# CLO Business Decision Making Project Part 1

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Vehicle manufacturers are required by law to create quality and safe products for use. There are a number of regulatory bodies tasked with ensuring that products reaching the consumers are not only safe for use but also meet the expected performance standards. However, even with all the outlined measures and standards, defects still go unnoticed until the products reach the final consumer.

Name and description of GM

General Motors (GM) is one of the leading automakers in the United States with a net worth of over $ 50 billion (“General Motors,” 2015). The company is headquartered in Michigan, United States. The company was founded back in 1908. By then, the company was a Holding Company associated with McLaughlin. General Motors manufactures cars and trucks for sale worldwide. Common GM brands currently in the market include Chevloret, Vauxhall, Wuling, GMC, Buick, Holden, Cadillac, and Opel. Former brands produced by the company include Pontiac, Hummer, Saturn, Oakland, Saab, and McLaughlin (General Motors,” 2015). Having been in production for over a century, the company has become world renown in the manufacture of leading brands of vehicles.

Description of the problem at the company

In the recent past, the company has experience problems with defects in some of its sold vehicles. These defects have not only caused the company losses in terms of recalls, but also caused fatal injuries to consumers and caused changes in brand perception (Vlasic & Stout, 2015). Vehicle recalls may have pervasive and profound impact on the operation of the company. Vehicle recalls which involve a great number of vehicles and have more reports of injury or fatal crashes are more likely to change the brand perception among consumers. In addition, media coverage also impacts brand perception. Extensive media coverage of the recall leads to negative publicity which is detrimental to the health of the company.

General Motors have been involved in massive vehicle recalls in the past few years. The vehicle defects were major and serious with fatalities and serious injuries resulting from them. This has had a negative impact on the image of the company. In addition to the defects, General Motor’s management took time to respond to the matter, further aggravating the situation. In 2014, the company recalled over 2.6 million vehicles due to faults in ignition switches. Last year, the company still recalled over 92,000 vehicles due to ignition defects (Vlasic & Stout, 2015). This has led to poor brand perception and a negative image of the company among the public.

Research variable for the problem

Research variables help in explaining the research problem. Variables may change over time depending on the person or group. A suitable research variable for the problem can be: the impact of vehicle defects/recalls on the brand perception of consumers. Vehicle recalls may have different impacts on consumers, with some recalls and the nature of defect leading to lasting effects. The consumers may be tolerant to some level about some defects on their vehicles. However, a high degree of defect may lead to detrimental impacts on the market performance of the company. The impact of the recall is also determined by time. As time passes, the impact on consumer behavior reduces. The recall impact on consumer behavior is highest during the recall period and reduces thereafter. Nonetheless, there is a lasting impact of the recall on consumer behavior towards the brand.

Methods to consider in collecting suitable sample of qualitative or quantitative data

The method of collecting data determines the suitability or quality of the data collected with respect to the research variable under investigation. Sample surveys can be used to obtain a suitable sample of quantitative and qualitative data in this case. A sampler survey is a type of data collection method that enables the researcher to obtain data from a part of the entire population. A sample survey enables the researcher to establish specific population attributes. Sample surveys can be conducted through a number of ways such as through telephone interviews, through mail, face to face interviews or through online surveys (Olsen, 2012).

Observational studies can also be used to obtain a suitable sample of quantitative and qualitative data. Observational studies explain cause-and-effect relationships. In observational studies, t he researcher does not in any way control or influence the research subjects. Observational studies can enable a researcher gain insights on a particular trend, pattern or behavior among individuals. Focus groups can also be used as suitable data collection methods for qualitative studies.

Viability of the data collection method

There a number of ways in which a researcher can know whether a data collection method will provide valid and reliable data. In providing validity, the data provided should measure what it was actually intended to measure. The data collected should be relevant in addressing the research question being investigated. To ensure reliability, the data collected should provide consistent results over time. Thus if the experiment is repeated, similar results should be obtained. The data collection method should also ensure transferability of the research findings. Transferability refers to the extent in which the results of a particular study can be used in other situations (Olsen, 2012).

**Conclusion**

In conclusion, defects are bound to occur in the vehicle manufacturing process. Consumers may tolerate minor defects that occur from time to time. However, a high degree of defect may lead to change in consumers’ perception of the brand. GM’s brand image has suffered due to massive defects that led to recall of vehicles. It is important to evaluate the magnitude of the recall processes on the company’s brand image through data analysis.

References

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