FURTHER EXCELLENCE

COMPETENCE

DEVELOPMENT

COMPLIANCE

CUSTOMER EXPERIENCE

SUSTAINABILITY

TRUST

SGS GLOBAL WARRANTY SURVEY 2014
RESULTS FOR ARGENTINA

SGS OVERVIEW

WHEN YOU NEED TO BE SURE

SGS

AT A GLANCE


Nº1
WORLD LEADER

80,000
EMPLOYEES

1,650
OFFICES AND LABORATORIES



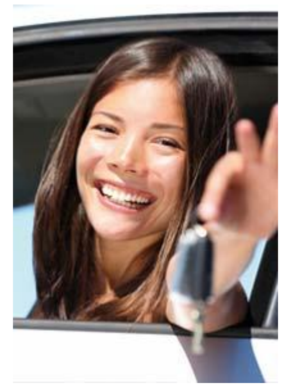
13
GLOBAL INDUSTRIES

GLOBAL SERVICE
LOCAL EXPERTISE

PROVIDING AUTOMOTIVE VALUE CHAIN ASSESSMENTS

SGS AUTOMOTIVE

DRIVING PERFORMANCE AND SAFETY WORLDWIDE



SOURCE
We test materials and parts to OEM and industry standards to facilitate the supply chain

BUILD
We verify that manufacturer vehicle design and quality meets regulations and gains market access

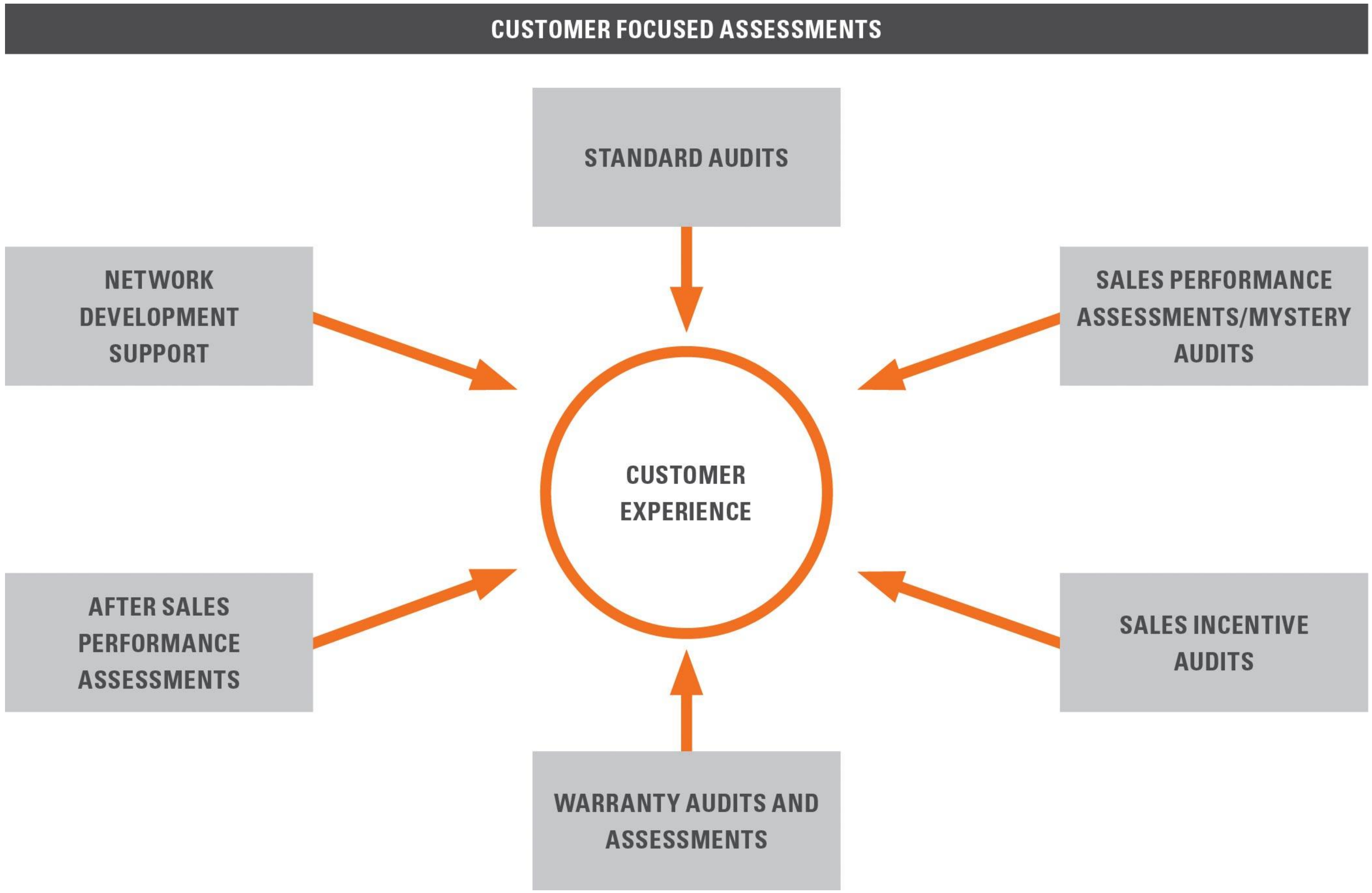
SELL
We audit delivery and aftermarket operations to ensure quality and brand guidelines adherence

POWER
We enhance the design, construction and operation of motor vehicles, testing fuels, lubricants and usability

SAFEGUARD
Our vehicle testing centres worldwide verify safety and minimise environmental impact

AMAZE
Annette loves the feeling of going for a drive in her new car

DEALER PERFORMANCE ASSESSMENTS



WARRANTY SERVICES

WARRANTY HANDLING AND CONTROL

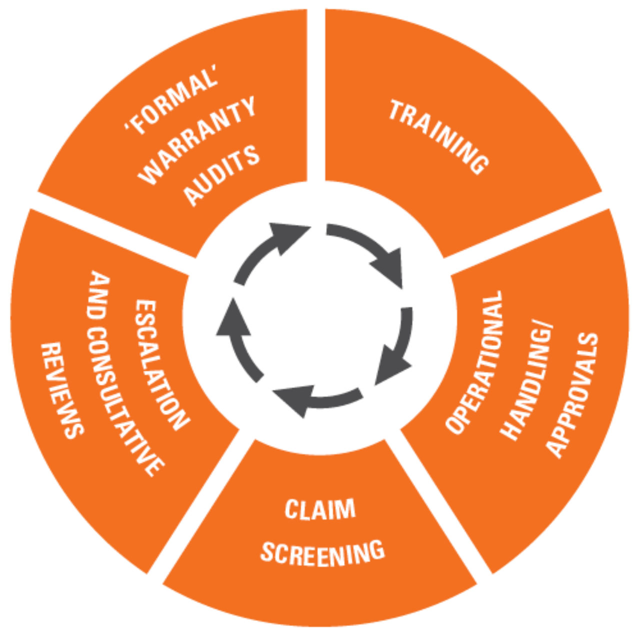
Regular audit (or based on selection)

Random claim selection, review and debit

Goal: Improve behaviour through financial penalties

Select out of line repairers based on KPIs, preselect claims, review, coach and consult repairers

Goal: Improve behaviour through management insight



Train repairers to consult KPIs on a daily basis

Validation of claims (automated)

Manual review of rejects

Goal: Control recognised critical issues in advance

Manual review of selected claims based on predetermined rules

Goal: Detect issues and correct

FURTHER EXCELLENCE

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SGS GLOBAL WARRANTY SURVEY 2014

SURVEY OVERVIEW

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WHY ANOTHER SURVEY?

CUSTOMER EXPERIENCE

WARRANTIES ARE OF GROWING IMPORTANCE
to OEM aftersales business

TREND TO KEEP CUSTOMERS LOYAL
with warranty and extended service programmes

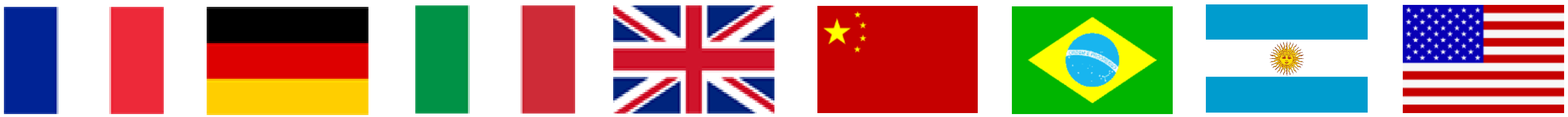
MOST SURVEYS ARE LIMITED
to customer satisfaction or dealer payment terms

TRADITIONAL SURVEYS
provide non-actionable data

PROCESSES WORK IN THE FIELD
it is important for warranty managers to know

‘SHORT WARRANTY MARKETS’
and importance of goodwill

FIRST INDEPENDENT GLOBAL WARRANTY SURVEY



QUALITY

20 TO 30 DEALERS

per brand and market

COVERING:

USA, China, Germany, UK, France, Italy, **Brazil** and Argentina

TOTAL:

26 brands and 3240 dealers globally

TELEPHONE INTERVIEWS

with randomly selected dealers

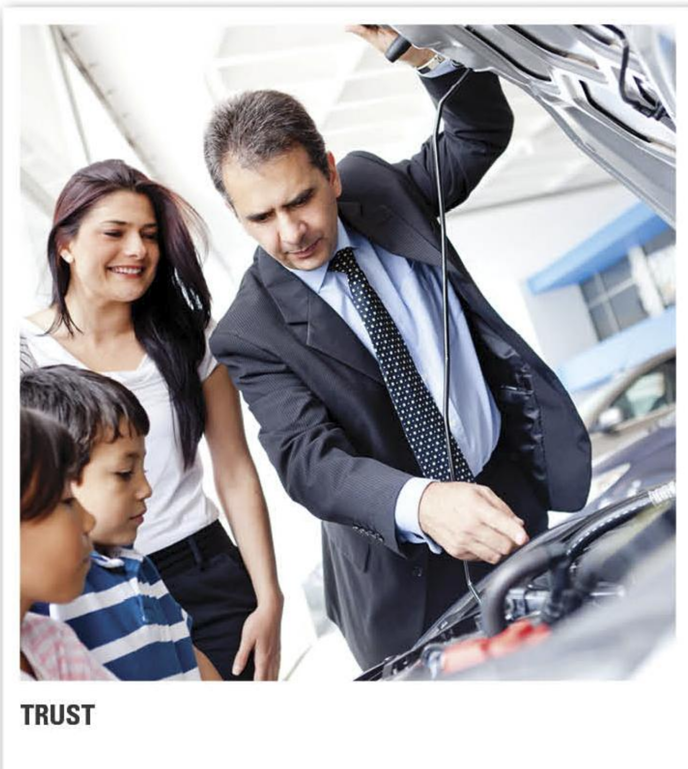
DURING:

Q1 and Q2, 2014

SEVEN ADDITIONAL QUESTIONS

along with those previously used in 2012/2013

ARGENTINA WARRANTY SURVEY 2014



PART OF THE SGS GLOBAL WARRANTY SURVEY 2014

FOCUSED ON ARGENTINA ONLY

20 Dealers per brand (where possible)

TOTAL OF 15 BRANDS

in four groups

21 QUESTIONS

JANUARY AND FEBRUARY 2014

COMPLETE STUDY FOR ARGENTINA IS AVAILABLE

for 8,000 CHF (~72.000 ARS) under a non-disclosure agreement

HOW THE DATA IS ANALYSED

RESPONSE OPTIONS	SURVEY ANALYSIS
VERY COMPLICATED VERY UNSATISFIED	COMPLICATED UNSATISFIED
COMPLICATED UNSATISFIED	
MIDDLE	MIDDLE
EASY SATISFIED	EASY SATISFIED
VERY EASY VERY SATISFIED	

SURVEY QUESTIONS (1 OF 3)

1. When you **think about warranty and administration**, how would you rate warranty processing with your OEM?
2. How has it **developed** over the past 5 years
3. How satisfied are you with the **field force**?
4. How satisfied are you with the **warranty hotline**?
5. How satisfied are you with the **warranty audits**?
6. How happy are you with the **warranty system** (IT) of your OEM?
7. How do you rate the **administration** of your OEMs **goodwill policy**?
8. How do you rate the actual policy **level** goodwill that is granted, for your OEM?

SURVEY QUESTIONS 2 OF 3

9. How do you rate the handling of the **extended warranty** products of your OEM?
10. How satisfied are you with the actual **coverage** of the extended warranty products your OEM offers?
11. How satisfied are you with the warranty **labour rate** per hour?
12. How satisfied are you with the **reimbursement for parts**/ **handling charge**?
13. What works very well with your OEM in warranty?
14. What does not work well with your OEM?
15. What should your OEM change to make warranty easier for you?

SURVEY QUESTIONS (3 OF 3)

16. Do you think that the warranty processes and systems of your OEM overall support **customer loyalty** in service and new vehicle sales?
17. Do you think that a warranty programme (extension, service contracts) can create an active **competitive advantage** for you as a dealer?
18. What is the size of your dealership, by new vehicle sales p.a.?
19. What is the size of your dealership, by service jobcards p.a.?
20. What is your position in the dealership?

BRAND GROUPING FOR PUBLICATION

Audi
BMW
Mercedes Benz
VW

DE (German)

Honda
Hyundai
KIA
Nissan
Toyota

JP/KO

Chevrolet
Ford

US

Citroen
FIAT
Peugeot
Renault

IT/FR French & Italian

FURTHER EXCELLENCE

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SGS ARGENTINA WARRANTY SURVEY 2014

RESULTS OVERVIEW

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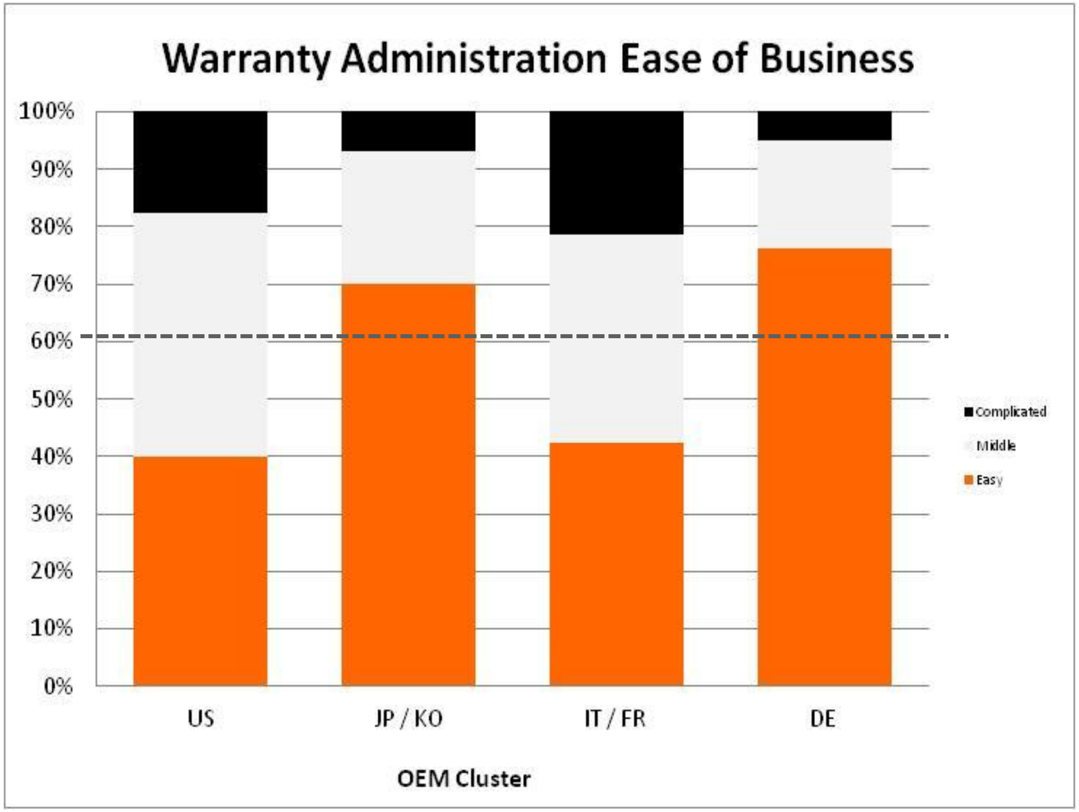
GERMAN OEMS RATE HIGHEST FOR SATISFACTION IN WARRANTY ADMINISTRATION

HOW DO YOU RATE WARRANTY PROCESSING WITH YOUR OEM?



60% of dealers find warranty administration easy

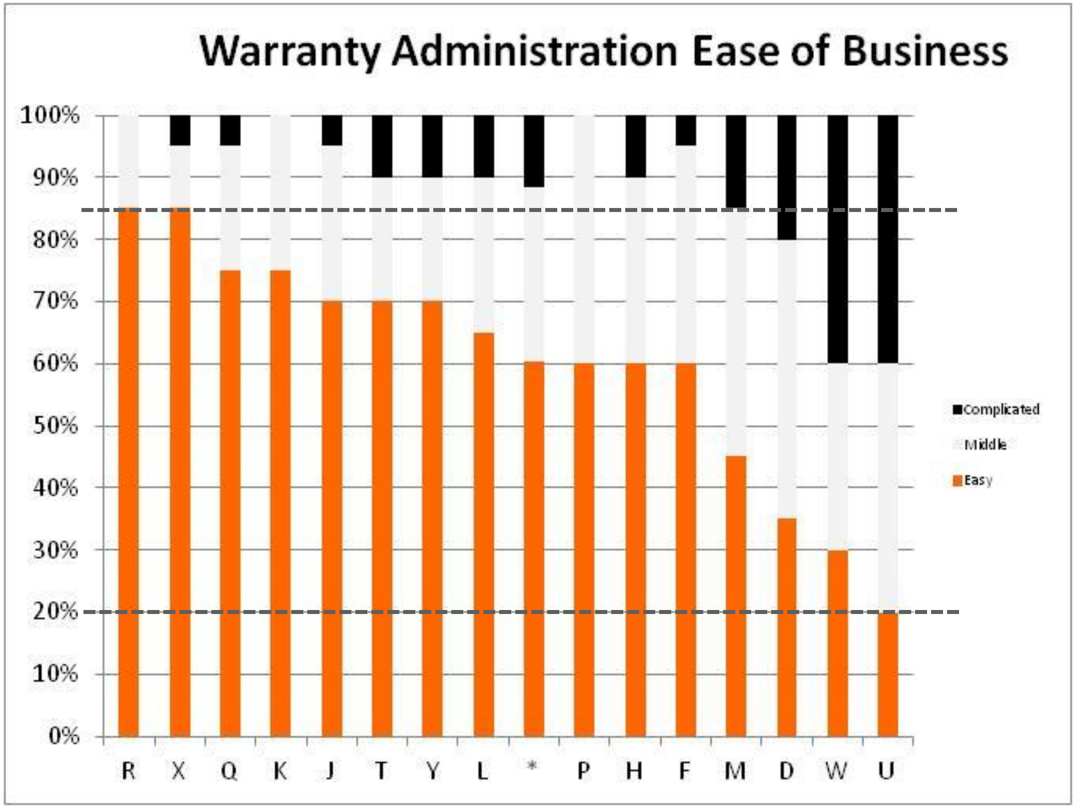
12% of dealers rate warranty administration as complicated

Germans and Japanes/Korean OEM rated most happy for warranty administration

Significant dissatisfaction for US and IT/FR OEMS

HIGH SATISFACTION WITH THE EASE OF WARRANTY ADMINISTRATION IS POSSIBLE

HOW DO YOU RATE WARRANTY PROCESSING WITH YOUR OEM?



OVERALL GAP BETWEEN BRANDS 65%

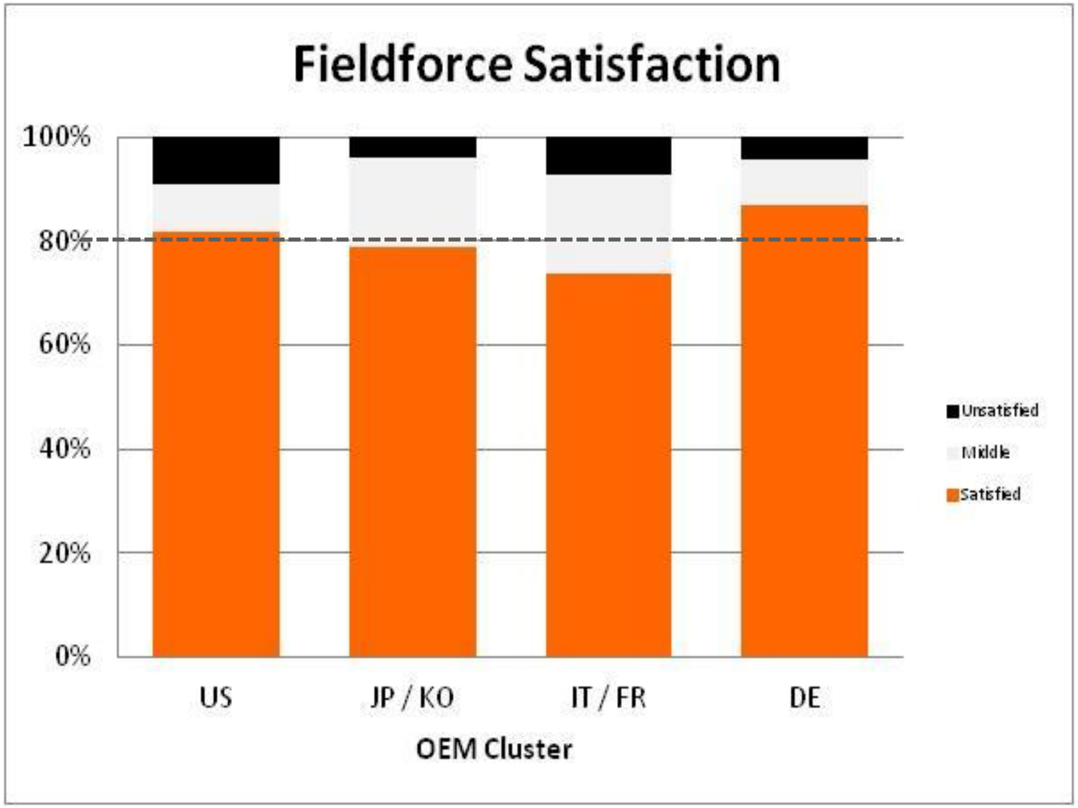
One brands demonstrates high satisfaction while no dealer is dissatisfied (R)

Two brands with 40% unhappy dealers

Brand U with lowest measured satisfaction worldwide

BEST RATING OF KEY WARRANTY TOOLS FOR THE FIELD FORCE

HOW SATISFIED ARE YOU WITH THE WARRANTY FIELD FORCE?



German OEM provide best field force to dealers

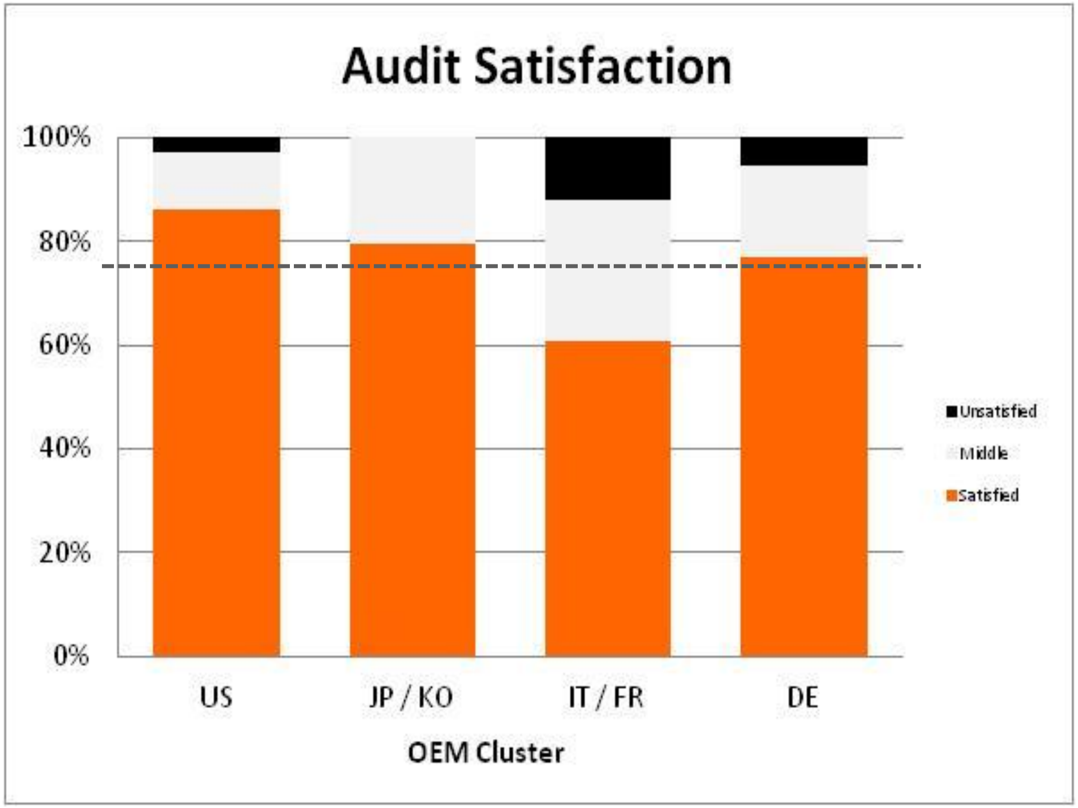
JP/KO with lowest share of unsatisfied dealers

INDUSTRY AVERAGE 80%

Slightly below Brasil (84%) , but above Europe (78%)

SIGNIFICANT GAP BETWEEN THE HIGHEST AND LOWEST SATISFIED RATING - AUDITS

HOW SATISFIED ARE YOU WITH THE WARRANTY AUDIT?



Overall gap between groups 26%

US OEMs' dealers rate highest for Audit satisfaction at 86%

FR/IT lowest satisfaction rating (61%) and highest unsatisfied dealers (12%)

INDUSTRY AVERAGE 76% (Brazil 79%)

HUGE GAP BETWEEN BRANDS FOR AUDIT SATISFACTION

HOW SATISFIED ARE YOU WITH THE WARRANTY AUDITS?

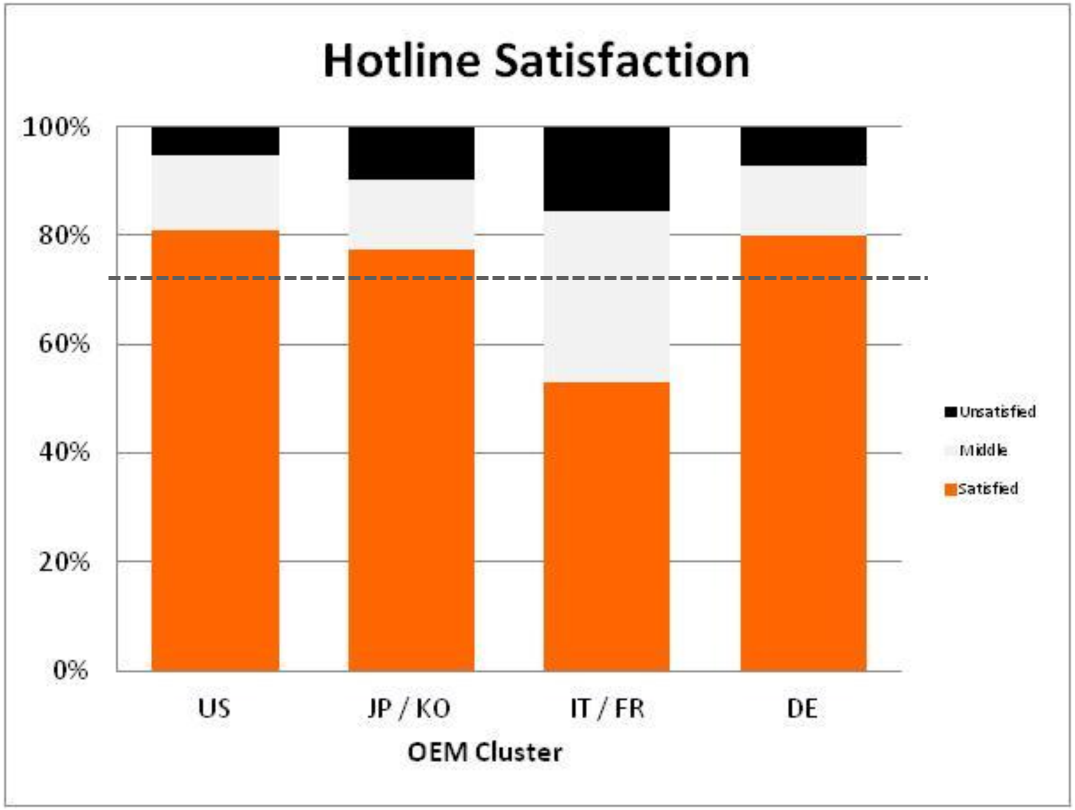
One brand with 100% satisfaction

Brand U with exceptional low ratings and 40% unhappy dealers

75% gap best to worst performing brand

IT/FR OEM FALL BEHIND FOR HOTLINES

HOW SATISFIED ARE YOU WITH THE WARRANTY HOTLINE?



All brand groups with unhappy dealers

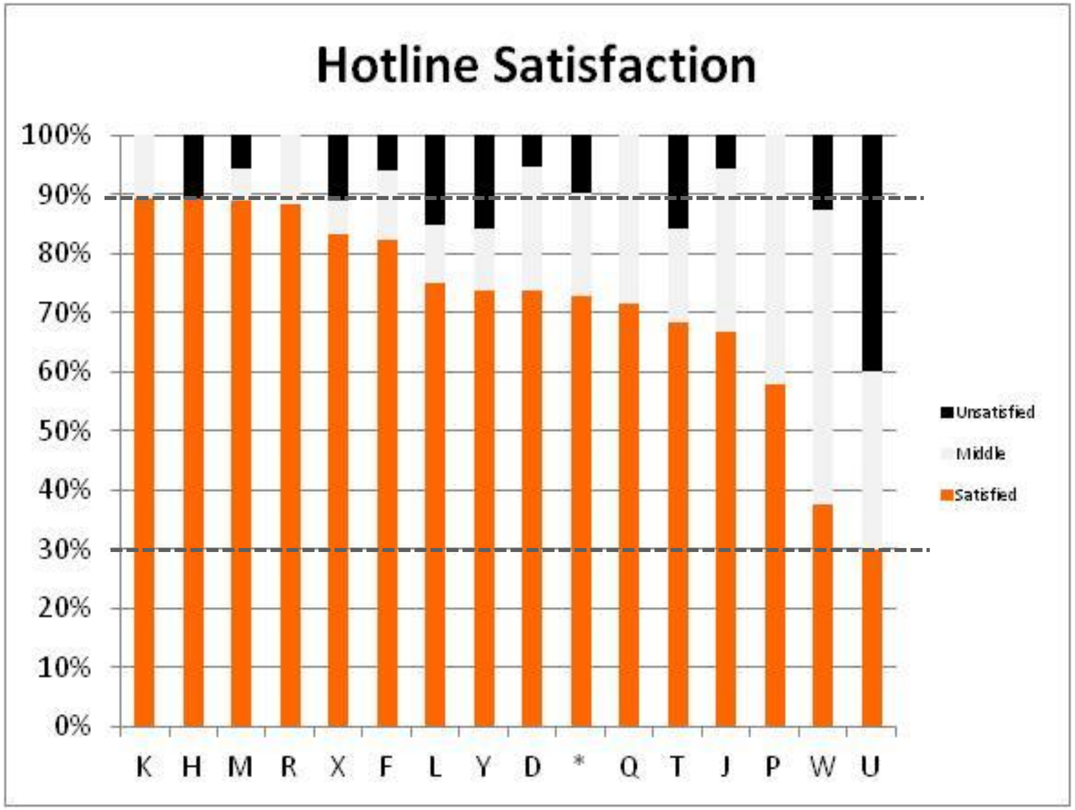
IT/FR OEM have many unhappy dealers and very low satisfaction.

INDUSTRY AVERAGE 72%
Significantly lower than Brazil

Driving Brands for low result of IT/FR same as for audits.
Overall gap 60%.

IT/FR OEM FALL BEHIND FOR HOTLINES

HOW SATISFIED ARE YOU WITH THE WARRANTY HOTLINE?



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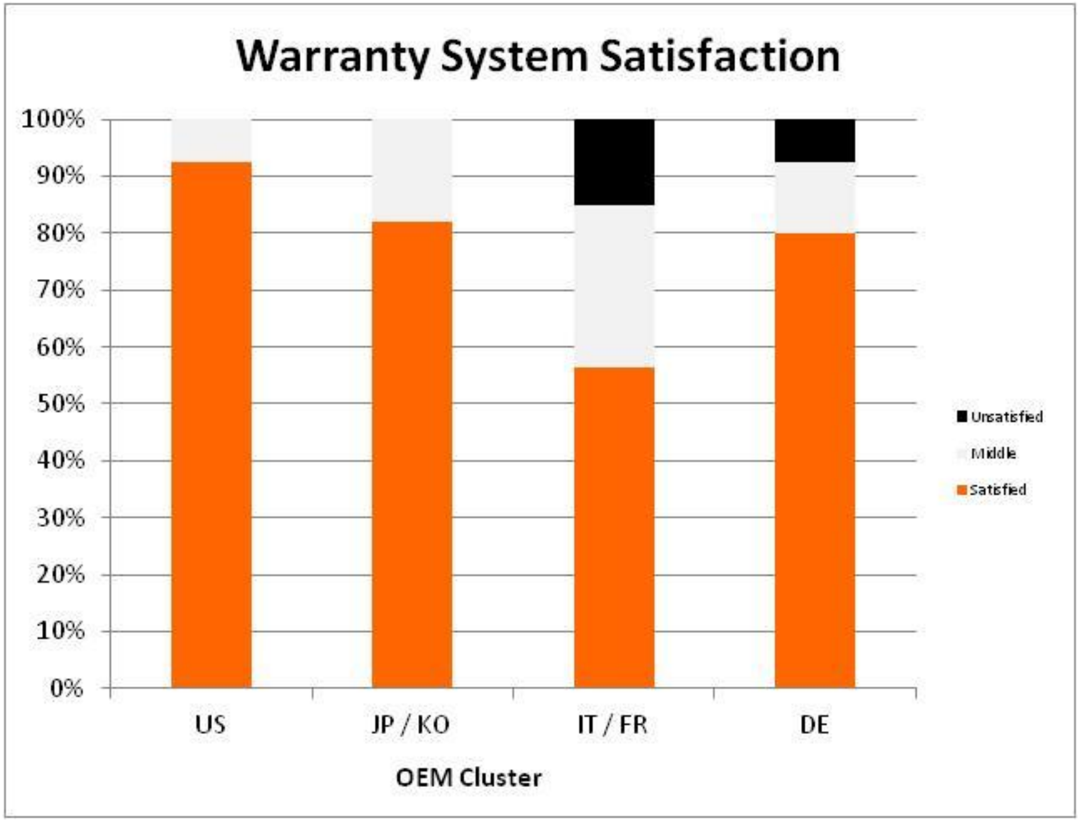
INDUSTRY AVERAGE 72% Significantly lower than Brazil

Driving Brands for low result of IT/FR same as for audits.
Overall gap 60%.

IT SYSTEMS NO ISSUE FOR DEALERS OF US A ASIAN BRANDS

HOW SATISFIED ARE YOU WITH THE WARRANTY IT SYSTEM OF YOUR OEM?



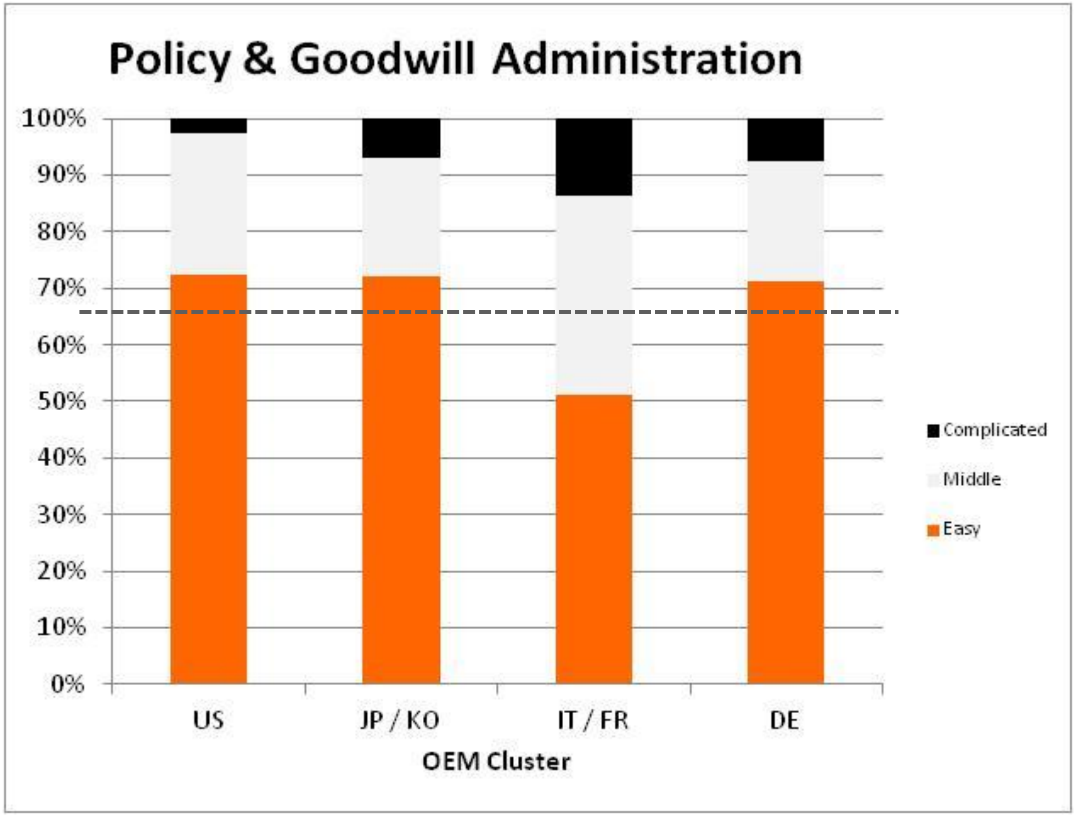
US and Asian OEMs provide best systems – No dealer unsatisfied

Italian and French OEMs lag clearly behind and see more than 15% unsatisfied dealers

Huge gap of 65% between best and lowest performing OEM (95% vs 30%)

FRENCH AND ITALIAN OEMS HAVE ISSUES IN GOODWILL ADMINISTRATION

HOW SATISFIED ARE YOU WITH YOUR OEMS GOODWILL POLICY ADMINISTRATION?



All brand groups except IT/FR satisfied at good level above 70%

French/Italian dealers with high level of unsatisfied dealers

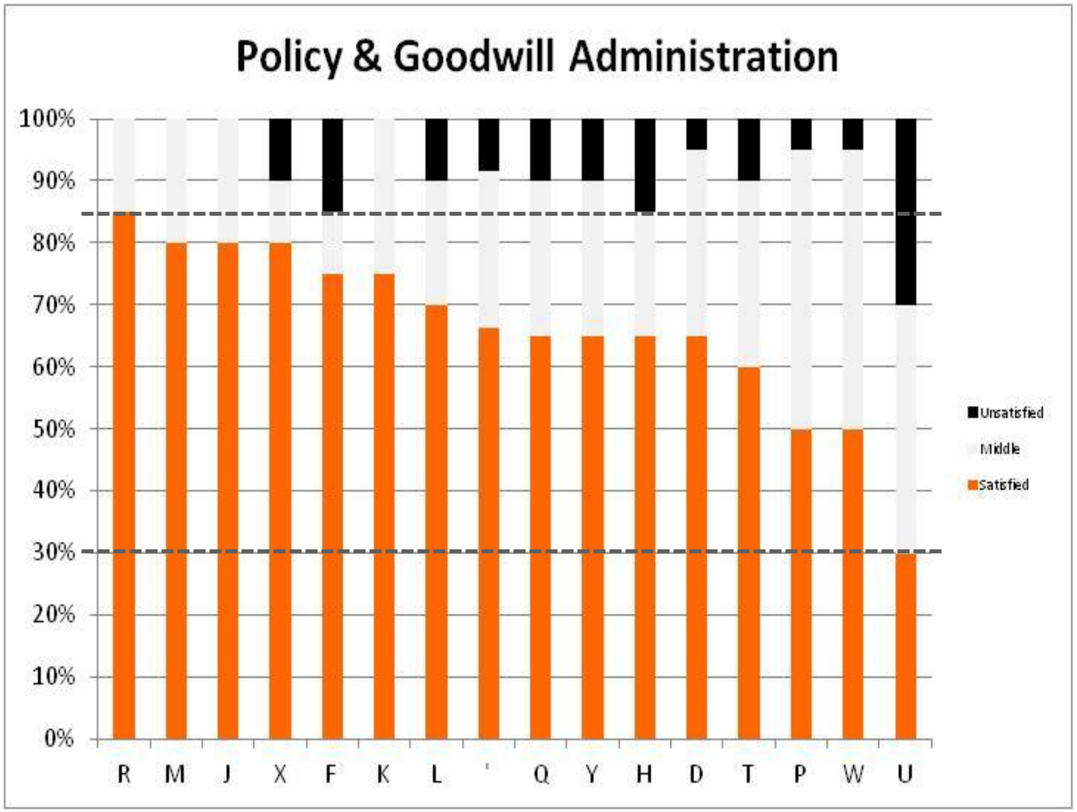
Industry Average 66% versus 64% in Brasil and 72% in Europe.

Overall gap between INDIVIDUAL BRANDS 45%

Highest brand satisfaction rating at 85%

FRENCH AND ITALIAN OEMS HAVE ISSUES IN GOODWILL ADMINISTRATION

HOW SATISFIED ARE YOU WITH YOUR OEMS GOODWILL POLICY ADMINISTRATION?



4 brands show no unsatisfied dealers

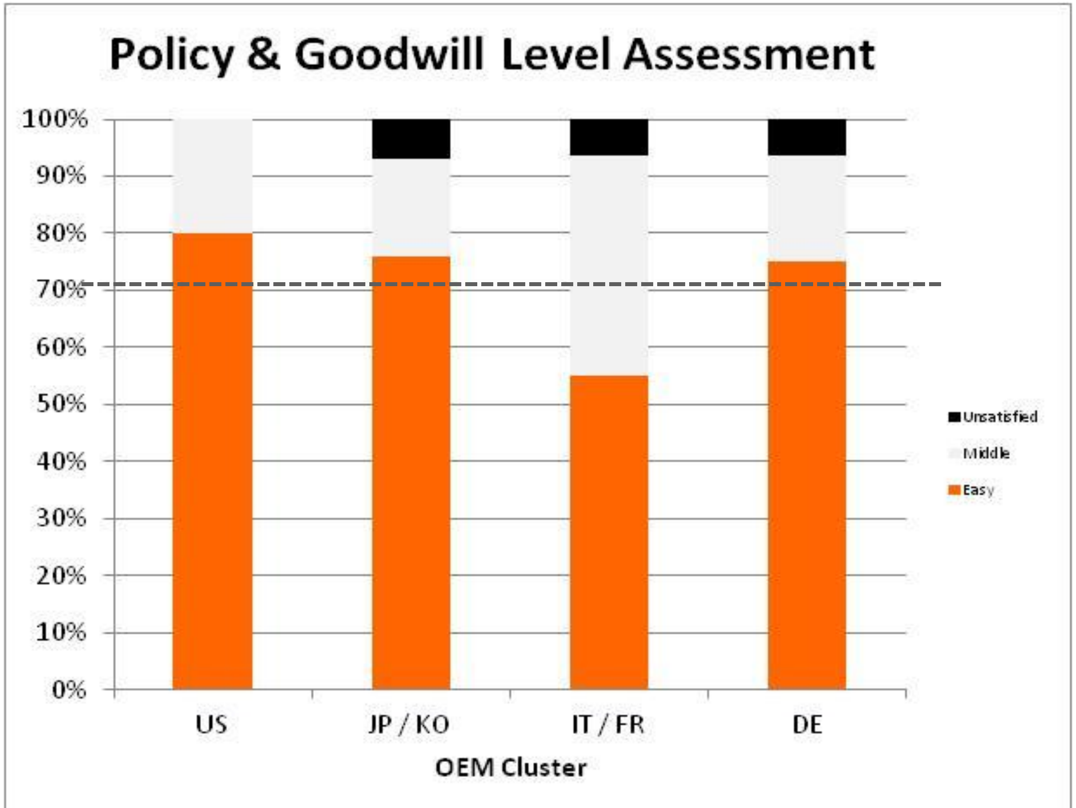
Majority of the dealers is close around and above the industry average

Overall gap between Individual brands 55%

Highest brand satisfaction rating at 85%

GOODWILL LEVELS MOST APPRECIATED BY US DEALERS

HOW DO YOU RATE THE ACTUAL LEVEL OF GOODWILL POLICY THAT IS GIVEN BY YOUR MAIN BRAND?



US OEMs' Dealers score highest for Satisfaction of Goodwill policy LEVELS at 80%

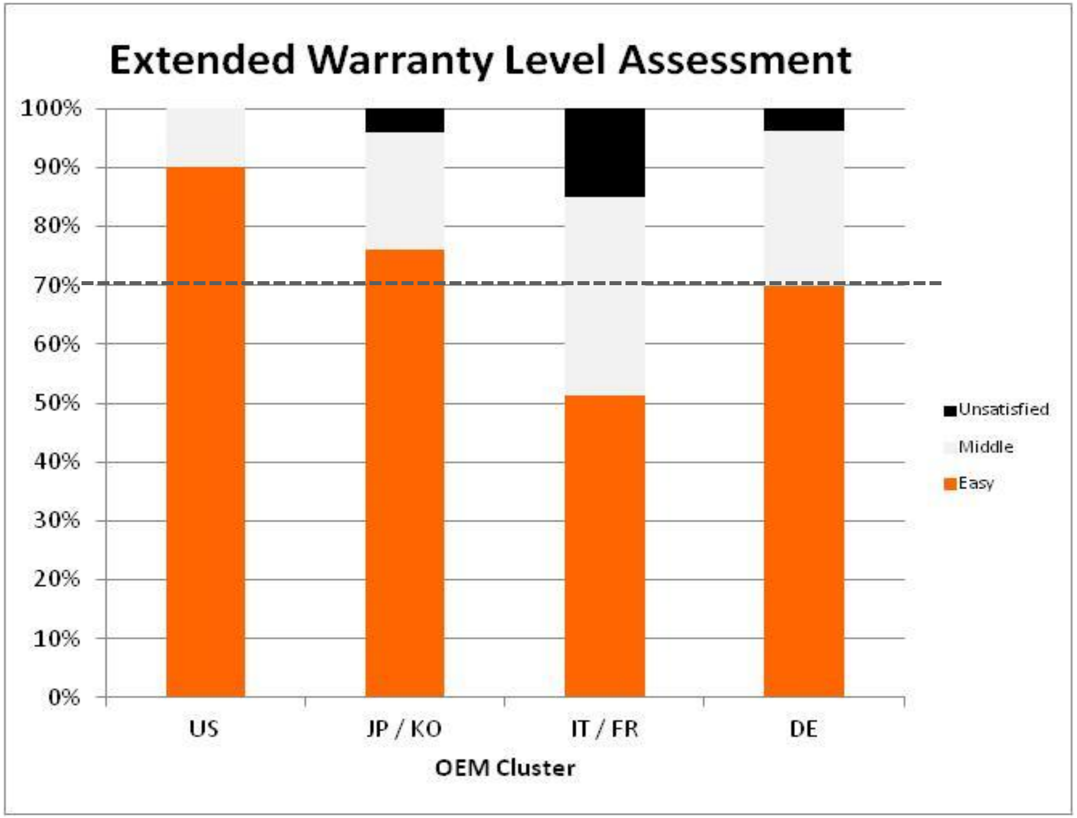
Same group of French and Italian OEM lowest at only 55%

Individual dealers rating similar to Admin rating, but one brand with signifcant better rating of levels vs. admin

INDUSTRY AVERAGE 71%

EXTENDED WARRANTIES COVERAGE SEEN MORE DIFFERENTIATED

HOW SATISFIED ARE YOU WITH THE EXTENDED WARRANTY LEVELS?



US OEM provide most liked warranty extensions to the dealers

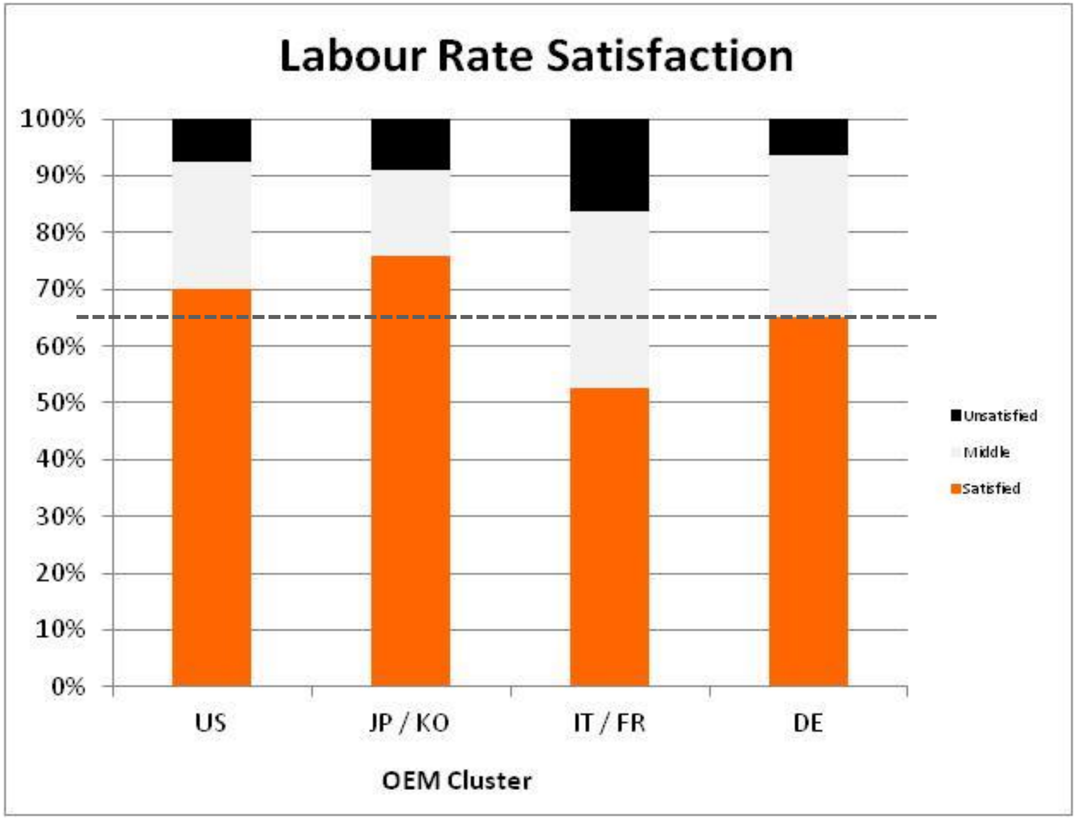
Large gap between brand groups of 39%

IT/FR dealers not satisfied with levels of coverage and payments of extended warranties

INDUSTRY AVERAGE 70%

TWO THIRDS OF THE DEALERS SATISFIED WITH THE WARRANTY LABOUR RATE

HOW SATISFIED ARE YOU WITH THE WARRANTY LABOUR RATE PER HOUR?



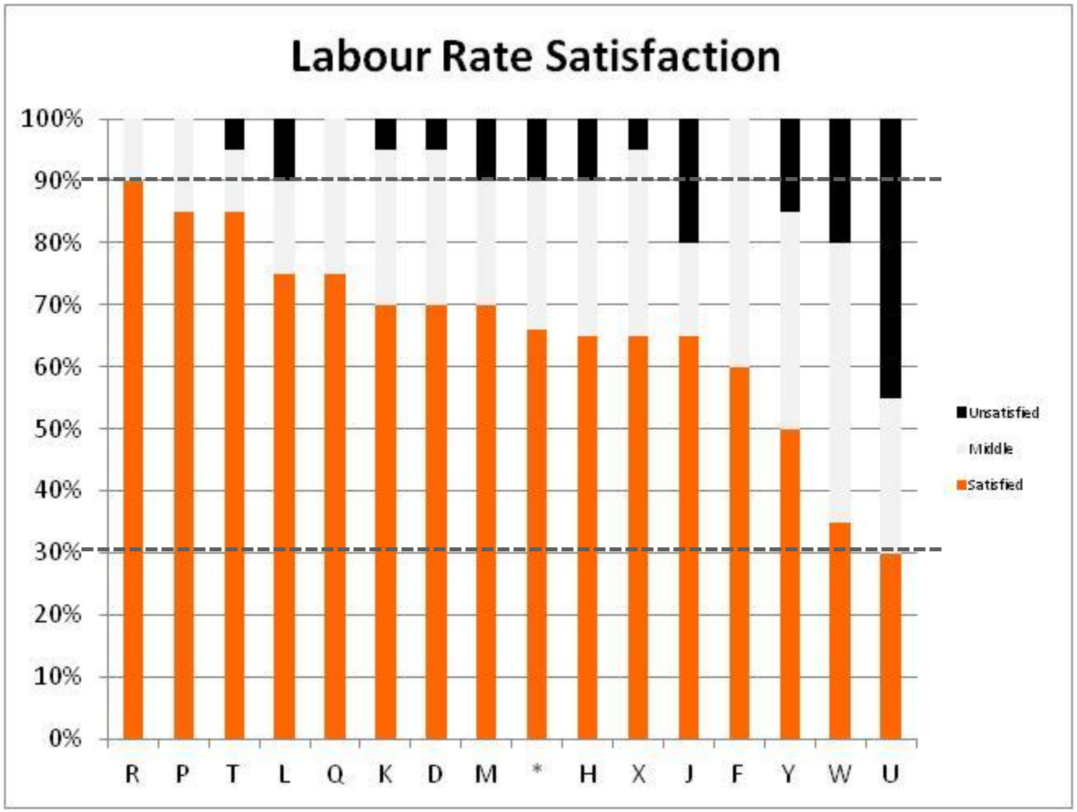
All brand groups have dissatisfied dealers

JP/KO with highest Satisfaction ratings of 76%

INDUSTRY AVERAGE 66% vs 59% in Brazil and 67% in Europe

LABOUR RATES: SINGLE BRANDS WITH CLEAR ISSUES WHILE MOST BRAND ARE OK

HOW SATISFIED ARE YOU WITH THE LABOUR RATE SATISFACTION?



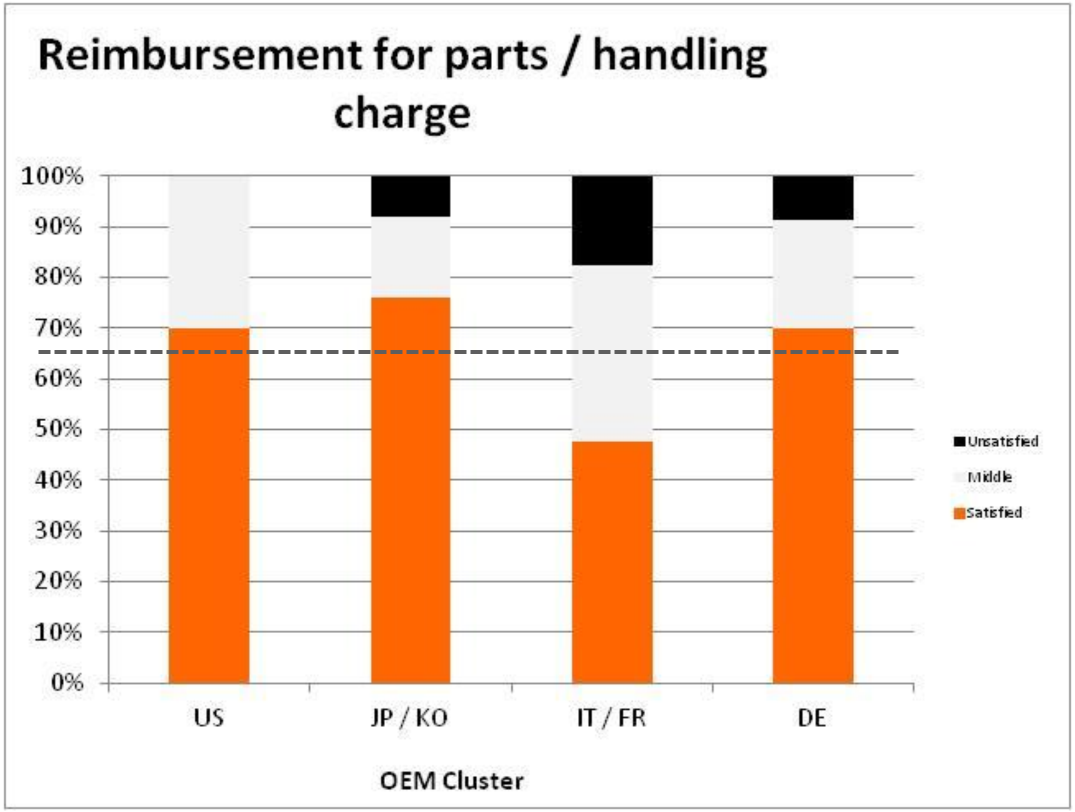
Significant overall Gap between Brands at 60%

4 out of 15 Bands show considerable number of unsatisfied answers

One Brand has 45 % of Dealers who are unsatisfied

PARTS REIMBURSMENT: NO UNHAPPY US DEALER

HOW SATISFIED ARE YOU WITH THE REIMBURSEMENT FOR PARTS / HANDLING CHARGE?



JP/KO rates highest for satisfied Dealers at 76%

INDUSTRY AVERAGE 66% at same level as parts satisfaction

Worst performing brand leaves half of its dealers unhappy about the parts payments.

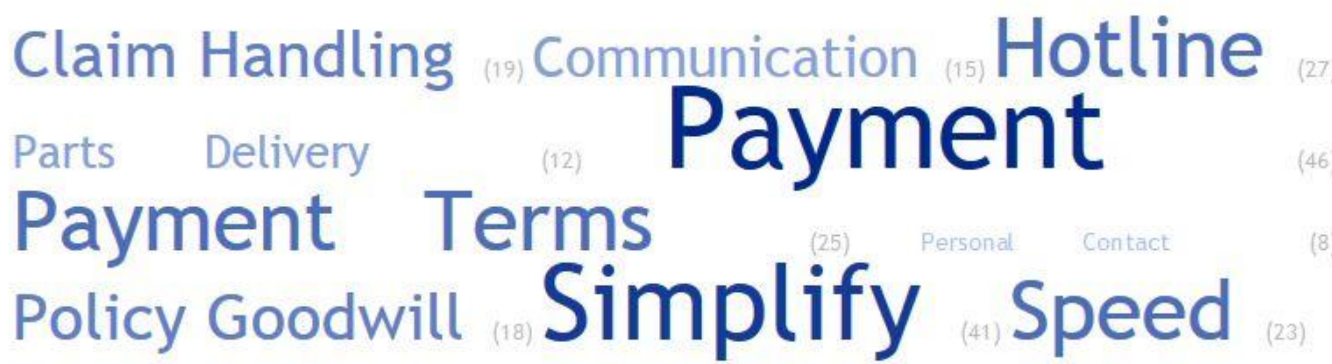
WHAT WORKS WELL?

Dealer like the payment terms and speed….

WHAT DOES NOT WORK WELL

..but many dealers also critizize payment and ist terms.

They also complain about the lack of simplification

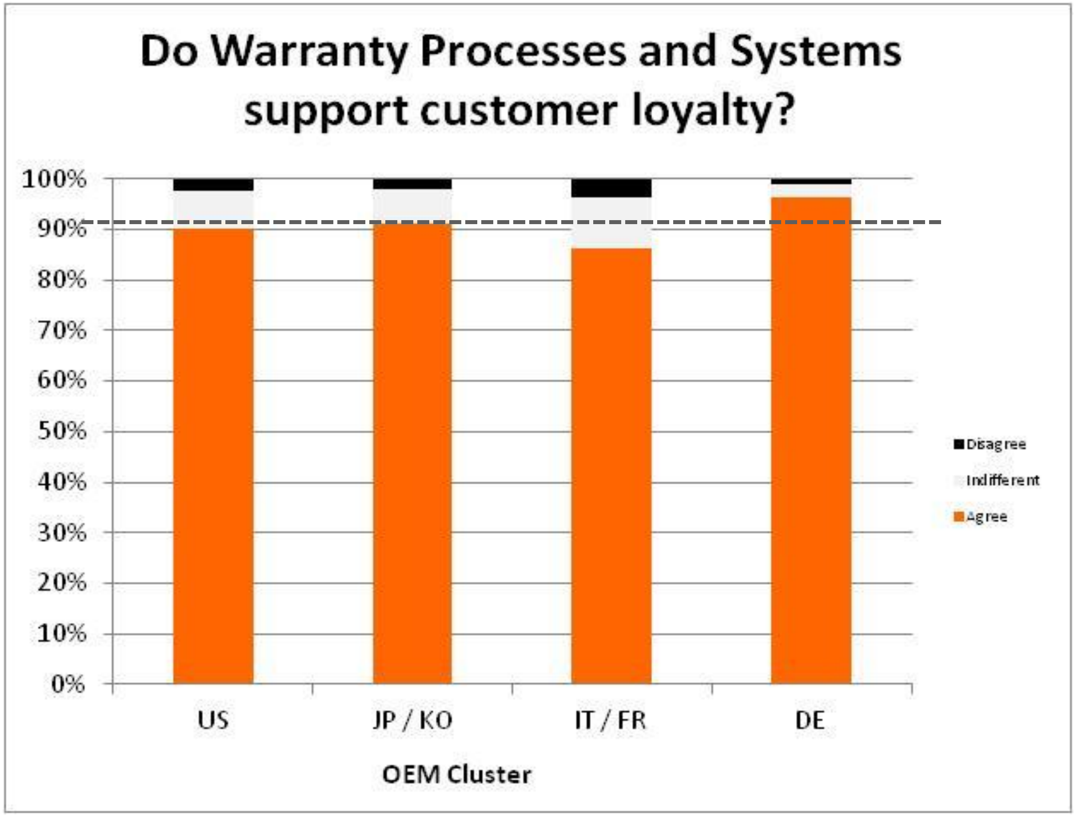


DEALERS WANT

Dealers want improved Goodwill policy terms and more simplification

ALMOST ALL BRANDS AGREE SYSTEMS & PROCESSES SUPPORT CUSTOMER LOYALTY

DO WARRANTY SYSTEMS AND PROCESSES SUPPORT CUSTOMER LOYALTY?



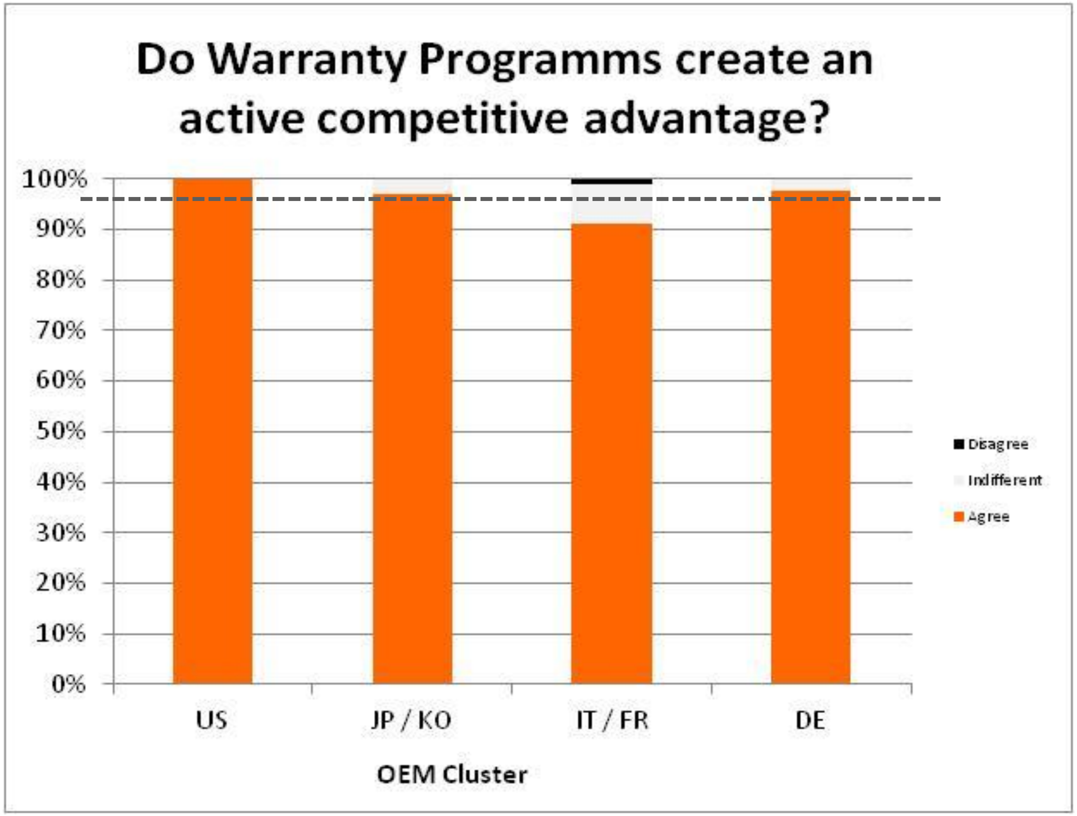
French and Italien OEMs with slightly lower agreement, but one brand has a 100% satisfaction

German OEMs clearly in the lead with 2 brands at 100%

INDUSTRY AVERAGE 91%, same as Brazil and higher than Europe (83%)

ALMOST ALL DEALERS AGREE TO HAVE A COMPETITIVE ADVANTAGE

DO WARRANTY PROGRAMMES CREATE AN ACTIVE COMPETITIVE ADVANTAGE?



INDUSTRY AVERAGE 96%, highest ion the survey.

Only one dealer disagreed

US dealers unianimously in agreement

SUMMARY

German and Asian OEMs provide the easiest warranty operations

US dealers overall unhappy about the ease of doing business, but more satisfied in single questions

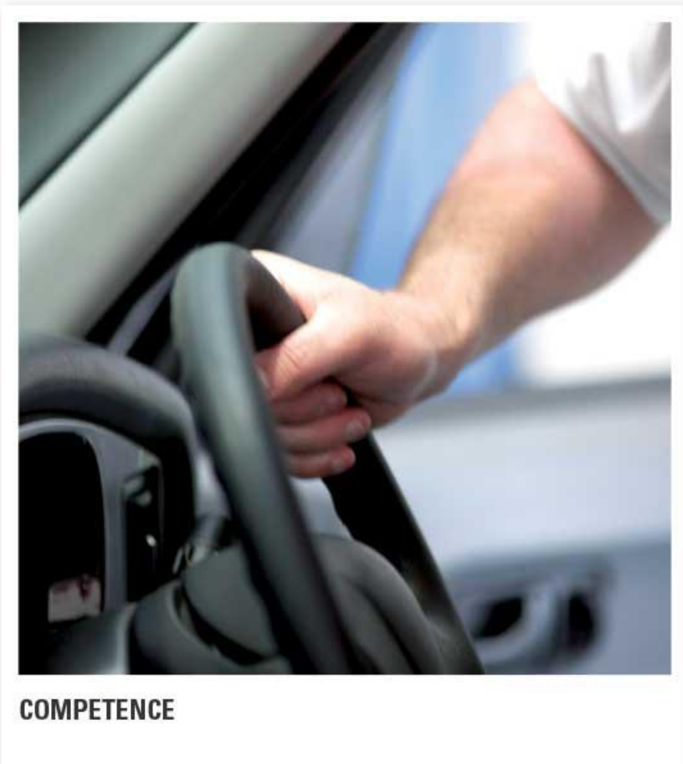
French and Italy based OEM have several issues in different areas

Single brands show that it is possible
to convince your dealers about the quality of
your operations

Large gaps between highest and lowest satisfaction ratings - highest deviations from the average in the global survey

Group and Industry averages are significant due to high number of dealers in the groups

CONCLUSIONS



Less focus on Customer Satisfaction than in other regions surveyed.

Top-performing German and Asian OEMs show that eEcel-lence is possible

Dealers have a differentiated view. Large gaps between top and lowest performing shows the room for improvement.

Warranty Operations have significant potential to improve overall aftersales performance

Competitive Advantage seems to be overrated by the dealers.

Engaged Warranty Operations are key to optimal customer experience and aftersales growth

NEXT STEPS

WARRANTY MANAGERS SYMPOSIUM 2014:

Argentina:
End August (26-28)

PUBLICATION:

Summary presentation for Argentina (today)

Other SYMPOSIA 2014:

China: End September

USA: 9 September

Brasil: End August

SURVEY FOR SALE WITH ALL BRAND DETAILS

Non disclosure agreement required

ARGENTINA SURVEY

8,000 CHF
(~88;000 ARS)

GLOBAL SURVEY

30,000 CHF


FURTHER EXCELLENCE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COMPLIANCE


CUSTOMER EXPERIENCE


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SGS ARGENTINA WARRANTY SURVEY 2014

SURVEY DETAILS

WHEN YOU NEED TO BE SURE

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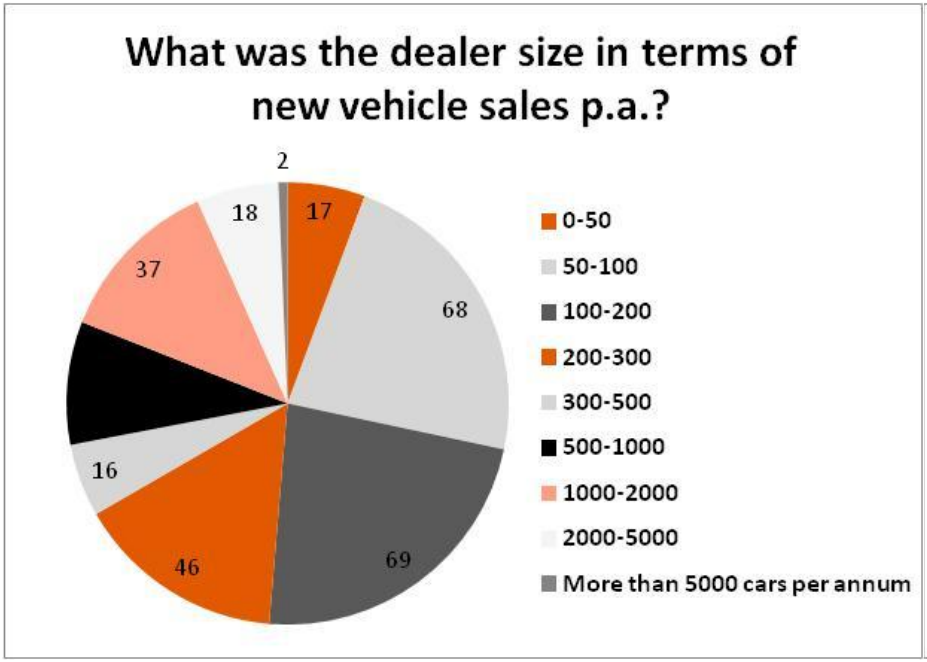
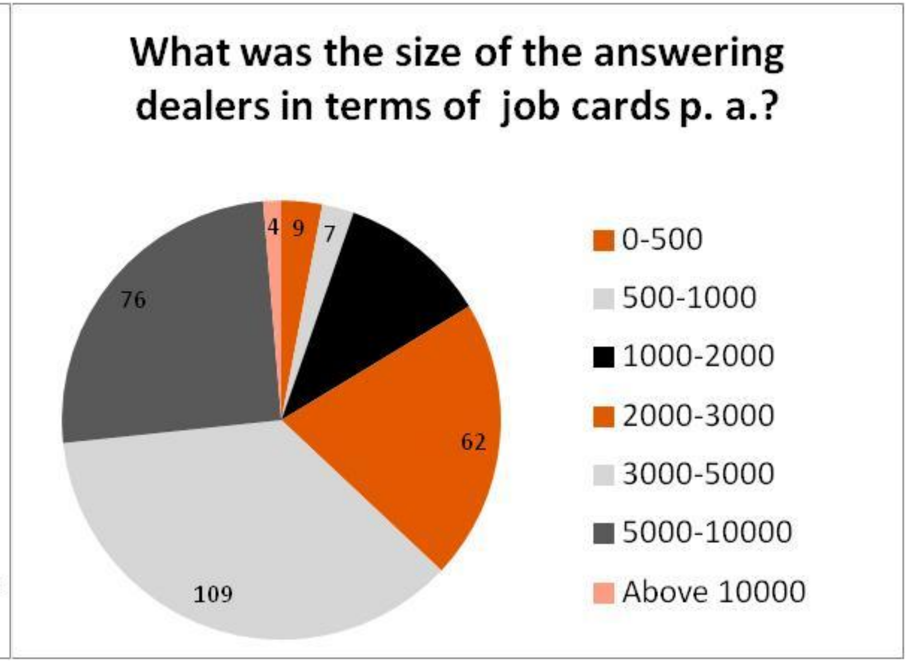
SIZE OF DEALERS RESPONDING WELL DISTRIBUTED OVER THE SIZE GROUPS

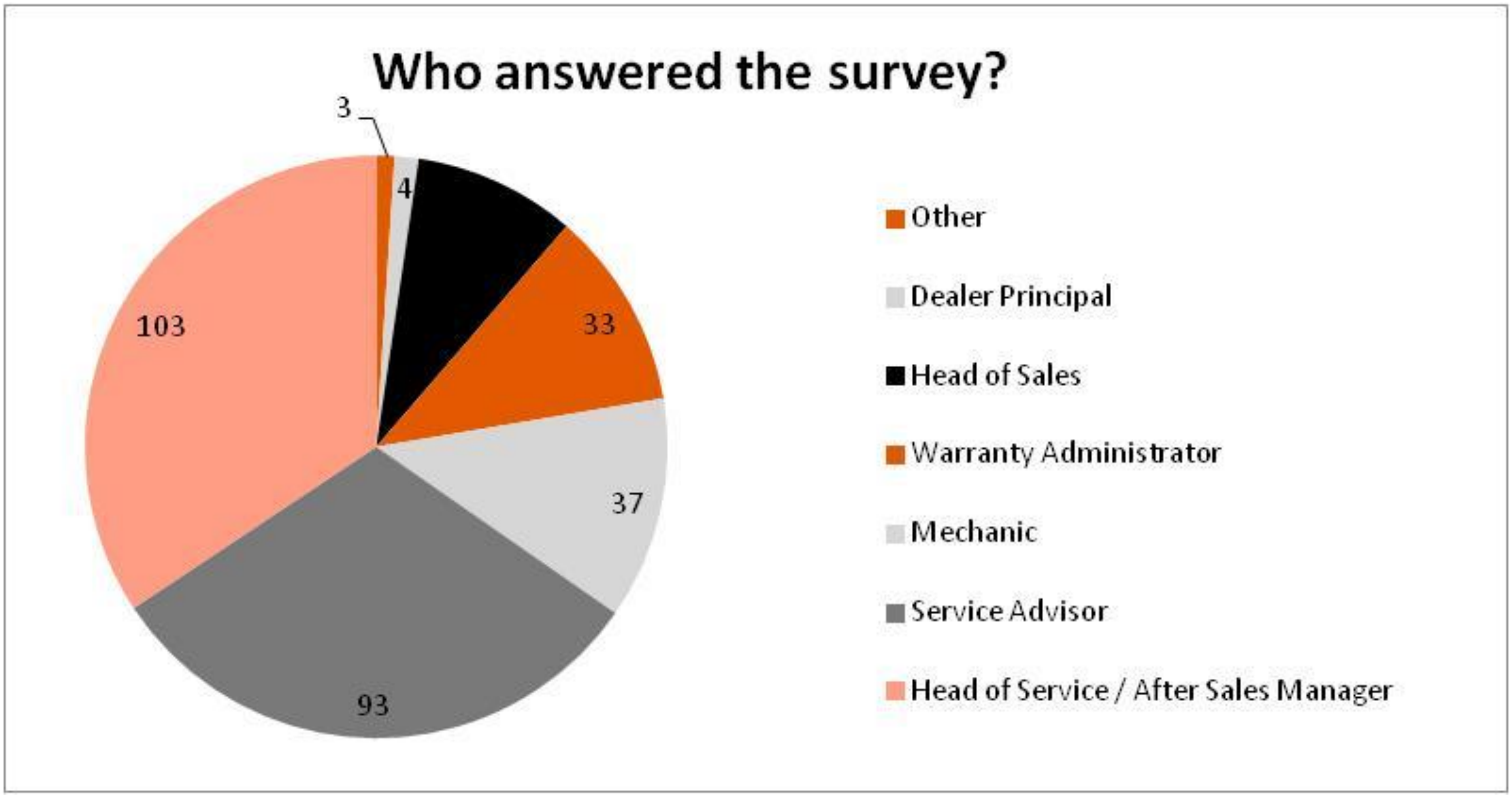
DEALER SIZES WERE FAIRLY EVENLY DISTRIBUTED ACROSS NEW VEHICLE SALES AND JOB CARDS





SURVEY RESPONDENTS: OVER 80% FROM THE SERVICE DEPARTMENT

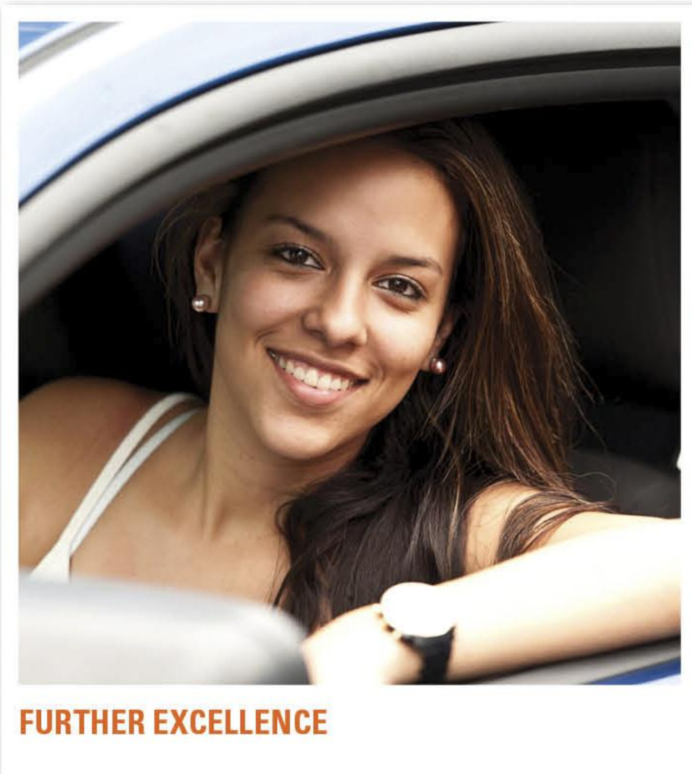
WARRANTY ADMINISTRATORS, HEAD OF SERVICE AND AFTER SALES MANAGERS MAIN GROUPS:



2014 GLOBAL WARRANTY SURVEY LAYOUT

Country	Germany	UK	Italy	France	USA	China	Brasil	Argentina
Brands	Audi	Audi	Audi	Audi	Audi	Audi	Audi	Audi
	BMW	BMW	BMW	BMW	BMW	BMW	BMW	BMW
	Citroen	Citroen	Citroen	Citroen		Citroen	Citroen	Citroen
	Fiat	Fiat	Fiat	Fiat	Chrysler		Fiat	Fiat
	Ford	Ford	Ford	Ford	Ford	Ford	Ford	Ford
	Hyundai	Hyundai	Hyundai	Hyundai	Hyundai	Hyundai	Hyundai	Hyundai
	Kia	Kia	Kia	Kia	Kia	Kia	Kia	Kia
	Mazda	Mazda	Mazda	Mazda	Mazda	Mazda		
	Mercedes Be	Mercedes Be	Mercedes Be	Mercedes Be	Mercedes Be	Mercedes Benz	Mercedes Be	Mercedes Be
	Nissan	Nissan	Nissan	Nissan	Nissan	Nissan	Nissan	Nissan
	Opel	Vauxhall	Opel	Opel	GM (Chevrol	Buick/Chevrolet	Chevrolet	Chevrolet
	Peugeot	Peugeot	Peugeot	Peugeot		Peugeot	Peugeot	Peugeot
	Renault	Renault	Renault	Renault		Renault	Renault	Renault
	Skoda	Skoda	Skoda	Skoda		Skoda		
	Toyota	Toyota	Toyota	Toyota	Toyota	Toyota	Toyota	Toyota
	Volvo	Volvo	Volvo	Volvo	Volvo			
	VW	VW	VW	VW	VW	VW	VW	VW
						FAW VW		
					Honda	Honda	Honda	Honda
					Mitsubishi			
					Subaru			
						Chery		
						Great Wall		
						Changan		
						BYD		
total number of brands	17	17	17	17	16	21	15	15
number of dealers per brand	30	20	20	20	30	30	20	20
total interviews	510	340	340	340	480	630	300	300

PUBLICATION PLANNING AND PRICING



EUROPEAN SYMPOSIUM
18 March 2014

CHINA SYMPOSIUM
1 July 2014

US SYMPOSIUM
9 September 2014

BRAZILIAN SYMPOSIUM
26 August 2014

ARGENTINIAN SYMPOSIUM
August/
September 2014

GLOBAL SURVEY
30,000 CHF or
33,000 USD


COMPETENCE


DEVELOPMENT


COMPLIANCE


CUSTOMER EXPERIENCE


QUALITY


FURTHER EXCELLENCE


SALES PERFORMANCE


SUSTAINABILITY


TRUST

To continually enhance customer experience, send an email to: automotive-solutions@sgs.com

Download AUTO white papers @ www.sgs.com/whitepapers

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WWW.SGS.COM

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