Service Definition

Customer Segmentation

G-Cloud 15

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Customer Segmentation Overview

In a complex multichannel world where customers can engage and purchase through several channels and at any time, the amount of data that we have about customers is continually expanding. At the same time, it is more important than ever for businesses to drive insight from their data to target the right kinds of customers, at the right location, across the right channel at the right time with the right message. However, for these businesses it is often hard to see the wood for the trees and to understand the needs of customers across these various channels. Segmentation enables the identification of the specific needs and wants of customer groups and then using those insights clients can provide products and services which meet customer needs.

A key role of segmentation, therefore, is to be the provider of consistent descriptions of consumers across channels and allows our clients to link targeting and prospecting initiatives across several channels to drive further growth and value.

Fujitsu's offering for Customer Segmentations is underpinned by the customer lifecycle and profitability covering all areas from effective prospecting through to onboarding, customer value management, and increasing loyalty. Fujitsu aims to optimize your data by using segmentation to allow your business to focus on customers that provide you with the best value and the most potential for growth.

Segmentation enables the identification of your specific customer groups and then using those insights so you can provide products and services which meet those customers' needs.

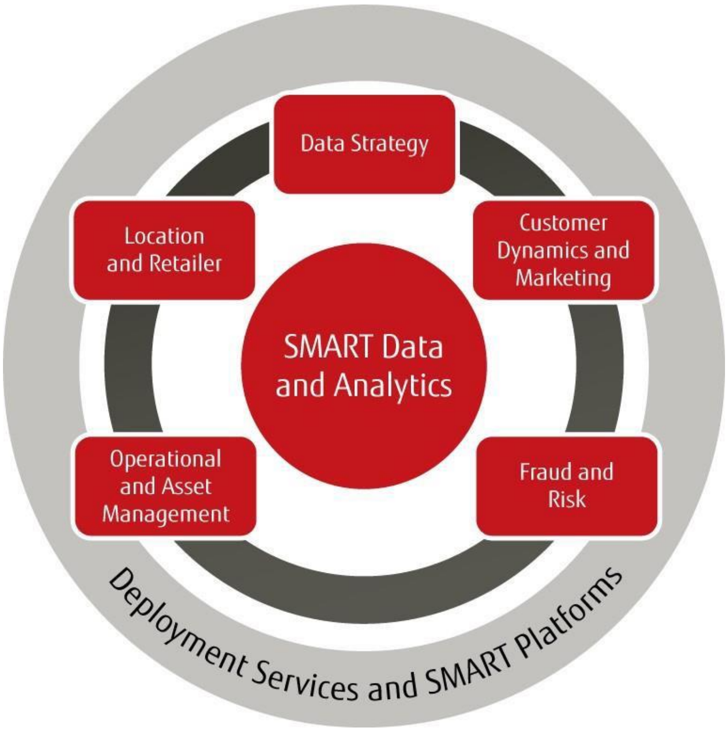

Figure 1: Deployment Services and SMART Platforms

Service Delivery Approach

Segmentation can shed light on the past performance and future prospects -of your customers and locations, people and places. There are various methods and forms of segmentation but if built correctly with a clear view as to what it has been designed for enables the following:

- Comprehensive understanding of your customers and prospects by a manageable number of segments so you can breakdown the base into groups based on similar characteristics and behaviours.
- Immediate allocation of a segment enabling you to truly understand that customer.
- Optimisation of marketing spend –target those customers that are the most valuable to you or showing signs of disconnect with your brand.
- Ability to differentiate marketing strategies that appeal to some parts of the customer base and not others through differing channels improving customer satisfaction.
- Ability to take the key segments that are profitable and use that knowledge to acquire more of them.
- Improve customer retention and profitability.
- Understand market share, headroom, and potential.

In summary

Fujitsu will help you to understand who your customers are and how certain groups differentiate. Armed with this knowledge it enables our clients to tailor appropriate communications and interactions with customers across any channel. By enriching your customer data with the vast array of available third-party data we can help you quickly and comprehensively gain insight into your customer base for acquisition, up selling, churn management and channel usage.

- Establish the goals
- Combine a range of data to be segmented
- Identify customer groups
- Output and present the results

Service Deliverables

We will extrapolate the segments across differing populations using a common set of attributes. It is designed to provide an insight into your customers and how you can increase retention and cross-sell, as well as providing information around how to increase your customer base.

Once the modelling exercise is complete Fujitsu will work with you to deploy and execute across a multitude of channels such as DM, Email, Digital and Social through a platform of your choice may that be on premise, cloud or partner cloud through its SMART Platforms capability. As all model builds will include access to UK population data assets the models can be applied to the full UK population of 51 million individuals so you can increase customer counts and increase market share by precision targeting.

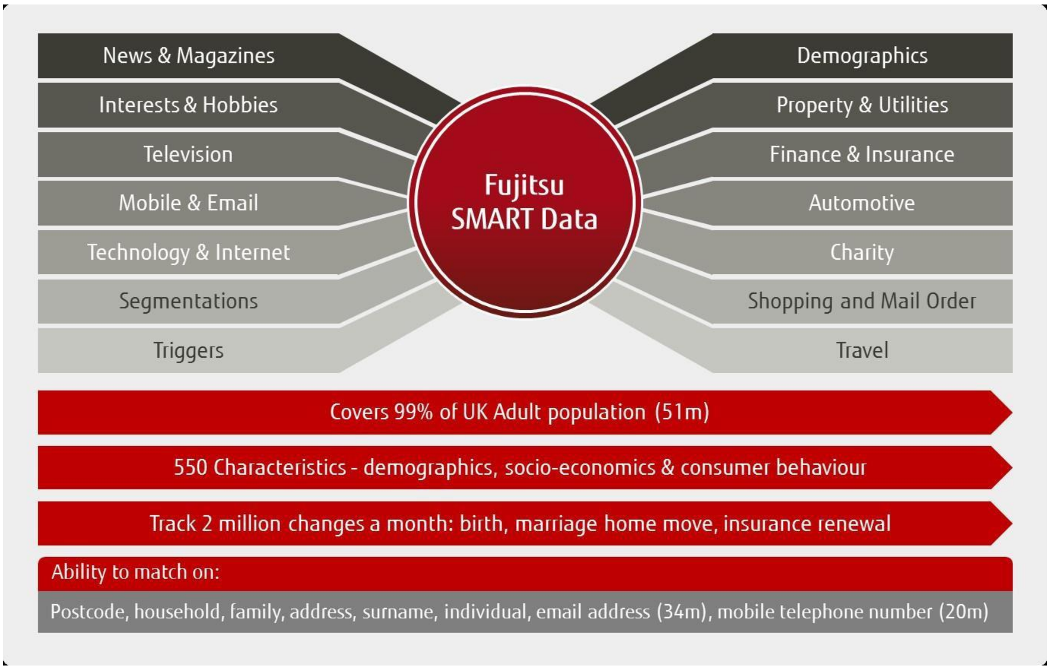

Figure 2: Fujitsu SMART Data

The benefits from having a targeted strategy are clear:

- Continually improve marketing effectiveness
- Target the right offer, to the right person, at the right time via the right channel
- Understand the ROI that will be achieved by a marketing campaign prior to its delivery and allocate scarce financial resources to those projects with the best chance of success
- Maximise ROI in an increasingly difficult marketplace
- Optimisation of marketing budgets

Pricing

The Customer Segmentation work is delivered at a fixed price as mentioned in the pricing document, with bespoke segmentation available if required. This price covers the activities listed above and is a one-off charge that does not include deployment or data.

Typical timescales for the work are in the region of 4-6 weeks.

Prices quoted are exclusive of Value Added Tax (VAT) and any other applicable sales taxes. Customer agrees to pay amounts equal to any VAT or other levy. The Customer will also reimburse Fujitsu for all reasonable Travel and Subsistence expenses paid or incurred by Fujitsu in connection with Services delivered.

Should resource and effort be required in order to complete or carry out additional work which is out of the scope of the initial Statement of Work then such additional effort and any applicable charges will be agreed upon by both parties in the form of a new statement of work in line with the Fujitsu SFIA Rate Card.

Commercial

Ordering and invoicing Process

Fujitsu will commence delivery of the service on receipt of a purchase order. Fujitsu shall invoice for the Service plus any applicable taxes after delivery of all products defined in the agreed Terms of Reference (TOR). Any additional expenses shall be invoiced in the month after they have been incurred. Customer will pay the invoiced amount in full within thirty (30) days of the date of each invoice (the “Due Date”).

If Customer has not paid Fujitsu an invoice by its Due Date. Fujitsu may charge interest on a day-to-day basis from the due date at the rate of 4% per annum over the Barclays Bank Base Rate in force from time to time until the payment is made in full.

Customer shall not be entitled to offset any sums owed to Customer by Fujitsu under any contract or dispute between Fujitsu and Fujitsu against any sums that Customer owes to Fujitsu. When remitting payment, the Customer will include the applicable Fujitsu invoice that the payment applies to.

Customer Termination

The customer may terminate the Service at any point during delivery of products specified in a Terms of Reference. The Customer will provide Fujitsu with ten (10) working days’ notice of termination to allow handover to the Customer of any products developed up to the point of termination. Fujitsu will invoice the Customer for all Charges and costs incurred up to the point of termination.

Supplier Termination

Fujitsu may terminate the Service at any point during delivery of products specified in the Terms of Reference. Fujitsu will provide the Customer with ten (10) working days’ notice of termination to allow handover to the Customer of any products developed up to the point of termination. Fujitsu will invoice the Customer for all Charges and costs incurred up to the point of termination.

Consumer Responsibilities

The Customer Segmentation Service requires active customer participation and sponsorship. Successful delivery of this service is subject to the following dependencies upon the Customer:

- Nominating a single contact who will authorise the TERMS OF REFERENCE and act as a single liaison point for any matters.
- Affording Fujitsu staff all reasonable access to available information describing the applications, and associated data samples, to customer staff with knowledge of that application and to any IT equipment used to process applications. Fujitsu staff will adhere to any safe and legal data security and protection agreements put in place.

These obligations are agreed upon as part of the Terms of Reference and documented in the statement of work included in the Terms of Reference.

Fujitsu will not be liable for any delay or deficiency in providing the Service if such delay or deficiency results from the Customer’s failure to fulfill these dependencies. Should a delay to the Service result from the Customer’s failure in relation to the above dependencies, for example, if there is no full workshop attendance, Fujitsu shall be entitled to amend the service schedule.

Service Constraints

N/A.

Service Exclusions

N/A.

Definitions

Term	Description
Agreement	The Terms and Conditions, Schedules and all subsequent and formally agreed Changes to this contract
Charge (s)	The charges described in this Agreement
Service	The professional implementation services described in this Agreement
TOR	Terms of Reference/Call Off Form

About Fujitsu

As one of the world's leading IT companies, Fujitsu is at the forefront of pioneering technology in the UK since we made our initial investment over 40 years ago. As a key strategic partner we deliver essential services, from our secure hybrid IT which underpins critical national infrastructure to our investment in emerging technologies to boost national capability. Drawing on our Japanese technology expertise we provide bespoke digital transformation solutions. This unrivalled expertise has allowed us to specialise in emerging focus areas; Hybrid IT, AI & RPA, Data analytics, Agile application development/transformation and Security. Together, we offer a full package of solutions to support the UK as a long-term industry supplier.

We believe in realising the significant alignment between the UK and Japan in emerging technologies and in creating a UK-Japan 'Innovation Bridge' to support the UK's science and technology superpower objectives. We are committed to investment in UK skills and research and development, driving customer outcomes and promoting social value. We employ 124,000 people around the globe, including around 8,000 people across the UK, promoting diversity and inclusion as a DWP Disability Confident Leader. We are recognised as a Times Top 50 employer for Women since 2017, a Stonewall Top 100 Employer for 2023 and were awarded an EcoVadis Silver Rating, the world's largest provider for sustainability ratings.

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