

2018 ENTRY FORM

(Note: word count 2,500)

Entry ID:	02192
Entry Title:	Lotto 'Imagine'
Client:	New Zealand Lotteries
Product:	Lotto Powerball
First Media Appearance Date:	12 July 2015
Category:	R – Sustained Success
Category Description:	<p>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.</p>

Sustained Success Eligibility Requirements & Guidelines

- Campaigns that ran for at least 36 months between 1 January 2015 and 15 June 2018 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 on August 14th 2018.
- 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.

Title	Lotto 'Imagine'
Client	New Zealand Lotteries
Product	Lotto Powerball

1. Case Summary (0%)

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

In a business driven by life-changing, eye-watering, beyond all reason jackpot prizes why bother with advertising? Because buying a Lotto Powerball ticket is an act of faith, not an act of reason.

With astronomical odds against winning, emotions conquer rational thinking. By inspiring New Zealanders to 'Imagine', Lotto NZ was able to increase revenues to record levels, even at lower jackpot weeks.

So by significantly increasing the return back to the business, Lotto NZ set new records on the amount of money it could give back to New Zealand.

2. What was the challenge and what were the objectives? (10%)

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?

Maturing Business

By 2015 Lotto NZ was a mature business which had become heavily reliant on jackpot levels to grow revenue. For many New Zealanders, long gone were the thrilling Saturday nights of the late eighties spent huddled around the TV, clinging to their ticket in the hope they'd won the jackpot.

But the all-too-familiar feeling of losing more often than winning had taken its toll. An increasing number of people were choosing to play only when an eye-wateringly huge jackpot was on offer. In short, by 2014, many Kiwis wouldn't get out of bed for less than \$10m¹. Annual revenue was in decline.²

Losing influence

This declining frequency of play was hurting Lotto's revenue. In turn, this put the amount of money the New Zealand Lottery could give back to New Zealand communities at risk. By 2015 Lotto NZ was generating \$200m per year for good causes - an annual commitment that Lotto NZ was not prepared to walk away from.³

Losing momentum

Fewer players playing less frequently is a negative double whammy. It reduces weekly revenue and also slows the rate of jackpot growth. Hitting the magic jackpot number of \$10m, (the size of the prize where ticket sales take on their own momentum) then takes longer to reach, meaning over a year total revenues decline.

The business had to find a way of:

Stimulating sales in low jackpot weeks



To accelerate the rate of growth of the jackpot



To increase overall annual sales

¹ TRA quantitative research 2014

² Lotto NZ Sales Data

³ 2014 Lotto New Zealand Financial Report

Putting it all on Powerball

The mid-week draw game “Big Wednesday” was losing players at an accelerating rate.⁴ The decision was made to remove it from market, replacing it with a twice-weekly draw on Powerball. This would allow the business to focus on one draw game instead of two.

It was a massive risk. When other lotteries around the world had moved to a twice-weekly game they had seen a significant drop in sales, (in some cases up to 50%)⁵. It was dangerous to assume Saturday players would become Wednesday players, and Big Wednesday players would convert to Powerball.

All out of love

Not only was the business underperforming, so was the brand.

Lotto's latest campaign ‘Winning Happens’, an attempt to re-instil belief through the win, wasn't cutting through - with a meagre 40% compared to the 70+% average of previous campaigns - nor was it emotionally compelling. The visibility and connection of the Lotto brand was eroding.

Desperate times...

Something had to give. Lotto needed to step-change the business by step-changing New Zealanders relationship with the brand. They set themselves a clear vision;

To increase annual revenue to maintain our contribution to New Zealand community projects



By encouraging infrequent players to play more often, particularly in weeks with jackpots below \$10m



By reigniting their desire to play by reconnecting them with the big dream once again

Objective 1: Increase annual revenue by \$100m year on year (2016, 2017, 2018)

Objective 2: Increase ticket sales in low jackpot weeks (<\$10m) by 500,000 tickets per week

Objective 3: Increase emotional affinity with Lotto Powerball advertising above 50% (2015 level 40%⁶)

⁴ TRA Quantitative Research 2014

⁵ Lotto NZ sales data

⁶ TRA Brand Tracking 2015

3. 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?

Winning Happens (to other people...)

'Winning Happens' focused on the transactional and rational process of playing and winning. This was actually having a counter-productive effect; reminding players that while some people might be winning, it certainly wasn't them. Lotto needed to restore the faith.

Permission to dream

When Lotto campaigns had been at their very best they had tapped into powerful emotional wellsprings, driven by epic dreams and storytelling.

Winning Lotto is about escapism, dreaming about what you would do with a winning ticket. Previous advertising like 'Old Flame' or 'Wilson, the lucky dog' had taken people on an emotional journey away from reality, and encouraged them to dream big.

Returning to the peaks of emotion

In 2015 a model for advertising was set to get back to the heart of Lotto:

- **Fame:** Make fame-worthy advertising to get people talking about the brand again and keeping it forever top of mind
- **Feeling:** Tap into powerful emotions to override all the rational reasons not to play
- **Fluency:** In the recent past, Lotto had lacked consistency, launching a new campaign almost every year. We needed a long-term platform to bring Kiwis back into the fold by building up the brand again

The secret to happiness? Freedom

What could inspire a jaded nation to dream again?

Of course, the money mattered, but the freedom that came with the money mattered more. This was where the emotional power of Lotto lay.

But what this freedom afforded you had changed.

In the mid 2000s people talked about splurging on cars, houses and extravagant shopping sprees.⁷ Now, a decade and a global financial crisis later, people talked about experiences; exploring the

⁷ Big Picture qualitative research 2007

world, spending time with others and time broadening their horizons. Most of all they talked of **doing something** for others, making a meaningful difference in the lives of family and friends.⁸

The Kiwi dream had changed. Freedom - not possessions - had become the new status. No longer about how much you could get but how much you could do for others.

The role of communication was therefore to emotionally connect New Zealanders with the sense of freedom that only a big win on Lotto Powerball can provide.

Our strategic proposition came into sharp relief:

What would you do with the freedom that comes with winning Lotto Powerball?

4. What was your big idea? (10%)

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.

Imagine whose life you would change for the better by winning Lotto Powerball.

5. 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?

The **'Imagine'** platform was born.

Once again New Zealanders would be inspired to play with powerful, human stories told on a grand scale.

The winning formula

Creative development research⁹ identified key elements that would shape the stories we would choose to tell:

⁸ Big Picture qualitative research, 2014

⁹ Agency's own creative development qualitative research 2015.

- Powerball has to be **epic** – such a big dream needs a big story to inspire it
- These stories must be about **deserving winners** – good people trying to do the right thing in life
- Including a **moment of transformation** – the pivotal point in every story when a Powerball win changes everything
- Do it for others; every story hinges on an **act of generosity**
- Although exaggerated, **still-believable stories** based in reality, not in fantasy

July 2015: 'Pop's Gift'

We launched into these new waters with a cross-generational story of a father who spends long periods separated from his son working as a deep-sea fisherman in a remote NZ town. When grandad 'Pop' wins Powerball, he reunites his son and grandson with the fabulous and fantastical gift of a pirate ship, freeing them from the demands of everyday life by realising their own "piratey" adventures on the high seas.

February 2016: 'Mum's Wish'

Four estranged siblings reunite at the old family home to discover the last wishes of their recently deceased mum. After fondly reminiscing about their happy and quirky childhood, they make the ultimate discovery: mum had won Powerball but never told anyone. Guided by a treasure map, mum takes them on one last adventure – digging up the washing line to discover gleaming gold bars buried underneath.

February 2018: 'Armoured Truck'

Based on a real winning experience, we introduced the story of Ray and Sateesh, two armoured truck drivers and long-time work friends. Ray, having frightened Sateesh into believing that he will make him complicit in absconding with the cash in the back, finally confesses that he has won Powerball and the money is rightfully theirs. Keeping his promise that they would share any win 50:50, Ray reveals they are free from their jobs and can do the things in life they had always dreamed of.

All three stories conformed to the winning formula and sprung from the same core thought:

Imagine what you would do...

In addition to the films (and subsequent cut-downs), short animated TV spots, outdoor, radio, newspapers

6. 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?

Emotional Priming En Masse

Just as Lotto was once the game that stopped a nation's Saturday night, so Lotto advertising was once a collective national experience. Advertising that we would talk about with friends and family, with colleagues at work and mates down the pub.

The return to rich, emotive and powerful storytelling would break through the now fragmented media market and create a 'communal' advertising experience once more. Weaving Lotto back into New Zealand's cultural fabric was the name of our game.

To live up to the epic tales of the past, long-form film was the primary driver of each of the campaigns. More like movie trailers than ads, 'Pop's Gift' and 'Mum's Wish' launched with 90" films on TV, online and in cinema. Built on the success of these two films, 'Armoured Truck' launched with a two-minute blockbuster, unheard of in today's attention-deficit media landscape.

The placing of the core film assets were designed to build reach quickly and ensure that 45% of the New Zealand public would have seen it within the week. Cutdowns of the long-form films were then deployed to maintain a cost-effective presence that kept building frequency over time.

Activating Sales

As Lotto runs on a bi-weekly purchase cycle it was important to build reach and frequency over the week toward the primary purchase days of Wednesday and Saturday. Depending on the jackpot level, the blend of brand building and short-term activation executions worked in tandem.

Brand films were run at maintenance weights across the year with footfall executions upweighted as the jackpot escalated over \$10m.

In low jackpot weeks the ratio of brand to retail investment was 66:34

In high jackpot weeks the ratio was reversed to 34:66

In addition to broadcast media exposure, the themes of each campaign were activated through media partnerships and PR opportunities, all designed to inspire audiences to 'Imagine'.

List all consumer communications touch points used in this campaign.

Year 1:	Cinema, Outdoor, Print, Online, Media Partnerships and Activations.
Year 2:	Cinema, Outdoor, Print, Online, Media Partnerships and Activations.
Year 3:	Cinema, Outdoor, Print, Online, Media Partnerships and Activations.

7. 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.

Year 1 Media Spend:	N/A
Year 2 Media Spend:	N/A
Year 3 Media Spend:	N/A

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

Lotto NZ has no direct competitors. The biggest challenge to business performance is customer apathy not direct competition.

Year 1 Creative Production Spend:	N/A
Year 2 Creative Production Spend:	N/A
Year 3 Creative Production Spend:	N/A

8. 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.

The twice-weekly draw show continued to run on TVNZ One as always.

In addition, positive momentum created in the brand through 'Imagine' gave us confidence to take our community stories into new places. No longer confined to our own channels, "advertorials" for 'Good on you' also ran on TVNZ One.

9. What were the results? (40%)

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 and outline the return on investment.

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 (10%)

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%)

Return on investment. This could be expressed as an ROI (Return on Investment) figure, or some other numerical way of demonstrating commercial payback that justifies the investment in the campaign in the first place (10%)

The more intoxicating the dream. The more people want to believe. The more they play.

Thanks to inspiring New Zealanders to 'Imagine what they would do if they won Lotto' this has happened.

We can prove a clear link between the enduring creative platform and commercial change over time. People were playing more regularly because of the love of the game, not just the size of the jackpot.

How did the creative do this?

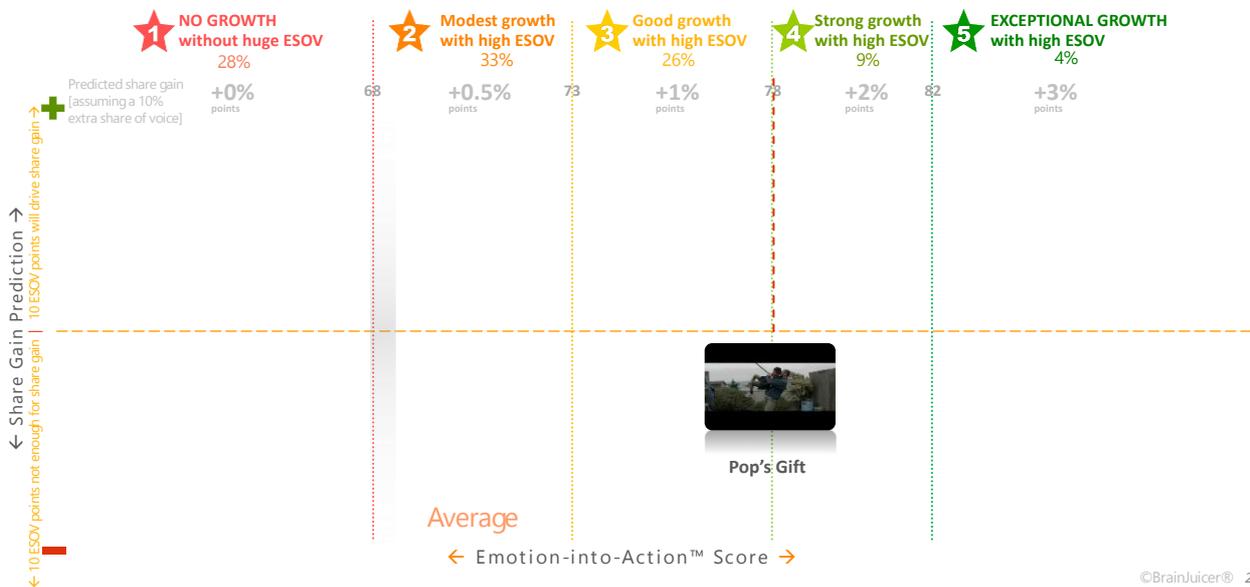
IT CUT THROUGH AND CREATED A STRONG EMOTIONAL CONNECTION

Pre-testing proved the emotive power of 'Imagine' that would be borne out in real life.

Using innovative, emotion-led ad testing methodology the results were astounding.

'Pop's Gift' proved to be a 4 Star ad, putting it in the top performing 13% of ads in the Australasian database of over 5,000 ads. Predicted to play a clear role in driving the brand and business fortunes.

Pop's Gift is a 4 Star ad and is significantly more likely to build brand equity and deliver growth for Lotto.



Source: Brainjuicer System 1 Campaign Testing

The emotional potency of 'Pop's Gift' identified through this revolutionary research (facial recognition research and emotive verbatims captured in real time) was remarkable. It's not often respondents admit "The ad was wonderful – it made me cry."¹⁰

¹⁰ Brainjuicer System 1 Campaign Testing

FaceTracing™ | *Pop's Gift* is an emotional roller coaster, making great use of sadness and closing perfectly with a strong peak of happiness

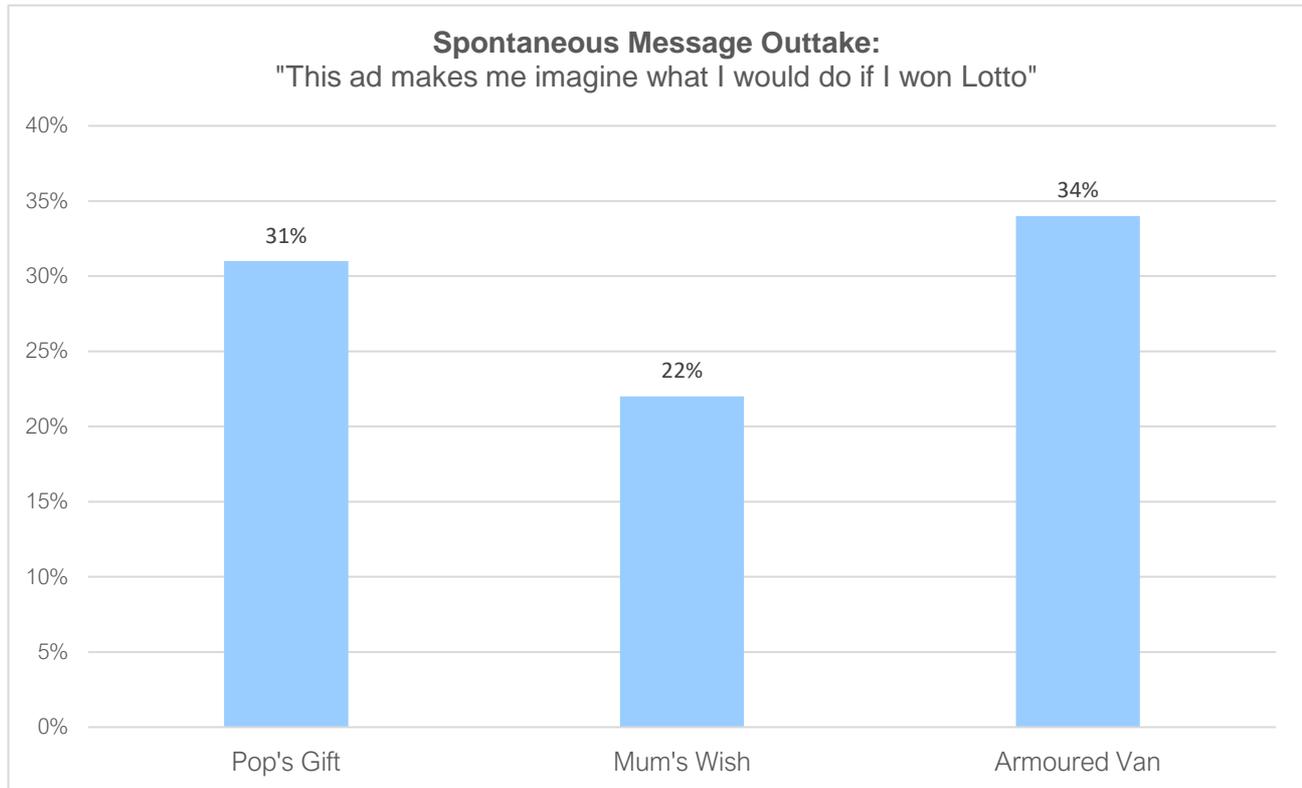


Source: Brainjuicer System 1 Campaign Testing

©Brainjuicer® 1

The real-world advertising affects were just as impressive.

People couldn't help but imagine what they would do. 'Pop's Gift' and the subsequent executions of 'Mum's Wish' and 'Armoured Truck' drove this infectious message home.

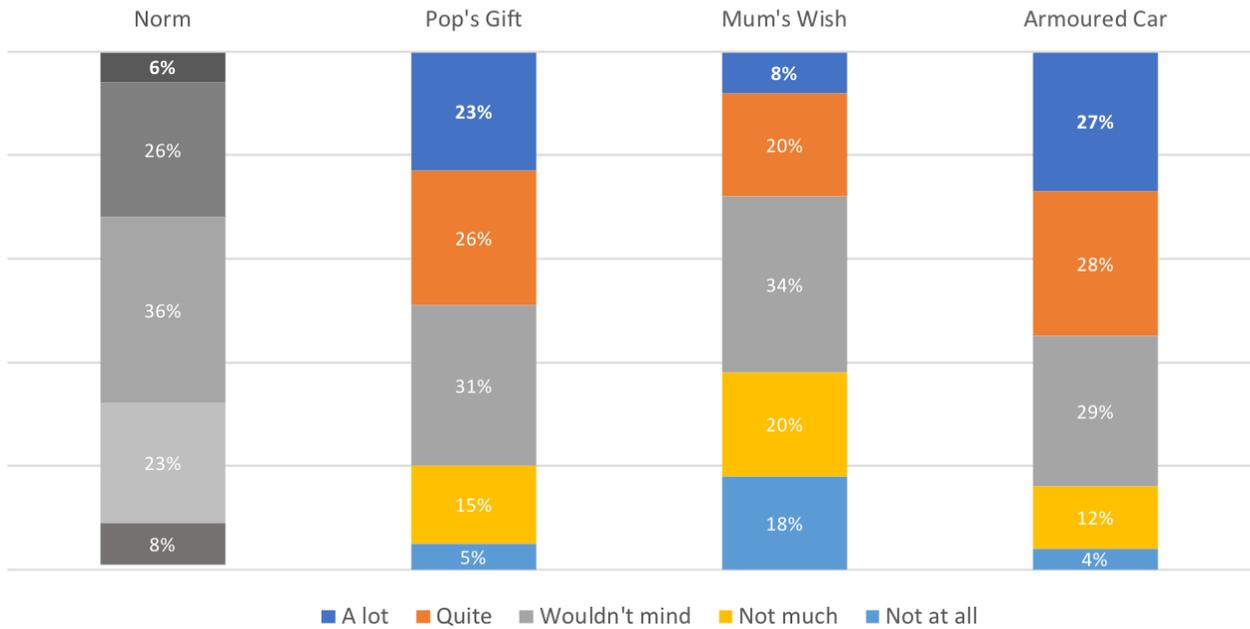


Source: Colmar Brunton Ad Tracker 2015-2017/TNS Ad Tracker 2017

Each of the three stories worked in their different ways to capture attention and drive enjoyment. A critical factor in keeping people engaged over time.

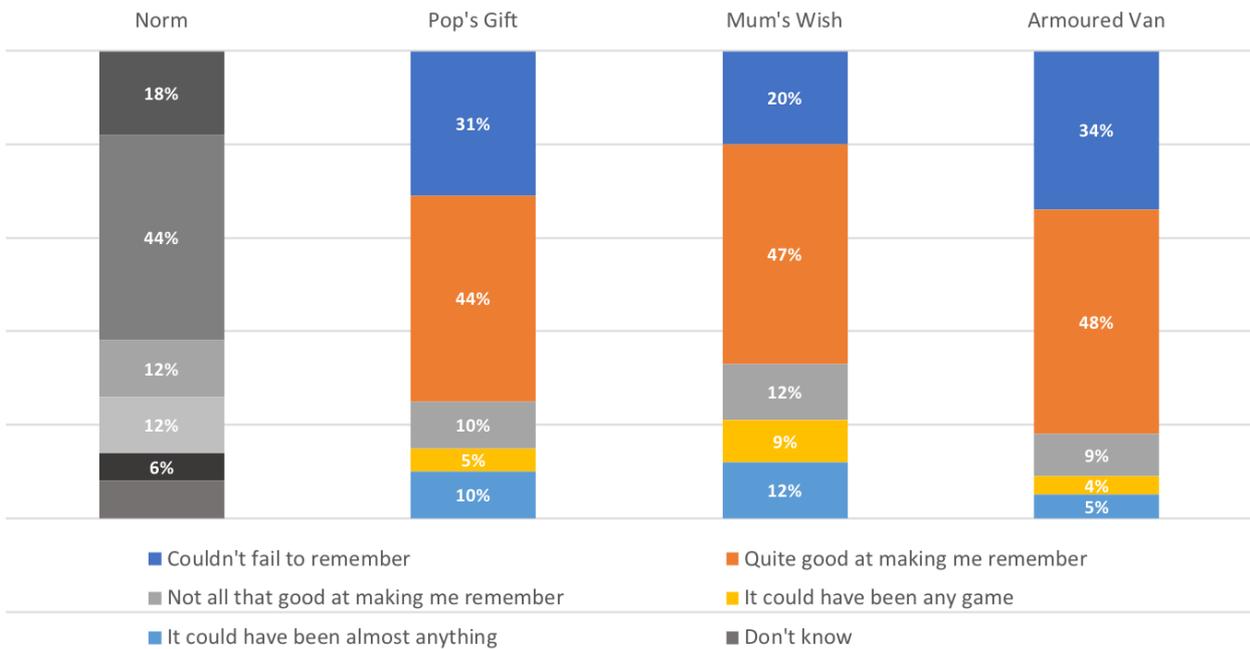
Although the poignantly, dark story in 'Mum's Wish' polarised on enjoyment, it was impactful and memorable nonetheless. All executions set new benchmarks on enjoyability and branded memorability.

"How much would you enjoy watching this advert each time you saw it?"



Source: Colmar Brunton Ad Tracker 2015-2017/TNS Ad Tracker 2017

"How good is this ad at making you remember the brand it's for?"

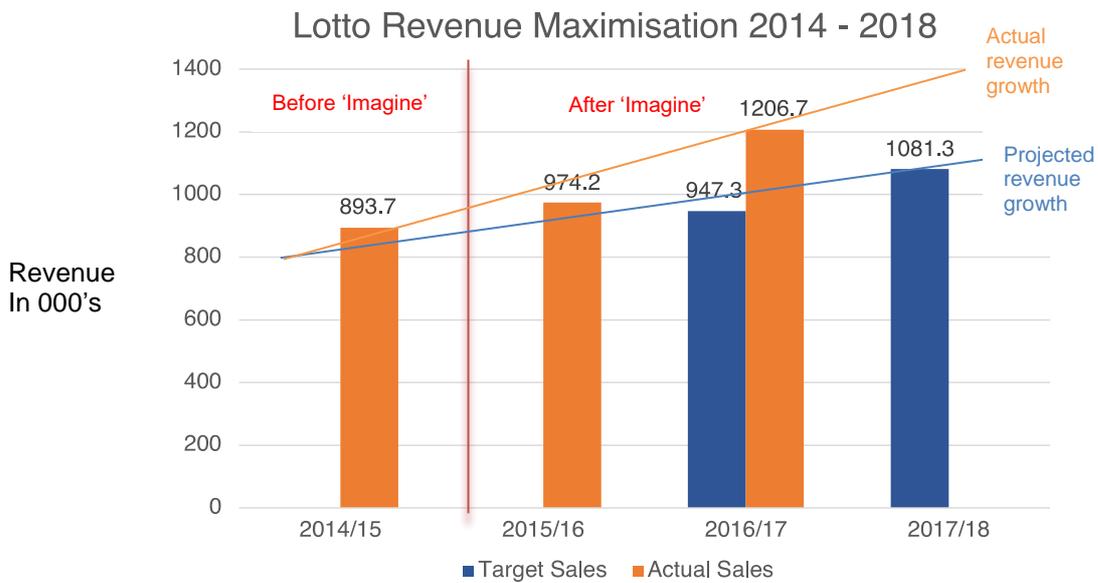


Source: Colmar Brunton Ad Tracker 2015-2017/TNS Ad Tracker 2017

So what was the flow on effect to the business?

HUGE.

In the three years since the launch of Lotto 'Imagine' the campaign has contributed to an incremental \$313m¹¹ in annual revenue, compared to before the campaign.

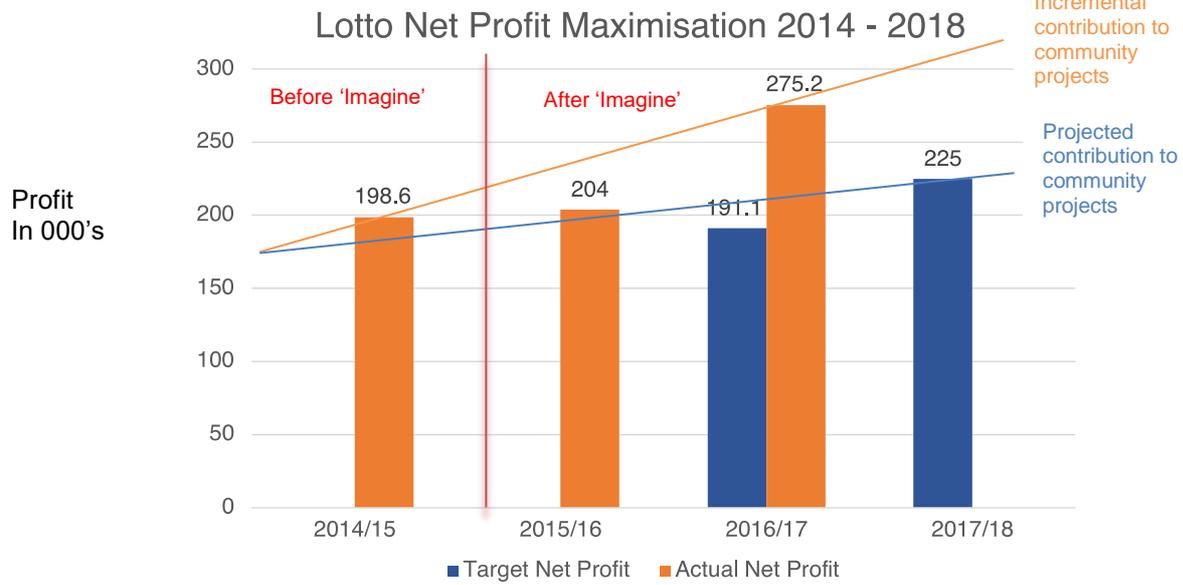


Source: Lotto NZ Annual Report 2017

The lift in revenue has come at little additional cost to the business. Most of the revenue increase translates to profit.

Which then becomes increased donations to New Zealand community projects and worthwhile causes.

¹¹ Lotto NZ Sales Data

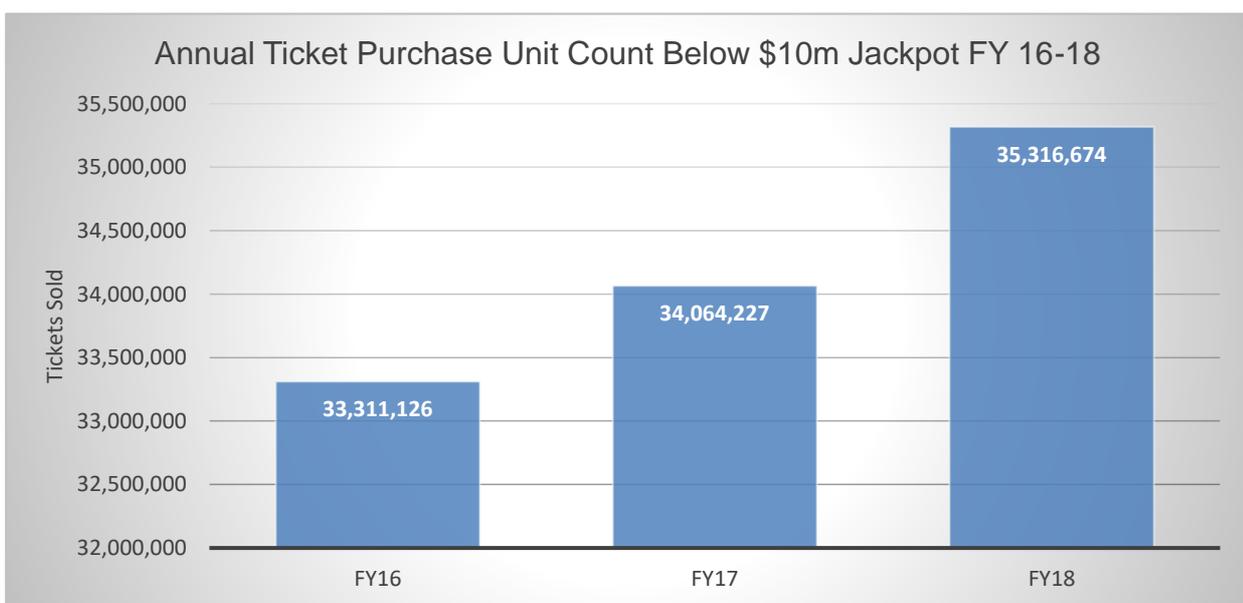


Source: Lotto NZ Annual Report 2017

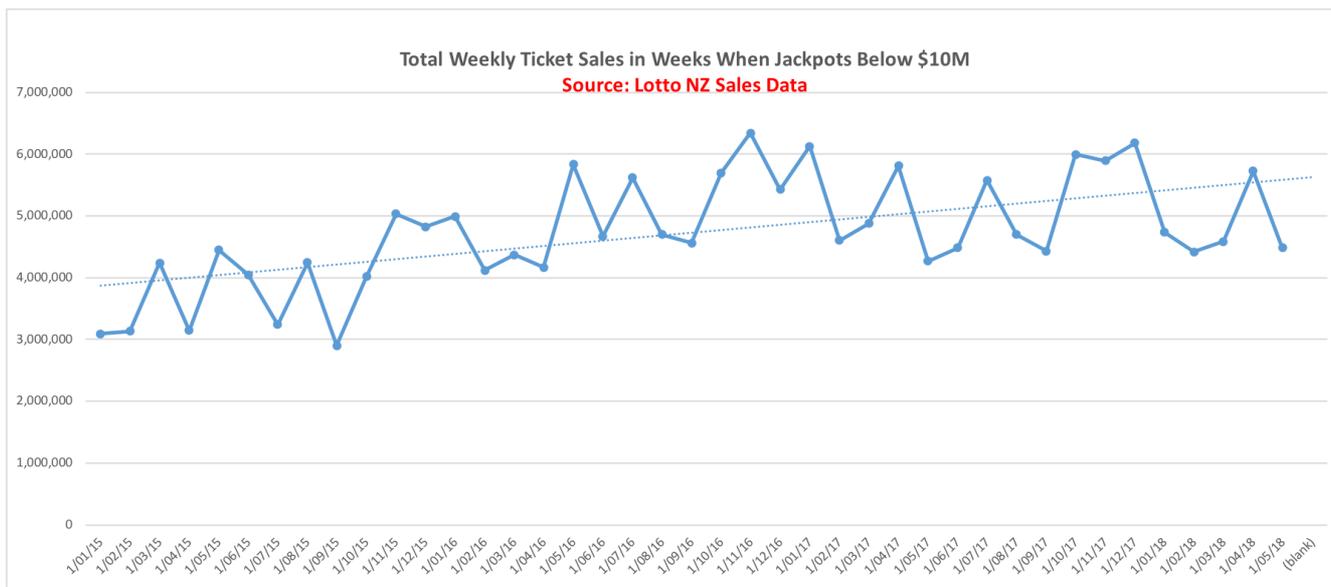
So we've clearly met our objectives of raising annual revenue and profit, enabling us to contribute more to community projects.

But can we be sure we delivered growth where we needed it most, below \$10m Jackpots?

The evidence is conclusive; every year we were adding an **additional million ticket sales** when jackpots were below \$10m.



Source: Lotto NZ Sales Data



Not only that, the risk of the game change format has been minimised. Where other lotteries around the world had seen major negative impacts in sales when increasing the frequency of the draw, as the chart above shows there has been no negative impact on sales in baseline weeks, since it changed in October 2015.

Meeting and exceeding our objectives

1. Objective - Increasing Revenue by 100m per annum.

Result – Over the campaign period of three years the campaign objective was met in year two, returning \$313m to the business.

2. Objective – Increase annual sales in low jackpot weeks (<\$10m) by 500,000 tickets per year.

Result – Over the campaign period of three years, incremental annual sales in low jackpot weeks (<\$10m) reached **3,316,664** tickets

Year 1, 1,311,126.

Year 2, 753,101.

Year 3, 1,252,447.

3. Objective – Increase emotional affinity with advertising from 40% ('Winning Happens') to 50%.

Result – Year 1, 'Pop's Gift' 80%, Year 2, 'Mum's Wish' 62%, Year 3, 'Armoured car'.

Discounting other factors

Did dropping prices achieve these results? **No**, in fact there were two price increases over the three years of the campaigns.

Did changing the game format achieve these results? **No**, in fact moving to a twice weekly draw carried with it huge risk as in other markets increasing game frequency had negative impact on sales.

Did weakening competitive performance achieve these results? **No**, with no direct competition, player apathy has been our challenge, not competitive pressure.

Advertising has been a significant contribution to Lotto NZ outstanding success in the last three years and has justified the investment because of it.

ROI

Over the campaign period of three years, incremental annual sales in low jackpot weeks (<\$10m) reached **3,316,664** tickets at an average price of **\$13.40**.

Incremental revenue equals an additional **\$44,443,431.60** for the business.

Total incremental revenue	\$44,443,431.60
Subtract campaign + media spend:	\$30,743,431.60
<hr/>	
Campaign + media spend:	\$13,700,000

ROI = For every \$1 spent on the campaign, Lotto achieved payback of \$2.24

TOTAL WORD COUNT (count only words you insert in answer boxes 1 - 9):

2500