



Customer Loyalty Assistance

General Communication

Number: VWG-17-02

Subject: Revised Customer Loyalty Assistance Program

Date: January 22, 2019

Will be replaced by VWG-19-01 - Effective April 2019

This document conveys
Volkswagen Customer Loyalty
Assistance general information.

The Customer Loyalty Assistance Program is one of many tools a Volkswagen Dealer can use to create exceptional customer experiences. When providing Customer Loyalty Assistance, you can improve a customer's ownership experience by assisting with an out of warranty repair or offering a gift to acknowledge an event or a poor experience. It is paramount to present the right offer to the right customer and at the right time. Questions regarding this program or claim submission should be directed to the Warranty Helpline at 1-866-306-8447.

1. Decision Making

Assistance should be considered on a case-by-case basis. Cost and percentage of assistance should reflect the age and mileage of the vehicle as well as the overall customer experience. Percentage contributions should always be considered.

Points to Consider When Making a Decision

Vehicle Age and/or Mileage	The higher the age and mileage, the less likely VW is to participate in assisting with repair costs. As age/mileage increases, dealer and/or customer participation is also expected to increase.
Vehicle Condition	Vehicle must be well maintained and in good overall condition to be eligible for assistance.
Ownership Experience	The customer's overall ownership experience should be considered when determining if, and how much, assistance might be provided.
Loyalty	Recognizing loyal customers for their business while still appreciating customers that are new to VW.



Customer Loyalty Assistance

Not Covered under Customer Loyalty Assistance

- Repairs covered by an existing warranty, warranty extension, service contract, or other coverage, such as:
 - Aftermarket Repair Contract or other Service Contract
 - World Auto or other used car warranties
 - New Vehicle Limited Warranty, Powertrain Limited Warranty, Limited Warranty Against Corrosion Perforation, Hybrid System Limited Warranty, Emissions Warranties, Limited Warranty Extensions, Spare Parts Warranty and Recall Campaigns
 - Tire Manufacturer Warranty
- Vehicles that have not been sold to a retail customer, demo vehicles or vehicles in the dealer inventory
- Recovery of costs resulting from non-adherence to Warranty Policy and Procedure.
- Cancelled Warranty claims will not be accepted.
- Costs related to shop comebacks due to ineffective repairs.
- Funding for dealership promotions.
- A formal or informal loaner or mobility car program.
- Repairs resulting from unauthorized alteration of the vehicle's manufacturing specifications.
- Repairs events covered by automobile insurance plans.

2. Types of Customer Loyalty Assistance

Types of Assistance		
Technical Repair (Outside of Warranty Repairs)	210 Claim Type	Assistance with a repair needed due to component failure or defect that would normally be covered by an applicable VW warranty. Not to be associated with consumable items.
Marketing Gifts	2CM Claim Type	Gift provided to acknowledge a repair, experience or event: Example: Gift cards, dinner, lunch, lease/loan payment, Driver Gear accessories. Service numbers starting with X0_.
Marketing Services (Non-Warrantable Repairs)	2CM Claim Type	Assistance with a consumable repair needed due to customer use. Example: Battery, brakes, bulbs.



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2.1 Technical Repair – 210 Claim Type

An example of a technical claim would be a water pump or transmission replacement needed due to a defect. VVoA will participate in contributing to a repair, on a percentage basis, considering the age and mileage of the vehicle. As with a warranty claim, repair documentation, such as technician notes, punch times, sublet documentation, a VTA case number, or a copy of the signed customer's repair order with notation of goodwill offer is required upon request.

2.2 Marketing Gifts – 2CM Claim Type

Examples of Marketing Gifts would include gift cards, dinner, lunch, DriveEasy Service Contract, assistance toward a new Volkswagen, or vehicle payment contribution. Marketing Goodwill claims are considered an apologetic gesture and should be utilized to recognize a significant repair event/service history. It is not intended to supplement or extend an existing program and/or policy. Documentation is required for this type of claim and may include receipts or items showing where the offer was applied (such as an itemized sales agreement or copy of a cut check). A copy of the signed customer's repair order with notation of goodwill offer may also be requested.

2.3 Marketing Service – 2CM Claim Type

An example of a Marketing Service claim would be a battery, brakes, or bulb replacement. Since consumable items are not warrantable outside of the warranty's wear provision, it may be necessary as a one-time Customer Loyalty Assistance gesture to leave the customer with the best impression of Volkswagen. Documentation may be required for this type of claim in order to substantiate the offer and may include technician notes, punch times, or a signed copy of the customer's repair order with notation of the goodwill offer.

3. Self-Authorization Empowerment

To ensure that we are assisting the customers who need it most, Volkswagen empowers dealers to make on-the-spot goodwill decisions by means of self-authorization. This empowerment allows you to own the customer experience and control the outcome. Below are the guidelines within which a self-authorized dealer can work to make goodwill offers to customers in those situations which merit assistance beyond our standard warranty coverage.



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Dealer Self-Authorization Guidelines			
Participation Parameters	210 Technical Repair	2CM Marketing Gifts	2CM Marketing Services (Consumable Items)
Within New Vehicle Limited Warranty	N/A	Up to 100% Not to exceed \$750 per RO	WISE Request
0-12 months or < 12,000 miles, whichever occurs first, Outside of Warranty*	Up to 100% Not to exceed \$2000 per RO	WISE Request	WISE Request
13 - 24 months or < 24,000 miles, whichever occurs first, Outside of Warranty*	Up to 75% Not to exceed \$2000 per RO	WISE Request	WISE Request
24+ months or > 24,000 miles, whichever occurs first, Outside of Warranty*	WISE Request	WISE Request	WISE Request

*Goodwill consideration for 210 claims is based on time and mileage outside either the New Vehicle Limited or applicable Powertrain warranties only.

3.1 Expectations and Rewards

The purpose of the rewards system is to recognize those dealers that are delivering great customer experiences and making responsible and effective Goodwill decisions. Those dealers that exceed their Goodwill goal will be rewarded by receiving reduction in claim review and faster claim payment.

	Goal Exceeded	Goal	Improvement Needed
	Self-Authorized + Reward	Self-Authorized	WISE request required
Goodwill per RO ¹	Less than 1% and	Less than 1.5% or	More than 1.5% and
CES ²	Greater than 94.8	Greater than 94.8	Less than 94.8

¹Quarterly goodwill volume per quarterly repair order volume

²Quarterly unadjusted Service Survey Score



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3.2 Removal

When a dealer has been identified as needing improvement with Customer Loyalty Assistance, removal of self-authorization status will occur. Once a dealer is no longer self-authorized, a Goodwill Exception Request (WISE) is required for every goodwill offer they wish to make. Self-authorization status and limits are reevaluated quarterly.

4. WISE Request

To request VW cost participation on a vehicle outside Dealer Self-Authorization Guidelines, a Goodwill Exception Request (WISE) is required. The online form is located in the Operations section in WISE: <https://www.vwhub.com/>.

When submitting an exception request, complete repair information (concern, cause, correction, etc.) is required, as well as a rationale for the offer, such as details of the customer's experience and brand loyalty. If requesting a gift item, a detailed description of the gift is required along with the offer justification.

5. Program Administration

- The current Warranty Policy and Procedure that is applied when performing a repair and entering a warranty claim also applies to Customer Loyalty Assistance offers.
- The expectation is that the customer realizes the full benefit of the 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 for goodwill offers.
- Claims that are submitted without required documentation will be cancelled. Claims cancelled for improper documentation will not be accepted by Volkswagen if not resubmitted within 60 days from the claim cancellation date.
- Claims must be submitted for processing in SAGA within **60 days** from repair completion date or they are subject to cancellation.