

International Sales Network

The international sales network covers 30 countries, including the CIS, Central and Eastern Europe, and Asia Pacific. It includes seven subsidiaries, four joint ventures, and five representative offices.

Online Services

TransContainer actively develops online sales, which have already become the Company's core client interaction channel. In 2018, the remote access complex has been changed to iSales online service helping the clients to order the container transportation service in a few mouse clicks almost throughout Eurasia. iSales ensures access to a wide range of services and information on their prices without extra communications and time consumption.

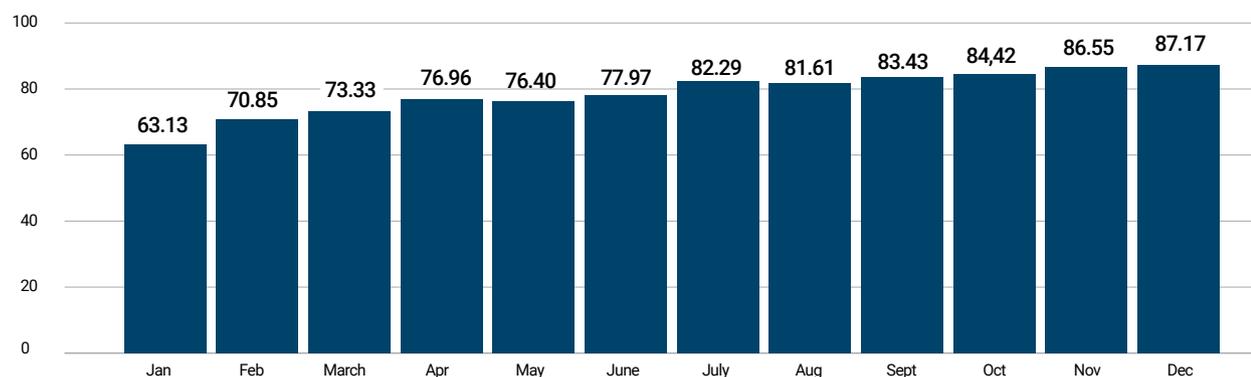
Online service functionalities allow any client (even having no expertise in the field of transportation and logistics business) to independently calculate the cost of services, place an order not leaving the house or office, pay for the services ordered (by a bank card as well), track the order delivery status, check the containers location on a real-time basis, and have an access to the contractual documentation.

Two iSales versions – Lite and Pro – were created in order to fulfill the requirements of all client categories. The clients are provided with the self-registration option in iSales Lite version and with the procedure of ordering without visiting the office. In Lite version, the forwarding service contract is concluded in electronic format for each new shipment. The client may also conclude a contract at the nearest office and get access to iSales Pro version providing maximum opportunities for operation in iSales with a great variety of useful options.

In 2018, iSales has become a core channel for online sales. As of the end of 2018, over 87% of containers were transported under the orders placed online. Nine out of ten sales orders are handled via iSales.

Client Feedback

Share of Containers Accepted for Transportation under the E-Commerce Orders in 2018, %



Feedback is a key element of interaction between the Company and its clients. The feedback system comprises:

- 24/7 call centre;
- dedicated e-mail accounts (with automatic generation of electronic messages sorted by subject and sender and addressed to relevant corporate teams);
- electronic client feedback form on the Company's website;
- regular round table discussions with clients and partners;
- regular service quality surveys.

Call Centre

In 2018, the call centre processed 127,405 queries, with phone calls accounting for 66%. The total number of processed incoming calls grew by 5% year-on-year. The call centre service level stayed stable at an average of 89% (vs 87% in 2017) reflecting mainly the increased efficiency of responding to the customers, while the average waiting time reduced from 14.9 s in 2017 to 14.5 s in 2018. The customer service quality amounted to 93.1% (2% higher than in 2017). This shows that the call centre's availability for our clients has been improved irrespective of incoming queries growth.

Client Meetings

Throughout the year, TransContainer held round table discussions with representatives of transport and logistics companies, market experts, shippers, and cargo owners, clients and partners from various industries.

In 2018, these meetings were held in Nizhny Novgorod, Shanghai (China) with the Company's clients and partners involved.

New services and routes of the Company were presented as part of these meetings. Also, the events focused on the Company's interaction with beneficiaries of transport services, development of e-commerce, container train transportation, and reallocation of cargo traffic from truck delivery to railway. Much attention was paid to the development of the Company's online services, in particular, iSales.

On top of that, regional coordination councils are held in St. Petersburg and Nizhny Novgorod on a quarterly basis. They are chaired by the heads of the October and Gorky Railways with the traditional participation of TransContainer representatives.

Ongoing communication with clients and partners ensures prompt response to changes in the market environment and helps to shape a competitive service offer with the needs and preferences of market players factored in.

In 2019, the Company plans to participate in the transportation industry's major trade fairs, such as:

- TransRussia / TransLogistica 2019 (Russia, Moscow);
- TransSiberia 2019 (Russia, Novosibirsk);
- Transport Logistic 2019 (Germany, Munich);
- Innoprom – 2019 (Russia, Yekaterinburg);
- TransKazakhstan Translogistica 2019 (Kazakhstan, Almaty);
- Transport & Logistics (Minsk, Belarus);
- CILF 2019 (China, Shenzhen);
- International Supply Chain and Smart logistics Expo (SCSL) (China, Chengdu);
- CHINA INTERNATIONAL IMPORT EXPO 2019 (China, Shanghai);
- Transport of Russia 2019 (Russia, Moscow).

Service Quality Survey

The Company annually conducts a service quality survey interviewing clients on the following key metrics:

- service quality;
- performance of managers;
- performance of terminals;
- information on the corporate website;
- changes clients would like to see in the Company;
- preferences and needs of clients and additional services they would like to see.

In 2018, the survey involved 2.1 thousand respondents. The total percentage of completed questionnaires filed was 37% against 33% year-on-year, which indicates the increasing client loyalty (the average rate in similar surveys is above 10%).

The average customer satisfaction score across the Company totalled 8.4, with the Privolzhskaya, North Caucasus, Northern and South-Eastern branch offices coming out on top.

The leader in terms of service quality improvement was the Moscow branch office (+0.6 points). The most significant decline year-on-year was at the October and Northern Railways. A service quality improvement programme for these branch offices will be approved and implemented in 2019.

The results of the customer survey conducted in 2018 are represented in the diagram.

Changes Clients Would Like to See in the Company

Item	Total respondents, %	Year-on-year
Cut prices	33	2
Speed up cargo delivery	17	(3)
Improve the technical condition of containers	12	(2)
Speed up pricing calculations	7	(1)
Improve the availability of information on orders, delivery status	7	(1)
Cut order processing times at terminals	9	(1)
Other	16	6

The number of clients interested in cutting the delivery terms reduced from 20 to 17% year-on-year.

Quality Control

TransContainer exercises quality control on a comprehensive and multi-level basis with all business units involved within their respective remit.

TransContainer regularly assesses the efficiency of its quality management system and takes the necessary steps to eliminate any identified gaps.

Our call centre evaluates customers' satisfaction with the handling of their delivery issues. A call centre operator contacts the complaint initiators to update them on the processing status and assesses customer satisfaction. Where necessary, the Sales Quality Management Division develops a corrective action plan based on the customer satisfaction report.

The Company makes consistent efforts to improve the quality of claim handling. In 2018, in the course of claims activities, the Company managed to settle 97% of received claims related to forwarding service contract implementation. Unreasonably declined claims are reflected in the KPIs for branch offices.