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Negotiation with BMW Customer Relations Over the Repeated Failure of Run-Flat Tires

Preface

This case is based on a negotiation that took place in the fall of 2018 between a BMW customer and BMW Customer Relations over the continued and repeated failure of Bridgestone Potenza Run-Flat (RF) original equipment (OE) tires. In real life, this was a five-week, seven-round negotiation with BMW. In this case, it is presented as a five-round negotiation; four of the original rounds are compressed into two for clarity in the case pedagogy. Though the facts of the case are accurate as presented, it is written in the present tense and in the personal form of “you” to more effectively draw the reader into various stages of the decision process.

Introduction

You bought a new BMW 328xi in 2008 because it was the top-selling premium brand in the United States and you wanted a high-end product that would last a long time and be backed by a solid service organization. The 3-series has been BMW’s best-selling model for years, with 112,464 units sold in the U.S. in 2008,¹ compared to total U.S. BMW sales of 249,113.² (In the series name, the second and third digits mean 2.8 liter engine, the letter “x” means all-wheel drive, and the letter “i” means fuel injection.) Your hope is to drive this car as long as possible before buying another one. There are many reasons you like the idea of keeping a car well maintained and getting lots of miles from it. One reason is that you think it is better for the environment not to be turning over cars on a regular basis. For another, you think it can be cheaper to get as many miles as you can out of a car (at least up to a certain unpredictable point). To replace the car, a new and comparable BMW would cost upwards of \$65,000. And finally, you like this car; it drives well and is very safe; it has a manual transmission which is harder to find these days and you have added several aftermarket improvements, such as a top-of-the-line audio system. But you have had tire problems for the ten years you have owned it. The tires are what are called “run-flat,” meaning that your

¹ CarSalesBase.com. <http://carsalesbase.com/us-car-sales-data/bmw/bmw-3-series-4-series/>. Accessed 5 Dec. 2018.

² CarSalesBase.com. <http://carsalesbase.com/us-car-sales-data/bmw/>. Accessed 5 Dec. 2018.

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