

# Using digital to personalise customer services in Africa

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Digitalisation has led to customers having an overwhelming number of choices in purchasing choices, brand selections and generally - everything they do. When presented with too many choices, many customers are likely to make poor decisions and disconnect with brands.



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When it comes to options, simplicity wins. Companies succeed when they cater to the individual customer and make it easier for them to consume what they want, how and when they want.

As the digital world evolves and offers an explosive number of options, companies in Africa need to realise that personalisation for customers – where a merchant recognises them by name, remembers their preferences, and uses that understanding to help them make decisions – is crucial.

## Hyper-personalisation: Moving from ‘what’ to ‘why’

In the tech-driven marketplace of 2019 and beyond, we’ll see a landscape in which hyper-relevance overtakes loyalty marketing as the route to customer retention. Consider the fact that in South Africa, nearly three quarters of consumer switching is now driven by a lack of relevance. Moreover, over 70% of South Africans now use digital shopping channels, with more and more expecting a hyper-personalised experience when they do so.

Hyper-relevance is about understanding customers' unique needs, wants, beliefs and preferences – the 'why' behind their purchases. From here on, we'll see companies transitioning more and more from their current 'what' mentality to a deeper 'why'-focused approach. More broadly, we're set to see companies placing heightened focus on evolving with their customers' needs, moving beyond traditional offerings and a static mindset.

By way of example, consider a credit card that provides tailored benefits attuned to each client's lifestyle, or an uncomplicated way to compare the prices of products in real time on a mobile device, or the ability to access live customer service support from any location – all are manifestations of the push toward hyper-relevance in products and services.

## **Unlocking trapped value**

A second major change we'll see in African businesses in 2019 and beyond centres around trapped value – identifying it, unlocking it, and using it to access new business opportunities. In brief, trapped business value exists when a company spots an economic opportunity, yet cannot take advantage of it. In other words, the company's existing business models and capabilities are unsuited to unlocking the opportunity.

Industry trapped value, on the other hand, arises when a few companies are already reaping rewards where more could benefit, or where partnerships that accelerate innovation are not pursued. Companies will need to break down barriers and adopt new ways of working – influenced by digital disruption – to unlock those new value stores.

If done intelligently, the value of hidden synergies, information and processes can be realised – with businesses becoming simultaneously more agile and resilient.

## **Innovation and growth**

Finally, consider some of the broader characteristics of today's high-growth companies – the businesses where innovation investments are being successfully turned into value. These companies not only know how to navigate the digital revolution, but the way in which to cement meaningful, positive change. Tommy Hilfiger's runway collections, for example, are instantly available through TommyNow, the company's "see now, buy now" initiative. This initiative eliminates the standard six-month wait between the runway and retail.

High up on the list of high-growth characteristics is change-orientation at the level of the c-suite. Today's high-growth companies have the courage to apply innovation to reinvent existing ways of working – achieving deep, positive organisational change in the process. The second is an outcome-led mindset, which helps foster innovation efforts across the business, and ties new ways of working to financial performance.

The last key factor is a disruption-minded approach: committing to invest more aggressively, over time, in truly disruptive innovation initiatives that have the potential to create entirely new markets. Connect this to the fact that the performance of advanced technologies relative to their cost is improving exponentially.

Digital advancements present an opportunity for African businesses to unlock their growth potentials and help create much

needed jobs, as well as make a positive economic contribution in 2019 and beyond.

## ABOUT THE AUTHOR

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