistent reductions, with it sitting at 31% in 2021 (Source 14).

<sup>14</sup> Internal Skinny customer numbers

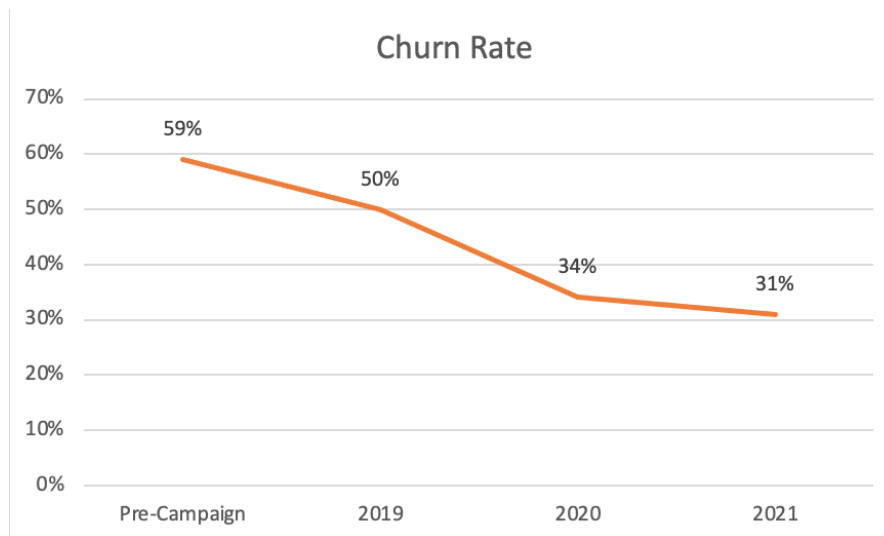


Figure 4: Churn rate during 'Get the Skinny' campaign period

2022 churn numbers were unavailable at time of writing but with the success of Phone It In, we expect the trajectory to continue a similar path.

#### 4. Increase Customer Value by 2% each year

From the launch of the new brand platform to the end of 2022, we increased our Average Revenue Per User (ARPU) by an astonishing 20%, reflecting the shift in our customer base away from a youth audience and into the mainstream (Source 14).

#### ROI

There are two significant parts to our return on investment.

Firstly, the value of our new customers. We grew our customer base by 50% over four years.

Secondly, by maturing our overall base, we increased the average value (monthly spend) of all our customers by 20%.

All up, the cumulative effects of Skinny's relaunch and consistent brand platform, less the total production costs of all assets and the media spent, in the period of 2019-2021 delivered an ROI of \$2.61 for every dollar spent. That number jumped significantly in 2022 with the success of Phone It In, as the 2022 campaign had an ROI of an astonishing \$25.29 per dollar spent.

## 10.

### THIS SECTION IS ONLY TO BE COMPLETED IF THIS CAMPAIGN WAS PREVIOUSLY ENTERED IN 2022 [0%]

We welcome campaign entries in consecutive years, but the entrant must demonstrate material differences in the entry; e.g. additional results reflecting the benefit of long-term campaign building; shifts in targeting or campaign execution that delivered fresh outcomes, etc.

If this campaign was also entered last year, please outline what you have learned from being in market and how this has influenced the campaign's evolution.

2022 saw the third iteration of Get the Skinny with the launch of the Phone It In campaign. The famously tricky third album proved to be the biggest success to date, as we took our approach of using everyday NZers to become our brand ambassadors to the ultimate level.

---