

## EXERCISE TOYONDA

### Role Information for Chris Jacobs

You are Chris Jacobs, owner of a four year old Toyonda Camcord. It is the nicest car you've ever owned. You purchased it new when the redesigned Camcord became available. The only way to get side airbags at the time you purchased was to get the top-of-the line model with leather seats, a moon roof, and a premium sound system. When you bought it, it had every available option, including the V6 engine that delivered 35 horsepower more than did the prior model year's engine. Even though there were cheaper and more convenient maintenance options, you also purchased fifteen prepaid oil changes to be performed by the Toyonda dealer where you purchased the car.

The car has had a few minor problems. For instance, you noticed that the brakes were making some noise under some conditions. The dealership said Toyonda was not experiencing any brake problems with that particular vehicle. After several conversations, you scheduled to leave it with them overnight. The day before your visit the dealership received a service bulletin from the Toyonda Corporation. The bulletin recognized the problem with the brakes and advised dealers to put in a new type of brake pads at Toyonda's expense. The dealership repaired the brakes and Toyonda paid the repair bill. When a car is in the shop for any reason, the service technicians check the car for signs of trouble or other services they might be able to sell to the customer.

In the last few weeks you noticed that the transmission seemed to be slipping. The problem got worse until finally one day it stopped working. You had it towed to a different Toyonda dealership much closer to your home. They determined that the transmission problem is internal to the transmission itself (not related to the car's computer or other electronics). They advised you that they do not disassemble transmissions to repair them. Instead, they offered to replace it with a new Toyonda transmission costing \$2,100 and carrying a full one-year warranty. The car had a 3-year, 36,000-mile warranty. Your Camcord is four years old and has 64,000 miles, so it is not covered under warranty. In one of your phone conversations with the dealership trying to resolve the issue, the dealer's service representative asked if you'd purchased the Toyonda Extended Warranty. Your response was "No, that's why I bought a Toyonda—THAT was my extended warranty!" One of the major reasons you bought a Toyonda was the excellent reputation they have for lasting a long time with minimal repairs. You did not anticipate spending \$2,100 on a repair, and certainly did not expect the transmission to fail after only 64,000 miles.

After making a few phone calls, you learn that EverGo, a national transmission repair shop, would repair the transmission for \$675. What's more, for an additional \$275 they would provide a full lifetime warranty that would be honored anywhere in the country at one of EverGo's many franchises.

You are a student at a major university. One of your part-time jobs is at the university's radio station. The popular show you host has several hundred regular listeners both on and off campus. You are aware that Toyonda is highly committed to its reputation and the continuous improvement of its products. You have had several conversations with the Toyonda dealership where the disabled car is parked. After you had indicated that you were not interested in a new \$2,100 transmission, the dealership contacted Toyonda. Toyonda offered to provide a new transmission, probably so they could take yours apart and learn more about why it failed. This would leave you to pay only the installation cost of \$700. As you still were not satisfied, they agreed to put the Regional Service Manager into contact with you. The dealership arranged for you to meet with this manager, Jesse Nesmith. Jesse left you a voicemail indicating that he/she was investigating your concerns, and confirmed arrangements to meet with you.