

MATERIAL MATTERS

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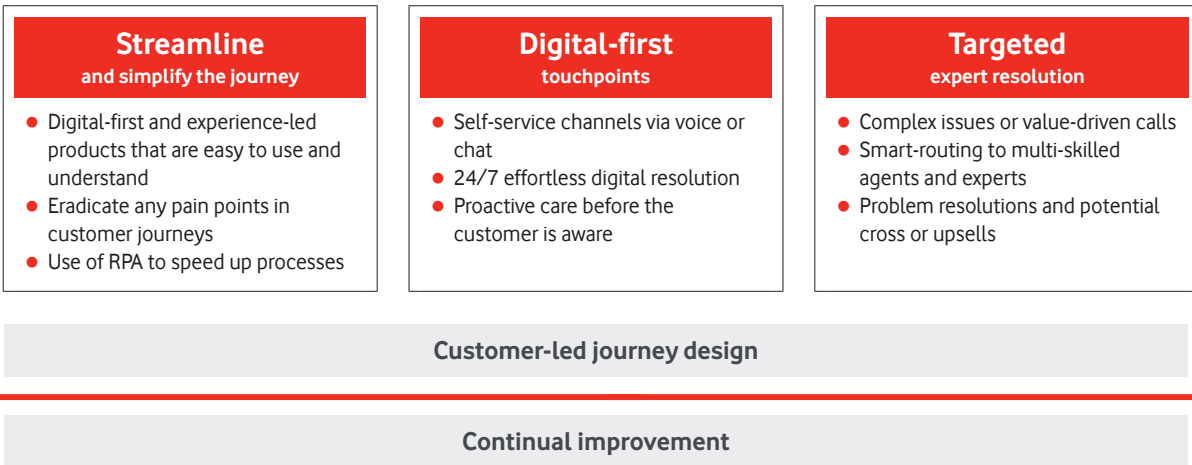
# World-class loyalty and customer experience

## How this supports our purpose

In a connected world, customer-centricity is top of mind. Our purpose relies on maintaining and growing our customer base, ensuring they have positive interactions with Vodacom across our multi-product ecosystem. We refine and evolve our customer experience strategy based on the current and future needs of our customers, striving to deliver a personalised omni-channel digital experience, and to promote inclusion and generate loyalty to our brand.



### Vodacom is transforming customer experience



## Engaged, loyal customer base

✓ Vodacom’s digital channel for self-service, the My Vodacom App (MVA), now generates over R2 billion in annual revenue, with five million active customers. Key initiatives such as storing, as well as recurring and combination card payments and radically simplified journeys, were pivotal in driving bundle revenue growth – which increased by 34.95% in FY2022. Prepaid customers who use the My Vodacom App increased by 28.6%, while the number of contract and hybrid customers increased by 8.8% and 11.5%, respectively. This year, we also introduced airtime transfer to the My Vodacom App.

✓ The My Vodacom App continued to be an area of focus across our international markets in FY2022, with the launch of My Vodacom App Lite expanding the reach of the app to attract customers with lower-end smartphones and smart feature phones. MVA Lite was launched in Lesotho, Mozambique and Tanzania, and will launch in the DRC early in Q1 of FY2023. In Tanzania, the deployment of features of the My Vodacom App has accelerated from 16 to 48, aligning with the market demand to drive usage. We have seen a massive growth of +300% in monthly active users.



## Diversify and differentiate with our digital ecosystem continued

- ✓ Our VodaBucks loyalty programme, which has over 1 000 partner networks, rewards customers for using our services with a unified currency to spend in our VodaBucks store. The programme attracted over 8.9 million active rewards customers, who earn, bank and spend their VodaBucks via our My Vodacom App.
- ✓ The Vodacom 2021 Unlock Summer campaign rewarded loyalty through the VodaBucks channel, as well as for downloading the new VodaPay super-app. This campaign generated high levels of engagement, with over 400 million plays.
- ✓ We are evolving VodaBucks into the underlying behavioural loyalty programme spanning the customer experience. Importantly, we are extending the programme to reach non-Vodacom customers through our VodaPay super-app.
- ✓ In Tanzania, our loyalty programme engages about 2.2 million customers per month. We are also scaling our third-party rewards programme, Vodacom Deals Coupon, based on special discounts from selected merchants in categories such as food and beverages, fashion, lifestyle and travel.

### CASE STUDY

## The VodaBucks rewards programme supports Vodacom's strategy of becoming a leading TechCo

In the past, Vodacom had diverse loyalty offerings spanning multiple programmes. It became increasingly important to innovate around these programmes to compete and generate the levels of success seen by some of the modern loyalty schemes in the market.

Accordingly, we launched the VodaBucks rewards programme in September 2020. The programme is now one of South Africa's biggest loyalty programmes – it has transformed the lives of over 26 million engaged customers by rewarding them with more than R3.3 billion in lifestyle rewards and cash prizes. In addition to the rewards given away, over 2.1 billion VodaBucks were redeemed, and customers completed more than 147 million personalised goals during FY2022. Customers can earn, bank and spend the unified VodaBucks currency on products and services from more than 3 000 brands in the ground-breaking, digital-first VodaBucks store.

## World-class customer experience in all journeys, channels and touchpoints

- ☰ We improved customer access by including the option to speak to an agent at every point of our interactive voice response. About 60% of our agents have returned to the office, while the remainder continue to work from home to manage our customers through various support channels. We will retain this flexible model moving forward.

- ☰ Through project Inikezo – a specialised training programme for agents living in rural areas – we continued to enhance the traditional outsourced provider model. We recruited agents from a bigger geographic area, enabling us to source the best talent across South Africa.
- ✗ While Vodacom strives to deliver a world-class customer experience, we do receive customer complaints. In the year, there was a notable increase in fibre-related complaints in South Africa. We see complaints as an opportunity to address our customer experience, but nevertheless recognise that customer frustration is a source of value erosion.

### CASE STUDY

## Launching Vodacom's first green store

**As part of our efforts to preserve the environment and drive sustainable development, in November 2021 we launched new, first-of-its-kind stores of the future in Fourways and Midrand in Gauteng province in South Africa. The stores integrate design with customer experience to ensure we design and build retail environments that deliver on and reinforce our brand promise of being customer-focused. This Store 2.0 is digital-first and energy-efficient while also driving a seamless retail experience for our customers. The new stores are also in line with Vodacom's RedLovesGreen philosophy, which encapsulates our belief that business success and consumer satisfaction can run in tandem with a commitment to the environment and our purpose-led business model.**

We use innovative digital technology to provide seamless, paperless customer journeys, with over 15 unique capabilities showcasing Vodacom products and services. Each store uses design principles to reduce waste and minimise the maintenance of furniture, shop fittings and assets. We used sustainable materials like responsibly sourced timber and low-toxic paints, while sensors were installed to locate any water leaks. During the build stage, 80% of all waste was recycled, and a dedicated waste and recycling management plan was applied.

## Providing digital-first touchpoints

- ✓ Our chat and voice digital channels are growing exponentially. Since launching in January 2021, TOBi Voice, TOBi Chat and TOBi Assist handled 13.3 million transactions, compared with 8.6 million calls routed to live agents during the year. TOBi Assist, specifically, increased from about 703 000 transactions in FY2021 to 5.5 million in FY2022 – a significant increase of 687%.
- ✓ TOBi Assist also contributed to a 3% improvement in first-call resolution, empowering our frontline agents to resolve customer problems as quickly as possible. This further supported a structural reduction in average handle time of 18%, and a 28% reduction in back-office service requests.

- ✓ Through optical character recognition, TOBi Assist is identifying our financial services customers' documentation, automating the loading of new banking details to our system from email. TOBi also assists with recommendations to the contact centre agent to speed up calls and accurately capture customer information.
- ⊞ We continue to leverage our Big Data assets to solve customer pain-points. For example, the Touch-point Net Promoter Score (tNPS) model individually evaluates the probability of each customer being either a promoter or detractor and triggers a supportive action.
- ✓ We are expanding the voice capability of TOBi. More than 1 000 Vodacom employees are undergoing TOBi training to understand and learn different dialects within the African and South African languages. We launched TOBi Voice and TOBi Chat in isiZulu in the second half of the year – a first in South Africa.
- ✓ TOBi has a tNPS of 42, the same score as our live agents a year ago. TOBi is approaching the same level of efficiency as our live agents, and growing. Our **resolution rates** have reached 87% for first-contact resolution, which is also an all-time high.

### Targeted expert resolution

- ✓ To further differentiate and personalise the customer experience, we are transforming how we resolve queries for our postpaid customer base through smart routing. In partnership with Tech Mahindra, we are building a resolution hub aimed at reducing or eliminating multiple handover points to different agents or departments. By using a multi-skilled team to manage customer issues, queries are managed by a single team of experts. At year end, 484 agents had been skilled in this approach. We hope to expand this during FY2023.

### Raising the bar for NPS

- ✗ We continue to use NPS to quantify the quality of our customers' experience with our brand in comparison with our competitors. In FY2022, we changed how we measured NPS to a combined online and face-to-face approach to ensure compliance with the Protection of Personal Information Act, 2013 (POPI Act) and **futureproof our study** for the digital future. While this temporarily affected perceived market leadership, we continue to see pockets of excellence. In South Africa, our live agent tNPS score is at an all-time high of 56.



## Enhanced experience for our customers with special needs

- ⊞ We continued to drive the digital inclusion of customers living with disabilities to ensure they remain connected. Vodacom's Specific Needs Office works closely with various operational divisions to create accessible solutions suitable for persons living with disabilities.
- ✓ During the year, we launched the Nokia 2720 – a smartphone designed to provide easier access to senior citizens, people living with disabilities and those who experience other barriers to communication. The phone is pre-loaded with WhatsApp and Facebook, and has a dedicated emergency button that will send an SMS with location information to five pre-loaded contacts.
- ✓ In celebration of South Africa's annual Disability Rights Awareness Month, we donated 5GB of data to all registered customers with disabilities for three months.

### Looking ahead

Priorities for FY2023	
SHORT-TERM	<ul style="list-style-type: none"> <li>• Evolve from a traditional, on-premises hardware infrastructure to a contact centre in the cloud.</li> <li>• Enhance journeys and processes for our fibre business in South Africa.</li> <li>• Scale expert resolution in partnership with Tech Mahindra.</li> <li>• Extend VodaBucks to all customer segments across various platforms and business segments.</li> <li>• Scale our VodaBucks (or equivalent) loyalty programme across all markets.</li> <li>• Further develop the capabilities of TOBi Voice, including more vernacular options.</li> <li>• Explore end-to-end RPA for financial services customer service.</li> </ul>
Vodacom Vision 2025	
MEDIUM-TERM	<p>Steer customers to use digital channels using our Big Data and predictive analytics.</p> <p>Digitise, optimise and automate the end-to-end customer experience journey using RPA technology.</p> <p>Ensure every customer experience is unique, adding value by deploying RPA and smart-routing technologies in our call centres.</p>