

CRUZE LAUNCH QUESTIONS AND ANSWERS

Engineering questions

Q: What local testing was done to ensure Cruze is right for South African conditions?

A: Some 200 000 km's of local testing and more than 10 000 man hours were undertaken by the GMSA engineers over a period of 6-8 months before launch. Testing included gradability and load tests in all conditions, at coast and altitude, back roads and highways. Special attention was paid to rattles and squeak prevention as well as noise, vibration and harshness – resulting in the quietest car in this segment. This rigorous testing regimen also resulted in several changes to the Cruze to make it right for SA. These changes took into account SA's unique fuel quality issues, as well as changes to final drive ratios and other gearing issues to ensure local customers can tow their "Venters " comfortably.

Q: What is the safety rating of the Cruze?

A: Cruze has been awarded a 5-star rating by the Australian NCAP, Chinese NCAP and USA NCAP ratings agencies. Euro NCAP tests are not yet completed.

Q: When the 2,0l diesel arrives, will it experience the same degree of turbo lag as the diesel Captiva?

A: All turbo diesels experience a degree of lag at altitude. This occurs in the time it takes for the turbo to spool up after receiving the signal to accelerate. The gearing, weight and other aspects of the Cruze are quite different to the Captiva and we are confident the amount of lag will be acceptable within Cruze's competitive set. The Engineering team has already made some modifications to the gearing to optimize the powertrain for South Africa, and continues to test the vehicle to ensure it meets local requirements. We also reviewed transmission and final drive ratios to ensure quality performance at low rpm.

Q: Explain the difference in performance between the coast and altitude.

A: Unlike turbo charged or supercharged engines which force air through an engine, naturally aspirated engines such as those in the Cruze 1,6 and 1,8 litre petrol models rely on the natural density of the air to determine the maximum amount of fuel and air mixture that is injected into the pistons. So at altitude, where the air is thinner than at the coast, the amount of fuel and air available to combust is less resulting in a power reduction of between 16 and 18% compared to the coast.

Aftersales questions

Q: What has GMSA Aftersales done to prepare for the launch of Cruze in SA?

A: Three part answer:

- Dealer technical training of some 5600 hours to prepare the technicians for all possible Cruze issues. The issuing of specials tools and diagnostic equipment including the sophisticated MDI plug-in tool which quickly and accurately is able to diagnose the source of a failure.
- Accessory development well ahead of time has allowed for a variety of discreet and tasteful items for customers to personalise their Cruze. In addition, functional accessories such as towbars have been developed and are readily available.
- Parts pricing has been purposefully set at an aggressive and competitive level when compared to Toyota Corolla. According to independent research by Malcolm Kinsey of the authoritative *Kinsey Report*, the 1,6 litre L and LS Cruze parts basket prices have come in at 36% cheaper for service parts, 53% on maintenance parts and 10% cheaper on crash parts. On the Cruze 1,8 litre, the comparison to Corolla is 45% cheaper on service parts, 14% cheaper on maintenance parts and 9% cheaper on crash parts.

Q: Are replacement tyres available on all Cruze models?

A: Yes they are available from Lombard Tyres based in Johannesburg. Lombard Tyres are the agents for Kumho Tyres and other Korean tyre brands.

Q: Are all parts available yet?

A: We have full parts stock availability. We have had some delays on the approvals of towbars and the rear tailgate spoiler, but all backorders will be resolved by Monday the 5th of October 09.

Q: Is there a towbar-mounted bike rack available for the Cruze?

A: Yes, we have a Thule Bike Rack that fits onto the towbar. It is a generic part that will also fit other models.

Marketing questions

Q: What does the customer in the C-segment expect from their vehicle?

A: Typically, this is a rational purchase with high store being placed in:

- Value for money
- Reliability
- A brand they can trust
- Space
- Safety
- Low cost of ownership

Lower on the scale are styling and power

Q: Why do the LS models have a material insert on the dash and door side panels?

A: This particular item researched well as a key differentiator between the Cruze and other vehicles. It offers something quite different in this class.

Q: Why no maintenance plan?

A: Customers researched did not rate the value in a maintenance plan versus a service plan when asked to pay for it. As mentioned, this customer is very rational in their approach. Another nice--to--have item in the research was found to be cruise control.

Q: I have heard that the Chevrolet brand's residual values have improved recently. Explain?

A: The overall vehicle market in SA has shown a 0.7% decrease in residual values in the past month, the Chevrolet brand returned improvements on 1,32%. Movements of 0.2 to 0.3% are typical so the improvement by Chevrolet is remarkable.

Q: What marketing is GMSA doing to bring Cruze to market?

A: Great question. Some 2-3 months ago, we commenced building awareness of the Cruze via the WhereWillChevroletTakeYou.com website. In addition, several magazine and newspaper adverts were placed, billboards erected and a TV campaign launched. In addition, several dealers have embraced the early marketing initiatives suggested by GMSA marketing and have placed their own teaser adverts and a few have even erected their own billboards. These dealers all qualify for the tripled co-operative advertising support on offer.

Q: Where is the dolphin fin aerial?

A: We are currently planning a rolling change to introduce this, no later than MY11.

Q: CAR Magazine stated that the Cruze LT is underpowered. What is our response?

A: The majority of the volume in the segment is 1.6L volume, and we perform well against competition in this sub-segment. The CAR article included several positive and fact-based statements about Cruze, but compared it against some models that are not direct competitors against Cruze. Overall, we are not overly concerned about the article, as Cruze is receiving substantial positive press.

Q: How did we achieve such great pricing on Cruze?

A: Because Cruze is a global car, the cost of global engineering and design is spread over more volume. Also, we carefully set the specification by trim level, excluding items that consumers in the segment do not consider to be "good value".

Quality questions

Q: What role does the GMSA Quality Organisation play in bringing a new product like Cruze to market.

A: Lets start by saying that the quality organisation in all of GM's global sites reports directly into the board – evidence of the importance of quality to GM. GMSA's Quality Manager is responsible for interdepartmental co-ordination and obtaining the buy-off from each functional Vice President in bringing any new product to market. Whether it be Engineering, Aftersales, Sales and Marketing or Finance, it is the Quality Managers job to ensure all departments are ready and able to deliver a flawless launch.

Q: Explain the difference between perceptual and initial quality?

A: Perceptual quality is all about the first impressions created by the product, typically on the dealers showroom floor. Body panel gaps of 3mm or less, the way the doors shut with a solid “thunk” or the quality of the interior materials when sitting in the drivers seat all contribute to a feeling of solidity and quality. Initial quality relates to the customers ownership experience in the first 2-6 weeks of ownership. Has anything gone wrong, fallen off or broken? Has the car lived up to expectations? We are confident that Cruze will live up to all customer expectations.

Q: Chevrolet did well in the latest Synovate study. What are the details?

A:

- The latest Synovate Customer Satisfaction Study results reflect a great improvement for Chevrolet. Number one in sales satisfaction and number four in service satisfaction are testimony to the tremendous strides the Chevrolet dealers have made in delivering world class service.
- Chevrolet also achieved a 2nd place in the Synovate PP100 competitive survey for “Best Volume Passenger Car Brand Overall” in 2008 as well as 3 segment awards in the “Entry, Small Hatch & Small Sedan” categories.

Sales questions

Q: Will the rental deals you have done rob dealer of stock in this launch phase when stock is in relatively short supply?

A: The rental companies were engaged in May of this year and placed order exceeding 1200 units. We ordered a specific batch of units for them so this does not rob dealer supply at all. In fact, the rental units differ slightly from dealer stock as they have a different seat trim.