

The History of Toyota's Recall Crisis

- Car recalls cost Toyota \$1.5 billion
- Toyota's reputation for reliability
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Crisis History Continued

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Where Did Toyota Go Wrong?

Media Highlights:

- Toyota remained calm
- Media highlighted mainly negative aspects
- Withdrawing
- Slow to respond
- Ineffective
- ABC News Nightline

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Reaching to Consumers

- Companies' reach increased
- Reach effect
- Safety issues
- Intimidation




Economic and Government Situation

Loss of revenue
Market shares drop

Problems with Ray LaHood
Scolded over reselling
Unclear about problems

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Toyota Recalls (C): Bumpy Road Ahead, Spanish Version

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Crisis Not Averted

7 Steps:

- Surprise
- Insufficient Information
- Escalating Events
- Loss of control
- Increased Outside Scrutiny
- Siege Mentality
- Panic

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What Could They Have Done?

Clear Communication

- external and internal
- Openness
- let in the media
- Social Responsibility
- too late

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The History of Toyota's Recall Crisis

- Car recall in April 2009, 2008
- Fuel pump problems
- 100,000 vehicles
- 100,000 vehicles
- 100,000 vehicles
- 100,000 vehicles
- 100,000 vehicles
- 100,000 vehicles
- 100,000 vehicles

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Crisis History Continued

- Toyota recall for engine problems
- The San Diego Press reports regularly
- Toyota recall engine
- On Oct 10, 2009, Toyota recalls 400,000 vehicles
- Toyota recall for engine
- Another recall for engine
- Called the recall in February of 2010
- Any further action taken or additional recalls are possible
- Recall status for Toyota 4Runner
- Also Toyota recalls to the public again

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Where Did Toyota Go Wrong?

Media Hysteria:
 Toyota remained calm
 Media highlighted mainly negative aspects
 24/7 tracking
 Slow to respond
 Indecision
 ABC News Nightline

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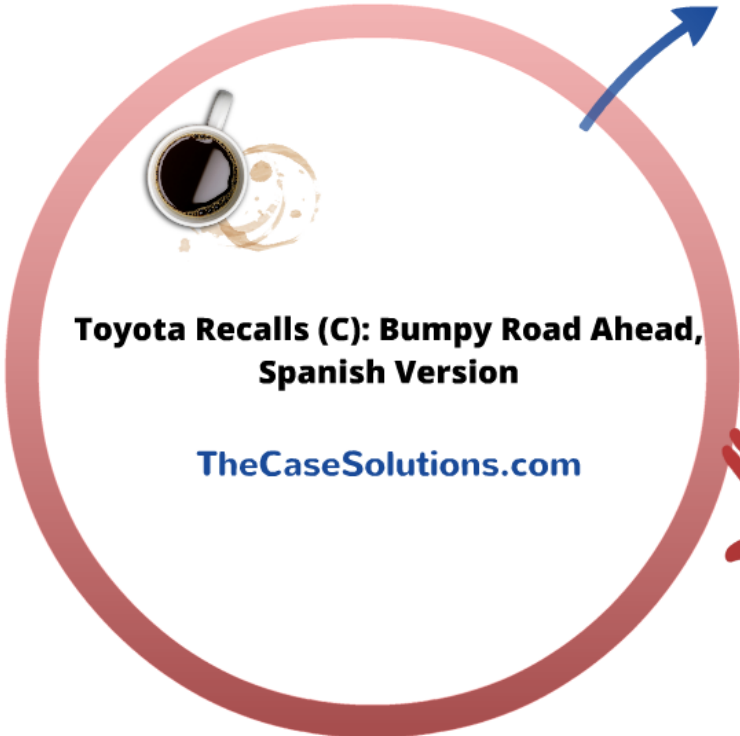
Reaction to Consumers:
 - Complaints went unaddressed
 - Recall Effect
 - Safety Issues
 - Inconsistency

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- Car crash on August 28th, 2009
- Preliminary reports
- Toyota announces recall on mats.
- October 2, 2009 - First public apology
- The Los Angeles Times publishes several stories
- Final results by the NHTSA
- Toyota sends letters
- NHTSA criticizes letters content

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Crisis History Continued

- Toyota calls for press conference
- The Los Angeles Times reports negatively
- Toyota recalls vehicles
- Op-Ed in L.A. Times moves Toyota to the defensive.
- Dec. 26, 2009: Toyota Avalon crashes.
- Toyota shifts the blame
- Another recall is made.
- Sales are halted in February of 2010
- Ray LaHood speaks out -> Additional recalls are made
- Market share for Toyota drops
- Akio Toyoda speaks to the public again

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Where Did Toyota Go Wrong?

Media Nightmare:

Toyota remained calm +

Media highlighted mainly negative aspects

Withholding

Slow to respond

Indecisive

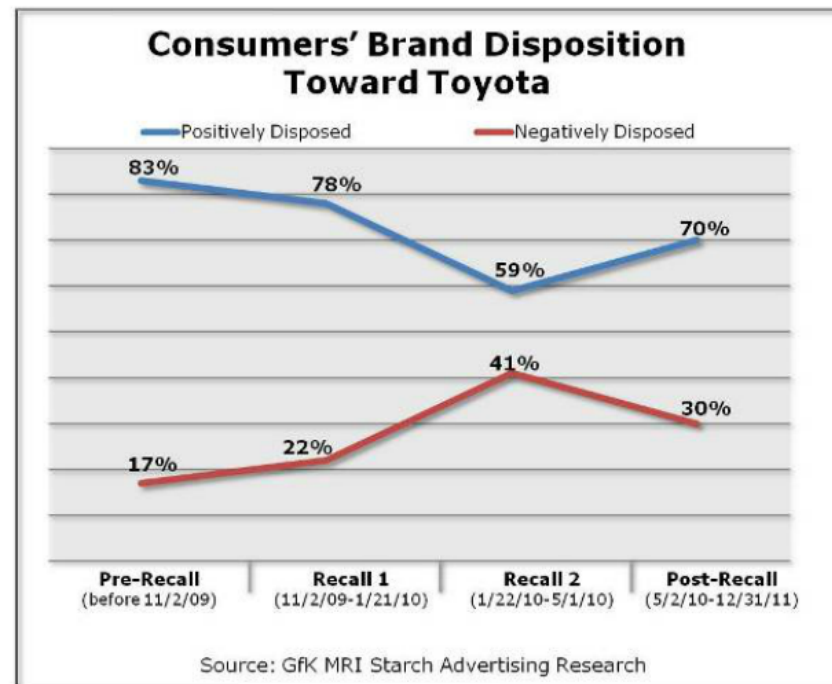
ABC News Nightline:

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Relating to Consumers

- Complaints went unheard
- Recall effect
- Safety issues
- Insensitivity



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