



Hyundai Motor America
10550 Talbert Avenue, P.O. Box 20850, Fountain Valley, CA 92728-0850
TEL: 714-965-1000 FAX: 714-965-3818
WEB: HyundaiUSA.com

February 2, 2012

Consumer Watchdog
1750 Ocean Park Boulevard, #200
Santa Monica, CA 90405-4938
Tel: 310.392.0522
Fax: 310.392.8874

Thank you for your fax inquiry of February 1, 2012, sent to Eok Jo Kim and John Krafcik.

The Super Bowl game-day ads on our YouTube channel reflect exactly what will run on Super Bowl Sunday.

In no way were any of our Super Bowl ads influenced by any Consumer Watchdog claims, comments or statements.

Monique Kumpis
Senior Group Manager
Hyundai Motor America



February 1, 2012

President Eok Jo Kim
Hyundai Motor Company
231 Yangjae-Dong, Seocho-Gu
Seoul 137130 South Korea
Via fax: 011 82 234648719

John Krafcik, CEO
Hyundai Motor America
3200 Park Center Drive,
Costa Mesa, CA 92626
Also via fax: (714) 378-1008

Dear Mr. Kim and Mr. Krafcik,

Consumer Watchdog is pleased that your Super Bowl advertising for the Elantra appears to contain no pitch for "40 MPG," at least in the version currently available on the Hyundai YouTube feed. It does carry this claim in a sidebar on the YouTube version. However, from its appearance it seems the broadcast version will not do so, which is what Consumer Watchdog requested in a previous letter of Dec. 14 to Mr. Krafcik.

In that letter, we noted that consumers are misled by advertising that trumpets the 40 MPG claim without prominent notice of the 33 combined MPG claim or the 29 MPG city driving claim. Your advertising of course does not acknowledge the much lower real-world MPG numbers, which are the subject of widespread consumer dissatisfaction in such places as the Edmonds.com discussion groups and Fuelly.com, and in direct complaints to Consumer Watchdog.

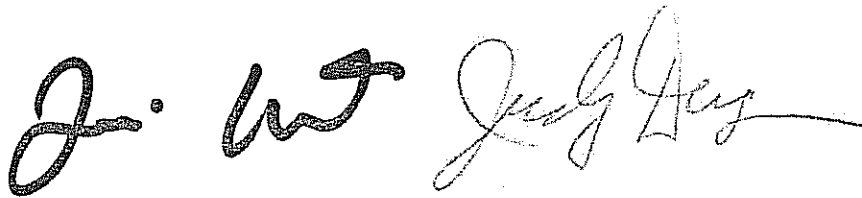
We request that you assure us by email or fax—by tomorrow, Thursday Feb. 2, by 12 noon PST—that the Super Bowl ad for the Elantra, which is currently lacking the graphic elements of your previous ads, will not be modified for broadcast to contain MPG claims, for instance in a fleeting full-screen "40 MPG" graphic. We add Mr. Kim to this request, having received no reply from Mr. Krafcik to our previous letter.

Consumer Watchdog has crafted its own short video about your 40 MPG claim that we intend to release should we not receive assurances the Elantra Super Bowl ad will not make MPG claims.

Should you intend to sneak the 40 MPG claim into your advertisement at the last moment then we offer you this challenge: Will Mr. Krafcik take the 40 MPG challenge and drive to the Super Bowl on a full tank of gasoline based exactly on that calculation, starting precisely that number of miles away? If you are not ready to do so, you should not tell 111 million U.S. Super Bowl viewers that they could either.

We thank you for your attention to these requests regarding your Super Bowl advertising and the necessity of an EPA direct re-test.

Regards,

The image shows two handwritten signatures in black ink. The first signature on the left is 'J. Court' written in a cursive style. The second signature on the right is 'Judy Dugan' also in a cursive style.

Jamie Court
Jamie@consumerwatchdog.org

Judy Dugan



December 14, 2011

John Krafcik, CEO
Hyundai Motor America
3200 Park Center Drive,
Costa Mesa, CA 92626

Also via fax, 714-378-1008

Dear Mr. Krafcik,

Hyundai's surging sales in the United States have made the company the seventh-largest seller nationally. In combination with sister company Kia you are the fourth-largest, behind only GM, Ford and Toyota, according to November's industry sales figures. Hyundai owes it to American consumers to be scrupulously truthful about its cars' performance, including the much ballyhooed miles per gallon (MPG) of the company's rising star, the compact Elantra. However, at least when it comes to the Elantra, your marketing is misleading Americans.

Though there is always some expected imprecision in the "EPA-certified" MPG rating of automobiles, the Elantra appears to be a good deal outside of this expected variation, especially when compared to other cars of its type. Hyundai's prominent advertising campaign emphasizes the Elantra's "40 MPG" EPA highway and 33 MPG combined, but in the real world your cars deliver much less. Indeed, the Elantra doesn't even get as many miles per gallon as some competing compact models that advertise more modest and realistic MPG.

Consumers need to know that if they buy an Elantra because it compares favorably with similar cars' MPG, they are likely to find that the Elantra does no better and sometimes worse than the other options in the market.

Since, like other automakers, you largely conduct your own EPA MPG testing and report it to the agency, you should be joining Consumer Watchdog in urging the EPA to independently re-test the Elantra to confirm or correct Hyundai's testing.

We also urge you to remove or qualify your prominent MPG claims in your holiday advertising until re-testing validates or disputes Hyundai's tests. We note that you have purchased prime slots during the Super Bowl. With this mileage issue in the public arena, Consumer Watchdog believes you should acknowledge the real-world gap to potential buyers, or risk losing their trust.

As you know, Consumer Watchdog has, on the basis of customer complaints and the reports of independent testers, asked the U.S. Environmental Protection Agency to re-test your stated 29/40 MPG figures for the Elantra compact. Your public response to that letter indirectly acknowledges that Hyundai's real-world drivers often match your EPA numbers, as tested by your company and reported to the EPA.

Your company said: “Real-world fuel economy results often differ from EPA label values, depending on driving conditions, amount of stop-and-go/idling, driver habits, weather, and many other factors.”

That statement is correct, and EPA numbers, especially for city driving, can be difficult to meet. But our criticism was over degree of failure. Buyers are actively seeking the best MPG in a time of high gas prices and sensitivity to the environment. We have compared the Elantra’s independently measured MPG to its EPA rating (Consumers Union, Motor Trend and Fuelely were among our sources) and it is consistently at or near the bottom of the heap, meaning drivers are paying more for fuel, and polluting more, than in cars with lower EPA averages but better real-world performance.

Hyundai also said in its response: “For example, a 20 MPG car that falls short of its fuel economy rating by 10 percent is off by only 2 MPG. But a 40 MPG car driven in real-world conditions that drive a 10 percent reduction is off by a much more noticeable 4 MPG.” Yet real-world testing makes even 10% off the mark look good. Elantra’s Motor Trend test average was a mere 25.9 MPG, off by 21% from your claimed 33MPG. Consumers Union put its average at 29 mpg, missing your mark in their test by 12%. A USA Today reviewer got a measly 22 MPG average, a full 33% off your claimed combined mileage, yet Hyundai’s response to him was that nothing was wrong with the car, implying that it must be the driver’s fault.

In a separate category are Fuelely.com reports (from the most conservative fuel-conscious drivers), that measured the Elantra at 6.7% below stated MPG combined—in the Fuelely world, that put Elantra at the bottom of 12 models claiming to get 40 MPG in some fashion. The Honda CRZ, at the middle of the pack, *exceeded* its EPA combined rating of 37 MPG by 2 MPG, or 5.5%. This means consumers are getting a poor relative value when they buy the Elantra on the basis of MPG. This is especially disturbing to city drivers.

One of the drivers who complained to Consumer Watchdog said:

“I’ve owned a 2011 Hyundai Elantra Limited since June 2011 and my average gas rating is about 18 or 19 miles per gallon. Most of my driving is city driving, but that’s still nowhere near the 29 city mpg rating by Hyundai. I completely bought this car with the claimed “29/40 mpg” in mind. It was the primary reason I bought the car. So I could save money. And I’m hugely disappointed it’s not living up to that claim.”

Yet when a USA Today reporter called Hyundai regarding our earlier letter to the EPA, your spokesperson said “the numbers are the numbers” and drivers should get the posted mileage “unless you drive like a maniac.” That’s an insult to careful drivers who bought the car specifically for its MPG rating.

Yes, many cars do not meet their EPA ratings. But few are as far off as the Elantra. In fact, of 10 mass-market 2012 compact sedans for which we compared Consumer Reports results, all but two *exceeded* their claimed highway mileage by an average of 3.3 MPG, about a 10% gain for most. One was right at the EPA MPG. Only the Elantra was under, by 1 MPG. That’s more than a 4 MPG real-world gap on highway MPG, meaning many buyers are making a choice based on faulty data. (The models compared were Elantra, Kia Forte, Nissan Sentra, Mazda 3, Toyota Corolla, Honda Civic, Chevrolet Cruze, Ford Focus, Volkswagen Jetta diesel, Mitsubishi Lancer and Volkswagen Jetta SE)

In your Elantra advertising, you prominently feature only your “40 mpg” claim. Yet the dismal independent test and real-world results for your city and combined mileage claims mean buyers are unable to make accurate comparisons. This is in effect a deception, and one we ask you to discontinue in your advertising while awaiting a welcome EPA re-evaluation.

Sincerely,

Handwritten signature of Jamie Court in black ink, consisting of a stylized 'J' followed by a period and a cursive 'Court'.

Jamie Court

Handwritten signature of Judy Dugan in black ink, written in a cursive style.

Judy Dugan