

NTT DATA

CUSTOMER SEGMENTTOR

BOOSTING CUSTOMER
ENGAGEMENT
BUILT ON DEEPER CUSTOMER
KNOWLEDGE



WHAT IS IT?

As competition in all major segments becomes more intense, Customer SegmentNTTor enables Consumer Products and Goods companies (CPG) build deeper understanding of their customers' requirements and preferences in a highly granular way. The new solution from NTT DATA helps CPG companies to:

- Capture data at many different points in the value chain to identify the customer preferences that drive profitability and growth.
- Enable hyper-segmentation of customers for more accurate targeting, leading to longer-term, more engaged relationships.
- Use scenario techniques to carry out rapid "what-if" testing, sharpening and enhancing decision-making.
- Build on customer-centric actionable insights from sophisticated models, such as revenue growth, profitability and cost allocations, driver-based planning, shared-services costing, cash-flow modelling, and funds- and liquidity-transfer pricing.

The solution is an extension of existing SAP capabilities that enables companies to capture and allocate cost across the entire value chain to improve financial performance. Data from the market shows that CPG companies making full use of data analytics will normally outperform their competitors by up to 60% (1.6x vs 1).

Customer SegmentNTTor unlocks greater value from SAP investments, optimizing use of data and promoting closer three-way partnership between clients, SAP and NTT DATA, one of the world's leading SAP experts.



THE BUSINESS CASE

The CPG market is becoming more complex and competitive all the time, with a growing range of factors challenging long-established business models.

- Brands are developing faster, with concerned consumers now much more aware of ingredients, production methods and potential environmental impact.
- Channels to market are more varied, with omnichannel sale and delivery the norm, a growing shift to online purchase and a basic requirement for anywhere, anytime shopping.
- Thanks in part to social change, accelerated by the impact of the pandemic, consumer habits are evolving fast. They are looking for different kinds of experience and have different ways of evaluating the products they use.
- Value chains are also changing, with production methods becoming more automated and a growing trend to nearshoring at least as a complement to globalised manufacture and supply.

CPG businesses cannot be certain that they fully understand their customers, based on product-centric data, which goes out of date at high speed. It is no longer appropriate to place consumers into large segments, because there is simply too much fragmentation: of taste, purchasing preferences, brand scrutiny and opinion, use of channels and developing habits.

In this hyper-competitive context, CPG brands can only maximise the ROI of any commercial action through detailed customer understanding. This means CPG companies need to up their game radically if they wish to stay relevant in this unpredictable, unstable, constantly changing market. Data exists right across the value chain to help them understand customers better, but the big issue now is how to access, analyse and unlock its potential.



FACING THE CHALLENGE

The key to success in this hyper-segmented marketplace is to “know your customer”, but this is becoming increasingly hard to achieve, as post-pandemic reality has created new behavioural patterns as well as new data sources.

The main challenges NTT DATA has identified in the market are as follows:

- Lack of full transparency into costs and profitability of the business, with complex value chains and developments in sourcing and manufacturing making it harder to consolidate information in sufficient depth, and fast enough.
- Complexity of total margin management, which involves tracking multiple factors across extended supply chains, matched with costs of resources, constantly changing market support and changing realities in channel management.
- Need to perform ad hoc simulations across multiple dimensions by final users, enabling CPG companies to become much clearer about the likely impact of the decisions they make, while testing how possible changes to key parameters will affect their assumptions.
- Ability to personalize business and financial models, analysing financial performance to model cost drivers simultaneously from different lines of business in order to provide clear figures on which to base decisions.

The best solution for this growing challenge is to build an analytics-based customer segmentation, which groups customers based on unique and differential attributes. This can be done by exploiting internal, external, structured and unstructured data, providing rich insights about customer tastes, preferences and views. These insights can be consolidated into actionable intelligence, which enhances all aspects of planning and decision-making.



DEEP KNOWLEDGE OF COMPLEX CUSTOMER GROUPS

Main Features

Customer SegmentNTTOr includes the following key features:

Data Lakes. Using information from all relevant established sources, while continuously identifying new data sources that can help to “fill the data lake”. Data input can be both structured and unstructured, in virtually any form or medium, with analytical tools, including NTT DATA proprietary solutions, such as NTT DATA’s Dolffia solution, used to extract usable insights.

Customer Base. The solution establishes a base-point for customers, inputting them afresh to ensure that the database is clean, current and includes all relevant/known information about the customers in question. This is the master database for the solution and is continuously examined, interrogated and kept up to date.

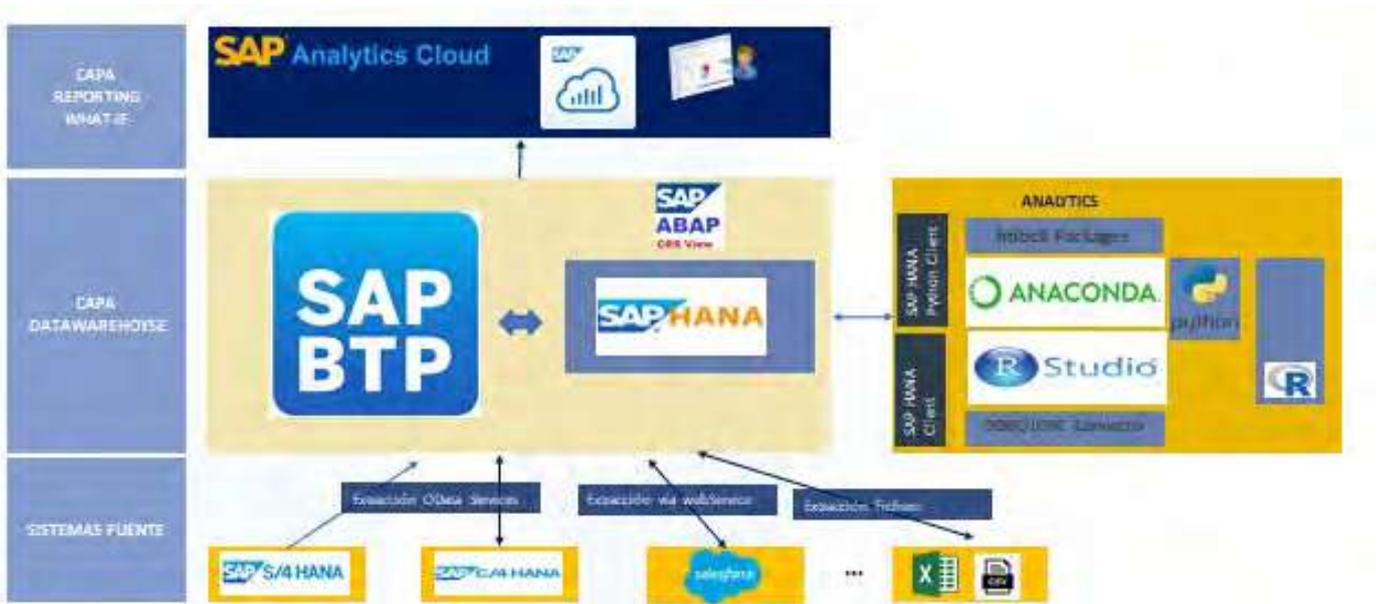


Customer Grouping. The solution uses the “K-means Algorithm” to analyse the customers’ backgrounds and habits, segmenting them as a starting point into meaningful groupings according to the core criteria established at the start of the project. These segmentation decisions are continuously reviewed and kept up to date. As more data becomes available, so segmentation becomes more granular.

Explanatory Variables. The solution identifies variables that may impact on segmentation and affect recommended activities. Where more than one variable is in play, the solution identifies and analyses the interactions between such forces, leading to adjustments in assumptions and policies as required.

Customer Profiles. For each customer profile the solution will align business challenge vs. type of people to face it, then create Journey Map & Buyer Persona before analyzing and iterating insights related to demographics, industry and behavior.

Scenario dashboards. The solution will self-identify gaps in planning and application capability. It will then develop and respond to the checklist of critical actions before building a scenario flow diagram with all relevant branch points included. After running each scenario, it will produce a full user debrief, with recommendations for improvements, options for running new scenarios and, at the end of the process, recommendations for improvement.



HOW IT WORKS

Customer SegmentNTT works in the following way:

- Identify the main data sources that contribute to customer behavior analysis and profiling.
 - These can be internally or externally generated; structured or unstructured; context-based or derived from transactions; and either public or private.
 - For this requirement, NTT DATA has developed customized interfaces with Salesforce Service and Sales clouds.
- Create a data repository and prepare the data within the SAP BTP platform.
 - If required, the solution will create new variables.
- Define business goals that require an analytics-based customer-centric approach.
 - The solution is able to support a wide range of challenges: from increase in ticket prices to improving the launch performance of a new product or to improve profitability.
- Build an analytical engine in the SAP BTP platform, by embedding NTT custom algorithms on R.
- Build what-if scenario in SAP BTP using ML engine and build an application to run the what-if simulation.
- Define the user visualization layer (reporting) to show the groupings and monitor performance in SAP Analytics Cloud
- Integrate the output, which includes embedding the results of the hyper-segmentation activity into the CRM.

These stages of activity will deliver a detailed segmentation of customers that is inherently dynamic. The criteria and variables can be monitored in near real time, with assumptions tested through scenarios, enabling rapid adjustments to plans and policies as data indications evolve.

DELIVERING BUSINESS BENEFITS

NTT DATA's Customer SegmentTTor solution provides the following benefits to users:

- Harmonizes enterprise data and systems.
- Enables better business decisions, supported by better visibility into a richer data set.
- Integrates with other SAP systems without the need for replication or redundancy.
- Provides outstanding ease of use for business users, through intuitive user interfaces, role-based views and simple integration of output into core business systems.
- Delivers flexible financial simulation and scenarios, enabling responsible executives and managers to review and test options at no or very low risk, ensuring better decisions and faster policy implementation.



WHY CHOOSE NTT DATA FOR YOUR SAP CPG PROJECT

We Are Experts in Consumer Products and Goods

NTT DATA has worked with the CPG industry for 25 years. We serve some of the largest consumer brands in the world and have over 2000 expert professionals dedicated to the sector. Alongside our global delivery capabilities, we have a proven track record in the sector and an end-to-end approach that helps CPG companies overcome the challenges created by increasingly complex and time-sensitive supply chains, fast-changing public tastes and intense competition.

To accompany CPG companies on their SAP S/4HANA journey, NTT DATA has a team dedicated to S/4HANA transformation and an S/4HANA Center of Excellence that establishes the most appropriate evolution strategy for companies that want to evolve to S/4HANA and other SAP solutions, platforms and technologies.

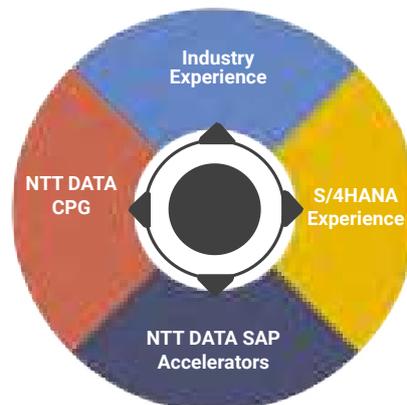
NTT DATA has developed an SAP CPG template for S/4HANA and accelerators to overcome specific challenges and reduce time to value.

- NTT DATA is a formidable force in SAP services with more than 20,000 SAP professionals, 2,700 SAP clients worldwide, 21 delivery centers and operations in 41 countries.
- NTT DATA has achieved the highest accolade from SAP, Global Strategic Services Partner, which recognizes its ability to offer a wide range of best-in-class business consulting and solution implementation services in support of SAP technology.
- NTT DATA is one of the Top Ten providers of SAP services worldwide according to Gartner.
- Our solutions leverage our business-specific expertise and skillsets in SAP technologies but also in other digital technologies, such as AI and IoT, for example.

Fully customized SAP S/4HANA system including all core-areas such as Finance, Procurement, Sales, logistics, production.
New SAP modules such as eWM, IBP, TM, VMS etc. are included.
SAP Business Technology Platform and Cloud Integration.

NTT DATA has +5 SAP accelerators to reduce the time to market and costs.

- CPG Customer SegmentNTTor
- Supply Chain Control Tower
- Operations Center of Excellence (S CM, PLM, MES)
- Others



NTT DATA has been serving some of the largest brands in the world with it's more than 2000 Consumer Goods experts worldwide

- 29-year partnership with SAP.
- Over 5,000 active SAP clients.
- Leading SAP partner with over 300 S/4HANA projects.
- Resource coverage in over 58 countries.

SAP global strategic service partner

NTT DATA is a formidable force in SAP services with more than 20,000 SAP professionals, 2,700 SAP clients worldwide, 21 delivery centers and operations in 41 countries. It is a truly global organization committed to seamlessly working together with its clients to deliver SAP-centric projects that can be delivered at scale and across multiple locations.

Our solutions leverage our business-specific expertise and skillsets in SAP technologies but also in other digital technologies, such as AI and IoT, for example. NTT DATA has achieved the highest accolade awarded by SAP, Global Strategic Partner, which recognizes its ability to offer a wide range of best-in-class business consulting and solution implementation services in support of SAP technology.

THE NTT DATA DIFFERENCE

NTT DATA SAP CPG Template

- Fully customized SAP S/4HANA system including all core areas such as finance, procurement, sales, logistics and production.
- Includes new SAP modules such as EWM, IBP, TM, VMS, etc.
- SAP Business Technology Platform and Cloud Integration.

NTT DATA SAP CPG Accelerators

- **CPG Customer SegmentTTor** helps CPG businesses to understand their customers in more granular detail, leading to more accurate targeting and faster time to profit.
- **Supply Chain Control Tower** provides better visibility of supply chains end to end, identifies potential issues before they become problematic, enabling fast intervention and efficient matching of supply to emerging patterns of demand.
- **Operations Center of Excellence** manages effective integration between core systems of record, including SCM, ERP, MES and others, optimizing performance and across all operations, leading to improvements in both quality and cost.

ABOUT NTT DATA

NTT DATA – a part of NTT Group – is a trusted global innovator of IT and business services headquartered in Tokyo. We help clients transform through consulting, industry solutions, business process services, IT modernization and managed services. NTT DATA enables clients, as well as society, to move confidently into the digital future. We are committed to our clients' long-term success and combine global reach with local client attention to serve them in over 50 countries.

Visit us at nttdata.com.



A woman with long brown hair, wearing a blue and white striped shirt, is seen from the side in a market setting. She is holding a white shopping list and a pen, looking at it. In front of her is a black plastic shopping basket filled with fresh produce, including leafy greens and lemons. The background shows wooden crates filled with various fruits and vegetables. The image is decorated with yellow and blue geometric shapes in the corners and bottom. The text 'JOIN US!' is overlaid in large white letters across the center.

JOIN US!

2022