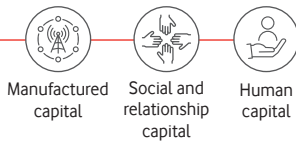


05 Best customer experience



We provide a seamless, frictionless and personalised digital experience for our customers.

Capitals impacted:



How ensuring the best customer experience supports our purpose

Vodacom is a customer-centric business. We understand that market differentiation and business sustainability depend on maintaining and growing our existing customer base through positive experiences. Our core purpose of **connecting for a better future** is intrinsically linked to ensuring that each customer has the best possible experience when engaging with our products and services.

We enhance customer experience and service quality by offering a personalised omni-channel digital experience, which is driven by the increased digitisation of customer engagement channels across all our markets. To differentiate ourselves, we develop customised products and service propositions based on the varying needs of our customer segments.



2021 at a glance for South Africa

Our macroeconomic environment was largely influenced by the economic challenge of COVID-19 and the associated acceleration of our Social Contract, including the sharp price reductions in our 30-day data portfolio. Our performance was also impacted by launching ConnectU, a platform to provide free access to basic internet and essential services, and significantly reducing data packages for more than 2 000 low-income suburbs across South Africa. To date, 15.5 million unique users have visited the ConnectU platform, with 20 million sessions per month.

Due to the constrained operating environment, it became critical that we adopt an agile approach to safeguarding our customers. South Africa's lockdowns and Eskom's power challenges required a rapid response for our agent network and customer-facing employees. Our prior investment in digital channels and further investment in our social media command centre provided additional resilience. While our customer propositions, network resilience and behavioural loyalty programme reinforced our ability to create value for our customers through our innovative products and services, this became critical with the dramatic shift in demand due to the new trends of work, entertainment and education from home.



Call volumes reduced by **21%**.



Cost savings amounted to **R65.8 million**, driven by digitalisation.



Launched TOBi Voice in January 2021, the first voice chatbot in South Africa.



TOBi, our chatbot, conducted **6.1 million** chat sessions with an average containment rate of **74%** and generated revenue of **R5.5 million**.



Predictive analytics generated a total financial impact of **R25.3 million**.



Launched an ultra-high value call centre, offering a private banker-like experience to our high-value customers.



Introduced project Inikezo, a specialised training programme for agents from rural locations.



Vodacom partnered with Discovery to provide COVID-19 screening information to more than **20 million** customers via our digital channels.



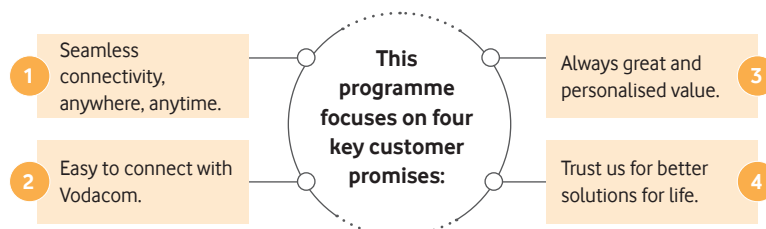
International mobile equipment identifiers blacklisted **increased by 7%**, leading to a 50% decrease in fraud-related enquiries to our customer services department.



Vodacom is the **market leader** in NPS in the **DRC and Tanzania**. In South Africa, Lesotho and Mozambique we are second among our peers.

Our #MomentsThatMatter programme

Our #MomentsThatMatter programme is designed to optimise the customer experience through our end-to-end business improvement model.



1 Seamless connectivity, anywhere, anytime with our best-in-class digital experience



Our digital shopfronts – our website, the MyVodacom app, USSD strings and our retail app – enabled us to provide essential services to our customers throughout the year. Our digital functionality continued to deliver a world-class digital experience through both our online and offline channels. Gartner's IT for Customers yearly report ranked us as the leader in digital channels in South Africa.



Active customers on the MyVodacom app grew by 70% year-on-year to 3.6 million unique users. Revenue generated by the app increased by 70%. Customer frequency also increased to 13 times per customer per month (from seven times per customer in 2020). These improvements are a direct result of the app enhancements we made during the year, including simplifying the customer navigation journey, introducing easy-to-use self-service features and launching our VodaBucks loyalty programme – a digital first. Prepaid customers who use the MyVodacom app increased by 141%, while the number of contract and hybrid customers increased by 16% and 48%, respectively.

Measuring customer experience and delivering leadership on our NPS

We use the NPS to quantify the quality of each customer's experience with our brand compared to competitors. The NPS is based on one question: "Would you recommend Vodacom to a friend, family member or colleague?".

In South Africa, Vodacom's NPS ranked second place in 2021, while we led the market scores in 2020.

Our NPS performance rating



Country	2021	2020	2019	2018
South Africa	2nd	1st	1st	1st
Tanzania	1st	1st	1st	1st
DRC	1st	1st	1st	1st
Mozambique	2nd	3rd	2nd	1st
Lesotho	2nd	2nd	1st	1st



Our touchpoint (tNPS) reached customer satisfaction highs of 56ppts, and our Android store ratings were a strong 4.4 stars. Our Digital ID and single sign-on functionality enabled customers to register a unified profile across our app and website. The introduction of this functionality also streamlines our fibre customers' experience by enabling them to easily manage their accounts and remain updated on relevant information about new offers and features.



2 Easy to connect with Vodacom

During the year our digital platforms enabled customers to safely access our products and services, despite our retail outlets being closed during the hard lockdown. Mobile digital sales contributions increased by 46% on volume, while revenue contributions increased by 67% year-on-year. Unassisted sales remained a key focus area to ensure customers experience seamless and intuitive journeys 24/7. Key fixed sales and service capabilities were delivered via the MyVodacom app and our online platform to ensure the accessibility of our fibre offering. As a result, our online sales contributed 17% of total fibre sales, with further potential growth. Following this resilient performance from our digital channels throughout the various COVID-19 lockdown levels, we intend to continue accelerating our digital sales and capabilities.

We successfully completed the first phase of our e-commerce platform, enabling customers to purchase a range of consumer electronic products with their credit cards. Guest checkout journeys are also available for non-Vodacom customers who choose to access our technology products and services at competitive prices.

Across our international markets, we continued driving customer engagement through the "lite" version of the MyVodacom app by focusing on improving customer experience, despite device compatibility challenges with lower-end devices in some markets.

RPA was launched in our international markets to enhance back-office automation. This ensured we could handle customer queries more efficiently, and ultimately improve our customer experience. We have rolled-out our RPA use cases in our COPS (finance and tech) departments.

We believe the launch of TOBi Voice, our digital chatbot concierge service, will be a gamechanger for the market and industry because of its ability to handle 6.1 million customer engagements. Chatbots provide customers with instant services available 24/7 and offer them the option to talk to a live agent through smart routing, which uses AI and ML to route a query to the best agent. Chatbots were launched via the MyVodacom app, website and social media platforms in Tanzania, and via social media platforms in Lesotho.

3 Always great and personalised value with our tailored platforms and pricing transformation (South Africa)

We continued to accelerate personalisation and contextual marketing engines to mitigate the impact of our macroeconomic environment. By driving hyper-personalisation, we create value for our consumer and solidify Vodacom as the brand of choice for all consumers and all consumer segments. We achieve this by leveraging our Big Data platform, which generates appealing customer offerings relevant to a specific consumer profile and their geographic area. In doing this, revenue from steered sales increased to 32% of total prepaid revenue, contributing to the 8.5% prepaid growth in the year. Through geographic targeted offers and campaigns, sales revenue from our Just4U Town platform increased by 19% year-on-year, yielding a 6% increase in market share within low-share regions.

Sustaining great and personalised value with our postpaid base management and churn

New entrants in the fixed connectivity space such as fibre, along with the rapid price reduction in mobile broadband products, drove several changes within the mobile connectivity market. Because of this, as well as increased competitive pressures, we aimed to solidify postpaid consumer retention and base management. Specifically, we focused on favourable proactive upgrades. CVM-steered upgrade volumes increased by over 100% compared with the prior financial year, with an incremental subscription uplift of more than 12% per upgrade. Additional sales also saw a 25% increase in bolt-on bundles and 14% additional lines through the transition from line-based base management to account-based base management.

Creating great and personalised value with our active days management (South Africa)

To safeguard our existing consumer base in this hyper-competitive market, we continued to ensure our consumers remained active on our network. We used a focused management framework that incorporates extensive personalisation engines, our loyalty programme and targeted segmented campaigns to increase active days. This approach led to a 5.5% increase year-on-year in active days per consumer.

Several innovative solutions, including COVID-19-related relief plans and special payment holidays, as well as the increased focus from our retentions department, saw a 19% decrease in the number of lines churned year-on-year, with an additional 35% reduction in outflow revenue. The movement to account-based base management has laid the foundation for future convergence and multi-product penetration, which will remain a key focus area for 2022.

4 Trust us for better solutions for life by using our rewards and loyalty programmes

✓ Our new VodaBucks loyalty programme centres on inclusivity. Since launching in September 2020, the programme has attracted 23.5 million unique customers who earn, bank and spend their VodaBucks via our MyVodacom app. We have given away a retail value of over R6.5 billion in lifestyle rewards to all South Africans platform customers. In addition, one billion VodaBucks was redeemed and 38.3 million personalised goals were completed by our customers since the launch.

✓ The VodaBucks loyalty platform has over 500 partner networks, enabling us to reward customers with tangible rewards through our loyalty e-commerce store. The ShakeOff2020 summer campaign further increased engagement on the MyVodacom app, with over 50 million daily shakes.

✓ Our fraud prevention initiatives performed well during the year because we used innovative methods to identify fraud patterns, locate syndicates geographically and successfully block more than 5 400 devices and 110 000 SIM cards.

✗ The perceived disappearance of data is a significant challenge for Vodacom and one we actively try to address through education and our #Datawyz campaign. We continue to emphasise, educate and empower customers to understand their data settings and usage. While this trend is decreasing, it remains a challenge and continues to be a negative perception driver for customers.

✓ We blend physical and digital experiences to create an immersive “phygital” environment, where technology, digital and traditional capabilities are integrated seamlessly to create new and better ways of accomplishing everyday activities. We are the first techco in South Africa to launch a self-service retail kiosk, through which we empower customers to complete express, unassisted sales journeys that are customer responsive, paperless and seamless, leveraging internal solutions and capabilities. This allows customers to complete various transactions effortlessly, including account payments, SIM vending, and purchasing of airtime and data bundles.

✓ We introduced a future-ready digital content management solution (CMS) into our franchise stores and Vodacom World. The CMS supports a paperless marketing environment that offers dynamic digital marketing content that is both agile and responsive and drives customer experience, sales, service and brand affinity. The solution also acts as a central marketing hub, through which our retail channels can access a single platform for digital content management. This enables us to execute real time or scheduled digital marketing content that can be segmented and customised by region, country, cluster and store – as well as designated screens within a single store. The solution further offers the speed to respond to competitor offerings with the click of a button and assist the customer with their decision-making.

CASE STUDY

Our new VodaBucks loyalty programme is aimed at all South African consumers across the socioeconomic spectrum. In this way, we build customer loyalty by ensuring each consumer has the best possible experience when engaging with our brand.

In the past, we offered consumers a range of loyalty programmes, including our Talking Points and My Contract Rewards. However, it is increasingly important that we drive innovation to differentiate ourselves from our competitors. Our research shows that our competitor loyalty platforms scale successfully; however, they are primarily targeted at higher-income consumers and do not cater to or give value to the mass consumer segment of South Africa. Through VodaBucks, we intend to give tangible value to every South African customer within the entire socioeconomic landscape – regardless of their income status.





Vodacom Vision 2025

How customer experience supports the system of advantage

Our system of advantage is underpinned by unparalleled customer experience. We remain focused on delivering engaging customer experiences by accelerating digitalisation and increasing the adoption of our digital channels. By doing this, we simplify and optimise the customer journey, improve our own economies of scale and unify the customer servicing system while ensuring personalisation and differentiation.

We will continue to expand our best customer experience agenda by:

- Using rewards and loyalty as a strategic pillar;
- Steering customers to use digital channels through the use of our Big Data and predictive analytics;
- Digitising, optimising and automating the end-to-end customer experience journey using RPA technology; and
- Ensuring that every customer experience is unique and value-adding by deploying RPA and smart-routing technologies in our call centres.