

Judy's Car Purchase Negotiation – December 2017

Michelle M. Arthur, PhD

Judy is an oil industry executive from Lexington, Michigan, a small town about two hours from Detroit. After driving a 2006 Toyota Corolla LE for the past ten years, Judy has decided it is time for a car upgrade. After all, she just received a promotion at work, that came with a small raise from her annual evaluation last week. Judy has always wanted a Lexus GS Turbo. Her hesitation, in the past, has been the added expenses as well as the intimidating negotiation process involved in purchasing a car.

Judy has always considered herself to be a fair, honest and trustworthy negotiator. She also believes she has a reputation for these characteristics among her peers and colleagues in Lexington. Her impression of car sales representatives are that they only focus on selling you the car at the best possible price. Her sense is that they do not use ethical tactics in their sales techniques. She recently heard from a reliable friend that they often make up information about the car and will make promises that they have no intentions of meeting. Nonetheless, Judy wants a new Lexus GS Turbo and plans to go to Detroit to purchase the car this weekend.

After doing research on Lexus GS Turbos all week, Judy has found that she can expect to pay around \$47,615 for a new 2017 Lexus GS in pearl white with the preferred accessory package. She completed her research online. It was a lot of information and she hopes she can remember all the data once she gets into the negotiation. Judy drives the 2 hours to Detroit on Saturday with the intention of buying the car.

Judy drives on to the car lot and a salesman approaches her immediately. He asks her what she is looking for today. Judy is following him around looking at all types of cars. Suddenly, she notices that a white 2017 Audi A6 is more attractive to her. It is a little more efficient and has better safety ratings for a midsize car than the Lexus GS. She expresses an interest in the car listed at \$48,500. The salesman states that this model is in high demand. He tells her the best he can do is \$48,000. Since her research focused on the Lexus GS Turbo, Judy does not know how to support her arguments. She also thinks to herself, I'm in Detroit not Lexington and no one knows me here. I never haggle because I find it demeaning, but I am tired of being taken advantage of by unethical sales people.

At this point, she tells the salesman that she saw this exact car for sale for \$44,000 from a dealer in Illinois. The salesman tells her that \$44,000 is less than they paid for the car and he will talk to his manager. He comes back and says "we can meet you at \$46,000." She responds by saying that "I can get the car in Illinois" and starts to walk off of the car lot. He follows her and says, "how about \$45,000?" She turns around, walks over to the car, and says that she was looking for a red car not a white one. The car salesman says, "you drive a hard bargain and sells her the car for \$44,000."

1. Do you think Judy behaved unethically in this scenario? Why or why not?
2. Did Judy behave illegally?
3. Do you think the car salesman behaved unethically?
4. How do the concepts of relativism and absolutism in ethics inform Judy's decision?