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## BMW EMPOWER: NON-REPAIR “CUSTOMER” GOODWILL INITIATIVE

New information provided by this revision is preceded by this symbol .

This Service Information bulletin supersedes SI B01 14 15 **dated May 2018**.

### What's New:

- The first 36 months of ownership for eligible vehicles was clarified
- A graphic was added to the How The Use The BMW Empower Program section

### MODEL

ALL

### SHORT OVERVIEW

When administering the BMW Empower program, please keep in mind the following:

- Customer compensation must always be in response to a customer complaint.

For example:

o A dirty car is returned to the customer, excessive delay in repair due to late part(s); customer not informed that their car is not ready, and so on.

- When determining the type of compensation to use to restore the customer's faith in the BMW Brand, please keep in mind the compensation should be proportional to the issue that caused the customer's dissatisfaction in the first place.

o Please see the guidelines in the “How to Use the BMW Empower Program” section of this bulletin.

- You should rarely use the maximum amount possibly once or twice a year at most.
- BMW NA reserves the right to suspend a center from this program if it is used excessively or inappropriately.
- BMW NA reserves the right to change or cancel this program without prior notice.
- Budget guidelines for this program are being developed for use in the future.

### INFORMATION

BMW NA continues to provide you with the opportunity to use non-repair goodwill to help build loyalty to your center and to the BMW brand.

When a customer is inconvenienced, it not only affects the BMW brand, it also affects your center. To assist you in handling these situations, BMW is extremely pleased to offer BMW Empower!

BMW Empower is in addition to the set of tools provided by the BMW Group's Customer First commitment. BMW Empower provides you with unique opportunities to truly impress your customers and create a significant moment in their BMW ownership experience.

**UPDATE!** During the **first 36 months of ownership for eligible vehicles** (as determined by the original in-service date), please use the BMW Empower program to provide any of the following:

1. **UPDATE!** Dinner, flowers, a vehicle spa service, a vehicle pick-up and/or delivery service, or anything necessary to show our customers how we appreciate them, and/or
2. BMW Lifestyles products, and/or
3. BMW approved vehicle accessories;
4. Lease payments (ISG process is not required)

The goal is to simply exceed our customers' expectations and restore their faith in the BMW Brand.

**Aftersales Area Manager (AAM) Field Authorization (FAS) is not required.**

Let's show our customers just how much we care about their happiness and appreciate them for being part of the BMW family.

BMW Empower is discretionary and not an obligation. The decision to participate requires good judgment by the Service Advisor and/or Service Manager, Sales Manager, and General Manager.

## ELIGIBLE VEHICLES

Eligible vehicles are:

- "New" US-specification BMW vehicles distributed in the United States (including Puerto Rico) by BMW of North America, LLC ("BMW NA"), and that have been delivered to a customer.
- "New" US-specification BMW vehicles that were sold through the BMW NA "European Delivery" or the BMW NA "Military Sales" programs and have returned to the United States or Puerto Rico.

## **UPDATE!** HOW TO USE THE BMW EMPOWER PROGRAM

BMW Empower Program – Examples of Best Practices		
Complaint	Compensation	Frequency of Use
<ul style="list-style-type: none"> <li>• Loaner car does not meet customer's expectations.</li> <li>• Delay in getting an appointment.</li> </ul>	Up to \$74.99	<ul style="list-style-type: none"> <li>• As required to address a customer concern.</li> </ul>
<ul style="list-style-type: none"> <li>• Problem at time of new vehicle delivery.</li> <li>• Vehicle in shop longer than expected.</li> <li>• Maintenance/Repair visit.</li> </ul>	\$75.00 to \$249.99	<ul style="list-style-type: none"> <li>• As required to address a customer concern.</li> </ul>
<ul style="list-style-type: none"> <li>• Vehicle Malfunction.</li> <li>• Repeat Repair.</li> <li>• Part on backorder.</li> </ul>	\$250.00 to \$499.99	<ul style="list-style-type: none"> <li>• A few times per quarter.</li> </ul>
<ul style="list-style-type: none"> <li>• Repeat Repair.</li> <li>• Multiple BMW owners.</li> <li>• Repair to new BMW, i.e. under one year old.</li> </ul>	\$500.00 to \$1,000.00	<ul style="list-style-type: none"> <li>• Once or twice per year at most (per dealer).</li> </ul>

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## PROCEDURE

**UPDATE!** For vehicles listed in the "Eligible Vehicles" section, the Empower program is available for your center to use **during the first 36 months after delivery** (as determined by the original in-service date).

The Empower program allows cumulative "non-repair goodwill" in an amount that cannot exceed a total of **\$1,000 per VIN**.

- Any goodwill offer exceeding this limit falls outside this program and may not be claimed. Consult with your Aftersales Area Manager for other goodwill consideration.
- **Your claim comments must clearly explain:**
  1. “What” the specific customer complaint is. (i.e. Customer dissatisfied with the long wait time to get vehicle serviced).
  2. “Why” the non-repair goodwill is being offered. (i.e. Customer is a multiple BMW owner).
  3. And itemize “What” is being claimed. (i.e. Customer given tickets to a local theatre to restore faith in the center).
- This Empower allowance **is not** to be used to close new car sales deals. The goal is to build loyalty with those customers who are committed to the brand.
- BMW Lifestyles products given to the customer as compensation should be signed for by the customer on the repair order.
- If a partial or full lease payment is given as compensation to the customer, a copy of the customer’s check must be retained in the vehicle file.
- Pre-Paid Debit / Credit Cash Cards (Gift cards for products or services, for example, restaurant, spa etc. are acceptable). Please make sure to retain the receipts in the vehicle file.
- A repair order must be opened, and all relevant documents attached to substantiate the amount claimed under Empower.

For the “Empower” line item, no corresponding punch times or key read will be required to support the claim submission. However, if the repair order also contains vehicle repair work, all punch time and key read policies still apply to those line items.

If claims are submitted under this program, please do not submit any authorization requests for the same expense from your market team under the standard goodwill program.

The following vehicles and items are excluded:

- Vehicles in BMW center inventory or the inventory of any other non BMW sales location
- New vehicles owned by other BMW centers
- Vehicle repairs (current or previously performed)
- Vehicle repairs covered by any service, maintenance program, or contract
- Vehicle damage or repairs which should be covered by the vehicle owner’s insurance
- Reimbursements for previously processed repairs or refused warranty claims
- Comebacks/ineffective prior repairs
- Paint or body work
- Initial towing of a BMW vehicle into your center
- Cash payments

Claims submitted under this program are subject to audit.

## **WARRANTY INFORMATION**

Reimbursement for the BMW Empower program, as outlined above, will be via normal claim entry utilizing the following information:

<b>UPDATE!</b> Vehicle's Current: Age/Months*	Month 1 to Month 36	From Month 37 and Older
BMW EMPOWER Defect Code:	85800102EP	Not available

\*A vehicle's Current Age (mth) is provided in the DCS Warranty Vehicle Inquiry under the section for Warranty/Maintenance Programs/Contract Services (Administered by BMW NA) in column seven.

**UPDATE!** **A. For lease payments, dinner, flowers, vehicle spa service, or a vehicle pick-up and/or delivery service, etc.**

Sublet Code 4	Sublet amount	Up to the Empower program's maximum allowance
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Invoice these items at their actual cost with no handling or markup. The sublet amount claimed must also include any discounts.

And/or:

#### B. BMW Lifestyles

Part Number	Description	Quantity
BMW Part Number(s)	BMW Lifestyles	As applicable

And/or:

#### C. BMW Vehicle Accessories

Labor Operation:	Labor Allowance:	Description:
Refer to KSD2	As applicable	Installation labor for accessories when applicable

And:

Part Number	Description	Quantity
BMW Part Number(s)	BMW Vehicle Accessories	As applicable

• Invoice the BMW Lifestyles and BMW vehicle accessory items (B and C) at your center's established "goodwill claim" reimbursement rate unless otherwise required by State law.



**Please Note:** BMW NA reserves the right to change or cancel this program without prior notice or to

remove any center from the program for failure to follow the established guidelines.

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