

Customer experience, the key to remaining competitive in 2020

Just over three in five organisations in South Africa (77%) say that customer experience will be the ultimate differentiator in their sector in five years' time. While 73% of SA organisations acknowledge that their business strategy has to change to meet the challenges of customer experience.

Experian recently commissioned an independent study among 255 financial services and telecoms companies in eight countries across Europe, the Middle East and Africa (EMEA) including South Africa, to better understand the role that data, analytics and decisioning plays within organisations today and in five years' time. The findings were presented to South African businesses and the media by Michelle Beetar, managing director of Experian South Africa, at a recent event.



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A focus on the cost of doing business

The study revealed that organisations in South Africa are primarily focused on the cost of doing business, and list the key business challenges impacting the need for data and advanced analytics over the next five years as:

- Reducing cost (77%, far exceeding the EMEA average of 51%)
- Growing profitability from existing customers (70%)
- Acquiring new customers (67%, compared with 49%)
- Proactive fraud management (63%, compared with 43%)
- Increasing market share (60%, compared with 26%)

These are seen locally as much more prevalent challenges in South Africa than elsewhere within EMEA. In the broader EMEA regions, the survey yielded the following priorities:

- Financial services:
 - Growing profitability from existing customers
 - Improving customer experience
 - Complying with regulation
- Telecoms:
 - Growing profitability from existing customers
 - Improving customer experience
 - Reducing costs

"Digital technologies have continued to reshape customer behaviour and needs, to the point that everyone is now a digital customer. Yet companies have struggled to keep pace with these changes. Customers still encounter confusing websites, long call centre wait times, and difficulty solving their problems regardless of the channel they use. This all adds up to increased customer switching that has put an estimated \$6 trillion in revenue opportunity in play globally," said Beetar. "In order to become truly customer-centric, companies must move beyond the one-size-fits-all customer agenda. The organisations that can outshine their competition in the area of customer experience will take the lead. But this requires that they adapt and place customers at the centre of their business strategy."

The importance of data

There is strong acknowledgement that data is still critical to achieving a seamless service: 97% of the South African organisations surveyed believe data provides the means to successfully integrate customer experience across the organisation, compared to EMEA's 95%.

The results indicated that across EMEA, organisations overall are suffering from a lack of data availability. However, interestingly South Africa appears to be ahead of the curve on data availability and quality. Roughly 80% of SA organisations feel confident they have quality, availability and scalability of data to support their decisions across the customer life cycle, whereas 62% of EMEA organisations rated data availability as poor.

Making the right decisions

Subsequently, organisations in South Africa feel more confident in the decisions they make than their counterparts in EMEA. The quality of decisions made during customer acquisition (73%, compared with 55%), growing existing customers (93%, compared with 58%) and managing collections (83%, compared with 57%) are rated significantly higher compared with the rest of the EMEA region.

Modern, empowered customers demand a more personalised and relevant service than ever before. Yet our research shows that too often customer decisions are made in isolation and without visibility of the full picture, resulting in a poor and

inconsistent experience. Only 33% of SA organisations currently have a single customer view - compared with 64% across EMEA overall.

Interesting contrasts between SA and the other EMEA results:

- SA organisations are seeking greater clarity over who is responsible for their data.
- Over half (57%) believe clear ownership of decision-making strategy is needed if data and advanced analytics are to become more widely used across the organisation, a clear difference compared with 47% in EMEA.
- 63% of SA organisations believe better alignment between IT and business units is required vs. 46% EMEA average
- 57% of SA organisations plan to outsource data analytics tools to third parties vs 18% EMEA average

"Organisations do recognise the critical role of data and analytics in becoming more customer-centric and see real-time decisioning as vital to delivering a better customer experience. But the challenge is embedding data and analytics throughout the organisation, and the customer life cycle. Whilst a desire to achieve an excellent customer experience exists, considerable changes will be required in order to make this a reality," explained Beetar.

In conclusion, **the key points to emerge from the survey**, in relation to South African business are:

- South Africa is a region characterised by strong confidence in decision-making capabilities.
- Organisations acknowledge customer experience will create a competitive advantage in the years to come and believe they have necessary data and tools to help support key decisions along the customer lifecycle.
- However, they must be careful not to become complacent. Despite prioritising the need to become more customer-centric, only a minority of organisations are looking to use more varied data sources over the course of the next five years.
- Organisations must have the confidence to make decisions throughout the entire business, and those with the right data and advanced analytics in place will be in a strong position for 2020.

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