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Hyundai's new incentive lets buyers return new cars, such as the Sonata, if they lose their job within 12 months of taking delivery.

By RICHARD TRUETT, AUTOMOTIVE NEWS

During a focus group meeting in late November, Joel Ewanick, Hyundai Motor America's vice president of marketing, realized no matter how much cash Hyundai piled on the fenders, it probably wasn't going to get buyers into showrooms.

Not when they were worried about losing their jobs.

"The question for consumers right now is what is going to happen to their income in 2009," Ewanick told *Automotive News*. "That's what is keeping them on their couches. No matter how big the rebate you put out, the real issue is fear."

So Hyundai, working with Walkaway USA LLC, an Irving, Texas, company that offers buyers insurance on

their loans, came up with the latest twist in automaker incentive wars.

If a Hyundai buyer loses his or her job within 12 months after taking delivery, the buyer can return the vehicle to the dealership without damaging the buyer's credit rating. Buyers must prove they've been laid off and must be current in their payments. If the car is in good shape, the buyer can leave the keys with the dealer and Walkaway pays off the loans. Cost to the consumer: nothing.

Hyundai rolled out the program nationwide on Friday, Jan. 2, and will stick with it for all of 2009, Ewanick told *Automotive News*. He would not say how much the deal is costing Hyundai except to say that it accounts for a major chunk of Hyundai's 2009 marketing budget. Ewanick said Hyundai is paying for the first year of the insurance policy for consumers.

Although the program is less than a week old, Ewanick said reports from Hyundai dealers and from monitoring Web site traffic show consumers are interested in the program.

"We have definitely touched a chord with consumers. We knew from doing a lot of research last fall that consumers weren't reacting to traditional tactics of automotive sales and marketing programs."

Hyundai has exclusive rights to the program nationally thorough Walkaway, but individual dealers can offer similar protection. Ewanick says he expects Hyundai to have competition with the return program.

Says Ewanick: "We expect this will probably get a few months, maybe less, of clear sailing."

Hyundai's affiliate, Kia, is not offering the program.

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