## 06

Personalisation through CVM and Big Data

How this supports our purpose

As a customer-centric and purpose-led business, we develop propositions for our various customer segments based on their unique needs. Over the past five years, we have invested significantly in world-class, flexible Big Data technology to enable deeper, textured layers of understanding of our customers – including their day-to-day behaviours, motivations and aspirations. By meeting specific needs we can segment, personalise and offer nano-sized connectivity offerings and financial services to promote accessibility and inclusion.
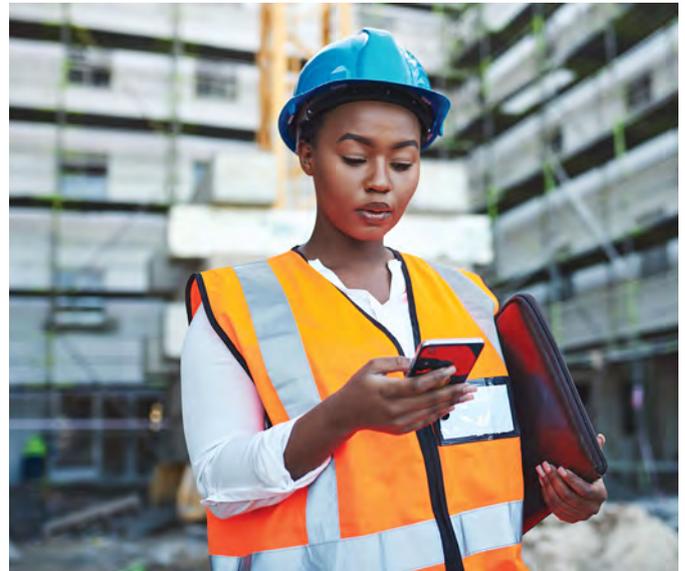
Big Data powering our digital ecosystem

Big Data is the engine that powers our digital ecosystem and underpins our CVM, loyalty and financial services capabilities. By investing in Big Data and analytics, we have expanded our customer view to over 3 000 attributes – providing us with a 360-degree customer lens. With these insights, we generate "next-best offers" for our customers, which are further enhanced by behavioural loyalty rewards. Importantly, by creating a ring around the customer with both connectivity and financial and digital services, our customer proposition moves beyond just a decision on price.
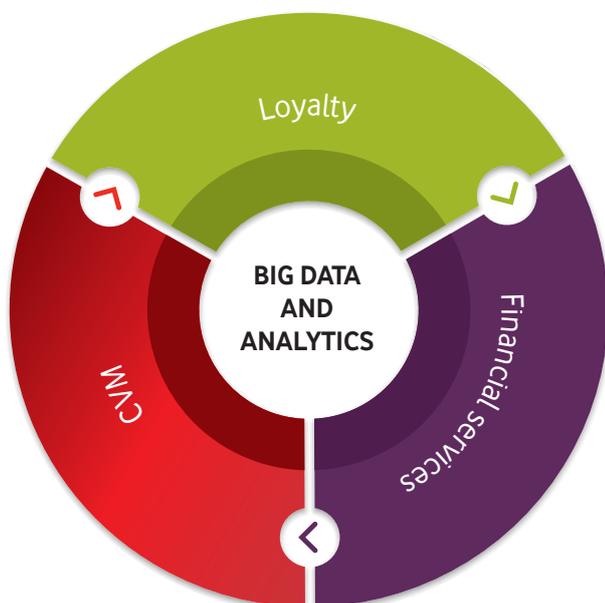
Enhancing customer experience through personalisation

In today's hyper-competitive, multi-SIM markets, customers make daily decisions on which SIMs to recharge. These factors have led to prepaid consumers having multiple different prepaid SIM cards from different MNOs, allowing them to constantly hunt for preferred pricing, promotions and free allocations. Reducing duality is a cornerstone in the continued growth of revenue from the prepaid consumer segment, as this would lead to consumer spend consolidation and increased revenue for Vodacom if achieved at scale. In response, we are working on a proactive CVM strategy – supported by Big Data – for our markets to deepen customer relationships and drive growth.

- In the prepaid business, bundle sales of personalised offers make up more than 50% of total bundles sold in South Africa, reflecting our CVM capabilities. This mass adoption of personalised data offers allows us to manage network resources, effective data rates and revenue carefully.

- Just4U, our flagship personalised offering, continues to be a key differentiator as our customers benefit from unique and personalised deals on airtime, data and text messages. Our customer participation on the Just4U platform reached 54% in Tanzania, 28% in Mozambique, 27% in Lesotho and 11% in the DRC.

- Our Big Data and CVM capabilities are deeply integrated into our behavioural loyalty programme, VodaBucks. (For more information, refer to "World-class loyalty and customer experience" on page 51). By leveraging these capabilities, our VodaBucks programme increased active customer days on our network by 1.3 days in South Africa, reflecting enhanced customer engagement and more frequent purchases.

Reaching the most vulnerable communities

✔ In South Africa, our geographically targeted offers and campaigns proved successful in FY2022, allowing for deeper consumer insights and improved usage of underutilised network resources. One such offer, Just4U Town, aims to reach the most vulnerable communities to ensure all customers have access to affordable voice and data services. Through this platform, the discounts offered are determined by the location, income levels and available network capacity of a specific customer base. During the year, revenue from the Just4U Town platform increased by over 40% year on year, and now accounts for 27% of all revenue from personalised offers. Additional spectrum will provide an opportunity to enhance these initiatives as coverage, capacity and penetration allow for underlying cost structures to improve.

Big Data empowering financial services and our super-apps

The advanced integration of Big Data with our financial services products provides alternate credit scoring data and personalised experiences. By leveraging the Big Data capabilities of our super-apps, we are able to generate rich customer insights used to improve customer care and, in the future, offer more personalised and relevant offers that span lending, savings, investment, entertainment and e-commerce.

Loyalty	**Credit and wealth**	**Merchant**	**Online payments**
Grow revenue incrementally	Loan marketplace, personalisation and fraud prevention	Acquisition, loyalty, churn and personalisation	Personalised marketing, fraud prevention and transaction auto-fulfilment

Insurance	**Digital**	**IMT**	**Fraud and AML**
Product recommendation, visual claims and lapse prediction	Always-on marketing, personalisation and money management	Recommendations, contextual, activity, spend, churn	Improved fraud and AML controls

Enhancing super-app capabilities

✔ Big Data already plays an important role in fraud prevention across both connectivity and financial services. In FY2022, we reduced merchant fraud within our M-Pesa ecosystem by using graph analytics-based anomaly detection at scale.

✔ Beyond our CVM, loyalty and financial services capabilities, we also leverage Big Data and analytics to support data-led decision-making and drive efficiencies within the Group. Specifically, we focus on intelligent automation to enhance our internal digital capabilities – particularly as it relates to fibre – deploying smart-routing technologies in our call centres and making smart capex-related decisions.

Looking ahead

Priorities for FY2023

SHORT-TERM

- Leverage our advanced CVM capabilities across both our connectivity and financial services to increase our focus on segmentation and localisation, while also focusing on smaller "sachet" sizes to meet the challenges of rising inflation and pressure on consumer spend.
- Grow Big Data use cases and 360-degree customer attributes.
- Roll out Big Data capabilities in all markets and embed these in our super-apps.
- Mature Big Data sophistication in financial services.
- Radically simplify offerings in the core mobile business.

Vodacom Vision 2025

MEDIUM-TERM

Reduce the digital divide and enable access for more South Africans to ensure everyone can connect affordably.

Enable a seamless system for customers to use their mobile phones to connect, access entertainment, pay bills, invest, lend and insure.

Humanise technology and simplify and transform the customer experience to achieve true convergence of our multi-product offerings.

Democratise data design compelling customer propositions, embed our loyalty programme and enhance regional execution.