



To win in consumer markets, start with your customer (and technology)



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For South Africa's consumer markets industry, the battle for share of wallet has never been more challenging. Record levels of load-shedding, social unrest, high unemployment, elevated inflation, the volatile exchange rate, and high interest rates are having a significant adverse impact on consumers' personal finances, while ongoing supply chain disruption and volatile markets are driving costs up. Consumer behaviour, technological preferences, and shoppers' needs are changing frequently.

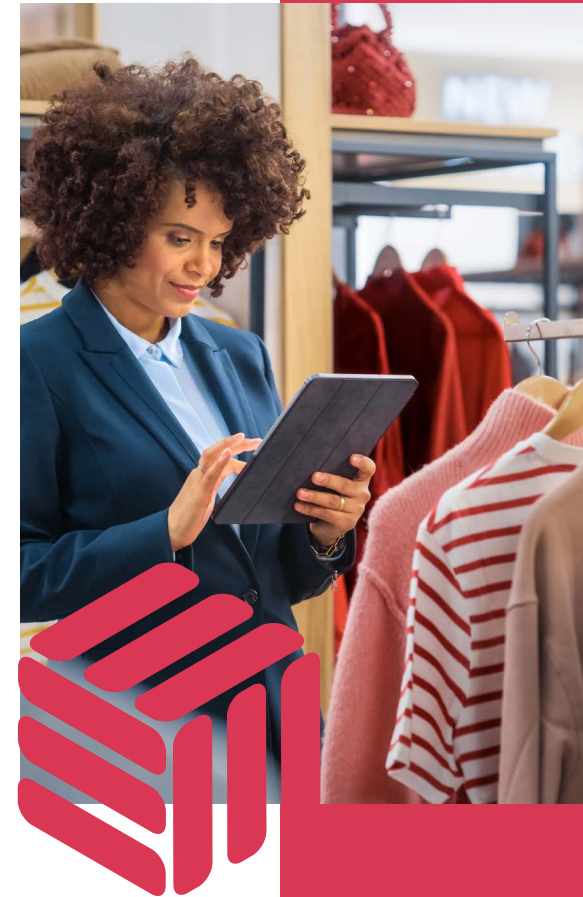
Although consumer spend is pressured, customer expectations of quality, choice and service are higher than ever. In **PwC's Global Consumer Insights Survey (GCIS) Pulse 6**, we found that their appetite for seamless shopping experiences across a range of channels is constantly increasing. While they demand omnichannel experiences, they want to know that their personal data remains safe at all times. Their awareness of sustainability is also at an all-time high, and this is affecting their buying choices. Consumers are willing to pay up to 10% above the average price for products that have a lower carbon footprint, are locally produced, and are biodegradable, allowing for home disposal.

## Customer-centric transformation has multiple business benefits

For consumer markets C-suites, these are challenging times. They are being challenged to reduce costs – and manage sharply increased input costs – while delivering effective and efficient services. They're looking to build consumer lifetime loyalty while mitigating the effects of a myriad of macroeconomic factors such as the aforementioned inflation and interest rate hikes.

Ultimately, in a world of technology innovation and digital transformation, success is still about forging authentic connections and relationships with your customers. Organisations that are meeting these demands are responding to changing market and consumer behaviours by embarking on a deliberate journey of company-wide, customer-centric transformation. **PwC's Market Winners' Survey 2022** suggests that companies that get this right are more likely to see revenue growth and achieve a multitude of business benefits, including better customer experience, improved sustainability, product innovation, and improved customer satisfaction and loyalty.

Informed C-suites are looking for ways to create a customer-centric, digitally-enabled approach across all aspects of the business, from their operating models, to how they deliver their customer experiences, to their processes and staff operations. Only ambitious businesses that transform for the better around their customers will meet expectations and grow responsibly.



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But that means doing something out of the ordinary. It means creating experiences based on customers' needs and behaviours and using technology, data and insights to innovate, improve outcomes and build long-term customer loyalty. PwC's Business, Experience and Technology (BXT) approach combines business experience and technology to help organisations attract and retain customers.

The end-to-end transformation of these areas meets customer expectations through every interaction, every experience, and every relationship by building trust that helps grow new and existing business opportunities.

Our talent, techniques and tools are helping to accelerate our clients' business growth, improve customer loyalty and create a differentiated value proposition across both physical and digital touchpoints. Clients looking to drive a customer-centric business in order to win and retain their customers leverage PwC's BXT approach to transformation.

Our approach solves complex organisational challenges by working in a collaborative, agile manner, breaking down business silos and designing for long-term sustainability. This not only improves the customer journeys and experiences from the customers' lens, but also the internal processes enabling them and the supporting technology required.

## Helping C-suites solve their most pressing problems

Customer transformations improve the value exchange between a business and its customers by focusing on end-to-end customer experiences that resolve friction in the customer journey. Companies need advanced analytics, artificial intelligence (AI), and behavioural insights to understand customers' needs, preferences, and behaviours. This helps create consistent and personalised experiences and offerings that resonate with customers.

### Example:

At a global distributor of beverages, this means being able to deliver a seamless, efficient service on the back of synchronised sales and service solutions. From a world of siloes yesterday, different functions share the same data on customers today, which leads to cost savings, greater efficiency, and customer satisfaction. Sophisticated insights into customer preferences means service agents can make personal recommendations and cross-sell products, which boosts repeat business and sales revenue.

To break down the functional and federated silos in an organisation, businesses need the right combination of innovation, technology and leadership. Only then will they be able to orchestrate company-wide activities into valuable customer outcomes.



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## Consumer experience is a key pillar in digital transformation

Leading companies view their customers not just as consumers, but as individuals with unique needs and aspirations. With the right segmentation and customer journey mapping, they deliver services and experiences that truly matter to their customers.

### Example:

A global consumer packaged goods (CPG) corporation overcame the challenge of legacy systems and siloed operations to the point where it now has a 360-degree view of its customers. Multiple departments have access to the sales data, creating a more efficient organisation. And sales employees benefit from greater continuity as all customer information is held in one place.

We noted in our report, **The Evolving Customer: Profile of a Winner**, that customer experience (CX) was a key pillar of any digital transformation even before COVID-19. The companies that are winning now are relentlessly focused on CX because expectations and needs have shifted so dramatically: more virtual, more channels, more seamless and more integrated. They are far more likely to continuously refresh their CX based on customer insights, and have a clear understanding of the customer journey from the customer's perspective.

Combining the promise of 5G, internet of things (IoT) and AI introduces a wave of new product and service disruptors as organisations aim to capture the interest of their customers. The overall benefit will be more engaging experiences, service efficiency and providing customers more of what they want and when they want it. The well-orchestrated use of technology to support business aspirations and differentiate the customer experience was identified as a key finding in the Evolving Customer report. The ability to do this well, and execute quickly, is an imperative in today's disruptive and volatile business environment.

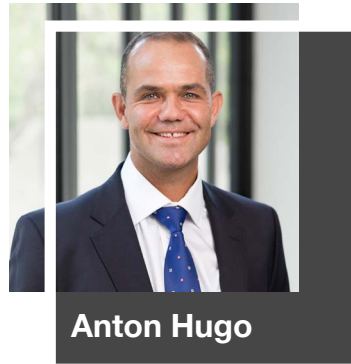


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## Shoppers want a phygital experience

According to the **PwC South African Retail Sentiment Index 2023**, retailers that have successfully shifted their focus to the digital space have received positive feedback about their digital facilities. This indicates that these services, along with campaigns promoting digital retail offerings, have resonated well with the local market. This sentiment trend is an indication of a broader shift in shopper behaviour towards convenient digital retail experiences. Another notable trend is the growth of on-demand delivery channels, including the expansion of grocery delivery. This aligns with the expectations of 42% of South African consumers taking part in **PwC's Global Consumer Insights Survey (GCIS) Pulse 6** who anticipate increased purchases from retailers offering efficient delivery and click-and-collect services.

That said, the Retail Sentiment Index reflects that consumer sentiment towards digital facilities is still net negative, showing that the overall experience being created by online and delivery services has room for improvement. While technological enhancements are key to providing a frictionless retail experience, the data indicates that consumers still value in-store experiences and staff support, even among those embracing technology. It is critical for retailers to determine how to balance investments in human interaction with offering an engaging digital experience.



**Anton Hugo**

*PwC South African  
Retail and Consumer  
Industry Leader*

Anton Hugo, PwC South Africa Retail and Consumer Industry Leader, has highlighted that key to this is the continuous development of retailers' service operating models to empower frontline staff with the necessary skills, visibility, and access to integrated technology in order to efficiently and effectively resolve customer queries and drive the right customer experience across multiple channels.



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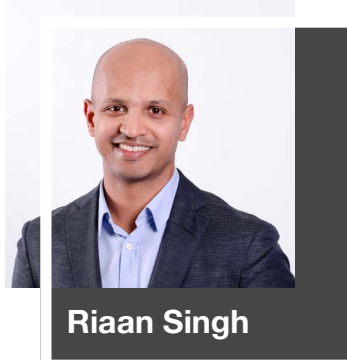


## Any transformation should foster long-term success.

Businesses should be crafting customer experiences and operational models that are sustainable, flexible, and adaptable to changes in the market and customer behaviour.

Example:

A rapidly emerging beverage business - which used to rely on phones and email for orders and had sales, marketing, and service all using separate systems - is today living the 360-degree dream it needs to deliver a superior service. This has had a massive impact on customer lifetime value and reduced customer attrition, while improvements to marketing and field sales collaboration have boosted sales, repeat purchases, revenue, and increased market share.



Riaan Singh

*PwC's Customer Transformation Leader*

Riaan Singh, PwC's Customer Transformation Leader, concludes that "In my years of working across both the client-facing and consulting environments, organisations often design services, products and processes with an internal lens, focussing on actuarial or system-based outcomes and not on what the end customer experiences.

Technology advancements are pushing us to think beyond how we engage and service customers in today's world, into how we seamlessly blend the digital and physical to create experiences that strengthen relationships, increase customer lifetime value and reduce the likelihood that they'll leave. In order to do so, it is imperative that the customer remains at the heart of decision making."

### Taking the first steps to company-wide, customer-centric transformation

PwC's BXT approach can be explained as follows:

**B**

Bringing **Business** industry and functional expertise to define your business imperatives and capabilities, the case for change, and the desired impact of transformative programmes to execute on your end-to-end vision.

**X**

Focusing on human-centric thinking and engaging people. Creating a better, more personalised **eXperience** for customers is a priority, but to get there, every employee who interacts with a potential buyer needs to believe in new ways of doing things, and adapt to a culture that is more relationship based and technology-enabled.

**T**

How you make it real. Design the **technology** ecosystem and platforms to support your customers' and employees' desired experience, being mindful of both current systems and emerging technologies.



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We have found that engaging the C-suite stakeholders along all three of these critical dimensions helps to maximise engagement, unify perspectives, empower people and champion change faster and smarter.

BXT uses the converged powers of business, experience, and technology to help our clients develop and deliver memorable products, solutions, and experiences. We help them identify and accelerate their best ideas so that they can create, attract, and retain customers.

The future is here. We haven't just seen it. We're enabling it. BXT will get you on your way.

**Bring the best ideas to life – faster – with BXT.**

Acknowledgments:

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