



MotoLease Corners the Market with Full Throttle Lease Volume

**Bringing Consumers
Back to Powersports
with Consumer
Protection Products**

PARTNER PROFILE

MotoLease

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Los Angeles, California 90024

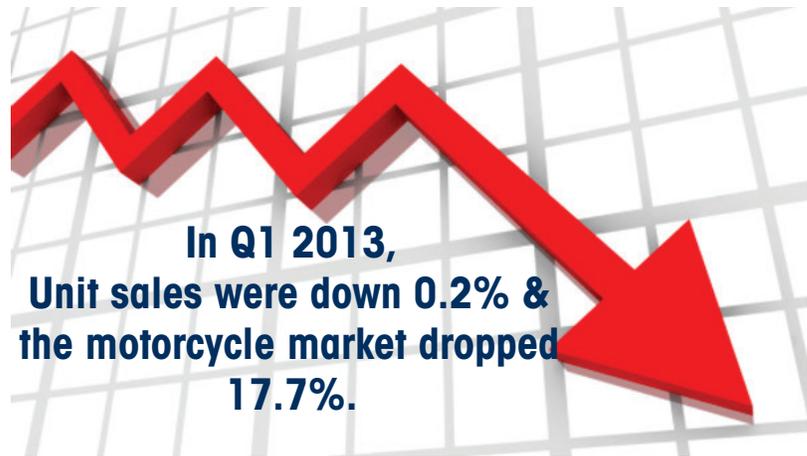
Objectives:

- Increase market share
- Incentivize purchase behavior
- Increase lease volume

Success:

- 12% increase in lease volume within 1st 6 months
- 26% increase in lease volume within 2nd 6 months
- 51% increase in lease volume within 1st year
- 49% product penetration rate

The Challenge



Q1 of 2014 held little to be desired for motorcycle dealers across the U.S. According to the Motorcycle Industry Council, first quarter sales were down 0.2 percent (or 118 units) from Q1 of 2013. And, **the motorcycle market dropped 17.7 percent in Q1 2013** from the year before. While yearly sales had stabilized, they had not picked up the momentum that the automotive space was experiencing.

During this time, **MotoLease saw an opportunity to move beyond industry trends and aggressively increase market share.** MotoLease was already known as an industry leader in providing motorcycle and powersport lease financing opportunities for the full spectrum of customers, from top-tier credit to credit-challenged lessees. However, they **recognized a growing consumer need within the powersports space that had yet to be adequately filled** – the consumer concern over unforeseen and uncontrollable circumstances that could affect their ability to keep their motorcycle.

MotoLease saw an opportunity to aggressively increase marketshare by recognizing a growing consumer need.



With the combined effect of American consumers still being wary of the economy and motorcycle sales' dependency on discretionary income, **MotoLease sought to provide dealerships a significant value-add to incentivize consumers to make a motorcycle purchase.** They chose EFG to be their partner in this endeavor because of the company's demonstrated agility and innovation within their product development and administration, which they felt would greatly enhance their ability to achieve their goals.

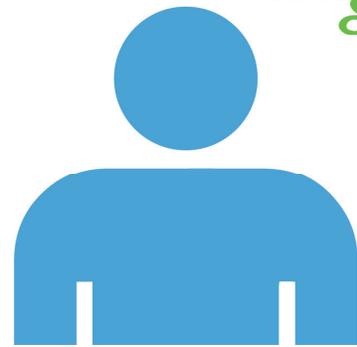
Motivating Purchase Behavior

MotoLease partnered with EFG Companies to adapt their lease product to enable dealerships to better provide customers options when making a purchasing decision, while at the same time **increasing profit per lease sold**, as well as customer loyalty. EFG started this process by conducting a significant amount of research in MotoLease's target market, in addition to providing a robust competitive analysis between what MotoLease currently provided and what their competitors provided.

EFG found that **dealerships were still struggling to incentivize purchase behavior** five years after the Great Recession because consumers had permanently changed their mindset and spending habits to protect themselves from future economic variances. When contemplating major purchases that required large amounts of discretionary income, **consumers were concerned about future uncertainties and how they could affect their ability to keep and maintain their investment.**

In addition, one of the top, and possibly most overlooked, concerns for most motorcycle owners was what would happen if their motorcycle broke down while they were on the road. **Providing Roadside Assistance was a primary market differentiator in the powersports space.**

Yet, MotoLease's competitors had not found a way to address either need sufficiently, creating an opportunity for MotoLease to increase their market share.



The Approach

EFG presented **MotoLease with a private-labeled vehicle return program**, the award-winning program behind Hyundai Assurance, along with their vehicle service contract and roadside assistance.

At the initial product rollout, all MotoLease leases included complimentary limited coverage under their private-labeled Select Guard brand, including:



6 months vehicle return	12 months roadside assistance	Option to upgrade to a full vehicle service contract
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All consumers who leased their motorcycle with MotoLease, now had the opportunity to walk away from their lease debt with vehicle return, **which relieves consumers from their lease or loan obligation when any of the following unforeseen life events occur:**

WALKAWAY[®] PROTECTION FOR AUTOMOTIVE FINANCING

- Involuntary unemployment
- Temporary interruption of employment
- Physical disability
- Mental disability
- Critical illness
- Loss of driver's license due to medical impairment
- International employment transfer
- Self-employed personal bankruptcy
- Accidental death



The Approach

With roadside assistance, MotoLease customers were protected from the possibility of being stranded on the road, with:

- ✓ Towing
- ✓ Jumpstarts
- ✓ Fluid delivery (cost of fluids extra)
- ✓ Custom trip routing
- ✓ Rental car and hotel discounts
- ✓ Entertainment – theme park discounts

EFG combined these products into one bundle to differentiate MotoLease in the market, **motivate motorcycle leases, and give dealerships the ability to capitalize on upgrade options.**

One of the biggest challenges powersports consumers have is maintaining their investment when their motorcycle breaks down.

Lastly, MotoLease offered customers the ability to protect their finances in the event of a mechanical breakdown with a vehicle service contract. One of the biggest challenges powersports consumers have in maintaining their investment is when their motorcycle breaks down. Often the repair bill is so high, that it strains their finances to the point where they have to **choose between making their loan payment or repairing their motorcycle.**

With a vehicle service contract, consumers have the ability to pay a small deductible to repair their motorcycle, allowing them **the ability to continue making their loan payment and thereby keep their motorcycle.**



EFG's Engagement

After 6 months of successfully marketing Select Guard to educate consumers on the options available to protect their investment, MotoLease and EFG strategically removed the complimentary aspect of the program. Because of the early groundwork laid in demonstrating the benefits of Select Guard, **product penetration soared after transitioning to the purchase model of the program.**

EFG provides MotoLease the same client engagement model they became known for in the dealership space, with **ongoing field force training, follow-up and one-on-one sessions with MotoLease personnel.** At product launch, EFG identified best practices, addressed gaps in behaviors, and provided guidance on ways to leverage Select Guard within MotoLease's dealership partners.

Ongoing follow-up includes:

Product knowledge & sales training

Contract submission reviews

Sales & claims process reviews

Procedural reviews

Recommendations to ensure program success



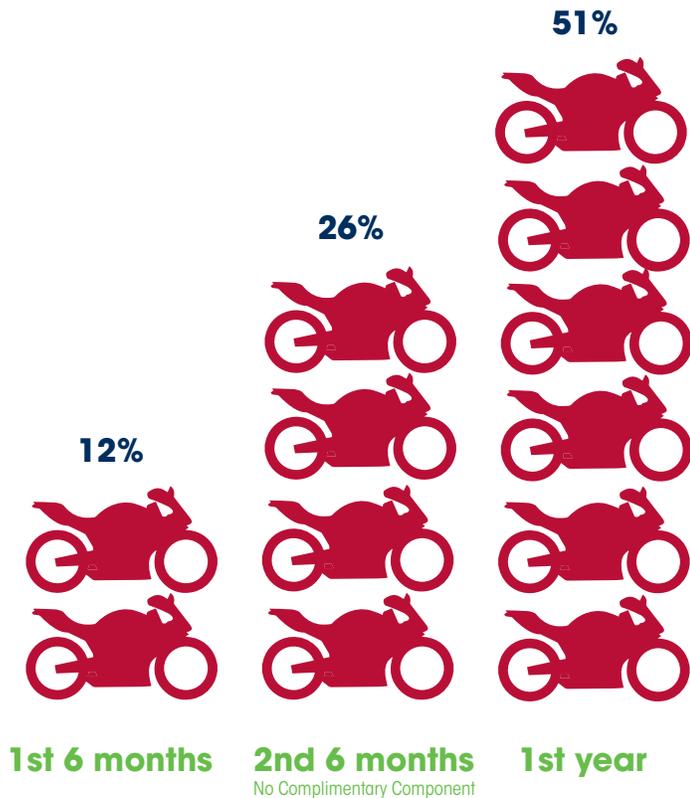
Results

MotoLease heavily attributes this engagement model as one of the primary reasons for the program's success. In fact, it was because of EFG's ongoing review that they were able to identify additional opportunities for the program, and nimbly adjust it for market variances, like the decision to remove the complimentary component.

Within the first six months of product launch, **MotoLease achieved a 12% increase in lease volume.** Meanwhile, consumers were becoming more educated about the program and interest was rising.

After MotoLease and EFG removed the complimentary component, their numbers skyrocketed. Within the next six months, they achieved a **26% increase in lease volume**, and **a 51% increase in lease volume** within a year. In addition, they achieved a **49% product penetration rate** since they began offering Select Guard in 2014.

Lease Volume Increase Since Product Launch



Accelerate Growth

Because of the initial success of the program, MotoLease expanded their partnership with EFG in March, 2015 to offer EFG's Guaranteed Asset Protection (GAP) under the Select Guard Brand.

By taking the time to understand MotoLease's opportunities and market challenges, EFG provided MotoLease the platform to significantly accelerate and build upon their achievements for future growth.



To learn more about EFG Companies,
visit efgcompanies.com