

**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, HONDA, MAZDA, NISSAN, SUBARU,  
AND TOYOTA DEFENDANTS**

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

**STATUS REPORT NO. 4 FILED MARCH 22, 2019**

The Settlement Special Administrator of the BMW, 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 Agreements<sup>1</sup>.

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 maximizing 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 applicable provisions of the Settlement Agreements. Consistent with this, the Settlement

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<sup>1</sup> The data and information contained in this report is generally as of early March 2019.

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. Consumer Population Segmentation and Tailored Assets

As previously reported, the Settlement Special Administrator and Outreach Program Vendors, in consultation with the automobile manufacturers, have organized the outstanding consumer population into different groupings and segments based on their behavioral qualities and demographics. The final segments were as follows: “Apple Pie”, “On the Go”, “Golden Years”, and “Starting Out”. As described in more detail in prior reports, these segments primarily vary based on age, wealth, presence of children, and education as relating to the targeted consumer. A fifth segment, “New Owners”, was based on more objective criteria of recently a particular vehicle had been registered to the targeted consumer. Furthermore, each segment was broken down by Priority Group range, generally with Priority Groups 1 – 4 as one grouping and with Priority Groups 5+ as the other.

Following this segmentation process, creative assets tailored to each of the above segments were drafted, including multiple assets for the mail, email, and social media channels, examples of which were provided previously. Following input from the Parties as well as that of the National Highway Traffic Safety Administration and the Independent Monitor of the Takata recalls, the Settlement Special Administrator and Outreach Program Vendors incorporated necessary changes in the copy and imagery of the assets. Following the completion of that process, the Outreach Program has begun to deploy these segmented assets for some of the automobile manufacturers

while others are in the final stages of the creative draft approval process and will be deployed shortly. Spanish versions of these assets have been or will also be developed to target those individuals with a Hispanic language preference.

Lastly, as mentioned in the prior report, the Outreach Program will utilize control group assets not associated with or drafted for any particular segment. The response rates for these assets will provide a baseline for testing the effectiveness of the above segmentation process and of different types of mail pieces, including postcards as compared to letters. This analysis and testing is expected to be conducted during and subsequent to deployment which will occur over the next 90 to 120 days.

b. Continued Efforts with State Departments

As reported previously, the Settlement Special Administrator, the automobile manufacturers, and the Independent Monitor for the Takata recall have engaged some state departments to endorse the deployment of letters on behalf of their respective states to inform affected citizens of the Takata recall and its severity, to notify the recipient that he or she is affected, and to provide information on how to have the recall repair completed. To date, letters have been deployed in several states, including Louisiana, Michigan, New York, and Florida, and these mailings have resulted in significantly elevated repair rates over the months following deployment. As a result, the Settlement Special Administrator, the automobile manufacturers, and the Independent Monitor for the Takata recall have continued to contact state departments to seek their cooperation in the effort, and additional states including states in Zone A<sup>2</sup> have recently agreed to the sending of similar letters which are planned to be deployed over the coming months.

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<sup>2</sup> As per the Third Amendment to the Coordinated Remedy Order, Zone A includes Alabama, California, Florida, Georgia, Hawaii, Louisiana, Mississippi, South Carolina, Texas, Puerto Rico, American Samoa, Guam, Saipan, and the U.S. Virgin Islands. These areas generally have the greatest temperature cycling and absolute humidity, which are two of the largest factors affecting the rate at which propellant may degrade in Takata airbag inflators.

c. Overall Deployment and Response

A total of 91,597,669 outbound deployments have been made by the Settlement Special Administrator and Outreach Program Vendors to affected consumers. These deployments are broken out by channel below:

<u>Channel</u>	<u>Volume</u>	<u>Overall Appointment Rate<sup>3</sup></u>
Direct Mail Pieces	29,844,744	3.55%
Emails	26,730,312	0.48%
Outbound Calls	11,069,872	4.47%
Digital (Facebook) Impressions <sup>4</sup>	23,952,741	Engagement Rate <sup>5</sup> – 0.18%

d. Overall Results

The Settlement Special Administrator and Outreach Program Vendors have performed a total of 521,269 appointments and “warm transfers” to dealerships to allow the consumer to schedule an appointment directly with the dealer, and 1,903,330 recall remedies have been completed since the transition of the Outreach Programs to the Settlement Special Administrator and Outreach Program Vendors<sup>6</sup>.

<sup>3</sup> “Overall Appointment Rate” measures the number of Takata inflator replacement appointments scheduled by the Settlement Special Administrator and its Outreach Program Vendors relative to the total number of vehicles targeted in each particular channel. As discussed in prior reports, these appointment rate figures are intended to measure relative success of the use of different channels to continually improve the Outreach Programs, but these incremental appointment rates are not intended to illustrate the overall effectiveness of the Outreach Programs so extrapolating these figures in an attempt to do so is imprudent.

<sup>4</sup> Digital and Facebook are considered to be relatively low-cost channels used to expose individuals to the message with high frequency. These Impressions were made with a “Reach” of 2,808,164 (i.e., the number of people who saw the Outreach Program’s content). Facebook deployment was temporarily suspended near the end of October while new creative assets are developed and approved for use. As the new segmentation assets are deployed, digital deployment will also begin again.

<sup>5</sup> “Engagement Rate” provides the percentage of people who actually engaged with the Digital Impression.

<sup>6</sup> Each 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. Furthermore, as mentioned, consumers often schedule repair appointments directly with their local dealerships rather than by calling the Outreach Program’s call center to do so. As such, the total recall remedy completion count presented herein cannot be attributed solely to those 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.

## **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.

The Settlement Special Administrator and Outreach Program Vendors have drafted a mass media plan to conduct paid advertising on national and local broadcast and cable television as well as on radio and digital internet channels. The purpose of this mass media approach is to raise awareness of the recall in those consumers who for a variety of reasons may not know that they are affected by the recall. The Settlement Special Administrator aims to begin that mass marketing effort in Q2 of 2019.

The Settlement Special Administrator has also engaged a vendor to conduct consumer research with respect to those consumers who have not yet had the Takata recall repair performed. That consumer research is intended to be conducted in three phases: 1) Focus Groups across four states, including groups specifically composed of minority demographics, to gain further insight on consumer awareness, creative concepts, reasons why some consumers have failed to act, and insight as to what would incite them to act; 2) Creative Concept Testing Survey, aimed at gaining insight by demographic segment into creative ideas, headlines, copy, imagery, etc.; and 3) Mass Media Awareness Survey, staggered into three separate surveys, one before, one during, and one after the mass media deployment, to try to assess the effect that plan had on the overall awareness and understanding of the consumer population as a whole.

Lastly, the Settlement Special Administrator and the Outreach Program Vendors continue to investigate additional sources of data, beyond data procured from state motor vehicle

registration departments, in an effort to supplement consumer contact information to increase the likelihood of reaching affected vehicle owners, especially with respect to older vehicles which have not yet had the Takata Recall remedy performed despite numerous prior contact attempts using the state department sourced contact information.

**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.

/s/ Patrick A. Juneau  
PATRICK A. JUNEAU  
Settlement Special Administrator

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that, on March 22, 2019, 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