

HYUNDAI ASSURANCE

Addressing Consumer Concerns Achieves Significant Results

PARTNER PROFILE

Hyundai Motor America

10550 Talbert Ave. Fountain Valley, CA 92708

Objectives:

- Increase market share during the worst economy since the Great Depression
- Give American consumers a reason to buy and buy Hyundai

Success:

- Within 1 year of the product launch
 Hyundai grew unit sales by 8 percent while
 the rest of the industry declined by 21
 percent.
- Over the next two years, the automaker grew its market share by 57 percent.
- 53 percent of survey respondents said Hyundai Assurance was their key reason for considering the brand.

Economic Landscape

2008 marked the beginning of the greatest economic downturn since the Great Depression. From the Lehman Brothers bankruptcy to the bailout of General Motors and Chrysler, every sector of the U.S. economy felt the strain of the Great Recession. By the end of 2008, the combination of the economy, the credit crunch and plummeting consumer confidence took its toll on **U.S. auto sales**, which dropped 34.7 percent in the fourth quarter.

Meanwhile, Hyundai Motor America's fourth guarter sales dropped a whopping 41 percent because of the combined effect of consumer concern over the economy and the tightening of credit standards forcing subprime buyers out of the market.



executives The at Hyundai knew going into 2009 that they had to completely change way consumers interacted with their order in survive the upcomina While they already begun makina headway

by introducing the industry's first 10 year/100,000 mile warranty, Hyundai still strugaled with consumer perception.

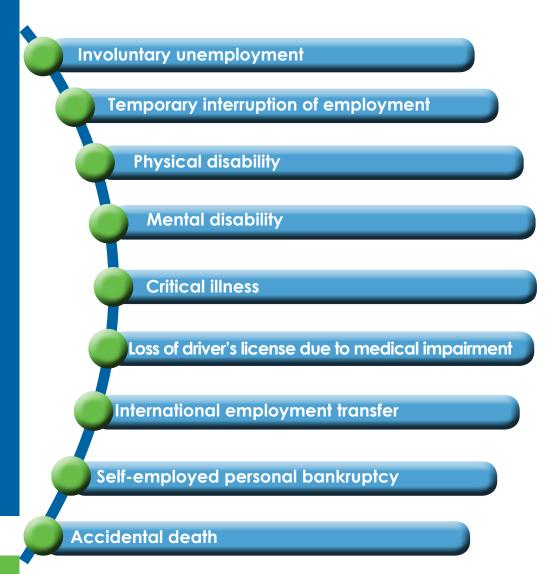
All of this changed practically overnight with the launch of the Hyundai Assurance Program. The executives at Hyundai recognized that traditional auto

marketing tactics like rebates and low APR would not get people off the fence to purchase their next vehicle. With so few people buying cars, the manufacturer knew the key to increased sales was to alleviate customer fears. To address consumer concern, Hyundai approached EFG Companies about its exclusive WALKAWAY® program.



The Solution

Since its introduction in 2000, EFG's WALKAWAY program has made it possible for consumers to walk away from over \$35 million in automotive-related debt. WALKAWAY relieves customers from their lease or loan obligations when any of the following unforeseen life events occur:







EFG's Approach

This essential debt-protection program safeguards customers regardless of age, health, employment record, or vehicle type, giving them the freedom to walk away from negative equity without impacting their credit.

æнчипия Assurance

Within only 37 days of the initial phone call, Hyundai and EFG launched WALKAWAY across the nation under the brand of Hyundai Assurance with the automaker's 780 dealerships. During this time, EFG designed and built the comprehensive program with the goal of providing a turnkey offering for

Hyundai, their dealers and customers. EFG's roll-out plan included:



Private-labeling all collateral, and developing a secure online portal for the Hyundai dealers to input Hyundai Assurance contracts and deliver on the manufacturer's promise;

Managing and hosting the Hyundai Assurance website with consumer information for dealership use and consumer education;

Conducting **online training** with every rooftop;

Conducting an **in-person field rollout** across Hyundai's 9 regions in the U.S.;







Providing **frontline support** for press and regulatory inquiries; and,

Full claims management with dedicated personnel.

End-to-End Solutions

For the first time on a mass scale, consumers saw a car commercial that wasn't about a car, but about a brand promise that directly addressed their most pressing concerns.

The customized product also expanded the protection

offered through the automaker's "The Hyundai Advantage:

America's Best Warranty" program with a full 12 months of complimentary vehicle return on every new Hyundai leased or financed through their dealerships.



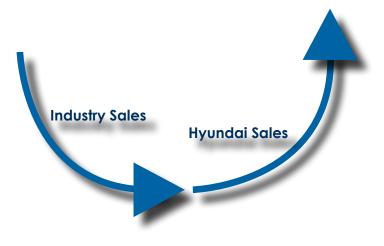
In January 2009, the auto industry saw

new car sales drop 37 percent. Meanwhile, Hyundai's market share nearly doubled as sales rose 14 percent.

In February, consumer sentiment was still plunging as unemployment surged to 8 percent and escapism was the name of the game for advertisers. Then, in the third quarter of Super Bowl XLIII, over 98 million consumers got a break from "happy, happy, joy, joy" commercials as Hyundai faced head-on, what every major retailer was refusing the address:

"Finance or lease any new Hyundai, and if you lose your income in the next year, you can return it with no impact on your credit." For the first time on a mass scale, consumers saw a car commercial that wasn't about a car, but about a brand promise that directly addressed their most pressing concerns.





Results

With this one campaign whose sole focus was an F&I product, Hyundai forever changed their brand image. According to Nielsen's online post-game survey, 43 percent of participants said Hyundai's Super Bowl ads positively improved their opinion of the brand. And, CNW Research's March 2009 survey found:

consideration for new Hyundai vehicles jumped to 59 percent;

53 percent of respondents said Hyundai Assurance was their key reason for considering the brand; and,

more than half of "intenders" (people in the market to buy a vehicle) had not considered Hyundai before hearing about the program.

Halfway through 2009, Hyundai posted an all-time high U.S. market share of 4.2 percent. For the first time, it outsold Dodge boosting the brand to the 6th biggest automaker by sales in the U.S. June also marked another success point for Hyundai as J.D. Power and Associates ranked Hyundai fourth in quality behind Lexus, Porsche and Cadillac in their annual Initial Quality Survey. In 2008, Hyundai ranked 13th in that same survey.

By August, Hyundai passed Ford as the fourth-largest automaker in the world. Then, in September, the automaker ranked 8th overall among automakers on the Best Global Brands List, surpassing Porsche, Lexus and Nissan. And by November, Hyundai had been named Advertising Age's Marketer of the Year, with 60 percent of Americans aware of and willing to buy the brand, compared to 40 percent two years prior.



A Year of Milestones

June 2009

J.D. Power & Associates ranked Hyundai 4th in quality

Hyundai posted an all-time high U.S. market share of 4.2 percent

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August 2009

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November 2009

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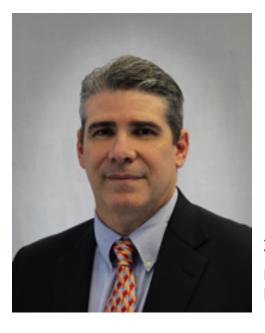


Exceeding Business Goals

By the end of 2009, Hyundai had grown unit sales by 8 percent while the rest of the industry declined by 21 percent. And, over the next two years, the automaker grew its market share by 57 percent.

All this success happened during the industry's worst sales climate in decades. And it was all attributed to the Hyundai Assurance Program.

<u>EFG Companies'</u> agile <u>product</u> development, combined with their expert implementation, training and <u>client engagement</u>, **creates real value to consumers and drives real results.** The company's end-to-end solutions empower clients to raise the bar within the auto retail industry, drive purchase behavior, and exceed business goals.



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