Experian™
A world of insight

Cost efficiency gains in Southampton, through knowing and understanding the needs of Southampton customers

Overview

Key Features

- Middle-aged
- Successful
- Rewarding careers
- High incomes
- High net worth
- Choicest housing
- Good diet
- Drink alcohol daily
- Concern for environment

Regional Houses

Stirling, FK8

National Business Awards
Business of the Year
2003 and 2005

SYSTEM CERTIFICATION
ISO 9001:2000
SGS

UKAS
QUALITY
MANAGEMENT
005

July 2008

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1 Management Summary and Introduction

Current Southampton and districts position and requirement

In discussion with Southampton City Council, the issue of transformation within Southampton in response to the challenges this sizeable programme presents was discussed, and from which charges relating to Experian's Customer Insight solution was requested.

The Customer Insight solution follows the need to know and understand the customers and customer service needs of Southampton residents to a greater extent to that which currently exists. In so doing, cost savings can be made, services delivered in a more streamlined and targeted way, which for other clients has resulted in satisfaction levels increasing.

There is also the possibility of other service providers joining this approach, such that a shift in focus could result from specific service delivery, to understanding the totality of service need per segment. The very real benefit of this would be to reduce avoidable contact, improve service delivery across the public sector service spectrum, as (depending on those agencies agreeing to participate) as council, police, PCT, fire and rescue help and advice could be dispensed in ONE visit/ or from one centre.

Experian can definitely meet these requirements, and recommend the process we refer to as "Customer Insight". Evidence of the success of this approach and case studies of other clients can be provided as required, but it is worth mentioning the example of Hammersmith and Fulham who will save £8m over 5 years, having undertaken Customer Insight with Experian. We also work with 400 public sector organisations and provide CI solutions for Birmingham City Council, various London Boroughs and various county, borough and districts throughout the UK.

Details of this process are included in the body of this proposal, but in summary tend to encompass all (or most) directorates within the Authority. It further relates to all aspects of service delivery, cost efficiency, customer access and channel switch opportunities. It also

facilitates and supports closer working relationships with Southampton and districts partners in the Public Sector – such as Southampton and districts PCT, Police, Fire and rescue etc. The benefits and cost savings of partnership working are greater than when one authority proceeds in isolation.

Accordingly, this approach also meets the requirement to aid partnering with other Southampton public sector agencies, such as the Police..

Regarding input from Southampton – Experian would require relatively little in comparison to the body of work to be done. However we would need input creating and outputting the transactional files to be used in the Customer Services Framework, together with a description of each field and value therein. Thereafter, access to the Client sponsor (and probably team) – to both agree options on route, and also be available for key phases of the process to be reported and shared with the team involved. This is something all other clients have accommodated within their normal working structure, at seemingly no real difficulty.

Pilot thoughts

We discussed the possibility of undertaking a pilot exercise – where the entire CI process is undertaken but with something specific in mind. The suggestion made was to focus on the “Think Family” initiative.

This implies a shift of focus onto the family, and away from service silo approaches, which as has been stated in the text above – would allow families totality of need to be more fully understood, benefiting in ways all Customer Insight solutions deliver. The benefits are clearly stated elsewhere in this proposal.

Experian are happy to explore this route further and can definitely with this process. The exact nature of the output and purpose would need to e more fully defined – but the central principle of redressing the focus to families is central to Experian’s Customer Insight solutions.

Experian can definitely help Southampton and any other participating partner with these requirements and as a result would save significant sums of money, and raise customer satisfaction levels if this process is commissioned.

Experian are currently working with the following Local Authorities and other Public Sector organisations in this way:

Birmingham City Council
London Borough Barking and Dagenham
London Borough Hammersmith and Fulham
Royal Borough Kensington and Chelsea
Calderdale Council
Northumberland County Council
Southend Borough Council
Southwest One
Isle of Wight (stage one currently)

Plus DWP, HMRC, Sport England and many others.

2 Summary of Customer Insight and the key outputs and benefits for Southampton and districts

- **Stage 1 – Scoping and Customer Segment Definition**
- **Output**:
- Provision of pen portraits **(electronic and paper based)** of the customised segments of Southampton and districts. Details contained within each pen portrait to be defined during the scoping stage but typically include representative images of the segment, maps detailing where such people live, demographic make up of the segment, channel usage in terms of "receptive" and "unreceptive" channels, key characteristics of the segment, profiles by demographic factors etc.
- DATA (as detailed and defined throughout this proposal) would of course be output as part of the output! Mosaic Public Sector as recalibrated in stage 1 of the Customer Insight process would be appended to each record within the client environment.
- Workshops would be facilitated to fully engage ALL participating organisations and make sure the segments truly reflect the strategic challenges of the group, and also allow local knowledge to be included within this process.
- **Benefits of stage 1**
- Clearly defines the requirement, detailing inputs and outputs, timings and charges so both parties are clear about what is being asked, and what will be delivered. As a result there are no surprises in the process, outputs, timings or charges.
- Deeper understanding of the people of Southampton and districts using photos and images from your borough. This encourages "buy in" and engagement from those using the new system thus increasing use and value gained
- Knowledge about people channel usage and channel switch opportunities delivering optimal channel usage cost efficiently to higher levels of customer satisfaction
- Knowledge and use of other Experian client experiences when using Experian data. (110 plus Local Authorities use Mosaic and this has resulted in a huge amount of knowledge about each segment/service need etc.) This shortens the learning cycle and brings tangible benefits to Southampton and districts earlier.
- Knowledge about where each segment/category of person lives, and how far from/close to each face to face access point they are

- Knowledge about how many people by segment exists in Southampton and districts
- Knowledge about the ethnic composition of the people of Southampton and districts (should Origins be licensed)

- **Stage 2 Customer service framework**
- **Output**
- A cross tabulation (electronic and paper based) of the new customer segments (above) correlated with service consumption, potential consumption, channel use/optimal use, and as required and agreed - cost and channel priority included. This is further refined to outline a "plan" for each customer segment.

- A workshop would be facilitated at this stage too, to fully engage ALL participating organisations and make sure the segments/service consumption output are fully understood by all participating organisations, and they are presented in a way to reflect optimal take up and use.

Benefits of stage 2

- Evidence base to report and quantify segment by service need
- Evidence base to assess the numbers of households affected by any proposed changes
- Evidence base to allow decisions to be prioritised
- Evidence base to justify and support decisions taken
- Evidence base to decide against some suggested ideas and uses of budget availability

- **Stage 3 Customer access**
- **Output**
-

Maps and reports (electronic and paper based) to show the household demand for service by outlet, such that each outlet can be reviewed and evaluated as to its current service provision, and optimal/potential service provision to make best use of the facilities available.

Benefits of stage 3

- Evidence base to reflect optimal services to be deployed from each face to face outlet, and thereby make best use of the existing facilities – be they council front offices, libraries, leisure centres, Post Offices etc.
- Evidence base to support more cost efficient use of channels

- Evidence base for changing the delivery of some services to less expensive channels
- Significant cost savings realised as more cost efficient channels utilised
- Evidence base to show people segments and where they live in relation to those facilities they would ideally use (Customer centric service delivery)
- Drive and walk time analyses and distance analyses to reconcile people to Southampton and districts face to face access points
- Justification for reconciling services deployed from various and existing access points
- Evidence base for suggesting the number and mix of staff to deploy services from each access point. (The One Stop Shop and staffing considerations being a good example)
- **Integration and knowledge transfer – ongoing throughout the Customer Insight process**
- All information about the Southampton and districts Customer segments is shared, and explained in a way of real corporate value, so all employees can understand the segments. This would be imparted at various times throughout the process, with 4 days broadly attributed to this aim. (This is believed sufficient to convey the detail required).
- Should spatial analysis software MM3 be licensed, Experian would ensure appropriate technical integration onto the user(s) PC/laptop(s).

Other related factors of benefit of this approach

Support

- A team of dedicated and experienced public sector support for ongoing relationship management and advice
- Coverage, strength and accuracy of Experian public sector focussed data in support of insight generation
- Unrivalled data, customer insight and analytical experience in the public and private sector

Outcomes

- Seamless customer access
- Evidenced based policy formulation
- Citizen focussed services
- Customer experienced improved

- Customer satisfaction increased
- Cost efficiencies gained as resource more accurately deployed and targeted, buildings to need reconciled, and lower cost channels adopted where justified and sensible
- Aligned with Central government policy

3 Summary charges table

3.1 Data charges

Mosaic Public Sector data annual fee	£7,590*
Mosaic Origins person level data (as required)	£7,590**

*Household level fee covering all households within Southampton. Police data charges would be extra

3.2 Customer Insight for Southampton Unitary Authority	Charge
Stages 1 Scoping and segmentation	£8,000
Stage 2. Service framework	£10,000
Stage 3. Customer Access and integration	£20,000
Total	£38,000

VAT extra

3.3 Customer Insight POLICE	Charge
Flat fee for all 3 stages* Discounted total	£24,000

Additional consultancy days at £1000/day

MM3 GIS software per annum	£12,000

VAT extra

3.4 Pilot scheme

Flat fee	£6,000

Appendix 1
Experian data used to generate customer insight

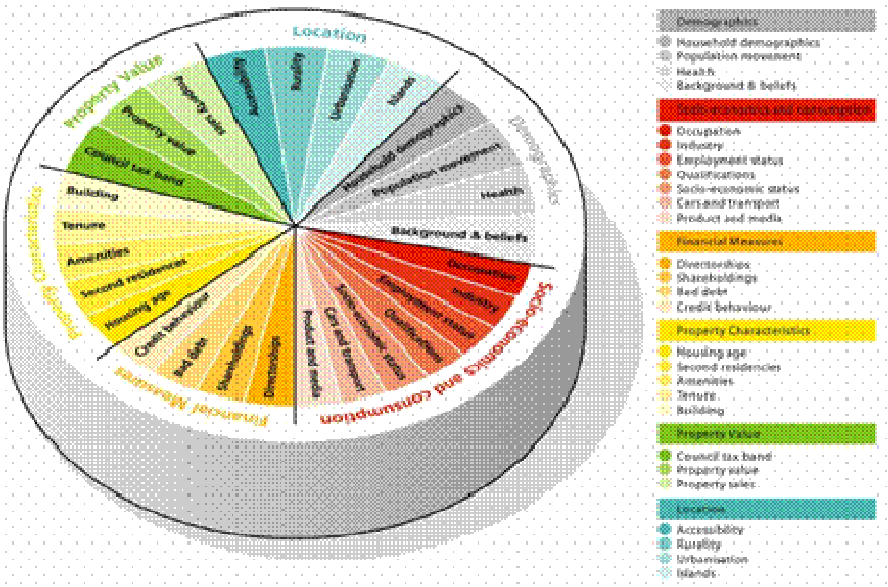
Mosaic Public Sector (most used Public Sector classification)

Mosaic Public Sector uniquely classifies every household and postcode in the UK into 61 Types aggregated into 11 Groups. Mosaic Public Sector is one of Experian's Mosaic family suites of tools that classify over 1 billion individuals worldwide. It has taken two years to devise and build, and employed a development team of over 30 staff who have sourced and analysed some of the UK's most comprehensive and descriptive consumer data sets.

The result is a classification that paints a rich picture of the UK population in terms of their socio-demographics, lifestyles, behaviours and attitudes at the start of the 21st century.

The key features of Mosaic Public Sector are:

- Uniquely in the UK, the classification operates consistently at both postcode and household level, thereby identifying differences between neighbours.
- Mosaic Public Sector is the most discriminatory classification in the UK market, with a 30% improvement on its market-leading predecessor.
- Over 400 data items have been used to create Mosaic Public Sector, with a careful balance between Census data and non Census data that is updated annually. (This ensures continued accuracy of observations and results)



- Qualitative validation has ensured that the output from the analytical process accurately reflects reality on the ground. In particular, site visits were made to 92% of the Postal Districts in the country to verify that the classification captures the key population trends that have occurred in recent years.

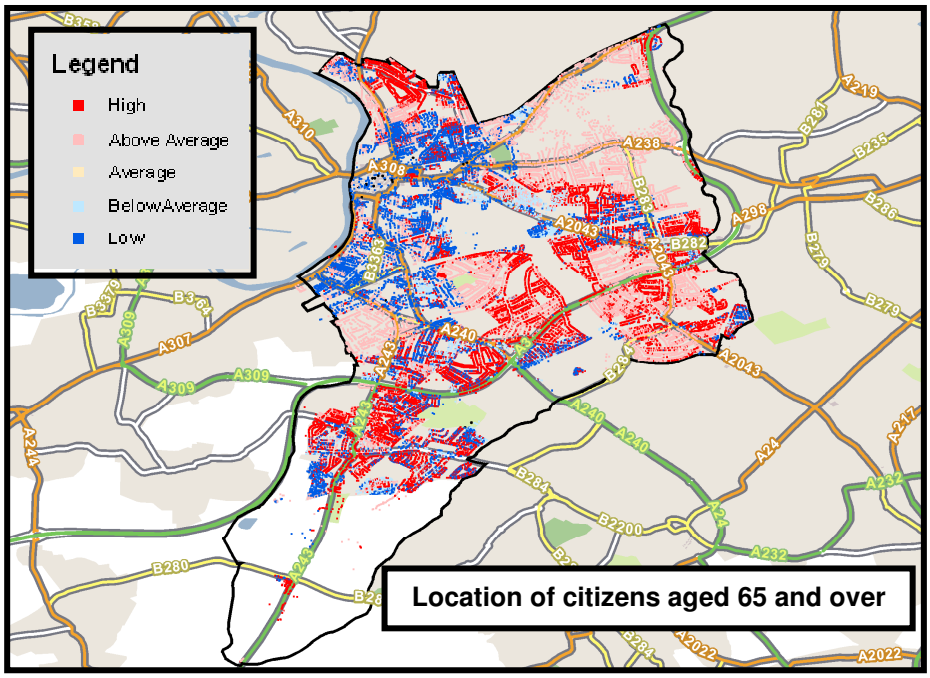
- Extensive documentation and visualisation support materials, including a full multimedia guide, helping users to interpret the results of their analysis.

- Mosaic Public Sector allows analysis and understanding across of smaller geographic units to household level, with a wider range of dimensions and factors, than traditional data sources such as the Census.

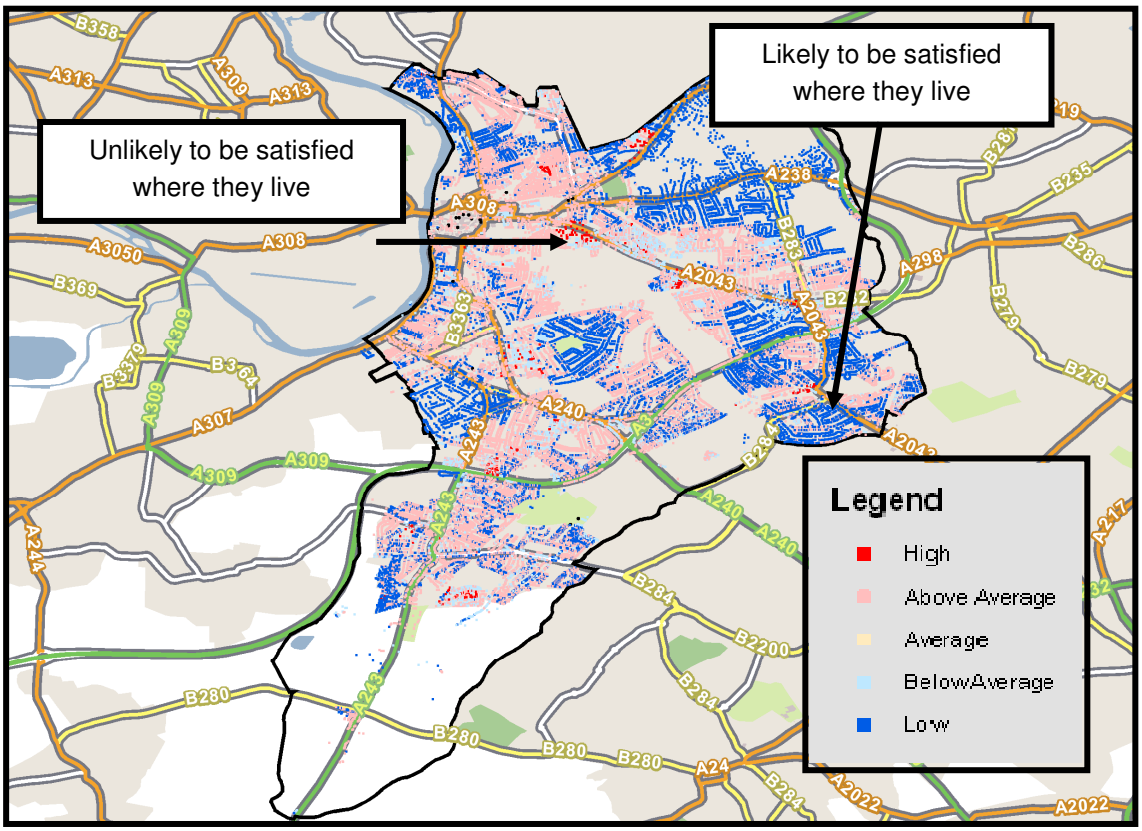
- Mosaic Public Sector is the latest in a series of classifications developed for countries around the world. The existence of a team permanently dedicated to building classifications ensures that Experian remains innovative in respect of its use of data, techniques and delivery methods.

The following example focuses on Southampton and districts and illustrates, in mapping form, the kind of insight which can be brought to bear

Age



Customer satisfaction



Understanding Ethnicity - Mosaic Origins

Mosaic Origins is a software and data application that classifies people according to the part of the world from which their forebears are most likely to have originated. Every person is placed into one of approximately 190 Origins Types, comprehensively describing their cultural, ethnic and linguistic characteristics.

Evidence suggests ethnicity and service need can be correlated – and therefore knowledge of areas of concentrated ethnicity, and the various forms of ethnicity can help local and strategic planning.

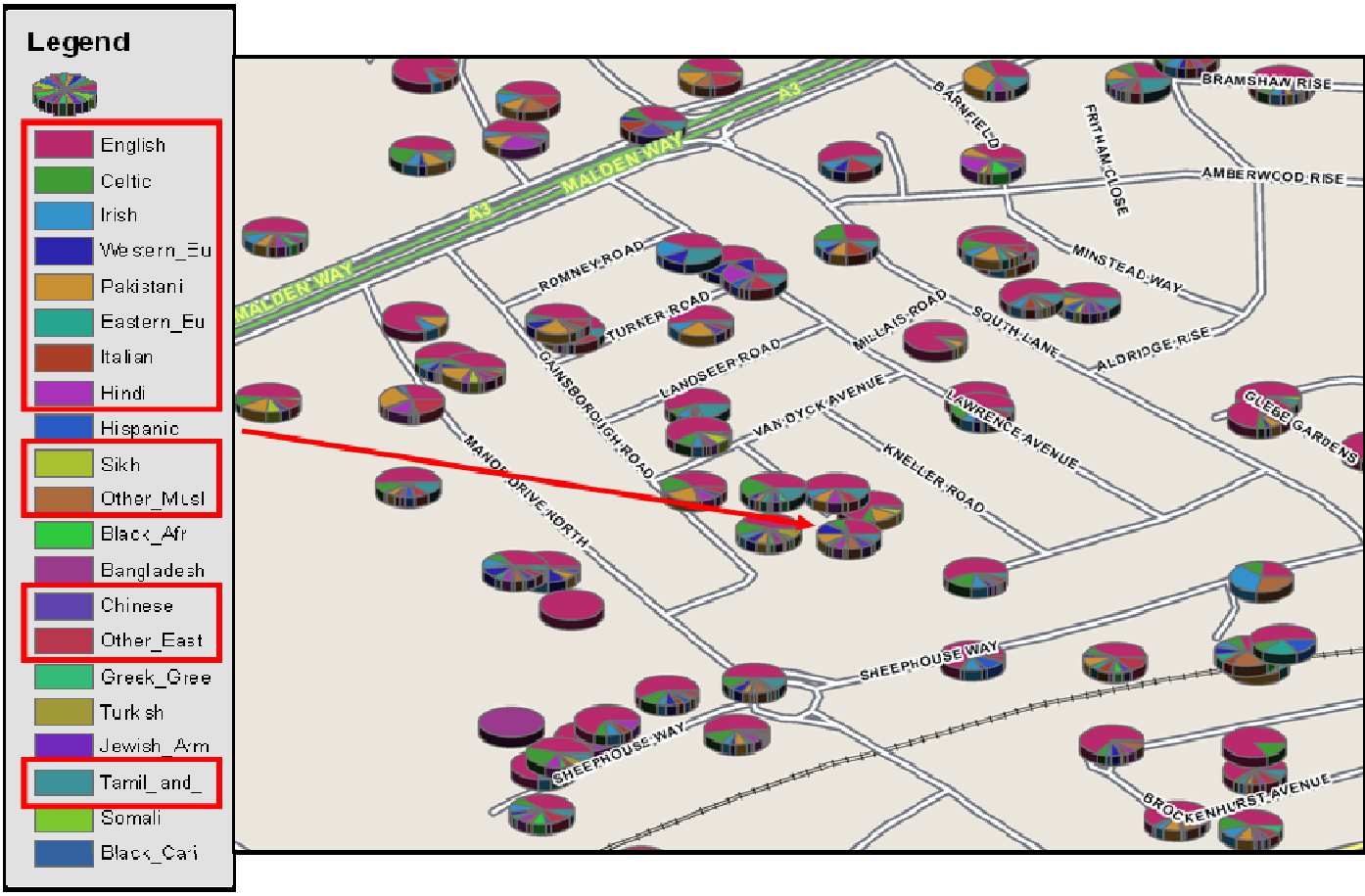
In order to apply the Origins code, Origins makes use of a table, which contains information on over one million personal and family names. Each of these names has been examined in such a way as to identify the Origins type to which it is most likely to belong. This evaluation makes use of a number of criteria including the Origins codes of the family name held by bearers of each personal name, and vice versa; the geographical concentration of the name both within and between countries; the Mosaic codes in which the name is mostly found; and the appearance of diagnostic letter sequences (one example being “van” at the start of a family name indicating Dutch origin).

This evaluation also establishes the confidence with which we can say a particular name belongs to a particular Origins type.

Looking at the codes associated with both the personal name and the family name, and taking into account the confidence level of each, Origins identifies the Origins type to which each customer name is most likely to belong. The following table illustrates an output example.

Personal name	Family name	Origins (PN)	Origins (FN)	Final Origins
Kanu	Patel	INDIA HINDI	INDIA HINDI	INDIA HINDI
Deloris	Lewinson	BLACK CARIBBEAN	BLACK CARIBBEAN	BLACK CARIBBEAN
Ralph	Lewinson	ENGLAND	BLACK CARIBBEAN	BLACK CARIBBEAN
Melissa	Casey	ENGLAND	IRELAND	IRELAND
Kieran	Casey	IRELAND	IRELAND	IRELAND
Linda	Hodge	ENGLAND	ENGLAND	ENGLAND
Linda	Mudzimu-Kabambe	ENGLAND	NOT_FOUND	ENGLAND
Lillian	Mudzimu-Kabambe	ENGLAND	NOT_FOUND	ENGLAND
Joseph	Fernandes	IRELAND	PORTUGAL	PORTUGAL
Sandra	Fernandes	ENGLAND	PORTUGAL	PORTUGAL
Sreejith	Koliyot	INDIA NORTH	NOT_FOUND	INDIA NORTH
Abitha	Kolarath	SOUTH ASIA	NOT_FOUND	SOUTH ASIA
Melanie	Lee	ENGLAND	ENGLAND	ENGLAND
Patricia	Sheldon	ENGLAND	ENGLAND	ENGLAND
Jackson	Kabeere	BLACK CARIBBEAN	NOT_FOUND	BLACK CARIBBEAN
Giuseppe	Messina	ITALY	ITALY	ITALY
Wei	Chan	CHINA	HONG KONG	CHINA
Shilpa	Patel	INDIA HINDI	INDIA HINDI	INDIA HINDI
Marie	Edouard	ENGLAND	FRANCE	FRANCE
Deborah	Williams	ENGLAND	WALES	WALES
Alistair	Whitehead	SCOTLAND	ENGLAND	SCOTLAND
Lu	Whitehead	CHINA	ENGLAND	ENGLAND
Sylwia	Patynek	POLAND	NOT_FOUND	POLAND
Neeta	Kelly	INDIA HINDI	IRELAND	IRELAND
Justin	Woodman	ENGLAND	ENGLAND	ENGLAND
Mary	Woodman	IRELAND	ENGLAND	ENGLAND
Jillian	Spindura	ENGLAND	NOT_FOUND	ENGLAND
Michael	Conroy	IRELAND	ENGLAND	ENGLAND

Used as an overlay within your own GIS the data can be mapped spatially as per the example below. Each pie on this map of Southampton and districts identifies ethnic mix within a postcode.



In addition to the software we will also provide you with the Mosaic Origins data for each and every postcode in your area as per the following example:

Postcode	Mosaic Origins classification						
	English	Indian	Black Caribbean	Pakistani	Polish	etc	etc
NG3 5FZ	3	4	2	2	3	1	1
NG14 6DQ	2	5	1	3	1	1	2

The numbers in the above table represent households (or people as required) that fall into each category. We can also include the total number of households and also the numbers expressed as a %, as required.

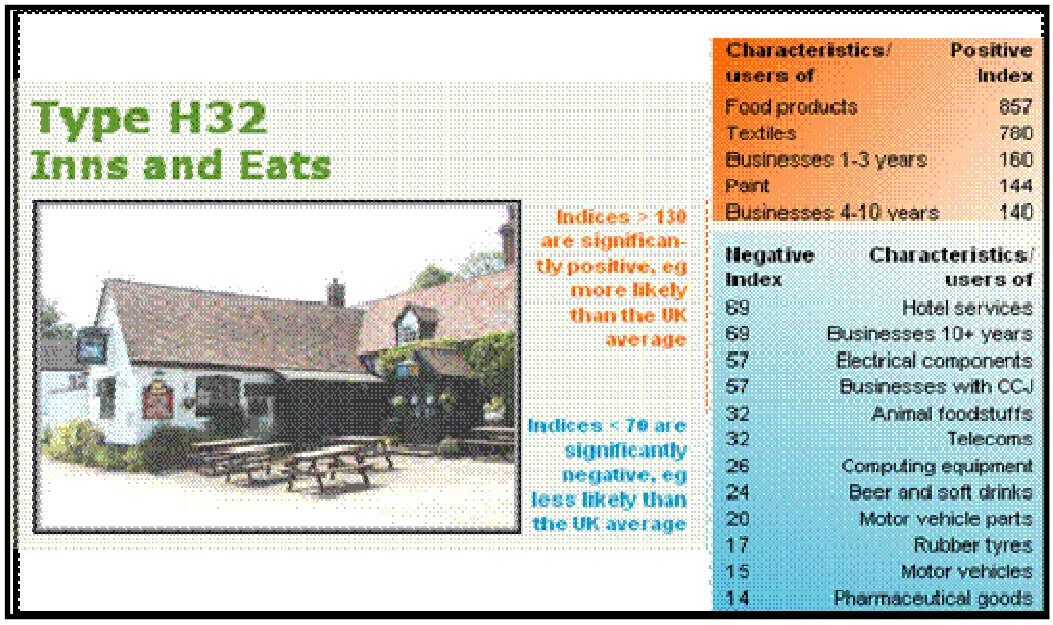
mosaic™ Commercial

Commercial Mosaic is the first multi-dimensional classification system specifically designed to understand the commercial environment of communities. Commercial Mosaic classifies all UK businesses into 13 groups and 50 distinct types based on key variables that significantly influence business behaviour.

Commercial Mosaic draws upon Experian's extensive range of unique data sources and expertise to deliver the level of sophistication already prevalent in. Each type and group is descriptively named, e.g. Commercial Mosaic Group G is termed 'Local Solid Rocks', and Commercial Mosaic Type G26 is termed 'Small Scale Suppliers'.

Commercial Mosaic is a classification system which enables business insight within Greater Manchester – allowing authorities to understand the health and vitality of local economies and how that may interact with the health and well being of the communities which use and work within them.

Example segment:



This classification can be offered at site, post code and postal sector level

Mosaic Daytime (Reflecting demographic change between day/evening)

As well as understanding the residential population in depth it should also be noted that many regions of residency and employment are subject to change during the course of the day. Heathrow, on the outskirts of London is a reasonable example – where industry (and in particular the airport) attracts more service-based workers, to replace the "owner/occupier" mix of residents who live there.

Mosaic Daytime reflects this type of change across the country and allows users of this tool additional insight as to the sorts of people with whom they may wish to communicate during the day – as well as the evening.

The following example illustrates significant change for a random community in Greater Manchester:

Daytime vs. residential populations

Mosaic Lifestyle Groups	Target	%	Base	%	Pen. %	Index
A Symbols of Success	14,122	25.23	18,300	30.85	77.17	82
B Happy Families	5,517	9.86	5,874	9.90	93.92	100
C Suburban Comfort	15,991	28.57	19,181	32.34	83.37	88
D Ties of Community	5,562	9.94	3,641	6.14	152.76	162
E Urban Intelligence	782	1.40	785	1.32	99.62	106
F Welfare Borderline	1,949	3.48	1,827	3.08	106.68	113
G Municipal Dependency	1,410	2.52	209	0.35	674.64	715
H Blue Collar Enterprise	5,286	9.45	4,031	6.80	131.13	139
I Twilight Subsistence	840	1.50	626	1.06	134.19	142
J Grey Perspectives	3,680	6.58	4,208	7.09	87.45	93
K Rural Isolation	823	1.47	633	1.07	130.02	138
Total	55,962	100	59,315	100	94.35	100

In this example, there are about 4,000 fewer people in total around during the day (55k versus 59k).

Demographically, wealthy groups have temporarily left the area to work elsewhere, and poorer groups inhabited the area.

This fairly typical example represents the daily migration pattern of wealthy commuters leaving the area in which they live, to work

elsewhere. Simultaneously, more deprived service workers come into the area to work in shops and various service related roles.

This data can be used to understand the daytime population so that the contact strategies are timely and relevant.

Mosaic Forecast (reflecting community change over time)

As well as understanding demography from a day to day perspective, it is also important to understand the changes over longer periods of time.

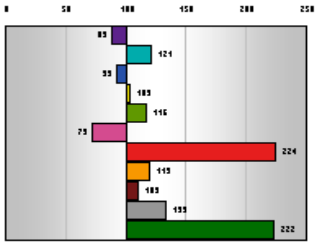
Service delivery decisions need to be made with some element of 'future proofing' in them. Large investment decisions may be made based on the current picture but if this is going to change significantly over the next ten years this trend needs to be highlighted and factored into these plans.

To meet this requirement, Experian has developed and built Mosaic Forecast, from which we are able to look at changes in demography and consequent service need.

In the example below, the "Base" figure is a statement about the numbers of people today, split by Mosaic Group, and the "Target" a statement about the same groups of people "N" years hence. Knowledge of any form of change aids planning and strategic investment decisions

Now **2016**

Mosaic Lifestyle Groups	Target	%	Base	%	Pen. %	Index
A Symbols of Success	7,113	28.55	8,883	32.08	80.07	89
B Happy Families	2,694	10.81	2,471	8.92	109.02	121
C Suburban Comfort	7,176	28.80	8,586	31.01	83.58	93
D Ties of Community	1,690	6.78	1,825	6.59	92.60	103
E Urban Intelligence	528	2.12	504	1.82	104.76	116
F Welfare Borderline	815	3.27	1,248	4.51	65.30	73
G Municipal Dependency	103	0.41	51	0.18	201.96	224
H Blue Collar Enterprise	1,673	6.71	1,557	5.62	107.45	119
I Twilight Subsistence	389	1.56	395	1.43	98.48	109
J Grey Perspectives	2,402	9.64	2,002	7.23	119.98	133
K Rural Isolation	332	1.33	166	0.60	200.00	222
Total	24,915	100	27,688	100	89.98	100



- The number of **Symbols of Success** is due to increase by 1,770
- The number of **Suburban Comfort** is due to increase by 1,410
- Number of **Municipal dependents** will decrease by a half

Appendix 2 – typical data inputs

Customer Insight Project data requirements

Minimum Data requirements:

Mosaic Public Sector can be appended at either Postcode level or Household level. Ideally we would like to be supplied with the full address so that the Household level Mosaic can be appended. However, the minimum data requirement is to be supplied with is the **Postcode**.

In order to be able to append Mosaic back onto the original data (if required) a URN field will also need to be supplied. Please note, we DO NOT require the names of the people living at these addresses.

Generally speaking, Experian are prepared to receive data from all council systems as long as they are in the same format and the amount of time allocated in the charges section is not exceeded.

The following is for EXAMPLE – and can be used for the basis of data INPUT.

Council

1. Council Tax Payers:
- Method of Payment

2. Council Tax Benefit:
Single Person Discount
100% CTB
Student Discount
Second Home Discount
Other Benefit

3. Council Tax Arrears:
- Value of Arrears
- Age of Arrears

4. Housing Benefit & other state benefits
- Claimants

5. Social Services:
- Family Support
- Older People
- Accessible Transport
- Disability Register

6. Tenant Management Properties
- Length of Residence

7. Blue Badge information
- Badge holders

8. Public health / protection
- Health data
- Crime data

9. Planning applications
- Residential
- Business

10. Libraries Data
- Library
- Mobile Library
- Internet Usage

11. Schools Data (by both pupils in area and pupils in schools in area)
Number of Children
Free School Meals
Refugee status
English is not first language
School exclusions

12. Adult education / skills training
Type of course (e.g. manual skills training etc)

13. Parking Permits
- Type of Permit
- Method of Payment

14. Waste Management
- Recycling Collections
- Special Collections

15. Environmental Health
- Type of service used

16. Council survey information
- Overall Satisfaction (BVPI)

Single service satisfaction (online or face to face results
Consultation

Health Data – WHERE THE LA AND PCT COMBINE

Local Hospital Episode Statistics data

Above data is primary care data. Other data-sets of use would be Services data:

Smoking Cessation Sevices
Alcohol Abuse Services
Sexual Health Services
Screening Services
Consumption of winter warmer packages

Police Data – WHERE THE POLICE ARE ALSO INVOLVED

Survey data – any survey data you might have for the CLIENT, fields required are postcodes of respondents and their answers to questions from the survey. E.g.:

- Neighbourhood policing – perception of area, biggest problems etc.
- Police performance
- Nameless victim details – answers to questions such as; "worried about being a victim of crime? Very likely vs. Very Unlikely.

Actual Crime data – this again would be at postcode level only but any and all (if possible) data surrounding the crime would inform this project. For example, if burglary data is included the method of entry data (if recorded) would be extremely useful as we can then analyse the data to see if one customer group tends to suffer from one type of burglary (e.g. distraction). I have included a selected list below of the types of crime data we would want but essentially, the more data we get the better the more localised the analysis will be.

- Burglary data
- Vandalism or graffiti
- Anti-social behaviour

Other – If you have any additional data that does not fit into either of the above categories please contact us and we will be able to make a call on whether it could be used in the analysis. One subject is Neighbourhood watch – could you provide postcodes of the entire neighbourhood watch membership across the CLIENT? – This would be extremely powerful data resulting in CLIENT knowing which households/postcodes are more likely to join NW than others.

Fire and Rescue Data – WHERE FIRE AND RESCUE SERVICES ARE INVOLVED

Datasets including if available;

Fires by postcode
Home fire safety checks that have been carried out by postcode
Smoke alarm distribution
False alarms by postcode