



# Customer Loyalty Assistance

## General Communication

Number: VWG-12-02

Subject: **REVISED:** Customer Loyalty Assistance Program  
(US Dealers)

Date: Dec 19, 2012

*Supersedes VWG-12-01 dated June 26, 2012.*

**2012 Customer Loyalty Assistance claims processed with a Repair Date prior to January 1, 2013 will no longer be accepted beyond January 15, 2013.**

**Effective:** Claim submission date of January 1, 2013 or later.

**Models and Model Years:** All eligible vehicles as described in the program guidelines

## Program Overview

The Customer Loyalty Assistance Program empowers Volkswagen Dealers to take care of customers by offering assistance when their vehicle repair or situation is not covered by warranty. The goal of Goodwill is to increase brand loyalty.

**Questions regarding this program or claims submission can be directed to the Warranty Helpline at 866.306.8447.**

## Program Administration

Decisions to provide Customer Loyalty Assistance should be decided on a case-by-case basis considering the individual customer, not the repair.

**Factors to Consider When Offering Customer Loyalty Assistance:** These factors are intended to be a guide only; other factors may be considered.

- What is the age and mileage of the vehicle?
- What is the owner's overall vehicle experience? Consider the customer's entire ownership experience versus only considering a specific repair instance.
- Is the customer new to the brand and this is an opportunity to leave them with the best impression of VW?
- Is the customer the original owner? Or was it purchased outside the terms of the warranty?
- Has the customer (or their family) owned more than one Volkswagen? Is this a customer who has really invested in Volkswagen?
- Is the customer's vehicle serviced as recommended by Volkswagen? If the vehicle is not being properly serviced, this may not be a good opportunity to offer goodwill.



# Customer Loyalty Assistance

## Program Guidelines

What is not covered under the Customer Loyalty Assistance Program?

So that our customers can experience the full benefit of loyalty assistance, it is important that the program be utilized appropriately. Below are some examples of situations where assistance would not be covered and/or not be appropriate.

**Claims that are submitted that meet any of the criteria below are subject to denial.**

<b>Vehicles Covered by an Existing Warranty</b>  Note: Non-Technical Marketing Assistance may still be considered (see page 6).	<ul style="list-style-type: none"><li>- Aftermarket Repair Contract or other Service Contract</li><li>- World Auto or other used car warranties</li><li>- Factory Extended Warranty</li><li>- Campaigns</li><li>- New Vehicle Limited Warranty, Powertrain Limited Warranty, Limited Warranty Against Corrosion Perforation, Hybrid System Limited Warranty, Emissions Warranties, Limited Warranty Extensions and Spare Parts Warranty</li></ul>
<b>Other</b>	<ul style="list-style-type: none"><li>- This program is in no way intended to be an extension or a replacement for any Volkswagen warranty</li><li>- Assistance where the customer is not expecting assistance (i.e. – proactive completion of RVUs outside of warranty)</li><li>- Consistent misapplication of assistance or identifiable trends in spending that would indicate assistance was not being considered on a case-by-case basis</li><li>- As a program substitute or a way to extend an existing warranty or program</li><li>- Recovery of denied or adjusted warranty claims</li><li>- Recovery of warranty deductibles</li><li>- Funding for dealership promotions</li><li>- As a loaner car program</li><li>- Vehicles still in dealership inventory/ vehicles that have not been sold to a retail customer</li><li>- Costs related to shop comebacks due to dealer workmanship</li><li>- Repairs resulting from unauthorized alteration of the vehicle's manufacturing specifications</li><li>- Damage resulting from outside environmental influence</li><li>- Use of Loyalty Vouchers as a regular sales incentive</li></ul>



# Customer Loyalty Assistance

## Types of Customer Loyalty Assistance

Below you will find an overview of the two types of assistance that can be provided.

Note - assistance should be offered on a case-by-case basis where and when it is determined it is appropriate.

Types of assistance that can be offered:

- I. **Technical Assistance (210)**
- II. **Marketing Assistance (2CM)**

Definitions for the different types of assistance can be found below.

<b>I. Technical Assistance</b> 210 Claim Type	<p>Assistance with a repair that would normally be covered by the applicable VW warranty, however the <b><u>Volkswagen warranty has expired due to time or mileage.</u></b></p> <p>Administration Details: Page <a href="#">4</a></p>
<b>II. Marketing Assistance</b> 2CM Claim Type	<p><b><u>Assistance not associated with a repair:</u></b> Dinners, lease payments, accessories, gift certificates, etc . . .</p> <p>Or</p> <p>Assistance with a repair that would <b><u>not be covered by any Volkswagen warranty</u></b>, such as: worn clutch, worn brakes, tires, alignments.</p> <p>Administration Details: Page <a href="#">5</a></p>



# Customer Loyalty Assistance

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## I. Technical Assistance (210 Claim Type)

VWoA will participate in contributing to a repair, on a percentage basis, considering the age and mileage of the vehicle.

The expectation is the customer realizes the full benefit of this assistance. When utilizing assistance, warranty (versus retail) rates must be applied to the entire cost of the repair. Customer pay percentages must reflect warranty as opposed to retail rates.

Participation Outside of New Vehicle Limited or Powertrain Limited Warranties	Maximum Volkswagen Participation
0-12 months or < 12,000 miles, whichever occurs first.	Up to 100%
13 - 24 months or < 24,000 miles, whichever occurs first.	Up to 75%*
24+ months or > 24,000 miles, whichever occurs first.	Refer to Exception Process on page <a href="#">6</a>

\*When submitting a claim, the full cost of the repair will not be considered without justification and pre-authorization.

**Follow the Exception Process for the following other warranties:**

- Certified Pre-Owned / World Auto CPO
- Limited Warranty Against Corrosion Perforation
- Federal and California Emissions Warranties
- Warranty Extensions
- Spare Parts Warranty
- Hybrid System Limited Warranty



# Customer Loyalty Assistance

## II. Marketing Assistance (2CM Claim Type)

VWoA will participate in contributing to a Marketing Assistance claim on a percentage and/or maximum claim amount basis.

For repair related marketing assistance, warranty, as opposed to retail rates, must be applied to the entire cost of the repair. This includes the customer pay percentage of the repair.

Type of Assistance	Maximum Volkswagen Participation
<b>5 Years or 60,000 Miles</b> From original in-service date	
Assistance with a <b>repair/maintenance</b> that would normally <b><u>not be covered by any Volkswagen warranty</u></b> , such as: <ul style="list-style-type: none"> <li>• Maintenance</li> <li>• Wiper blades (&gt; 6/6 for wear; &gt;3/36 for defect)</li> <li>• Worn clutch</li> <li>• Worn brakes (&gt;12 months/12,000 miles)</li> </ul>	Up to 50% of total repair cost  For assistance outside of this guideline, refer to the Exception Process on page <a href="#">6</a>
<b>Gifts</b> <ul style="list-style-type: none"> <li>• Gift cards</li> <li>• Lease and/or loan payments</li> <li>• Driver Gear Accessories / Gifts</li> <li>• DriveEasy Extended Warranty</li> </ul>	Up to \$750 per RO
<b>Loyalty Vouchers</b> Will be considered beyond 5 years / 60,000 miles.	Up to \$1000 per VIN  Requires pre-approval from Region Case Manager
<b>Loaner Vehicles / Alternate Transportation</b>	Requires pre-approval from Region Case Manager or FOM
<b>Component Coverage Correspondence</b>  Use is appropriate when there is concern about a particular component. To promote customer satisfaction, VWoA can provide written reassurance of future (limited) warranty coverage.	Requires pre-approval from Region Case Manager.
<b><u>Not to be used in: California, New Hampshire, or Vermont</u></b>	



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## Exception Process for Repair Related Assistance

This process is reserved for situations that merit special consideration. When submitting the claim for pre-approval, make sure the request clearly indicates why the case merits additional consideration. **This is more than just identifying the repair needed, but also identifying what factors make this claim unique.**

**Step 1:** Determine why the case merits special consideration.

**Extenuating circumstances need to exist for there to be consideration.**

- What is the customer's expectation?
- Is the customer extraordinarily loyal? Has the customer purchased multiple Volkswagens?
- Does the customer have a high dollar repair history?
- Does this customer have an overall poor service experience?

**Step 2:** Requests for assistance require pre-approval. Pre-approval can be requested by utilizing the Goodwill Authorization process available on the Warranty WISE website.

**Step 3:** Once approval is obtained, the claim must be entered following existing claim coding guidelines.

### Examples:

- Customer's 3<sup>rd</sup> Volkswagen. Vehicle has history of previous electrical repairs (RO#44444, RO#33333, RO#22222).
- Vehicle has multiple days down for same repair (20 days).



# Customer Loyalty Assistance

## Dealer Authorization Guidelines

The level of assistance a dealer can provide without pre-approval is determined by the dealer's earned authorization levels.

Authorization levels will be reviewed/measured every quarter based on the Top Performing Warranty Service Dealer program as described in WISE>Resource Center>Top Performing Svc. Dlr.

When requesting assistance above your maximum allowance, utilize the Goodwill Authorization form available under the Operations section in WISE via <https://www.vwclub.com/>.

Dealer Self-Authorization Status	Technical Assistance Maximum Allowable Assistance	Marketing Assistance Maximum Allowable Assistance
<b>Tier 1</b>  <b>Top Performing Self-Authorized Dealers</b> Based on Top Performing Warranty Service Dealer Program	Up to \$2,000 per RO	\$750 per RO
<b>Tier 2</b>  <b>Self-Authorized Dealers</b>	Up to \$1,500 per RO	\$500 per RO
<b>Tier 3</b>  <b>Non-Self-Authorized Dealers</b> Stage 3 & 4 Warranty Dealer Improvement Process  Consistent improper use of Goodwill	Pre-Authorization Required	Pre-Authorization Required



# Customer Loyalty Assistance

## SAGA Claim Submission Process

Claim Type	Definition	Service Number/Damage Code	Labor/Outside Labor & Materials/Outside Materials:	Goodwill Self-Authorization Tab	Comments Field
<b>210</b>	Assistance with a repair that would normally be covered by the applicable VW warranty, however the <u>warranty has expired due to time or mileage</u> .  For example: <ul style="list-style-type: none"> <li>- Clutch (defective)</li> <li>- Engine</li> <li>- Valve body</li> <li>- Control arm</li> </ul>	<ul style="list-style-type: none"> <li>- Use only a valid Service Number found in ElsaWeb reflecting the failure.</li> <li>- Alpha characters cannot be used for the Service Number (i.e. S617).</li> </ul>	Use applicable labor operation(s) and part number(s).	<p>Participation: Fill in <u>all</u> four Goodwill share percent fields and reason for request.</p> <p>Examples "50" for 50%, or "0" for 100%, or "25" for 75%.</p>	Complete claim comments per Warranty Policies and Procedure requirements must be supplied to help substantiate and process claims.
<b>2CM</b>	Assistance with a repair that would not have been covered by any warranty.  For example: <ul style="list-style-type: none"> <li>- Tires</li> <li>- Brake pad wear &gt; 12/12</li> <li>- Clutch (worn)</li> <li>- Battery outside NVLW</li> </ul>	<ul style="list-style-type: none"> <li>- Use the appropriate damage code reflecting the failure.</li> </ul>		<p>If the outside labor and material share percent fields do not apply, enter zeros.</p>	When VW is paying less than 100% of the claim, enter the total cost of the repair.
<b>2CM*</b>	Customer assistance <u>not associated</u> with the repair or replacement cost of a component.  For example: <ul style="list-style-type: none"> <li>- Vehicle payment</li> <li>- Flowers</li> <li>- Dinner</li> <li>- Accessories</li> <li>- Gift Certificate</li> </ul>	<ul style="list-style-type: none"> <li>- <b>CAWE:</b> Dinner, flowers, gift certificate, detailing.</li> <li>- <b>CAWF:</b> Lease and loan payments.</li> <li>- <b>CAWG:</b> Loyalty voucher, transportation and reunites (not covered by NVLW) as a gift.</li> </ul>	Outside Labor Operation: Use applicable outside labor operation in the outside labor field and enter the total amount.		<ul style="list-style-type: none"> <li>- Enter the causal Service Number into the first four characters.</li> <li>- Use only a valid Service Number found in ElsaWeb reflecting the failure that prompted this event.</li> <li>- Enter the type and reason for gift provided (e.g. dinner – repeat ignition coil repair).</li> </ul>
<b>2CM*</b>	Submission of payment associated with rental and/or loaner vehicles.  <ul style="list-style-type: none"> <li>- Loaner</li> <li>- 2CM if being offered as loyalty assistance.</li> </ul>	<ul style="list-style-type: none"> <li>- Service Number: LOAN</li> <li>- Use "10" as damage code and "K21" in "Removed part" field ("USM" for Routan only).</li> </ul>	Outside Labor Operation: Use applicable outside labor operation in the outside labor field and enter the total amount.		Complete claim comments per Warranty Policies and Procedure requirements must be supplied to help substantiate and process claims.

\*Supporting documentation is required for claim payment. Refer to 2CM Claim Validation on page [9](#)





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## Marketing Assistance (2CM) Claim Validation

In addition to submitting your claim in SAGA, submit the information below via email to [vwgoodwill@vw.com](mailto:vwgoodwill@vw.com) or fax it to 248.754.6507. **This information is required for claim payment.**

For assistance in submitting claims, a 2CM Submission Checklist is provided on page **10**. The Checklist is not required to be submitted with the claim. It is only a tool to help aid in administration.

1. **In the SUBJECT LINE of the email, include the Claim #, the amount of reimbursement requested and the Dealer Code.** This will allow for prompt payment processing.
2. **A copy of the final customer repair order repair order with the required standard documentation indicating:**
  - a. Goodwill was provided
  - b. Monetary value of the offer
  - c. Justification for the claim
  - d. If repair related, documentation of inspection results that determined the repair was not warrantable.

### Examples:

Assisted with purchase of two new tires. Customer's third VW. Total amount of Goodwill offered = \$845.78.
Bike rack purchased as token of appreciation. Vehicle broke down while on vacation. Total cost \$245.78.
Clutch repair needed due to wear and tear. Customer has owned 5 VWs. Total cost of repair \$1800. VW assisting with \$900 due to loyalty.

3. **Proof of payment/cost incurred to substantiate claim.** Example of acceptable proof: Documentation of cost and payment on customer RO.

### General Administration:

- Claims must be submitted within 30 days or are subject to denial.
- Claims meeting program standards will be paid within 30 days.
- Claims will not be paid until all required information is received.
  - Claims that are submitted without required documentation will be cancelled if not resubmitted within 30 days.
  - When submitting additional documentation, include all required information.
- Questions regarding claims can be directed [vwgoodwill@vw.com](mailto:vwgoodwill@vw.com) or by contacting the Warranty Helpline at 866.306.8447.



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## 2CM Marketing Goodwill Claim Submission Checklist

This Checklist does not need to be submitted with the claim. It is tool to help guide proper 2CM claim submission.

**Subject Line :** Claim # , Amount Requested: , Dealer Code:

If the following documents are not received the 2CM claim will not be processed. Thank you.

### 1. Copy of the repair order. The repair order must contain the following:

- ☐ **For non-repair related work:** Gifts, lease/loan payments, gift maintenances, accessories, dinner
  - ☐ Documentation that goodwill was provided.
  - ☐ Documentation that indicates the dollar value of the goodwill offer.
  - ☐ Justification of the offer.
- ☐ **Repair-related work:** Batteries outside of warranty, worn clutches brakes, alignments, etc . . . Repairs must be claimed at VW warranty rates as opposed to retail rates.
  - ☐ Documentation of inspection results that determined the repair was not warrantable.
  - ☐ Documentation that indicates the dollar value of goodwill offer.
  - ☐ Justification of the offer.

### 2. Proof of payment/cost incurred.

- ☐ Proof of payment/cost incurred. Must match amount on the attached RO.
- ☐ In cases where payment includes dealer labor the RO must clearly indicate hourly rates and time.