

ASPER SCHOOL OF BUSINESS, UNIVERSITY OF MANITOBA

Member Information

<u>Name</u>	<u>Year</u>	<u>Field of Study</u>
Denise Huang	Third	Marketing
Lauren Slegers	Fifth	Human Resources and Leadership
Ryan Kubic	Third	Marketing and Leadership
Tristan Allen	Sixth	Environmental Science

Advisors: Howard Harmatz, Judith Jayasuriya

Topic: Toyota Motor Corporation: When Push Comes to Steal - Putting the Brakes on Theft

Division: Undergraduate

Audience: Toyota Motor North America Executive Committee

Executive Summary

The automotive industry is growing at a compound annual growth rate of 4.5%. Toyota holds a dominant market position in North America, driven by its strong brand equity, selling over 2.5 million vehicles in 2021 alone. The increasing vehicle thefts in North America have exposed what many people inside and outside of Toyota have known for years; that keyless, push-to-start vehicles are highly vulnerable to vehicle theft. Toyota Motor Corporation vehicle models have a prominent position on the most stolen vehicle lists across the Canadian-US Market.

Despite Toyota's claims that the organization is continually working on improving vehicle safety, the current security measures are ineffective and are misrepresented to customers. Toyota has been violating its consumer-centric code of conduct by neglecting to innovate on security and theft prevention measures. Further, Toyota profits from automotive theft, as theft perpetuates a system where replacement vehicles are sold, and damaged vehicles are repaired. These actions illustrate that Toyota is not fulfilling its fiduciary duty to customers. As a result, customers are unknowingly put at risk.

While Toyota Motor Corporation vehicles currently meet all minimum legally imposed security standards in the US and Canada, these low standards continue to leave vehicle owners vulnerable, leading to possible future exposure to lawsuits. Toyota's focus on short-term efficiency, coupled with a cultural shift away from their accountability in excellent customer experience.

Our consulting firm's recommendation for Toyota is three-fold: 1) fostering a culture that revitalizes commitment to company values, 2) integrating ethics into innovation and design to develop leading products, including theft prevention technology 3) becoming an industry change leader to ensure that the automotive industry continues to prioritize consumer well-being.