

Zeiu Automotive Resources Business Presentation

Automotive and Aftersales Analysis and Intelligence in Singapore .
Malaysia . Thailand . Indonesia . China . Hong Kong . Taiwan .
Brunei . Philippines . India . Hong Kong . Japan . Australia .
Pakistan . Saudi Arabia . Vietnam . South Korea





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ABOUT THE ZEIU GROUP

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ZEIU AUTOMOTIVE RESOURCES

ZAR provides analysis and intelligence services in the automotive, automotive aftersales and related areas

CUSTOMISED RESEARCH & ANALYSIS

Consumer & Trade research e.g. Customer Satisfaction Measurement, Customer Relationship Management (dealer level), Competitor Analysis & Benchmarking

OUR APPROACHES

- Both quantitative and qualitative methodology
- Analytical and In-depth Considerations to Issues
- High quality work managed and monitored by experienced directors

GEOGRAPHICAL SCOPE

Singapore . Malaysia . Thailand . Indonesia . China . Hong Kong
Taiwan . Brunei . Philippines . India . Hong Kong . Japan
Australia . Pakistan . Saudi Arabia . Vietnam . South Korea





ABOUT ZEIU AUTOMOTIVE RESOURCES (ZAR)

ZEIU AUTOMOTIVE RESOURCES

ZAR provides analysis and intelligence services in the automotive, automotive aftersales and related areas

- ZAR is a specialist team that provides analysis and intelligence services in the automotive and related areas in Asia
- Our team is very experienced in automotive aftermarket & aftersales intelligence and has conducted passenger car and commercial vehicle-related regional and international research projects in as many as ten different markets
- We have a solid network of contacts in the aftermarket trade including marketing managers, parts and service managers, stockists and fleet operators
 - These experts provide inside stories and access to key persons that are critical in an Asian environment highly reserved with information





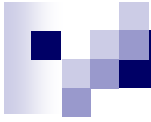
CUSTOMISED RESEARCH & ANALYSIS

CUSTOMISED RESEARCH & ANALYSIS

Consumer & Trade research e.g. Customer Satisfaction Measurement, Customer Relationship Management (dealer level), Competitor Analysis & Benchmarking

- Our team also conducts customised research and analysis in other industries

- We have vast experience in the various areas:
 - Customer Satisfaction Measurement (Aftersales)
 - Concept and Advertisement testing
 - Customer Relationship Management (for dealers)
 - Competitive Intelligence & Benchmarking Analysis
 - Market assessment and potential analysis
 - Usage & Attitude testing



SOME BRANDS WE HAVE WORKED WITH

- Mercedes-Benz
 - Parts Distribution & Import Channels
 - Customer Satisfaction Index at dealerships
 - Fleet care and management
 - E-commerce Feasibility

- Chrysler
- Smart
- }
 - Parts Distribution & Import Channels
 - Business outlook

- GM
- Audi
- }
 - Advertising-Test
 - Advertising-Test

- Alpine Electronics
- Shell
 - Market and competitor analysis
 - Evaluation of promotion (advertising -campaign)



PAST PROJECTS

- Our team has conducted research and implemented processes in the following areas:
 - Boutique Collection Feasibility and Retail Setup
 - Field Service Personnel Qualification & Motivation
 - Passenger Car Personalization
 - Vehicle Performance and Driver's Customer Satisfaction for Commercial Vehicles
 - Parts Distribution and Import Channels
 - Customer Relationship Management in Workshop
 - Fleet Care and Management
 - E-commerce Feasibility
 - Customer Satisfaction Index (Aftersales)
 - Internal Benchmarking (Aftersales)
 - Concept and Advertisement testing
 - Aftersales support for heavy commercial vehicles
 - Competitor Intelligence

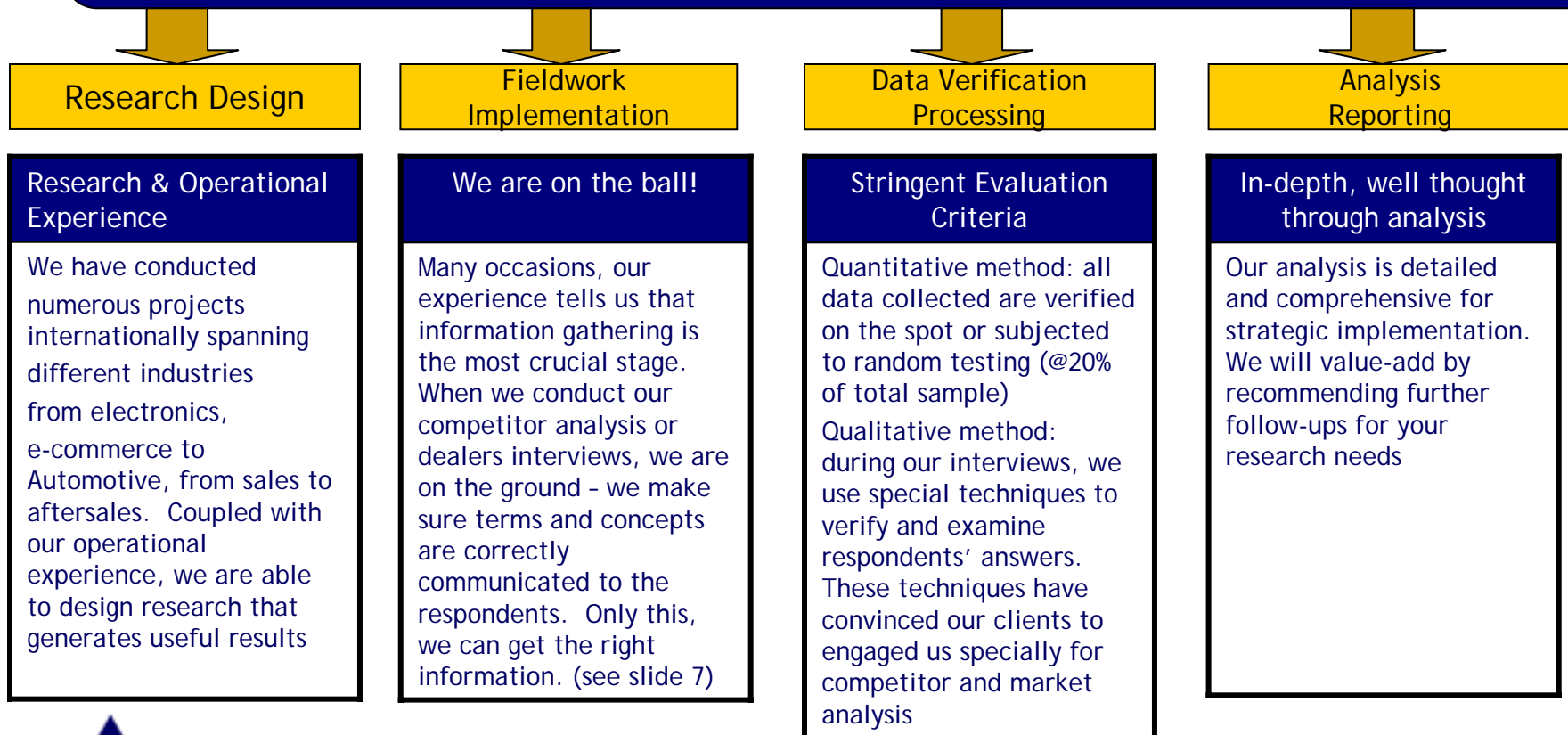
MARKETS: OUR NETWORK



- Singapore
- Malaysia
- Thailand
- Indonesia
- China
- Hong Kong
- Taiwan
- Brunei
- Philippines
- India
- Hong Kong
- Japan
- Australia
- Pakistan
- Saudi Arabia
- Vietnam
- South Korea

RESEARCH PROCESS

We make sure we understand the issues at hand and uncover insights usually known to insiders only. This is carried out by our team involving in every stage of the research process. This is the way to ensure quality information & analysis needed by our clients





RESEARCH PROCESS: FIELDWORK IMPLEMENTATION

- During fieldwork (interviewing or surveying), our practice is to have our team to be on the ground to 'feel' and 'understand' the situation. We do it by:
 - Face to face discussions with top managers, proprietors and executives from manufacturers, agents, distributors and dealers and even stockists/jobbers and independent workshops - Competitor analysis, dealer/service analysis
 - Getting information from them is often difficult because they are unwilling to share
 - We use different techniques e.g. 'making friends', 'cross-verification' and others
 - Talk to the men and women on the street- Customer Satisfaction Surveys
 - Conducted factory visits e.g. Dong Yang (public listed body parts maker), TYC (public listed light maker and OEM of makes such as Ford, Isuzu and Yamaha) - Parts Distribution Channel Surveys
 - Meet customs clearing agents - Survey to understand parallel imports, imitations, smuggling

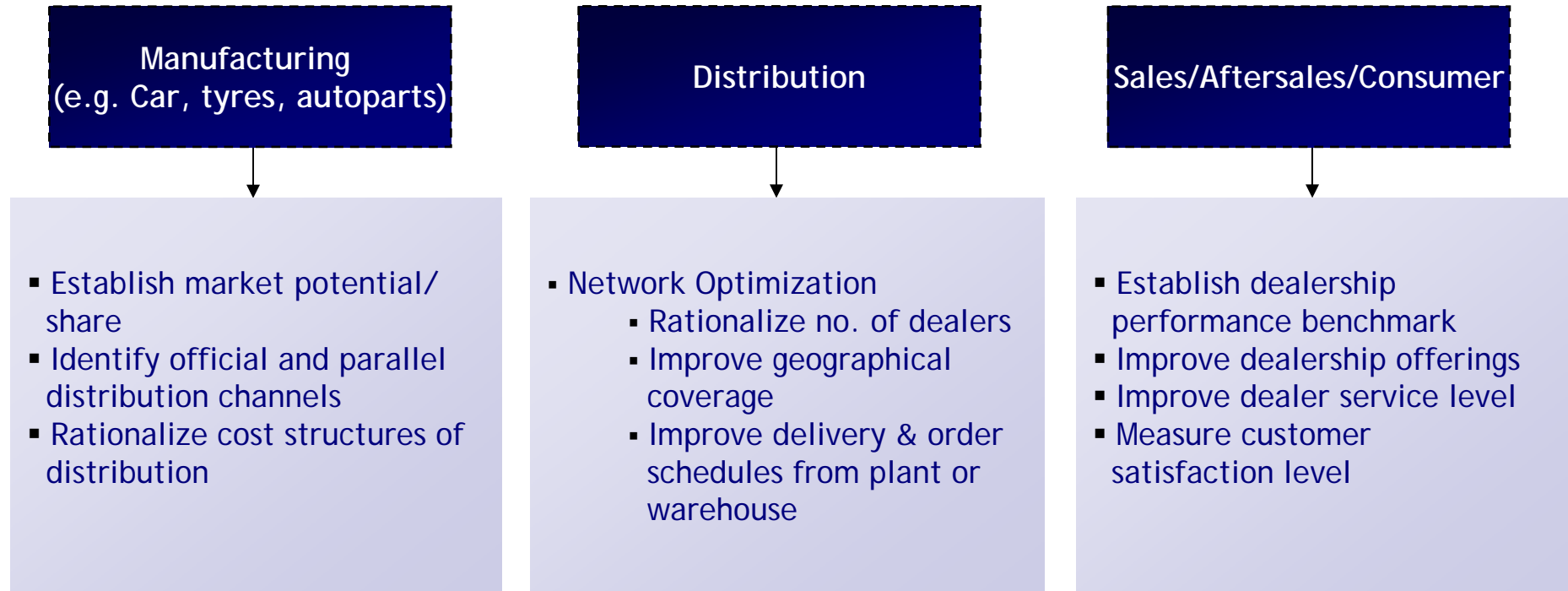
SERVICES

- Our team helps clients in the entire value chain of their business (including automotive aftermarket) to understand their markets, compete more effectively and grow into new areas of opportunity



SERVICES - DEALER NETWORK STUDIES (Example)

- The following types of research can be done at each stage:





Case Studies (1)

- Indonesia Aftermarket

- 1. Problem

A client distributing original parts faced tremendous price pressure in the country due to economic crunch, instability and the recent SARS epidemic. Market penetration was extremely low and choices of OEM, replacement and imitation parts were widely available.

Economic Crunch

- Due to bad debts, credit terms were shortened which made customers unhappy

SARS

- Airlines cut travel rates which affected long distance coach businesses - fleet owners turn to cheap replacement parts

Poor customer sophistication

- Even workshops and fleet owners could not discern between genuine, OEM, replacement and imitation parts
- Stockists sold OEM as 'original' and imitation was common



Case Studies (1)

■ 2. Research process

- Getting respondents was highly difficult as the targets did not wish to receive researchers. At the same time, any research was perceived as an encroachment on trade secrets. The team could not remain confidential; the nature of the topic researched would give away instantly the commissioning client.
- Eventually, the identity of the client was revealed but emphasis was placed on the neutrality of the research team. Respondents were assured that their identity would be protected.

- The usual practice of preserving the client's confidentiality is rejected by respondents. Coming forward and revealing oneself would be a small gesture of sincerity in exchange for them to share valuable information more readily.
- We convinced the client and assured the respondents of our neutrality at the same time.



Case Studies (1)

- The team recruited a core group of respondents which had a good relationship with the client. The latter were then able to introduce and recommend strongly other targets which they had existing relationships with. Despite that, some targets played the following games:
 - Not turning up or cancelling appointments at the last minute
 - Providing vague and sometimes wrong information intentionally
 - Providing respondents with a wrong profile such as sending a Personnel Manager when we requested to meet the Parts or Inventory Manager

Games

- Respondents preserved 'face' by agreeing to participate yet avoid the interview with games

Introductions

- Just as businesses used recommendations to find trustworthy trade partners, a trusted contact can point to respondents who are likely to be candid



Case Studies (1)

- 3. What we found out

- Workshops and stockists regularly sold OEM and replacement parts as 'Original'. Even OEM parts were sometimes imitated. Workshop managers or fleet operators who were in the trade for a long time couldn't understand the difference between OEM, replacement and imitation. The problem was made worse because products distributed by the client came in various packaging that did not help recognition.
- Respondents also hinted that custom duty and VAT were not paid for certain items.



Case Studies (1)

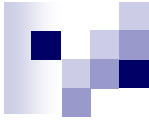
- Due to translation and language differences, even terms like 'profit' and 'turnover' could be confused. It takes a researcher with automotive background to be able to have a clear picture of the issues or questions at stake.
- Having aftermarket knowledge was highly necessary. A proficient researcher could guide and draw feedback from the respondents in a qualified manner; an unqualified researcher would be misled

Culture

- Understanding local business practices can be rewarding. The team emphasized on values such as keeping to one's words which are highly honored by Indonesian businessmen. The values put us in good standing with locals.

Knowledge

- A knowledgeable researcher can guide less sophisticated respondents while being uninformed can be a sure handicap for the savvy respondent to take advantage and feed with misinformation



Testimonial

"Zeiu Automotive Resources is highly recommended for AfterSales research studies particularly in the automotive industry"

Ralf Mesenbrock
Senior Service & Parts Marketing Manage
DaimlerChrysler SEA Pte Ltd

DAIMLERCHRYSLER

DaimlerChrysler
South East Asia Pte Ltd

30 September 2004

To whom it may concern

Dear Sir

Since early 2003, Zeiu Automotive Resources has been working closely with the Service & Parts Marketing Department of DaimlerChrysler South EastAsia Pte Ltd on various automotive AfterSales research projects. The range of researches done varies from parts trading & distribution channels to commercial vehicle studies to customer satisfaction studies. Zeiu Automotive Resources has proven to be highly efficient, professional and competent with the research design, methodology, analysis and reporting. Zeiu Automotive Resources is highly recommended for AfterSales research studies particularly in the automotive industry.

Best regards

Ralf Mesenbrock
Senior Service & Parts Marketing Manager
DaimlerChrysler SEA Pte Ltd

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Case Studies (1)

- 4. Key requirements for such surveys

- Such surveys required the client and the researcher to work hand in hand to address local issues. Most importantly the international client must be prepared to recognise the value Asians place on relationship. This means the client must be prepared to provide a face to respondents i.e. that is to establish a relationship with them and subsequently make use of the leverage this relationship can provide to get access to other parties.
- It is highly important that the researcher is able to discern information from misinformation.



Case Studies (2)

- Market Evaluation and Competitor Intelligence for a consumer electronics manufacturer

- 1. Details
 - Geographic scope: Regional research involving
 - Thailand
 - Malaysia
 - Indonesia
 - Philippines
 - India

 - Methodology: Expert interview and desk research



Case Studies (2)

■ 2. Research process

- We interviewed dealers of competitors brands. Our interviews are blinded - respondents do not know our client. This process is very important; otherwise, respondents would not review information to us

- Our experience with culture of different countries helps us in completing the interviews in a short time frame
 - For e.g. in Thailand, we visited the dealers personally. Due to Thai people personality, they willingly spoke to us because we 'show our faces'



Case Studies (2)

- 3. Important points to note for competitor analysis
 - Often, there are very specific concepts and terms used in each industry. For examples, during our interviews with the dealers, they often mixed up 'OEM' 'Aftermarket' and 'Grey Market'. The researcher must have experience in the trade to clearly differentiate the terms

 - Furthermore, knowledge to key concepts is critical. As always, aftersales business is different from sales. In aftersales, terms like 'throughput', 'service defection rate' or 'turnaround time' are key measurements. The research must be able to grasp such understanding



CONTACT DETAILS

- Yes, it would be wonderful for our team to do a business presentation with your company. Contact us at:

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