



A

The revolution in understanding what your customers really want

BYk 'hYV\bc`c[mhc 'ZUV]rUHy' bUbVU`]bW g]cb

Clear strategies for an increasingly competitive market

Getting ahead of the wave of 5G opportunity

Product Diversif cation

<ck 'hfUX]h]cbU`' bUbVU`gYfj]Wg'd`UmYfg`Wb`Yj c`j Y`UbX`h\`f]j Y

Dear Private Equity Client,

In 2020, we are launching a set of ideas tailored to private equity clients – ideas on interesting opportunities suggested by our partners: social listening techniques, the rise of populist banking, taking retail companies.

The COVID-19 outbreak and its economic consequences mean that near-term investor focus is on identifying ways to make them more resilient.

However, the crisis will create opportunities for investors to partner with quality businesses and support the economic recovery. We hope that these ideas are interesting, that they provide you with food for thought, and that they prove helpful.

All the best,

Partner, Head of Corporate Finance & Advisory in Singapore

The revolution in understanding what your customers really want

Companies have traditionally relied upon consumer surveys, focus groups, and research reports to identify their customers' needs and preferences. However, these methods have several shortfalls. Sample sizes are limited and subject to bias. The studies take time to organize, and companies often find themselves complaining about discount airlines but then use them all the same.

Social listening provides an alternative: It allows companies to understand what their customers really want by monitoring online conversations.

advanced techniques to analyze social media accounts and their contents automatically and
Y YWj Y n'Gccb \ck Yj Yfzh YgY h'VW.b]ei Ygk]` VY`Vta a cb]b`Vtbgj a Yf!ZUM]b[]bXi gh]Ygž
UbX`h\cgY`Vta dUb]Yg'h Uhby[`YVh Ya `k]`` bX`]h\UfX hc`VhW i d''6mVtbfUghždfcXi Vh
manufacturers that learn how to understand consumers in actionable ways — and to test
consumers' reactions in real time — will have a huge advantage.

BYk 'hYVbc`c[mhc 'ZUW]hUH' bUbVU`]bW' g]cb

Getting ahead of the wave of 5G opportunity

as high-speed 5G rollout could be made more attractive by neutral host infrastructure players. These provide shared small cells – for both passive and active equipment; and large-scale shared macro-towers — for both passive and active equipment; and large-scale shared macro-towers — for both passive and active equipment; and large-scale shared macro-towers — for both passive and active equipment.

doors for private equity investment:

1. **Telecom operators are facing capital challenges.** Price wars in multiple markets have eroded margins and increased capital expenditure requirements.
2. **High 5G network costs.** Three times as much to cover an area with a 5G network as with a 4G network,² and the return on investment is lower.
3. **High infrastructure provider multiples.** Multiples of infrastructure providers have historically been higher than those of telcos — leading to higher valuations and increased competition for assets.

funds for their core telecom businesses. This also leads to shared infrastructure deployment networks. As a result, some incumbent telecom operators are starting to end their closed-door

1 2019

2 6 DB

<ck 'fUX]h]cbU' bUbVU'gYfj JWg'd`UnYfg`Wlb`Yj c`j Y`UbX`h`f]j Y

“Super apps” such as Grab and Go-Jek have risen in Southeast Asia, and we can expect some of h.YgY`tc`Xca`]bUH`h.Y]f`a`Uf`_Yhg`cj`Yf`h.Y`bYI`hVti`d`Y`cZnYUfg`h.Y`Uddgi`gY`U`nk`\\Y`UddfcUWz` starting with a core business proposition and expanding into ancillary and complementary gYfj`JWgz`Vch`bUbVU`UbX`bcb!`bUbVU`

D`UnYfg]b`fUX]h]cbU' bUbVU'gYfj`JWg'`cf`Ubnich.Yf]bXi`ghfmZcf`h.Uha`UHYf``Wlb`YUfb`Zfca` h.]g`nk`\\Y`UddfcUWz`VmYI`dUbX]b[`dfcXi`Vtg`UbX`gYfj`JWg`tc`a`YYhW`ghca`Yf`bYYXgz`XYdYb` their customer relationships, and generate additional value.

One stark contrast to the unicorn apps is the traditional players' relatively small safety net and limited resources. Without hundreds of millions of dollars to test and experiment with, they bYYX`tc`d]W`VWFYz`mk`\\JW`Vta`d`Ya`YbUfmdfcXi`Vtg`cf`gYfj`JWg`tc`c`Yf`hg`bchUg]ga`d`Y`Ug` just plugging in other products and hoping customers will adopt them. Instead, critical success factors include clearly understanding what customers need, what needs are not being met today, and how customers like to be interacted with. Getting these right leads to a clear strategy for products, engagement and partnerships.

7cbgi`a`Yf`bUbWz`Zcf`YI`Ua`d`Yz`Wlb`VYbY`h[`fYUhmZfca`dfcXi`VhYI`dUbg]cb`UbX`Vfcgg]gY`]b[`z` as growth in its core business — lending — is often capped to prevent the growing lower middle class becoming over-burdened by debt. A typical synergistic product is insurance, but standard insurance products were never designed for mass-market or lower-income customers. Premiums UfY`cZnYb`\\[`\\`UbX`bcb!`YI`J`Y`/`h`Y`WU]a`g`gng]Ya`g`UFY`Vta`d`]W]hYX`/`UbX`a`i`W`c`Z`h`Y`Vtj`YfU[`Y`c`YfYX`]g`bchfY`Yj`UbH`Gc`h`Ym`ghXcb`h`UddYU`tc`hmd]W`Vtbg]a`Yf!`bUbW`customers.

H.Y`fgz`W]h]W`ghYd`]g`tc`hfi`mi`bXYfg]UbX`k`\\Uhd`fch]V]cb`dfcXi`Vtg`h.YgY`W`ghca`Yfg]a`][`\\`h`k`UbH`5`Vtbg]a`Yf!`bUbW`fa`Wlb`h.Yb`k`cf`_`k`]h`]bgi`fUbW`dUfbYfg`UbX`fy[`i`U`rc`fg`tc`Vta`Y` up with products that might meet customers' needs. They can then design a suitable customer journey to deliver the products at the point of need.

7cbgi`a`Yf`bUbW`fa`g`Wlb`U`gc`Vtbg]XYf`bYk`k`Ung`tc`Vi`bX`Y`]bgi`fUbW`dfcXi`Vtg`k`]h`c`Ubg` at points of sale. They have a treasure trove of data on customers that can help predict both their insurance needs and their propensity to purchase. In the short term, they can score easy wins by bundling, say, insurance for a motorbike along with a loan to buy one; or mobile device protection with a loan for consumer durables. For future growth, they should use propensity models or more-advanced analytics to predict demand for products and the best form of inted analytit both

Social Listening

Pedro Yip, Partner, Retail and Consumer Goods, Hongkong
pedro.yip@oliverwyman.com

3 R S X O L V W % D Q N L Q J
7] c f X ' 6 U f b Y g z F Y [] c b U ' < Y U X z 8 [] H U ' G d Y W U '] g r z G] b [U d c f Y
W] c f X " V U f b Y g 4 c '] Y f k n a U b " V t a

A China Story

Imke Wouters, Partner, Retail and Consumer Goods, Hongkong
imke.wouters@oliverwyman.com

1 H X W U D O + R V W , Q I U D V W U X F W X U H
Saahil Malik, Partner, Communications, Media and Technology, Singapore
saahil.malik@oliverwyman.com

8 U j] X ' 6 c f b g h Y] b z D f] b V U U z 7 c a i b] W h] c b g z A Y X] U U b X H W W b c ' c [n z G n X b Y m
david.bornstein@oliverwyman.com

Ashutosh Sinha, Engagement Manager, Communications, Media and Technology, Singapore
ashutosh.sinha@oliverwyman.com

3 U R G X F W ' L Y H U V L F D W L R Q
7 U f Y b W ' ? c c z D U f b Y f z < Y U X ' c Z F Y H U] ' / ' 6 i g] b Y g g ' 6 U b _] b [' 5 g] U ' D U W Y W z G] b [U d c f Y
clarence.koo@oliverwyman.com
5 b c g ' D U F X] k U ' U z 9 b [U [Y a Y b h A U b U [Y f z F Y H U] ' / ' 6 i g] b Y g g ' 6 U b _] b [z G] b [U d c f Y
anosh.pardiwalla@oliverwyman.com

Oliver Wyman is a global leader in management consulting that combines deep industry knowledge with specialized expertise in strategy, operations, risk management, and organization transformation.
For more information please contact the marketing department by email at info-FS@oliverwyman.com or by phone at one of the following locations:

5 a Y f] W g ' 9 a 9 5 ' 5 g] U ' D U W Y W
Z % & % &) (% , % \$ \$ Z ((' & \$ ' + ' ' ' ; ' ' ' ' Z *) *) % \$ ' - + \$ \$

Copyright © 2020 Oliver Wyman

All rights reserved. This report may not be reproduced or redistributed, in whole or in part, without the written permission of Oliver Wyman and Oliver Wyman accepts no liability whatsoever for the actions of third parties in this respect.

The information and opinions in this report were prepared by Oliver Wyman. This report is not investment advice and should not be relied on. Oliver Wyman has made every effort to ensure the accuracy of the information contained in this report. Oliver Wyman disclaims any responsibility to update the information or conclusions in this report. Oliver Wyman accepts no liability for any loss arising from any action taken or refrained from as a result of information contained in this report or any reports or sources of information referred to herein, or for any consequential, special or similar damages even if advised of the possibility of such damages. The consent of Oliver Wyman.