

Hyundai Offering Buyers \$1.49 Gas Guarantee

NEW YORK (AP) -- Hyundai Motor America said Tuesday it will launch an incentive program that guarantees the price of gas at \$1.49 a gallon for a year for U.S. consumers who buy or lease its vehicles by Aug. 31, as the automaker looks to win over customers uncertain about the direction of fuel prices.

The incentive, dubbed the "Assurance Gas Lock" program, kicks off Wednesday and is the latest incentive from the Korean automaker that takes aim at issues of consumer confidence and uncertainty that have plagued the auto industry over the last year. Earlier this year, it launched its "Assurance" program, which offers to take back vehicles under certain conditions from Hyundai customers who lose their jobs.

The gas guarantee would save consumers \$1.14 a gallon, or 57 percent, off Tuesday's average price of \$2.63 per gallon of unleaded, according to the auto club AAA, Wright Express and Oil Price Information Service. However, the savings could rise or fall depending on the future direction of pump prices.

Hyundai has said one of the biggest factors holding back potential car buyers is uncertainty over the future direction of the price of gas. Fuel prices have whipsawed over the last year, peaking at a record high of \$4.11 a gallon last summer, then tumbling below \$2 a gallon earlier this year.

"We've extended Hyundai Assurance to cover gas prices just as peak summer demand traditionally strains budgets further," said Joel Ewanick, a vice president at Hyundai Motor America, in a statement.

Though Hyundai's sales have fallen in recent months, it has scooped up market share in the battered market from its flagging competitors in Detroit. Hyundai sales are down 8 percent for the first five months of the year, well below the industrywide decline of 37 percent. As a result, its market share has surged to 4.2 percent from 2.9 percent.

In a recent interview, Hyundai Motor America CEO John Krafcik attributed about one-tenth of that market share gain to its assurance program. Krafcik told The Associated Press that customers have returned only about five vehicles under the program since it was launched in January -- a sign that the automaker has gotten huge bang for its buck out of the incentive.

Other carmakers have followed Hyundai with similar programs. General Motors Corp.'s "Total Confidence" program and Ford Motor Co.'s "Advantage Plan," for example, guarantee car payments for a certain time if buyers lose their jobs.

Hyundai said its gas lock incentive program will apply to all of its vehicles except its Genesis luxury sedan and Genesis coupe. Consumers who enroll in the program receive a gas card that bills gas purchases at \$1.49 per gallon of regular-grade gas,

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regardless of the pump price. Though all eligible vehicles take regular-grade gas, consumers can buy mid-grade gas at \$1.64 a gallon and premium gas at \$1.79 a gallon, Hyundai said.

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