Industry Issue

The automotive industry’s warranty improvement activities were cost-driven, primarily benefitting manufacturers and leaving dealers and suppliers to handle service reimbursements and cost recovery. This “cost transfer” mentality created barriers to effective warranty investigation, resulting in lack of collaboration and root cause identification. A paradigm change throughout the value chain was needed to achieve true warranty exposure and continuous improvement.

Unique Insight

AIAG, in collaboration with OESA and numerous member companies, developed a Consumer-Centric Warranty Management strategy that promotes advances in consumer satisfaction by providing a robust warranty management program. The guideline focuses on claim rate reduction that aligns value chain organizations to collaboratively approach continuous warranty improvement through best practices, recommended tools and a root cause culture.

Participating Companies

- Bosal International
- BorgWarner, Inc.
- Chrysler Group LLC
- Delphi Corp.
- DENSO International America, Inc.
- General Motors Co.
- Ford Motor Co.
- Freudenberg-NOK General Partnership
- OESA
- Robert Bosch LLC
- Toyota Motor Engineering & Manufacturing North America, Inc.
- Visteon Corp.

Results

Reducing consumer satisfaction-related field warranty cases results in greater brand loyalty for OEMs who implement this warranty reduction strategy. By feeding lessons learned from warranty back into the product development process, an organization can prevent (or quickly and effectively resolve) warranty issues and eliminate recurrence in the same or future models.