

Toyota

Make or brake

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Toyota suffers another blow to its already wavering reputation

IN A race that matched Formula One for its predictability, Toyota Motor Corporation slipped past General Motors just under two years ago to become the world's biggest carmaker. But even as Toyota built up the revs, all has not been well. The latest setback came on Tuesday January 26th when the firm announced that it would halt production temporarily at six assembly plants in north America and suspend sales of eight of its most popular models, including the Camry, the best-selling car in the United States.

Toyota's latest troubles in America had begun to surface a week before when it announced a huge recall of 2.3m vehicles to fix accelerator pedals that could jam open, sending cars racing forwards without warning. Toyota is mulling a similar move in Europe that could affect a further 2m cars. The firm's decision to stop sales and production in America is a substantial blow for the stumbling car giant. The output of these plants accounted for some 60% of sales in 2009. The news put a banana skin under its share price.

Although recalls are a routine matter for carmakers, taking cars off the market is not. And while the car-buying public will tolerate occasional recalls Toyota is making a habit of advertising the defects of its latest models. Last November, Toyota issued a safety recall affecting 4.2m American vehicles that were also potentially subject to sudden acceleration. That time, Toyota blamed badly fitted floor mats for a problem that has affected its vehicles since 2007. The company insists that instances are rare and has issued safety advice to loyal customers for bringing their cars to a halt in the event of a malfunction. The question for Toyota is how far it can test that devotion to its vehicles.

Toyota eased ahead of other carmakers largely because of its reputation for producing good-quality, reliable cars at reasonable prices. These attributes won over buyers who were prepared to overlook the fact that those cars were often dull. But in America, Toyota's biggest and most profitable market, the company seemed to be losing some traction, even before the latest woes struck. In 2009 its market share was 17%, much the same as the year before even as America's home-grown car industry fell apart. However sales were 20% down on the year before, better than GM's performance but worse than Ford's. It has also fallen back in China, the world's fastest-growing car market, and in Europe. It is likely that Toyota's share of the world market fell below 12% last year.



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Toyota's dash to become the biggest carmaker may have had unfortunate consequences. The pursuit of volume seems to have dented the company's enviable record for reliability. In 2006, after another bout of recalls, the company promised a "customer first" strategy to restore its slipping reputation. But recalls continued and Toyota started to slide in customer-reliability polls while Ford, VW and others such as Hyundai, which added to sales in America last year, caught up. And these rivals are making cars that are often more desirable than those Toyota has to offer. The latest troubles can only make customers more wary of buying a Toyota. Even Toyota's much vaunted leadership in electric and hybrid vehicles is under threat as other big carmakers prepare to launch their own green models soon.

The sense of alarm sweeping Toyota found a voice last October. Akio Toyoda, the company's boss since June and grandson of Toyota's founder, gave a stark warning about the firm's spiral of decline to a group of astounded Japanese journalists. At least he also recognises that Toyota has to make more exciting vehicles. But the firm needs to rebuild its reputation for rock-solid reliability too. The drastic step of halting vehicle production in America is sure to set back that aim for a long while.

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A Before you read

1 When customers decide to make a purchase, BRAND is often very important. The BRAND sends a complicated message using just one, or a few, words. For this reason, companies are careful to defend their BRAND, but sometimes things go wrong.

Discuss: Imagine that you are a car manufacturer. Which of the adjectives or phrases below would you want your company's BRAND to represent?

dangerous	well made	expensive	reliable	old fashioned
practical	trendy	musical	complicated	safe

Which adjectives, do you think, are most important for a car manufacturer?

2 Discuss the ideas which you associate with these brands of cars.

Hyundai	Jaguar	Ferrari	Rolls Royce	Cadillac
Fiat	Volvo	Mercedes Benz	Lada	Toyota

B Comprehension

3 Read the first two paragraphs of the article. Choose the best answers to complete the sentences below.

1) Just under two years ago, Toyota beat General Motors to become ...

- a) the fastest car in Formula One.
- b) the world's biggest car maker.
- c) the best-selling car in the United States.

2) On January 26th Toyota announced that it would ...

- a) close six assembly plants in North America.
- b) make the Camry, the best-selling car in the United States.
- c) stop selling eight of its most popular models, at the moment.



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- 3) The previous week, Toyota had said it wanted to ...
 - a) check 2.3m vehicles which might have problems with their accelerators.
 - b) clean 2.3 vehicles which might have jam on their accelerator pedals.
 - c) send cars racing forward without warning.
- 4) In Europe, Toyota are ...
 - a) considering a recall of 2m vehicles.
 - b) going to move 60 % of their production from the United States.
 - c) fitting accelerators on 2m vehicles.
- 5) These announcements have ...
 - a) revved up the share price of Toyota.
 - b) reduced the share price of Toyota.
 - c) reduced the output of shares.

4 Read the next two paragraphs and mark the statements below [T] true or [F] false.

- 1) It is not unusual for car manufacturers to recall cars to fix minor defects. T / F
- 2) It is not unusual for car manufacturers to take cars off the market. T / F
- 3) In November, Toyota recalled 4.2m American cars to replace the floor mats. T / F
- 4) Toyota is known for making good-quality, reliable cars. T / F
- 5) Many people think Toyota cars are not very exciting. T / F
- 6) In 2009, in America, sales of Toyota cars did not fall as badly as sales of American cars. T / F
- 7) In 2009, Toyota lost sales in America, Europe and China. T / F
- 8) Toyota's share of the world market was over 12% in 2009. T / F



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5 Read the last two paragraphs and choose the best answers to the questions below.

- 1) What may have had unfortunate consequences?
 - a) Toyota becoming the world's biggest car maker.
 - b) Toyota's eagerness to outsell General Motors.
 - c) Toyota's reputation for reliability.
- 2) Why did Toyota promise a "customer first" strategy in 2006?
 - a) Because Toyota had had to recall a lot of cars to fix problems.
 - b) Because Hyundai, Ford and VW had recalled cars to fix problems.
 - c) Because Toyota cars had a reputation for slipping on icy roads.
- 3) What sort of vehicles is Toyota famous for making?
 - a) Unreliable cars.
 - b) Electric and hybrid vehicles.
 - c) Good looking and attractive vehicles.
- 4) What did Akio Toyoda say to a group of Japanese journalists?
 - a) He gave them a stark warning about the quality of their work.
 - b) He said that Toyota's reputation was rock-solid.
 - c) He said that Toyota needed to produce attractive and reliable vehicles.

C Vocabulary 1

6 Look carefully at the words *in italics*. Choose a), b) or c) to complete the statements correctly.

- 1) If you *mull* over a problem, you ...
 - a) think about it.
 - b) ignore it.
 - c) take immediate action.



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- 2) If a piece of machinery *jams*, it ...
 - a) starts to go very fast.
 - b) does not move.
 - c) moves very slowly.
- 3) If a piece of news puts *a banana skin* in front of you, it will ...
 - a) give you an advantage.
 - b) make you move faster.
 - c) make you have an accident.
- 4) If you are *stumbling*, then you are ...
 - a) about to fall down.
 - b) walking quickly.
 - c) walking through water.
- 5) If you can *tolerate* a situation, you ...
 - a) get very angry about it.
 - b) are not interested in it.
 - c) accept it.
- 6) If you *ease ahead* of your competitors, you ...
 - a) take nearly all of their market share.
 - b) slowly begin to outsell them.
 - c) outsell them without much effort.
- 7) Your *attributes* are ...
 - a) the worst qualities you have.
 - b) the best qualities you have.
 - c) the qualities which make your reputation.



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- 8) If you are *prepared to overlook* a difficulty, you ...
- a) want to examine it in more detail.
 - b) do not want to see it.
 - c) willing to ignore it.
- 9) If you have an *enviable* reputation, you have ...
- a) a good reputation which others would like to have.
 - b) a reputation for being jealous.
 - c) a reputation for being slow and boring.
- 10) If you give a *stark warning*, you ...
- a) give good news.
 - b) use very plain language.
 - c) try to make the warning less offensive.

D Vocabulary 2: Homonyms

5 Homonyms are words which sound the same but have different meanings and spellings. The title of the article uses the homonyms *brake* and *break*. Look at the homonyms in the table below. Correct the sentences which have mistakes (not all of them!).

bear	stare	feet	seller	clause	jeans	facts	whole
bare	stair	feat	cellar	claws	genes	fax	hole

- 1) I keep my wine in the seller under my house.
- 2) It's rude to stare at another person for a long time.
- 3) When I climbed to the top of the mountain, everyone said it was a great feet.
- 4) I usually wear jeans at the weekend.



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- 5) You should never approach a bear in the forest.
 - 6) Your proposals are good, but where are the facts?
 - 7) In the contract, is there a claws about late payment?
 - 8) I spent the hole day trying to repair my blouse.
- 6 **Try to think of 12 more homonyms in English.**



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Key

- A1 Open answers
- A2 Open answers
- B3 1b, 2c, 3a, 4a, 5b
- B4 1T, 2F, 3F, 4T, 5T, 6T, 7T, 8F
- B5 1b, 2a, 3b, 4c
- C1 1a, 2b, 3c, 4a, 5c, 6b, 7b, 8c, 9a, 10b
- D5 The mistakes are in sentences: 1 cellar, 3 feat, 7 clause, 8 whole
- D6 Open answers



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