

**IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF FLORIDA**

**IN RE: TAKATA AIRBAG PRODUCTS
LIABILITY LITIGATION**

Case No. 1:15-md-02599-FAM

**THIS DOCUMENT RELATES TO:
ECONOMIC LOSS TRACK CASES AGAINST
BMW, FORD, HONDA, MAZDA, NISSAN,
SUBARU, AND TOYOTA DEFENDANTS**

**REPORT BY THE SETTLEMENT SPECIAL ADMINISTRATOR ON THE
IMPLEMENTATION OF THE OUTREACH PROGRAMS PURSUANT TO THE BMW,
FORD, HONDA, MAZDA, NISSAN, SUBARU, AND TOYOTA SETTLEMENT
AGREEMENTS**

STATUS REPORT NO. 10 FILED JULY 31, 2020

The Settlement Special Administrator of the BMW, Ford, Honda, Mazda, Nissan, Subaru, and Toyota Settlement Agreements (collectively, the “Settlement Agreements”) submits this Report to the Court to provide information and insight as to the ongoing efforts of the Outreach Programs under the Settlement Agreements¹.

As explained in further detail below, the Outreach Programs have been designed through discussion with the Parties, the National Highway Traffic Safety Administration, and the Independent Monitor of the Takata recalls to utilize techniques and approaches not previously applied in the recall industry, with a focus on personalized, targeted direct campaigns aimed at increasing the volume of outreach attempts per consumer via traditional and non-traditional channels with the goal of maximizing the recall remedy completion rate to the extent practicable given the applicable provisions of the Settlement Agreements. Consistent with this, the Settlement

¹ The data and information contained in this report is generally as of June 2020.

Special Administrator and Outreach Program vendors regularly confer and communicate with the automobile manufacturers to coordinate concerted efforts to ensure that outreach to affected vehicle owners is conducted as efficiently and as effectively as possible and to continually improve the overall process.

1. Direct Outreach

a. Current and Future Campaigns in Direct Outreach to Affected Consumers

Due to anticipated changes in consumer behavior and the “stay-at-home” orders introduced in the Spring of 2020 as a result of COVID-19, the Settlement Special Administrator and Outreach Program vendors temporarily reduced outreach activities and modified the strategy to utilize lower cost outreach alternatives (predominately email, where available) to conserve the outreach budget for use when consumers are more likely to take action to have their vehicles remedied. During this time, in addition to reducing the amount of outreach and using the least costly methods of outreach available, messaging was modified to acknowledge the pandemic and the effect it may be having on consumers’ lives, offering consumers the ability to call or text to receive future reminders of the recall if the consumer preferred to delay the repair to a later date when the consumer felt more comfortable doing so.

In mid-May, response rates began to return to near pre-COVID-19 levels, and the Settlement Special Administrator increased outreach accordingly to be more in line with levels in January and February 2020. Furthermore, various initiatives originally planned to launch around March 2020 which had been paused were launched or are now in the process of being launched. For example, the Commercial Vehicle and Concierge Service Programs are now launching in the Summer of 2020. The Commercial Vehicle Program will have dedicated agents with their own accounts to manage and their own direct phone lines and email addresses to communicate with

commercial vehicle owners. Their focus will be on using not only existing data sources but also internet sourced data to find the vehicle owners and to break through any barriers from initial contact with the businesses. The agents will also support the scheduling of multiple vehicles at once with a dealer to minimize interruption to the vehicle owner's business operations. The Concierge Service Program will have several agents operating in a team to help ensure that a Concierge Team Member is available to consumers at all operating hours. These agents will also have their own direct phone line and email addresses to make the experience more personal and convenient to the vehicle owner, with the goal of ushering that owner and vehicle through the process from end-to-end until the vehicle is remedied.

Furthermore, the Outreach Programs are implementing the following new creative materials and campaigns for effectiveness in urging consumers to have their vehicles remedied by easing the burden on owners in scheduling appointments: 1) Including a "QR code" in direct mail whereby consumers can scan the code with their cellular phones to schedule an appointment online; 2) Including a reminder card with mail outreach for consumers to write down their appointment dates and times; and 3) Introducing a "hand raiser" campaign where individuals who have contacted the Outreach Programs' call center but have not remedied their vehicles are included in specific follow-up campaigns referring to those prior contacts and again attempting to schedule another appointment to have the vehicles remedied.

Additionally, the Outreach Program call center is the main funnel through which consumers schedule appointments to have their defective inflators replaced, so the Settlement Special Administrator and Outreach Program vendors are implementing several initiatives to improve the call center experience to increase ease of scheduling and therefore in turn remedy rates, including 1) Conducting follow up outbound calls to consumers following "warm transfers"

to dealerships to confirm the appointment was set by the dealer, 2) Conducting additional training of agents on rebuttals and escalations to improve the conversion and remedy rates following consumer inbound calls, 3) Adding a call back request feature to the inbound call prompts to reduce the chance that a consumer will abandon the call if the call cannot immediately be taken by an agent, and 4) Conducting focus groups of call center agents to determine additional improvements to call scripting.

Lastly, the Settlement Special Administrator and Outreach Program vendors are actively working on or considering several additional projects, including launching a “mobile repair” campaign with outreach and messaging tailored to those consumers eligible to have a repair technician come to their home or place of business to perform the recall remedy; identifying ways to incorporate social influencers into the outreach activity; identifying ways to incorporate consumer and dealership testimonials into outreach activity; and testing of specialized mail formats such as inclusion of an official seal to convey a more formal look and feel to communications as well as the use of a FedEx-type envelope to accentuate the importance of its contents.

b. Continued Efforts with State Departments

As reported, the Settlement Special Administrator, the automobile manufacturers, and the Independent Monitor for the Takata recalls have engaged various state departments to endorse the deployment of letters on behalf of their respective states to inform affected citizens of the Takata inflator recall and its severity, as well as to provide information on how to have the recall repair completed. In addition to the states in which these letters have previously been mailed², letters for the State of Tennessee will be mailed in July, and similar letters are anticipated to be mailed in the

² Louisiana, Michigan, New York, Mississippi, Alabama, Kentucky, Wisconsin, Minnesota, North Carolina, Virginia, Arkansas, Florida, Georgia, Pennsylvania, South Carolina, Ohio and Nebraska.

coming months in Connecticut, New Hampshire, and Vermont. The Settlement Special Administrator, the automobile manufacturers, and the Independent Monitor for the Takata recalls continue to contact state departments to seek their cooperation in this valuable and effective effort.

c. Overall Deployment and Response

A total of 242,940,513 outbound deployments have been made by the Settlement Special Administrator and Outreach Program vendors to affected consumers. These deployments are broken out by primary channels below:

<u>Channel</u>	<u>Volume</u>	<u>Total Appointments</u>
Direct Mail Pieces	91,603,924	1,071,049
Emails	58,864,872	38,384
Outbound Calls	31,593,734	295,946
Digital (Facebook) Impressions	60,877,983	91 ³

d. Overall Results

The Settlement Special Administrator and Outreach Program vendors have performed a total of 1,427,104 appointments and “warm transfers” to allow consumers to schedule appointments directly with dealers, and 6,564,404⁴ recall remedies have been completed since the transition of outreach to the Settlement Special Administrator and Outreach Program vendors⁵.

³ Social media deployment such as Facebook is an extremely low-cost channel used primarily to maintain consumer awareness and a social presence to support other outreach activities which more regularly result in appointments and repairs, such as direct mail and outbound phone calls.

⁴ The prior Status Report indicated that the total number of recall remedies performed was 5,600,803. This, however, was under-reported and should have been 6,249,402, which increase from prior reports is associated with the revised approach in accounting for repairs explained in footnote 8.

⁵ Considering the significant efforts put forth towards indirect outreach methods such as mass media and public relations-type activities, Status Reports now provide the total number of recall remedies performed, irrespective of whether direct outreach had been performed on a vehicle. As previously mentioned, consumers often schedule repair appointments directly with their local dealerships rather than by calling the Outreach Programs’ call center to do so. As such, the total recall remedy completion count presented herein cannot be attributed solely to those direct activities conducted by the Settlement Special Administrator and Outreach Program vendors and exceeds the number of appointments and “warm transfers” set by Outreach Program vendors. This is also consistent with the fact that each

2. Additional Activities and Efforts

In ongoing consultation with the Parties, the National Highway Traffic Safety Administration, and the Independent Monitor of the Takata recalls, the Settlement Special Administrator has also undertaken several other activities to be performed in addition to and in conjunction with direct outreach to consumers.

In terms of earned media, the Settlement Special Administrator and Outreach Program vendors have continued deploying public relations materials to news outlets throughout the areas mentioned in prior Status Reports. In total as of June 2020, B-roll news footage has run over 1,500 times across over 30 states; the news syndicate press releases have run in 215 publications across 20 states; and 51 print/online stories have been generated across United States. The Settlement Special Administrator's public relations team plans to focus its activities in the following states over the next quarter: Alabama, Georgia, Louisiana, Mississippi, South Carolina, Arkansas, Illinois, Indiana, Maryland, New Jersey, Ohio, Pennsylvania, and Virginia. Furthermore, the public relations team also plans to target states at the same time as the deployment of DMV-type letters in order to bolster the legitimacy and effectiveness of those communications. However, coverage in earned media and news outlets continues to be heavily focused on COVID-19 over the past several months.

3. Conclusion

The Settlement Special Administrator offers this Report to ensure that the Court is informed of the status of the Outreach Programs to date. If the Court would find additional information helpful, the Settlement Special Administrator stands ready to provide it at the Court's convenience.

automobile manufacturer continues significant and extensive outreach efforts beyond those activities performed by the Settlement Special Administrator in the Outreach Programs under the Settlement Agreements.

/s/ Patrick A. Juneau

PATRICK A. JUNEAU
Settlement Special Administrator

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that, on July 31, 2012 I electronically filed the foregoing document with the Clerk of the Court using CM/ECF. I also certify the foregoing document is being served this day on all counsel of record via transmission of Notice of Electronic Filing generated by CM/ECF.

/s/ Matthew P. Weinshall

Matthew P. Weinshall