Final Project Dossier

HUMMER
LIKE NOTHING ELSE
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COMPANY OVERVIEW

HUMMER
Hummer SUV’s are widely spread in the world and especially in America. The tank-like cars are widely known and from a foreign point of view Hummer clearly appears as the American Car by excellence. Its military features, make Hummer SUV’s the most unique and instantly recognizable vehicle of the world. Those very military features have been one of the major selling point and that since the very beginning.

Hummer history

Back to HUMMER roots: the JEEP

In 1970, American Motors bought Kaiser-Jeep, the Military vehicle Retailer and renamed it the Jeep Corporation. At that point, Jeep was producing vehicles through two divisions: the Commercial Products division and the Government Products division.

A military car

1971, the Government Products division was spun off as a wholly owned subsidiary known as AM General. In the early 1980s, the company, now owned by the LTV Corporation, designed a vehicle to compete for a contract offered by the U.S. Army. Called the High Mobility Multi-Purpose Wheeled Vehicle (HMMWV, or Humvee, as it came to be known)

The Creation of the Brand

AM General's Humvees distinguished themselves in active duty during the Persian Gulf War in the early 90’s. The vehicle's wartime prowess garnered a great deal of positive publicity, and not just within military circles. As a result, AM General decided to introduce a civilian
version of the Humvee, dubbed the Hummer, in 1992. In 1999, General Motors bought the rights to the Hummer brand name and became responsible for the development, marketing and distribution of future Hummer SUVs.

The original Hummer, called the H1, was sold for a few years as the brand's flagship vehicle. Production ended after 2006, but Hummer has been expanding its vehicle lineup to include vehicles that still possess the Hummer bravado but with more civilized road manners.

Today’s overall Hummer’s situation

During eight decades of growth, AM General has established a reputation as the world leader in the design, engineering and production of military and special purpose vehicles.

2006: Hummer has gone international with selected importers and distributors in Europe and other markets like Russia or even China.

Now it’s facing a crisis. The sales have decreased significantly and GM is thinking about selling the European subsidiary.
Company missions and goals

Hummer is originally a kind of High Mobility Multipurpose Wheeled Vehicle (HMMWV), and used by American military, producing by AM. Especially during Persian Gulf War, the HMMWVs had a great expression from their mobility and also had good reputation in 1992. American loves the kind of car at that time and thought people who can own it would be very powerful and cool. The heroic image was even overtaken the place of Jeep.

So the first HMMWV (is named Hummer) for civil use was launched in public, 1992. And the first owner was the famous action movie star- Arnold Alois Schwarzenegger. This event steadies the “Hero” image of Hummer.

After the GM cooperation bought the Hummer in 1992, the goals of Hummer are clearer.

1. The best cross-country car- Updating the function of each type –keep going on being the best cross-country and multifunction car.

2. To be unique- Hold many official race and try to collect the people who own or love Hummer, develop a special group (club) of Hummer (like Jeep or Harley) to keep its loyalty customers.

3. Customization - launch much conception Hummer type to satisfy the personal need. (e.g. HUMMER H3x, 2006)

4. To be a brand for young people - cooperate with other companies to create other Hummer products, for instance, work with Nike designer to produce the HUMMER H3T Concept.

The recent mission of Hummer:

1. Increasing the brand added value of Hummer: Strategic alliances from different business sectors, for example, create peripheral products-bike, watch, shoes and computer.
2. **Facing the changes of environment and market:** hire the younger designers to design
   new concept of Hummer type

   (HX Concept): smaller, oil saving, power saving, reducing the damage of air.
Overview of its products

Hummer is owned by GM, entrusted the sales and marketing to AM General.

- 1992, the first “HUMMER H1” for civil use was launched. It cause Hummer transfer from military to public and become a popular style of car.

- 2003, “HUMMER H2” was launched, its design for driving on the general roads and improve the disadvantages, for instance, make the size of car small and add more confusable accessories, to attentive the need of customers.

- 2004, Hummer responded for the environment polluting and global warming issue, they announce the new model” HUMMER H2H Hydrogen Concept” which is based on “HUMMER H2” in Specialty Equipment Market Association(SEMA). It uses hydrogen as fuel instead of oil. Hummer wants to turn back its waste oil and destroy the quality of the air. It was a new revolution of Hummer.

- 2005.10, ”HUMMER H3” was launched, The H3 is the smallest size of the 3 models, and though the H3 concept car was a pickup truck, and currently introduced as a conventional SUV.
■ 2005, added the truck style “HUMMER H2 SUT” and cross country style “HUMMER H2 SUV”, to complete the Hummer H2 product line.

■ The Hummer H3T was a concept vehicle from Hummer- and it was shown at the 2008 Chicago Auto Show, with sales set to begin in August 2008 as a 2009 model. The H3T is based on the H3 model, and is a crew cab pickup truck.

■ 2006, ”HUMMER H1 Alpha” was launched, improve the function of engine from “HUMMER H1” and fallowing the trend of consumer needs, GM decided to stop the production of “HUMMER H1”

On the other hand, GM Company was positive to promote the brand spirits of Hummer; they cooperate with companies from other industry, so Hummer computer, shoes and watch were launched step by step. In 2008, Hummer even cooperates with Mode labs Group in France, to launch the cell phone-HT1 and HT2.

Hummer also sales wide range of featured products such as clothes, watches, toys, luggages, fragrance etc…
## Swot analysis

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<tr>
<th>Strengths</th>
<th>Weakness</th>
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<tr>
<td>Premium quality products</td>
<td>A non-environmental-friendly car</td>
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<tr>
<td>Loyal customers: the Hummer Aficionados</td>
<td>A non user friendly car – “mammoth rock-crawlers”</td>
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<tr>
<td>BRAND NAME – worldwide known</td>
<td>“Tank like cars” ill suited to city life</td>
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<tr>
<td>Part of the American culture</td>
<td>Lack of diversification a unique car style</td>
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<td>A highly oil-consuming-vehicle</td>
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<tr>
<th>Opportunities</th>
<th>Threats</th>
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<td>New generation of customers who doesn’t necessarily link hummer to military cars.</td>
<td>An increasing concern about global warming</td>
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<td>The rising cost of oil</td>
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<td>Indirect competitors</td>
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<td>Government incentives to buy eco-friendly cars</td>
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The auto industry designs, develops, manufactures, markets, and sells the world's motor vehicles. In 2007, more than 73 million motor vehicles, including cars and commercial vehicles were produced all around the world.

In 2007, a total of 71.9 million new automobiles were sold worldwide: 22.9 million in Europe, 21.4 million in Asia-Pacific, 19.4 million in USA and Canada, 4.4 million in Latin America, 2.4 million in the Middle East and 1.4 million in Africa. The markets in North America and Japan were stagnant, while those in South America and Asia grew strongly. Of the major markets, Russia, Brazil, India and China saw the most rapid growth.

About 250 million vehicles are in the United States. Around the world, there were about 806 million cars and light trucks on the road in 2007; they burn over 260 billion gallons of gasoline and diesel fuel yearly. The numbers are increasing rapidly, especially in China and India.

However the car industry is facing a crisis since 2008. It occurred mainly as a result of the global financial crisis and the related credit crunch. In the United States, other contributing factors were pricing pressures on raw materials and also more expensive automobile fuels which, in particular, caused customers to turn away from large vehicles such as SUVs.(Hummer…) In certain countries, particularly the United States, the industry has also suffered from relatively cheap imports available from countries such as Japan and South Korea and to some extent from Europe. As of November 2008, the Big Three U.S. manufacturers, (General Motors, Ford and Chrysler), indicated that unless additional funding could be obtained over the short to medium term, there would be real dangers of bankruptcy.
Potential crisis that the company may face

Here are all the possible crisis that could happen to Hummer:

- **ENVIRONMENTAL CRISIS**
  Indeed, HUMMER one of the most polluting car of the world. With an increasing concern about global warming, HUMMER might face a crisis.

- **EFFECT OF THE FINANCIAL ECONOMICAL CRISIS**
  Such an economic and financial crisis is usually synonymous of an decrease of purchasing power => hummer cars are quite costly. With the financial crisis people tend to save money which could trigger decrease of HUMMER sales.

- **GEOPLOTICAL CRISIS**
  The rising oil costs are obviously a great hurdle for HUMMER and its customers because hummer is high gas consuming car.

- **SOCIO-CULTURAL CRISIS**
  There are new kinds of customers we need to attract:
  - youngsters who are not so much interested in having such a tank like car (they prefer sports car…)
  - Environmental friendly customers (new consumption habits: more and more green cars ….)
• **AN ETHICAL CRISIS**

Eg: seat tissues of hummer cars come from a firm that gives bad treatment to animals

• **OTHER CRISIS**

- Any Scandals related to HUMMER’s staff, CEO etc….
  
  Eg: A scandal with a one of HUMMER’s CEO (any scandal like sexual harassment….)

- An assembly problem, a defected piece that causes accidents
  
  E g: the tires are not well assembled or poor quality….
CRISIS COMMUNICATION PLAN

HUMMER
Hummer belongs to the General Motors Company, and the brand image is known all around the world. By the way, there is no doubt that if Hummer is facing a crisis, the communication team would have to be well prepared to give a quick response. Moreover, since Hummer is known from a very large public, it would have to deal with a large numbers of stakeholders. So, to avoid that the situation get worst in case of crisis, the Hummer company has to make a strict plan and define clear objectives.

The purpose of this crisis communication plan is to define the Hummer company positions on possible scenario it can face during a crisis.

- First of all, the company must be able to asset the crisis situation, evaluate why the crisis happens and how to react for not getting the situation worst.
- Then, elaborate a crisis communication team that is able to designate the right spoke person who would deliver the right speech, to anticipate the questions and the reactions of stakeholders.
- Last, put our crisis communication strategy into action
  - The plan will allow the company to be reactive and efficient, to be able to give a quick response.
  - Deliver the right information, but only information that we have chosen to deliver.
  - Maintain our credibility face to the audience.
  - Minimize rumors.
The Crisis Communication Team

HUMMER should set a crisis management team (CMT) in peacetime. (Not during or after the crisis coming).

- The characteristics of CMT members as following:
  1. Who can do good teamwork; cooperate with other people to find the best way to solve the crisis.
  2. Who has good ability to make a decision and also can stand for and face the uncertain things.
  3. Who have skill of communication and doesn’t shy to present his own opinion.
  4. Who can sustain the high pressure and figure out the common view with group members.

- Specification of work in CMT:
  1. Convener: It has to be the best powerful person who can handle and realize the entire situation as soon as possible. Superintend the procedure of saving crisis and report to the directorate. The role is always played by CEO of Hummer.
  2. Vice-convener: Help CEO to arrange the people in CMT or substitute the position of convener at the right time. Collect and analysis of decision, then prepare the evaluation report of decision. Divide the task and integrate the resource of company. The CSO or vice general manager should take the charge of it.
  3. Director of operation or production department:
    Be responsible for that to evaluate the situation or any damage of production. Decide if stop to work or return to work in the Hummer factory. If any accident is happened in the Hummer factory or employees get hurt. He/she is the main person to take action to solve the crisis.
4. **Directors of sales/marketing department:**

They are responsible for keeping the products selling as usual or retrieving the problem products. They evaluate the sale volume and response of market at once, take attention to customer satisfaction and maintain the good reputation of Hummer.

5. **Director of HR department:**

To publish any new rule or policy to employees inside the Hummer company, to educate employees how to face the judgement or question from outside of the company and then to console employees if anyone get hurt.

6. **Director of R&D department:**

To search or collect the information of professional technological issue and make sure the safety of core technology, precision instruments.

7. **Director of financial department:**

To evaluate how much the Hummer loses, give the correct numbers of any accounting statements to the CMT. To watch and analyse the changes of stocks market and responses of investors.

8. **Director of administration/Public relationship department**

To answer any questions from media or customers. To be the backup and offer the logistic support. He arranges the place for meeting, and gathers the CMT members.

9. **Consultants (Law/Negotiation):**

To help any professional of skill or information of the problem or issue.

10. **Spokesman (the most important part)**

The way to choose the spokesman is very important. It could be the CEO, general manager (due to his position in Hummer) or a person who took professional training of negotiations (belong to public relationship department). He(or she) have capacity of realizing crisis or
situation. And he also can create the high level of confidence and authoritativeness. Clearly and orderly to pass the message to outside of the Hummer company.
The positioning of the company

The positioning of a company is one of the most important things that it has to be considered in advance so as to be clear on the way the company will manage a crisis. The positioning can be equated to the rules the company impose to itself, we can say it embodies its philosophy, its guidelines.

First of all, in case of a crisis, Hummer will communicate precise information to its stakeholders. If the company tries to lie or to hide information, like a “no comment” response, it immediately loses credibility and control on the situation. Moreover, such a mute reaction urges people not to feel confidence face to the company, media will also be more and more aggressive.

Secondly, another key positioning for the company is to take care about the situation and above all the victims of the crisis. For example, in the case of accidents, Hummer has to deal with victims' families before any other groups. Indeed, showing empathy and communicate concerns about the victims are for the company ways to keep a positive image, remain a responsible company in the general public mind.

Then, the company has to be available to answers stakeholders question. That’s mean that it also has to be well prepared. Moreover, the company needs to be aware of media reaction, and by the way, anticipate conferences, interviews…

Furthermore, the company has to keep calm what ever the crisis is about. To contain and manage the crisis, the spoke person will be prepared to face aggressive question, and not to appear defensive.

Concerning the media, the company has to adopt the right attitude, by giving brief and precise responses. It’s worth noticing that short responses prevent company to lose control. Moreover, maybe to convince media that the company controls the situation is to
show insurance and self-confidence. It has to keep in mind that it will surely give several
times the same answer and will have to repeat itself so as the message is well understood.

Besides, one important thing concerning the media is also to keep an eye on all reports
concerning the company and correct errors quickly by contacting the source of the report.
The company has also to deal with the crisis from the beginning to the end, that’s to say,
solving all the problems so as to be sure that such a same crisis will not happen again.

To sum up on the positioning, we have evoked here some guidelines that the Hummer
Company must follow in case of crisis. However, it’s worth underlining that the
positioning has to be adapted to each crisis, since there is not only one way to deal with
危机。简而言之，定位也取决于危机是什么。
• **Customers:** To Hummer, the first thing they have to concern about is customers. Especially the owners of Hummer cars. Because customers spent a lot of money to buy not only the Hummer car, but also the brand image, quality and function, its standard should over the general cars. So if any crisis happen, they have the premier right to know what’s going on.

• **Employees:** When a crisis happens, they are the members who have to execute the decisions of CMT. As they have to work on the special case which is not as usual; they have to be informed what to do, how to do, they have to report the results to whom, where to find the specific information. And how to response when media or other people outside the Hummer come to them and ask question. Employees are the key when crisis happens, to keep the company works normally.

• **Mass media:** Hummer should watch the each action of mass media. The characteristic of media are bloodthirsty, they like any exciting or exaggerative story whatever it is true or not. When crisis coming, Hummer should be careful to decide if it responses or not. Be calm to face any kind of question for different type of media and answer clearly without negative attitude.

• **Shareholders:** Hummer is an international brand, and it belongs to GM group cooperation. The owner of Hummer always is the first one to concern about crisis, investors as well.
• **Government:** If the crisis is against the law, damage the environment, or threat the safety of public. That will cause the crisis bigger and involved in some punishments, then to be another crisis.

• **Fans of Hummer:** People who loves Hummer, even though they can afford a Hummer car, they represent a lobby for the company that’s with they have to be inform. The company has to feel concern to Hummer lovers’ feelings since they have power to support the company even in a difficult period, they can bring a useful help and diffuse a positive image even in a time of crisis.
Media Policies and Procedure

It’s a well known fact that the Media take a very important place in the communication strategy of any company. It’s the intermediary between the company and the general public. Thus, because of this strategic position, Hummer has to take them (the media) into account in their crisis communication plan.

As a consequence, the media policies and procedure must be well prepared because if Hummer is facing a crisis, the media will ask for comments immediately. The communication plan for the media would have just to be put into action.

On the one hand, if a crisis occurs, first the company must collect, as soon as possible, information that it wants to deliver to the audience and stakeholders. The crisis must be clearly identified. Thereby, the role of the CEO and the director of Public Relation Department is to choose what department(s) within the company must work on it in order to elaborate a relevant and appropriate response. (For instance if it’s a financial crisis, the Financial department of the company is the most appropriate to intervene.)

On the other hand, the designation of the spoke person, that is to say the person who will be confronted to the media, is a key decision. The latter has to be previously aware of his missions and be well trained. By the way, we suggest that the spoke person must belong to the Public Relation Department. He has required competences to deal with the media and thus, he will be able to keep control face to their aggressions. Furthermore, no doubt other persons from the company will have to deal with the media. The CEO of Hummer will make a speech since he embodies the company, and he will give prestige and credibility to the brand.

Concerning the speech that the company and its spokespersons will make, we suggest anticipating the potential questions and reflecting on how to face them. Obviously, it’s important to emphasize the fact that the speech of every spoke persons of Hummer has to be coherent, that’s to say that no contradiction can be accepted.
Then, we plan to organize conferences in the Hummer Headquarter with the media chosen previously. In fact, it is important to decide in advance in which media (newspapers, magazines, TV channel…) the company wants to communicate. So as to remain credible face to the audience, the election of reliable media is important. We think it’s no use to deliver information and comments on the crisis in any newspapers for example. Just the ones which deliver trustable contents should be elected by Hummer.

Moreover, organize a conference media so as to answer questions pinpoints the fact that Hummer is aware of its responsibility and doesn’t avoid confrontation with the media, Hummer doesn’t want to get rid of the media. During these conferences, the spokes person has to feel self confident, and keeps control of the situation. He must speak with a clear and understandable voice so as any misunderstanding is avoid. He must be firm but also secure people that Hummer manages the crisis, but without promising unachievable solutions.

Nevertheless, out of this conferences and interviews giving to the media, the company will be available at every moment by mail or telephone. A special mail address and phone number will be created so as to answers people questions. Besides, conference media will be recorded and available on Hummer web site. All additional information will also be put on our website so as to inform as much people as we can. It will be update daily. Hummer has to focus on the crisis since the beginning to the end, which is tantamount to saying solve all problems until the last one.

To finish, what not forgetting is that Hummer can take advantage of such a mediatisation. By answering correctly journalists’ questions, showing empathy to the audience and intervene rapidly to solve the crisis, Hummer can become stronger from these events and revitalize the brand image.
Hummers are not only men cars it can also be women cars. The big event around the last Tomb Raider movie has proved it.

“My wife drives a hummer and yours?” says Brad PITT in the new HUMMER commercial. Indeed his wife Angelina Jolie plays Lara Croft on the screen. Last Wednesday, the launch of the new Hollywood blockbuster “Tomb raider and the secret of the desert” has been celebrated with enthusiasm by car lovers men as well as women. Indeed, cause HUMMER has been one of the major sponsors of this movie where we can see Lara Crof driving her black H3. “Hell has no fury like Lara Croft driving a HUMMER” says the director Marc Humphrey. Quite unusual events have surrounded the launch of the movie: free rides, circuit … Everyone could test the HUMMER might and realize how unique it is. Were also presented: watches, cell phones, clothing, and shoes namely a wide range of hummer featured products that were used for the movie… and women were queuing for it! Who said HUMMER cars were only for men? Obviously there’s a Lara Croft that lays inside of every women, trying to get out!

Glamorous, dynamic and modern here are the key words to define those unusual HUMMER drivers. Who are they? They are Women of the new century. Indeed, because 2009’s women are action women they need an action car. Today, women bring the bacon home and they do it the right way: driving their HUMMER H3.
Speed, might, action and safety are no longer property of men. “We call ourselves action women nowadays we have to deal with everything at the same time, take care of my kid, drive him school, go to work, make some external mission, come back, go to the supermarket, make dinner etc… sometimes I really feel as if I were a super hero and this car is my Action woman -car!” tells a 33 years old executive who came to see the movie with some friends.

“I love driving HUMMER cars it gives a sensation of being almighty and in the movie, it shows completely” said a young student girl fan of Tomb Raider.

H3 is one of the most civilian hummer cars and it’s adapted to women but not only: to the new kind of customers who value action, speed, safety and modernity. We work on redeeming our image. The car HUMMER is not only a car devoted to men” Moreover the attention to detail is really important to us on the interior; on all of the key driving interfaces such as the gauges, shifter area, steering wheel and seats.” Says Hummer’s marketing director. So now, let there be some action!

If you'd like more information about this topic, or to schedule an interview with Tom Bass, please call Duncan Kane at 555/555-2222 or e-mail Duncan at duncan.kane@hummer.com
Recommended evaluation and follow up

After the crisis is removed, it doesn’t mean the matter is finished. For Hummer, it is more important to make a conclusion and remember this lesson. This part is the most important, because company can find out the problems in business management. Company must lucks of something they never know before the crisis happened. First of all, they should gather all the data and information, even the news or any common from community during the time.

Secondly, there should be a meeting or create a small cross function team to evaluate what’s wrong to make the crisis happen. To identify if it is the defect which is made by person, or it is problems about the system of the company. And also can find the problem is not related to the crisis but important. It may stop another crisis.

Then plan to make up those problems step by step. According the analysis and solution to these problems, Hummer may do the revolution to avoid making a bigger mistake.

Finally, if the crisis damage Hummer’s good image or reputation, it has to spend a long time to fix it. For instance, doing some positive movements though the media, held activities for public welfare, fixed the relationship with government…etc in order to rebuild trust between Hummer and stockholders and keep the value of the brand.
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