

DELIVERING VALUE TO CUSTOMERS AND THE VALUE OF CUSTOMERS

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Management Approach

Our approach is centered around earning customers' trust and ensuring that we consistently meet customer expectations and requirements. We have set the bar very high as evidenced in our tag line 'Dimo Technology - Expect Perfection'. To enable this, we have instituted a comprehensive and continuous process of engagement with the customer.

💡 - Dimo technology 'expect perfection'



We are cognisant of the fact that our customers are spread across five business segments and range from individuals to businesses and Government. We employ a range of marketing strategies to reach and attract the multiplicity of these customer segments. Word of mouth is a key component of our marketing communications strategy. We are strong believers that a satisfied customer, whose trust we have earned, not only returns and remains but also brings in more customers as well as becomes a cross-customer across our business segments. The word of mouth process is catalysed by a customer relationship management programme which among other things includes service and educational campaigns and a whole host of social events. Advertising is done only for selected products, promotions and events at specific times; and always, sparingly. We believe that no amount of advertising can bring us better results than consistent after-sales service, honest interaction with customers and meaningful product augmentation.

Our policy of partnering with the world's best has enabled us to bring a portfolio of the best brands in their respective categories to the Sri Lankan customer.

The Group's Quality Management System is accredited with ISO 9001:2008 Certification.

Customer Profile

We have over 25,000 direct customers ranging from individuals to businesses and Government. These include large dealers. The dealers in turn serve several hundreds of thousands of consumers of our products. To serve and interact with our direct customers including our dealers, we have a team of 345 sales people and 442 service people.

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💡 - The following table illustrates the distribution of our active customer base and their satisfaction levels.

Market Segment	B2C	B2B	B2G	Total	Weighted Average CSI (%)
Vehicles	2,525	15,119	159	17,803	82
Vehicle Parts & Services	2,631	1,028	232	3,891	88
Lighting & Power Tools	881	93	68	1,042	85
Construction, Agricultural and Material Handling	941	1,099	132	2,172	87
Electro Mechanical and Bio Medical	264	8	103	375	86

💡 - Customer satisfaction does not stand still. It either goes up or comes down. Thus, our success depends on keeping an effective finger on the pulse of customer satisfaction and adapting and innovating in a timely and effective manner. We have many established methods of engaging with our customers. In the year under review we employed an independent third party to conduct a formal and structured customer engagement process and report their findings on customer expectations and satisfaction levels to us. The table on page 77 summarises our most recent findings and actions from our engagement process with customers. The learnings from these results have already been taken on board by the management.

Customer Portals

We have over the years invested heavily to take Dimo with its multiple product and service offerings as close as possible to customers. These investments have enabled us to reach our diversified customers more effectively as well as to broaden and strengthen their base. We are also consistently opening up untapped markets. Our strategic alliances with top leasing and finance companies offering our customers special rates of interest, and tailor-made schemes to go with specific products are another boon to customers.



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 - The following table lists our customer interaction points.

	Vehicle Sales	After-Sales Services	Display Points	Spare Parts
Head Office - 65, Jetawana Road, Colombo 14	x	x	x	x
Commercial Vehicle Showroom - 61, Jetawana Road, Colombo 14	x			x
Siyambalape Complex - 135, Mahena Road, Siyambalape, Biyagama		x		x
Kandy Branch - 276 A, Katugastota Road, Kandy	x		x	x
TATA Passenger Car Showroom & Workshop - 467, Sirimavo Bandaranaike Mawatha, Colombo 14	x	x	x	x
Mercedes-Benz & Chrysler Showroom - 378-385, R.A. De Mel Mawatha, Colombo 3	x		x	
TATA Passenger Car Showroom - 385 A, R.A. De Mel Mawatha, Colombo 3	x		x	
Kurunegala Branch - 27 A, Colombo Road, Malpitiya, Boyagane, Kurunegala	x	x	x	x
Dimo Mart - 50,51, Jetawana Road, Colombo 14			x	x
Matara Branch - 401, Kumaratunga Munidasa Mawatha, Pamburana, Matara	x	x	x	x
Commercial & Heavy Machinery Workshop - 562/126, D.S. Senanayake Mawatha, Anuradhapura		x		x
Dimo Logistics Centre - Kirindiwela Road, Weliveriya	x			x
TATA Spare Parts Showroom - 74, 74/1, Jetawana Road, Colombo 14				x
Jaffna Branch - 214, Stanley Road, Jaffna	x		x	
Yakkala Display point - 32, Aluthgama, Bogamuwa, Yakkala	x		x	x
Ambalangoda Display point - 2H, New Road, Ambalangoda	x		x	x
Ratnapura Display point - 56, Bandarawatte, Hidellana, Ratnapura	x	x	x	x
Vavuniya Display point - 43, Jaffna Road, Vavuniya	x		x	x
Dambulla Display point - 800, Dambulgama, Dambulla	x		x	
Embilipitiya Display point - 345, Pallegama, Ratnapura Road, Embilipitiya	x		x	
Ampara Branch - C/62, D.S. Senanayaka Street, Ampara	x		x	
Kandy Branch Work Shop - 671/A, Balagolla, Kengalla, Kandy		x		x
Welimada Display Point - 73, National Building, Badulla Road, Welimada	x		x	x
Anuradhapura Branch - 562/100, Jayanthi Mawatha, Anuradhapura	x		x	
Akkaraipattu Display point - 61, Town 1, Main Street, Akkaraipattu	x		x	

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- The following table illustrates the number of customers who are served by more than one business segment. It shows the effectiveness of our 'One Dimo concept'. Our customers spread across our five business segments are getting increasingly exposed to the total Dimo offering.

	Vehicles	Vehicle Parts and Service	Lighting and Power Tools	Construction Machinery
Electro - Mechanical and Bio Medical Engineering	11	44	23	4
Construction Machinery	183	145	61	
Lighting and Power Tools	61	146		
Vehicle Parts and Service	467			

- The following table illustrates how we have strengthened the base and skill level of our sales staff.

Category	No. of Programmes	No. of Sales Personnel Attended	Sales - Training Man Hours
In House Training	35	393	2,414
External Training	143	85	712
Foreign Training	30	11	392

- The BOSCH Diesel Centre under construction to be opened in 2011/12 will provide engine management solutions.



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- 💡 - The new Mercedes-Benz centre to be constructed will provide an enhanced customer experience.



- 💡 - A 'knowledge sharing session'. We are investing in continuous training and exposure of our sales team in understanding the complete Dimo product range, so that they can effectively cross-sell and deliver total solutions as per our customers' requirements.



- 💡 - We are forging ahead in the medical equipment market. Two state-of-the-art Siemens MRI scanners were sold in the year under review.



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After-sales Care Our after-sales facilities have consistently been cutting edge and innovative; and span across all our business segments.

In our vehicles, vehicle parts and services, construction and agricultural machinery segments for instance, our efforts in reaching out are not just confined to customers but also include mechanics and technicians who provide a service to our customers. Whilst offering professional services such as advice and training on fleet management to fleet owners and delivering spare parts to our customers’ doorsteps, we also provide safety equipment and technical training to garage owners and their employees.

In our electro mechanical and bio-medical engineering segment, we continue to invest on training our after sales team and keeping them abreast of our Principals’ state-of-the-art technology. 95% uptime guarantees, 24-hour hot-lines, spares-to-site within 48-hours, on-line web-based monitoring (via our Principals’ websites) of all running equipment to pre-alert on probable failures, are some of the features that distinguish Dimo after care in this business segment.

The technical team in our lighting and power tools segment is capable of conducting energy audits and providing expertise on energy saving in addition to designing highly sophisticated lighting systems for specialised applications.



TATA 'Mahagedara' is our flagship service centre and workshop that also provides accommodation facilities for outstation customers. A price menu helps customers to take speedy decisions and also improves transparency and clarity in pricing. The underlying philosophy of this concept is threefold. Viz. Due respect and due care to customers (known as 'Garu Selakili Mahagedara'), 24-hour on-line roadside assistance to customers (Hode Walawata Mahagedara), and of course customer safety and satisfaction through quality service (Arakshawata Mahagedara). Another industry- leading example from Dimo.

💡 - Our mobile service unit equipped to trouble shoot and take care of minor repairs provides another dimension to customer convenience.



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- - Our unit repair section was upgraded to enhance capacity and improve service turn - around time. One of the key products delivered by this unit is known by the name 'adi Sathkara'. As the name implies, the engine gets an 'intensive care' treatment. We are working towards a complete engine overhaul in 24-hours. A sum of Rs. 52 mn was invested in this section in the year under review. A further investment is planned in the coming years.



- - We have built capabilities to provide total lighting solutions in highly specialised areas. Picture depicts our lighting solution for the Pallakele International Cricket Stadium.



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- Electronic mobile racking systems and a range of other innovative material handling and storage systems have been introduced to the market. These products are backed by expertise for customisation, on-line after-sales support and 24-hour spare parts delivery.



- Dimo continues to out perform regional averages in South East Asia. The table below illustrates Dimo's scores at the latest Mercedes-Benz Service Excellence Awards (SEA) which measure current levels of performance as well as process improvements.

Measures	SEA Score (Max 100)	CSI (Max 1,000)	FFV (Max 100%)
Region Average	75.8	729	83%
Dimo's Average	79.7	753	96%

FFV: First Fix Visit (diagnose problem on customer first visit)
CSI: Customer Satisfaction Index

SEA Score: The Service Excellence Award Score

Nurturing Customer Relationships

The sense of 'community' that we have built into the larger 'Dimo family' is constantly being nurtured across all business segments. Significant financial resources as well as top management time and attention are devoted towards this end. Understanding needs of various customer groups and innovation are once again the keys to success. We have, for instance, developed a range of express services where, through the employment of special processes, we are able to complete these services within a guaranteed time frame.

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- The Mercedes-Benz Club of Sri Lanka is now in its 21st year with a membership of over 100 making it one of the oldest and largest clubs of its kind in the country. It is also one of the most active clubs in Sri Lanka. The Annual Mercedes-Benz pageant is a much sought after event for members and their families and friends. In 2010, the Mercedes-Benz Club celebrated its 20th anniversary & organised a special pageant which attracted over 160 Mercedes cars ranging from 1930 models to the very latest. It is a day of fun and camaraderie for the entire family.



- The Mercedes-Benz Annual Golf Tournament is now in its 20th year. It is organised by Dimo and is open to golfers who are Mercedes-Benz owners and resident in Sri Lanka. The 2010 tournament attracted 86 participants. Seven qualified for the regional tournament held in Australia and one qualified for the world finals held in Germany.



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- TATA Fleet Owners Club members are entitled to certain privileges such as exclusive service offerings and special pricing schemes.



- In 2010 our service campaign for TATA customers spanned far and wide covering six major towns from Jaffna in the North to Yala in the South. These were very well patronised with some 342 TATA vehicles, 298 owners of TATA vehicles and 62 owners of garages that repair TATA vehicles. Participants were able to get the latest updates on the TATA brand, an updated handbook and get their technical problems solved by our technical experts. The major garages in these areas were visited by our technical teams and their owners and senior mechanics were briefed on TATA's technology updates as well as the advantages of using genuine spare parts.
- The woodworking community in Moratuwa celebrate the Sinhalese and Tamil New Year, courtesy of our Power Tools division. Technicians who use our power tools in major cities around the country, are provided free service campaigns for trouble shooting, training and solving their technical problems. Mobile service campaigns at customers' doorstep to minimise equipment downtime are planned in the future.

Customer Health & Safety
Life cycle stages of products are assessed for health and safety impact

Given that Dimo represents best-of-breed principals in their respective categories, all products come with the highest levels of safety. Dimo follows principals' guidelines and globally accepted best practices to ensure that in the process of after sales care, the highest levels of safety are afforded to our customers. In addition, all health and safety measures as per ISO accreditation guidelines are also employed.

Educational and communication programmes on the safe disposal of certain products have been planned for the future.

There was no material incidents reported relating to customer health and safety in the period under review.

Product and Service Labelling and User Manuals

All Dimo products are adequately labelled, have catalogue reference and if required, an accompanying user's manual. All labelling also conforms to statutory requirements in respect of providing diagrams and pictographs, "use-by" dates, standardisation code numbers, and information on possible environmental impact. The requisite quality certification stamps are also carried.

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Marketing Communications Dimo's marketing communications is fully based on transparency, honesty, ethical standards, and conformity with statutory requirements. Where applicable, we also adopt our principals' codes on the subject. All marketing campaigns are screened prior to release to ensure that Dimo does not engage in unethical marketing practice.

There were no breaches of this code during the year under review.

The same standards are promoted among all customer facing staff in every one of their communication with customers.

There were no instances of non-compliance with any regulation on marketing communication during the year.

Customer Satisfaction Measuring and monitoring customer satisfaction and adapting accordingly are both a science and an art at Dimo. The art of it is deeply ingrained into our ethos and is one that has come down the generations in a process of continuous improvement. The science of it was instituted nearly a decade ago, when in 2002, we decided to conduct on-going customer satisfaction surveys and create an index of it as an important barometer for management.

Results of our formal surveys are documented. They form the basis of the continuous improvement programmes including training in every area from sales, to spares, and after-sales services across all business segments. Important innovations and improvements stemming from this exercise are instituted in the training and induction agenda and employee literature.

A central CRM unit is in operation and currently provides a monthly data analysis service to the vehicle segment. These details are forwarded to business units monthly. All other business segments analyse their data on a quarterly basis in consultation with senior management. Both these quarterly and monthly reports contain customer responses and complaints and enables the Company to continuously develop its problem solving capability with timely and effective alterations to the business process.

Dimo has the ability to attract new customers and attract repeat purchase in equal measure. Of the Mercedes-Benz vehicles sold in the year under review, 48% were new customers and 52% were repeat customers.

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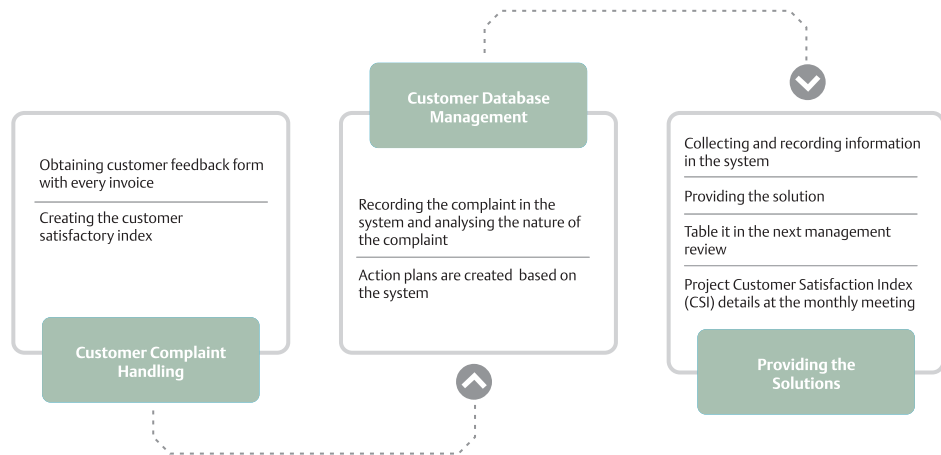
Customer Complaint Handling

Dimo's customer relationship management (CRM) department spearheads this activity. It ensures that, through a series of activities, it maintains regular contact with customers and has positioned itself to get effective and candid feedback. The CRM department plays a central role in problem solving as well.

Our CRM process ensures speedy response to customers' complaints. Any customer complaint is acknowledged on the same day and a solution is given within a maximum of three days. Complaints of customers in mission critical businesses receive greater priority. A customer complaint register is maintained in every location across our branch-network.

During the year under review the central CRM unit had reached 9,568 customers.

 - The following diagram details our customer complaint handling process:



In the year under review, Dimo received 201 customer complaints. Of this, 96 were resolved within the stipulated 3-day time frame. All other complaints were eventually solved in a satisfactory manner.

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- Dimo received a relatively higher number of customer complaints in the year under review, as depicted in the chart below:

Year	Customer Complaints
2006/2007	458
2007/2008	305
2008/2009	289
2009/2010	180
2010/2011	201

Product Responsibility

Our Principals, being category-leading global brands, produce some of the most responsible products in their respective categories. Hence, every product offered by Dimo is somewhat of a leader in the area of product responsibility. Dimo, on its part, is committed to keeping abreast of developments and offering the latest products and innovations of its Principals to the Sri Lankan market. Following are but a handful of examples from a lengthy list.

- Recently introduced Osram LED lighting is 80% more energy efficient than CFL technology, lasts 100-times longer and is less harmful to the environment when disposed.



- Dimo was the first in Sri Lanka to introduce asbestos-free Brake Pads and wiper blades.



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- Newly launched MRF radial tyres for commercial vehicles; giving longer life and consequently less industrial wastage.



- Dimo BATA is a fuel-efficient model that has become very popular on Sri Lankan roads. The more fuel-thirsty models that it has replaced in its category helps to reduce carbon dioxide emissions.



Customer Privacy

Dimo's respect for customer privacy and its commitment to protecting customer data is enshrined in its policy. We have systems in place to contact our database of customers only with their explicit permission and in the channel of their choice.

Data-protection complaints are handled in the same manner as other customer complaints, as explained before.

No complaints pertaining to breaches of customer privacy or losses of customer data were received in the year under review and in the Post Balance Sheet period.

There were no incidents during the past year relating to transgression of health and safety, product labelling, advertising or customer confidentiality.