

Volkswagen – Measures for Customers in GER and EU

Customer is king – this phrase means something special to Volkswagen. Cars are valuable, long-lasting and highly complex commodities which are also dependent on excellent service. In the automotive industry and at Volkswagen in particular, the relationships between manufacturer and customer are built to last, and require a consistently high level of customer satisfaction. At Volkswagen, each of our customers is an individual.

And what's more, our customers show an above-average level of identification with the brand ("you know what you've got") and also have high demands on the quality of our products ("it runs and runs and runs").

The company therefore considers it a matter of course to do everything in its power to minimise the inconvenience associated with the forthcoming recall of diesel vehicles (NOx issue) or visits to the authorities (CO₂ issue) as far as is possible.

Volkswagen has assured its **customers** that the **implementation of technical solutions (NOx)** will of course be **free of charge**.

Markets and customers differ greatly from country to country. If we treat all of our customers across the world in the same way, we end up pleasing no-one. For this reason, Volkswagen has announced that **solutions will be tailored specifically to each market** and that the customers will be offered an individual package of measures.

Unlike in Germany and Europe, the diesel engine market in the USA is young and highly sensitive. For decades, diesel technology was deemed unsuitable for passenger cars. And, furthermore, diesel fuel is more expensive than petrol. Additionally the underlying emission regulation in the USA and Canada differs from the German one, so that customers in the USA and Canada possibly have to wait longer for a technical solution, that is confirmed by the responsible authorities.

The gift certificates that have been offered in the USA and Canada serve primarily as an instrument to maintain the loyalty of the affected customers and thank them for their patience.

Volkswagen has taken the customers' uncertainty very seriously and immediately provided a **variety of informational material** on the topics of nitrogen oxide (NOx) and carbon dioxide (CO₂)/fuel consumption. The company has been concerned with keeping affected customers well-informed in addition to partners at the dealerships who act as a liaison between the company and the customer. All customer information has been developed specifically for the relevant target groups and distributed across a wide variety of interactive, multi-lingual and individual communication channels.

Direct measures also include **individual letters to customers**. These letters are distributed to fleet and direct customers of Volkswagen AG, and are also sent **by the dealerships to individual customers**.

A microsite set up at short notice on the Internet offers all customers the opportunity to determine quickly and easily whether or not their vehicle is affected by the irregularities. This online customer information has been set up by all of the markets in the respective country's language and can thus be accessed quickly and easily at volkswagen.de, Škoda.de, and SEAT.de, for example.

The interactive microsite also offers customers exhaustive answers to detailed questions and queries. The comprehensive list of questions includes questions such as: "My vehicle is affected, do I have to go to the workshop?", "my vehicle is affected, can I continue driving it?", and also "my vehicle is affected, will I have to cover any costs?"

The microsite has been widely accepted by customers and has been used intensively. A total of around 5.0 million hits were registered between 2 October and 13 December alone. Another 661,000 hits have been recorded worldwide from mobile devices. During the same time period, around 3.8 million users had their vehicles tested. The majority of users were from Germany (48%), the UK (14%) and Spain (12%), while Bulgaria, Romania, and Iceland were among the countries where interest was the least pronounced.

On 13 December 2015, the customer microsite was available online in 47 markets, and had been adapted to local needs in 10 of these countries. The number of visits on the same day came to an exact total of 5,024,389.

Dealerships and importers have been given customer letter templates. Up-to-date information is constantly available worldwide and throughout the Group via the respective online dealership portals or the communication channels used in the respective countries.

Ever since the irregularities came to light, the German **hotline** has been set up as a point of contact for customers with enhanced information needs. This involves targeted routing of customers, which helps to reduce waiting times. The German 24-hour **hotline** received an average of 460 calls more per day during the period concerned (calendar weeks 39 to 47) compared to before calendar week 39. The total volume increased by 70%. Customer calls are rerouted to a special number for dealing with the current issue. Callers hear the following message when they ring "0800-Volkswagen":

"Welcome to Volkswagen. Due to the current situation, please select one of the following numbers:

- Do you require information on "emissions standards"? Please say "1" or enter the number into your telephone.
- Do you require information on "carbon dioxide and fuel consumption"? Please say "2" or enter the number into your telephone.
- Do you require information on our model range or Volkswagen in general? Please say "3" or enter the number into your telephone."

The 24-hour hotline staff have been provided with a detailed catalogue of questions and answers to prepare them for all kinds of questions that customers might have.

56 additional members of staff have been recruited for the **Customer**

Information Center in Germany especially for this purpose, which corresponds to an increase of almost 50% on normal staff levels in this division. Comparable measures have been introduced in other EU markets too, for example in the UK, where customer enquiries increased by 75% between week calendar 39 and calendar week 47; the amount of staff was increased by 40%.

In the interest of the customers, Volkswagen has used all of the manpower and resources at its disposal to enable it to introduce the **technical solutions** for diesel vehicles affected by the **NO_x issue** as quickly as possible and in agreement with the authorities. Customers and the public have been provided with detailed, transparent, and comprehensible information on the scope of these solutions. All three engines affected will be fitted with new software; an additional, minor adjustment to the hardware is only necessary in the case of the 1.6-litre engine. The technical measures were developed with the aim of complying with the applicable emissions value thresholds without adversely effecting engine performance, fuel consumption, and driving performance.

The **CO₂ issue** has proven to be **significantly less severe** than initially suspected. Following intensive internal inspections and tests to determine the CoP value, the number of vehicles still requiring testing has been reduced to approx. **36,000** worldwide across only nine model variants.

If necessary, new catalogue figures will be published for these model variants within the scope of normal processes and at the earliest opportunity. Based on current information, the deviations are expected to be on average just a few grams of CO₂, which is equivalent to an increase in fuel consumption as measured in the New European Driving Cycle of 0.1 to 0.2 litres per 100 kilometres. The real consumption figures will not change, and no technical measures will be required in the vehicle. In fact, the CoP values recorded actually support the originally approved CO₂ values for many current production vehicles.

Volkswagen is continuing to cooperate closely with the financial authorities and tax offices in the countries of the European Union and is making every effort and taking every precaution to ensure that the higher taxes which may arise directly as a result of the CO₂ issue are not passed on to its customers at all. Instead, it wishes to ensure that any such taxes are invoiced directly to the Volkswagen Group if they are indeed levied.

Volkswagen has created a **Customer Care Package** for customers affected by the **NO_x issue**.

In addition to this **free service campaign**, Volkswagen will contact all customers before their visit to the workshop to ensure that their individual needs can be taken into consideration and to avoid potential disadvantages such as **inhibited customer mobility**. The framework specified by Volkswagen has been standardised across all European markets in order to ensure equal treatment, but simultaneously allows country-specific detail to be added in line with market-specific customer requirements. Car dealerships are being actively involved and supported in the creation of the Customer Care Package, to ensure outstanding customer care.

Volkswagen AG will explicitly refrain from pleading the **statute of limitations** until 31 December 2017 with regard to possible claims associated with software fitted in vehicles with engine type EA189. The **waiver of the statute of limitations** for such claims also applies if these have already been statute-barred. As such, Volkswagen customers will suffer no disadvantage simply by waiting.

Volkswagen recommends that its dealerships issue all customers with an identical waiver of the statute of limitations. For this reason, Volkswagen AG is updating the sample letters sent to the dealerships.

Volkswagen will set up an intensive dialogue with **consumer protection organisations** in Germany and the EU next year and in doing so will inform continuously about the service campaign.

To summarise:

Volkswagen will create a special package of measures for each market, thus ensuring high levels of customer satisfaction everywhere thanks to tailored loyalty products. The company will work with the dealerships to guarantee consistently outstanding customer service, and will remain in close dialogue with the consumer protection organisations.