

Customer Focus

It is imperative that we keep pace with the growing needs of our customers, primarily those in the Automotive and Construction sectors. We aim to deliver enhanced benefits through customised services and solutions and value-added products throughout the customer's purchase journey. We are foraying into new lines of business to insulate ourselves from the cyclical nature of the steel industry through continuous development of solutions beyond steel such as Pravesh Steel Doors and Windows, ReadyBuild cut and bend rebar solutions and Nest-In housing solutions.



Tailoring solutions for customer requirements

96%

Loyal (repeat) customers

> 81

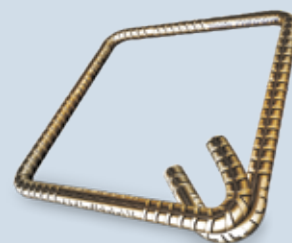
Customer satisfaction index (score out of 100)



Pravesh: steel doors and windows with the elegance of wood and the strength of steel



AquaNest: Water ATMs



TISCON Superlinks: High-Strength Stirrups

Solutions for enriched living

Customer Focus

SO1, SO3

KEY AREAS

Create value and meet the growth aspirations of customers through :

- **New and enriched products**
- **Services and solutions**
- **Entry into new segments**
- **Maintaining leadership position in chosen segments**

The key differentiator of our marketing strategy has been our ability to develop and sustain relationships with our customers and channel partners, while managing a countrywide distribution network.

Our Value Analysis and Value Engineering (VAVE) initiative is supporting our automotive customers' growing requirements for cost-effective and lightweight solutions to reduce fuel consumption. We are capitalising on these opportunities by ramping up volumes and developing high-end products at our Kalinganagar plant and through our joint venture with Jamshedpur Continuous Annealing & Processing Company Private Limited (JCAPCPL). We have entered new market segments such as Oil and Gas, Lifting and Excavation (L&E) and Pre-engineered Building and also consolidated our market share in our existing product portfolio of automotive.

We continue to strive for superior quality offerings with our flagship brands in the Construction segment, such as Tata Tiscon and Tata Shaktee. We have also been able to meet the needs of Small and Medium Enterprises (SMEs) with our tailor-made offerings through our Emerging Corporate Accounts (ECA) brands.

Our application-specific grades and customised service offerings on Tata Astrum, Tata Steelium and Galvano to ECAs have achieved a 15% growth over FY 2016–17.

Key Enablers and Initiatives

1. To retain leadership position in the Automotive segment through our product and non-product value creation

With focus on the commercialisation of new products such as high-tensile HR grades for structural uses and by ensuring the majority share in most of the new automotive launches in the country, we have been able to attain a leading position in the automotive market.

IMPACT CREATED

- **Achieved a growth of 17% (over FY 2016-17) against an industry growth of 10%**
- **Growth in automotive high-end sales by 21% over FY 2016-17**

2. Ensuring sustained revenue by increasing retail play and safeguarding against price volatility (Tata Tiscon and Tata Shaktee)

Several initiatives were launched to increase reach, meet specific customer requirements and increase the value-added products' portfolio. Some of these are the Tiscon Footprint initiative to increase the network of dealers, Tata Discovery programme for engaging architects and organising dealer meets, launch of Tata Kosh for galvanised steel and Tata Sampoorana, a one-stop shop for all B2C brands to tap the potential of the rural market.

IMPACT CREATED

- **Tata Tiscon premium growth of 3% over FY 2016-17**
- **Tata Shaktee sales growth of 5% over FY 2016-17**

3. Unlock value from fragmented underserved markets through micro segmentation and enhancing capabilities

During FY 2017-18, we focussed on the development of new-grade products, carried out more than 250 customer-engagement activities and carried out programmes for enhancing the sales capabilities of area sales officers.

IMPACT CREATED

30% increase in turnover from ECAs achieved in FY 2017-18

4. Ramp-up sales of new product solutions from Tata Steel – Pravesh (steel doors) and Nest-In (housing)

Intensive product demonstration was carried out for end consumers, focussed on installation excellence for Tata Pravesh steel doors and expanding the Nest-In footprint through a network of partners across the country, while leveraging digitalisation and accelerating EzyNest's reach to the major segments.

IMPACT CREATED

- **Pravesh Steel Doors bookings increased five times as compared to FY 2016-17**
- **Nest-In revenue grew by 60% as compared to FY 2016-17**

71/100

NPS

Tata Tiscon

77/100

NPS

Tata Shaktee

NPS: Net Promoter Score

(Index ranging from -100 to +100 that measures the willingness of our customers to recommend our products to others)

5. Build capability to attain leadership in the Engineering segment

We have expanded our coverage in this segment through 30 new product developments and technical engagements with customers, while acquiring new customers during the year. We are developing relationships with the key players in the Oil and Gas segment. We have received almost 20 new customer approvals from the Kalinganagar plant in FY 2017-18.

IMPACT CREATED

The sales volume in the Engineering segment has doubled in FY 2017-18

6. Strengthening the Indian construction and infrastructure space

In order to facilitate faster and hassle-free construction at the project site, we launched the welded wire fabric 'Sm@rtFAB' for the construction and infrastructure industry. The cut and bend products have been approved as a preferred technology by nodal agencies such as Central Public Works Department (CPWD) and Engineers India Ltd. (EIL), among others.

IMPACT CREATED

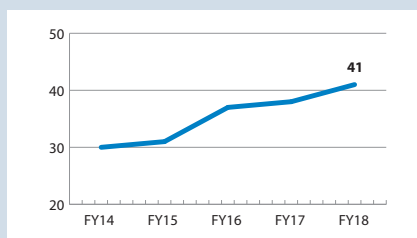
8% higher sales of ReadyBuild (cut and bend rebars) over FY 2016-17

Case Study

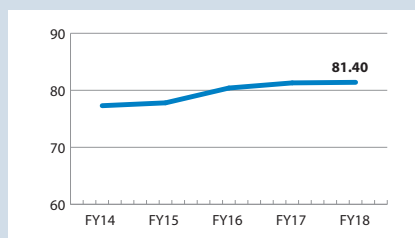
25% growth in the B2B segment (contributing to 60% of revenue) in FY 2017-18

- Our top-line growth in the B2B segment has been 25% over FY 2016-17. This can be mainly attributed to growth in demand in the Automotive Steel and Engineering segments.
- Automotive Steel achieved a growth of 17% against an industry growth of 10%. While there has been production growth in Original Equipment Manufacturers (OEMs), the higher sales of our HR and CR sheets have been enabled through increased customer engagements and cross-functional approach, which ensured agility in submitting trial material and getting quick approvals. We are ensuring future readiness and also developing and obtaining customer approvals for high-strength steels.
- Different sub-segments under the Engineering segment have registered remarkable growth, including Pre-engineered Buildings, L&E as well as Construction and related projects. New product development and customer approvals of new grades are the key enablers of this achievement.

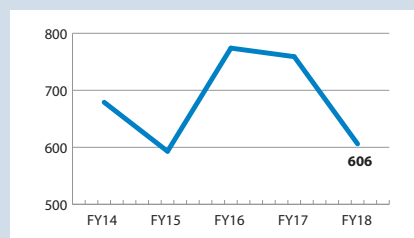
Our Performance



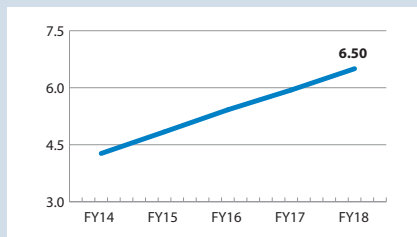
Application engineers working jointly with customers (Nos.)



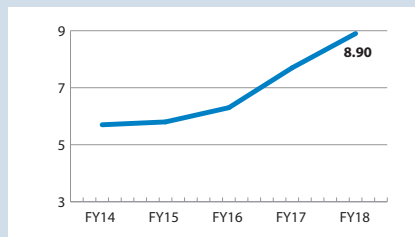
Customer Satisfaction Index (%)



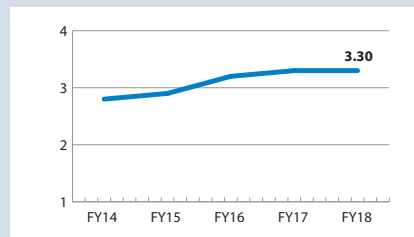
Quality/customer complaints – TSJ (PPM)



Enriched/value-added products sales (MnT)



Sales – Flat Products (MnT)



Sales – Long products (MnT)

PPM: Parts Per Million

Customer Focus

Awards

- **Maruti Suzuki**
'Overall Performance Award' for FY 2016-17 at their vendor conference held in Singapore. The Award was given for exhibiting above-target performance in Quality, Cost, Delivery and Development. This is the third consecutive year that Tata Steel has been recognised with this award.
- **Toyota Kirloskar**
'Quality Certificate' at their Annual Vendor Conference for achieving the quality targets in FY 2016-17. Against a target defect ratio of 0.2%, we have achieved a defect ratio of 0.05%, which is at par with imports.
- **Brakes India Ltd.**
Best Supplier Award in the Raw Material Category at their Annual Vendor Conference in Chennai.
- **Tata Motors**
Technology and Innovation Category at their Annual Supplier Conference in Pune. The Award was given for development of HS 800 for commercial vehicle long members and tipper body application.
- **Honda Cars**
Appreciation Award for Outstanding Support in Sales Promotion at their Annual Supplier Convention 2018 in New Delhi.

Way Forward

- Grow to keep pace with customers' growth aspirations
- Maintain market leadership in chosen segments
- Scale-up in chosen new segments – L&E, Pre-engineered Buildings, Defence and Oil and Gas
- Focus on Downstream Products – Tubes, Wires and Tinplate
- Capability building and strengthening supply chain to enhance the reach of Services and Solutions
- Venture into international markets by leveraging the strength of our brands



Customer Meet in Mumbai: Enduring Partnerships