**GM: Downsizing the Hummer**

Read the case of “GM: Downsizing the Hummer” and answer the four questions below.

**Question 1 (15 marks)**

Identify two of Maslow’s needs that may motivate a purchase of a Hummer H2. Explain your answer using facts from the case.

Divide your answer into two sections, one for each need.

**Question 2 (30 marks)**

Think of the Hummer as an innovation. Evaluate it using the product characteristics that affect the rate of adoption. According to your evaluation, what do you think about GM’s sales predictions for the Hummer H2?

Divide your answer into sections, one for each characteristic and one for your thoughts on GM’s sales predictions.

**Question 3 (25 marks)**

Identify five demographic and psychographic variables that GM uses to segment the SUV market for its Hummer H2. Support your answers with examples from the case.

Divide your answer into five sections, one for each variable.

**Question 4 (30 marks)**

Compare the original positioning of the Hummer H1 by AM General to the positioning of the Hummer H2 by GM in 2002. What competitive advantage does GM use in positioning the Hummer H2? What went wrong with the Hummer H2 positioning?

Describe the positioning of the Hummers H1 and H2 separately, and then answer the last two questions in two separate sections.