Quality Guarantee Program

2010. 1. 21
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I. The Launching Background of Quality Guarantee Program

**Background**
- High Fuel price due to rising oil prices and higher taxes on fuel
- Increased the distribution of abnormal products
- Growing customer’s interest in guaranteed fuel

**Launching Object**
Enhance Customer Confidence on SK Products through the Quality Guarantee Program

**Building the Image**
‘SK S/S = Guaranteed Fuel’

**Expected Results**
- Enhance Customer Confidence
- Improve the Gathering Power
- Increase Sales through the Eradication of buying other Products

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**Disclosure Number of Abnormal Products**

<table>
<thead>
<tr>
<th>Year</th>
<th>Number</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>534</td>
<td></td>
</tr>
<tr>
<td>2006</td>
<td>659</td>
<td></td>
</tr>
<tr>
<td>2007</td>
<td>540</td>
<td></td>
</tr>
<tr>
<td>2008</td>
<td>611</td>
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</table>

Number vs. Rate
I. The Launching Background of Quality Guarantee Program

- Quality Guarantee
- Increase Sk Brand Preference
- Increase Loyalty
- Customer
- Gas Station
II. The Main Promotion Strategy

**Attraction Strategy for Retail Customer**

1. PR enhance and provide Benefit
2. Enhance Customer Complaints Handling
3. Enhance Customer Compensation

**Enforcement Strategy for Retail Customer**

4. Reward System for Accuser
5. Enhance Quality Inspection

Strengthen the Program Execution through the balancing Attraction & Enforcement Strategy

Raise the Customer Awareness about the Program
1. Attraction Strategy : PR enhance and provide Benefit

On-Site Promotion

- Advertisement Signs
  - standing signboard and attached Poste
- Provide Promotion Item

Advertising Media

- Radio Advertising
- Online Banner Advertising

Provide Benefit to Gas Station

- Provide Insurance for Gas Station

Raise the Customer Awareness about the Program
2. Attraction Strategy: Enhance Customer Complaints Handling

Before: Lack of Mediation role

- Difficult to arrive at an agreement between interested parties
- Limit rapid response
- Lack of support

As-Is: Enhanced Mediation Role

- Establish Rapid and Objective procedure for customer complaints
- Quick judgment and compensation
- Inform the result

Customer

SK

Gas Station

Enhance Customer Confidence on SK Products through the Quick judgment and Compensation
3. Attraction Strategy: Enhance Customer Compensation

**Cause**
- Clear
- Unclear

**Agreement**
- Complete
- Not agreed (Excessive compensation)

**Compensation**
- causer
- SK (Delayed compensation)

**Remark**
- Implement of recovery

- 'Compensation Guideline' (repairing charge + Rent)

Rapid compensation for the unclear cause
4. Enforcement Strategy: Reward System for Accuser

- **Q-Monitor**
  - Select from customer (10,000)
  - ① Witness
  - ② Accuse
  - ④ Inspection
  - ⑥ Reward

- **Call Center**
  - ③ Ask for inspection
  - ⑤ Inform the result

- **Quality Service Center**
  - Inspection

- **Sales**
  - ⑦ Caution and rating sink

- **Steps**
  1. Witness
  2. Accuse
  3. Ask for inspection
  4. Inspection
  5. Inform the result
  6. Reward
  7. Caution and rating sink
5. Enforcement Strategy: Enhance Quality Inspection

- Inspection cycle was reduced through the sampling dedicated staff (from twice to 12 times a year)

<table>
<thead>
<tr>
<th>Before</th>
<th>As-Is</th>
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<tbody>
<tr>
<td>Inspector</td>
<td>Sampling dedicated staff</td>
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<tr>
<td>Quality Manager</td>
<td>Measure the contents of mark</td>
</tr>
<tr>
<td>Object</td>
<td>Cycle</td>
</tr>
<tr>
<td>Inspect facilities and quality</td>
<td>Twice/yr</td>
</tr>
<tr>
<td></td>
<td>Up to 12 times/yr</td>
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</table>

- Establish Foundation of Quality Guarantee System through Enhancing Quality Inspection
- Improve the SK Image through enhanced Quality Management
### III. The Main Effects

1. **Reduced buying other products**

   ![Graph showing reduced buying other products over time]

2. **Increased Marker Share**

   ![Graph showing increased marker share over time]
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