



Genworth®  
Financial

## EMBEDDED EXPENSE PROTECTION



Embedded Expense Protection (EEP) has been developed as a direct result of the current global recession and its impact on working people. It has been created to acquire and retain customers by cushioning them from some of the financial effects of involuntary unemployment. Reassured in the knowledge that they will be protected, customers can continue to purchase and commit even in these uncertain times. EEP works in a similar way to our Auto Loan or Credit Card payment protection whereby, if someone is made redundant, or can't work due to illness or an accident, we will pay their covered monthly bill direct to you for a predetermined period of time.

### CLIENT BENEFITS

#### **A great reason for customers to keep spending with you**

EEP not only improves consumer confidence to encourage spending but if a protected customer loses their job or can't work, we pay their monthly commitments on their behalf whilst you secure your sales.

#### **Prevents downgrading and attrition**

Even in these times of uncertainty, customers will be more inclined to stay with existing suppliers and renew contracts if they have the reassurance of knowing that they will be protected.

#### **Increased acquisition**

As uncertainty and job loss fears continue to rise, brands offering protection to their customer base will become increasingly more appealing – particularly in parity markets.

#### **Improved customer loyalty**

Protected customers feel a far greater sense of loyalty to a brand that is seen to be taking care of them through these difficult times.

#### **Provides upgrade opportunities**

By offering customers this protection on higher packages or on attainment of certain spend targets your customers will be more inclined to commit to an increased level of spend.

### CUSTOMER BENEFITS

#### **Increased consumer confidence**

Our research shows that customers would feel more inclined to commit to new contracts or continued monthly expenditure, if they do not have to fear payment difficulties should they lose their regular source of income.

#### **Reducing disruption**

With EEP protecting your customers, they can concentrate on finding a new job or getting healthy rather than worrying about how they're going to meet some of their financial obligations.

#### **Secure credit rating**

By avoiding defaulting on contractual obligations your customers can safeguard their credit rating even though their income has been disrupted.

#### **Feeling valued**

Your customers will feel as though you truly appreciate their business and are rewarding their loyalty.

### Keep your customers spending

An increasing number of companies are beginning to offer protection schemes similar to EEP to prevent declining customer numbers and reduced spend. By implementing our EEP programme we believe that your customers will have the confidence to enter into new agreements and maintain their spend levels with you while cutting back on other expenditure. This will drive increased brand loyalty in the long term.

### Attract new customers with EEP

By implementing our EEP programme we believe that you will not only retain more of your existing customers and minimise product down trading, but you will also become more attractive to new customers who seek out offers and deals that provide added value.

### It's up to you who you cover

Whether you want to protect your top tier customers, your entire existing customer base or just offer EEP as an incentive to new customers, it's up to you.

## SUCCESS STORIES

### GMAC (Motor)

We have launched an EEP programme with GMAC (General Motors) in the UK to tackle the declining sales in the motor industry. The cover is on all its new and used car finance packages for up to 12 months. This innovative offer means that customers can take advantage of the great finance deals available in the showroom with the added confidence that their repayments are protected.

## MARKET STATISTICS

- 57% of shoppers are economising.<sup>1</sup>
- The European Commission Consumer Survey into purchasing behaviour reached a 23 year low in October 2008, and subsequent months show that consumers remain pessimistic about making purchases.<sup>2</sup>
- Financial vulnerability has significantly worsened in the past 12 months across Europe.<sup>3</sup>
- A decline in consumption in during the last quarters of 2008 was responsible for 30% of Eurozone GDP's negative growth.<sup>4</sup>
- Between 2002-2007, private consumption not only accounted for c.57% of Eurozone GDP on average but also was the single-largest factor fuelling economic growth over that period.<sup>5</sup>

Correct at time of print, July 2009.

<sup>1</sup> IGD, The World Turned Upside Down, October 2008.

<sup>2</sup> The Joint Harmonised EU Programme of Business and Consumer Surveys, July 2009.

<sup>3</sup> Genworth Index, vol.1, 4th quarter 2008.

<sup>4</sup> Mckinsey, Beating the recession: Buying into new European consumer strategies, April 2009.

<sup>5</sup> Mckinsey, Beating the recession: Buying into new European consumer strategies, April 2009.

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