



Harley-Davidson

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ABSTRACT

The choice of Harley Davidson is not only because of being a successful company, but also because of its history and the relationship it has with its employees and customers itself. Harley-Davidson despite being a historic brand, when it comes to producing unique motorcycles, the company has not been at its best when it comes to sales to the younger market. This work aims to make a presentation of the company, main market positioning and SWOT analysis.

Keywords: *Harley-Davidson; Strategy; SWOT; motorcycles.*

Citation: Pereira, A., Vaz, Â., Gonçalves, T., Sales, J., & Correia, J. (2022). Harley-Davidson. *International Journal of Arts, Humanities and Social Studies*, 4(2), 82-85.

INTRODUCTION

Main goals of Harley Davidson

The goals that we realize that Harley wants to achieve is mainly to improve the number of sales in terms of motorcycle styles and the like and also to captivate younger consumers with the production of new motorcycle styles.

The Company

The company's history began in a small shed in Milwaukee in the early 1900s. William S. Harley worked alongside Arthur and Walter Davidson to build a "motorcycle" after drawing up plans for a small engine designed to fit a full-size model bicycle normal. The first model was finished in 1903, but a small problem arose when they noticed that the motorcycle could not go up streets without the use of the driver's pedals. They quickly built a larger engine and larger frame design, finishing this prototype in 1904, the year they entered a local motorcycle race at State Fair Park and finished 4th. After achieving a working model, Harley-Davidson engines were mentioned in the January 1905 issue of the *Automobile and Cycle Trade Journal*. The bikes went into production just 4 months later. In 1906 they moved from their shed and opened their first factory, producing 50 motorcycles that year, 10 times more than the previous year. In September 1907, Harley-Davidson was officially incorporated. They produced 150 motorcycles and sold many to police departments.

This company also plays an important role in American history, having produced around 20,000 motorcycles for the US military during World War I and over 90,000 for World War II. They were also one of two American motorcycle companies that survived the Great Depression. However, even though they are one of the best-known brands in the world of motorcycles, they went bankrupt once in 1981, having to be bailed out by a team of investors.

In terms of earnings, the company showed increases of 4,574.47% throughout 2021, from US\$0.01 billion to US\$0.71 billion, also recording a 24.44% increase in revenue, from US\$0.01 billion to US\$0.71 billion. \$4.05 billion to \$5.04 billion, after falling \$24.38 billion in 2020 compared to 2019. In terms of market cap, they saw a 4% increase in 2021 compared to 2020.

Harley-Davidson SWOT Analysis

Strong points:

1. The company does not focus only on selling motorcycles, but manages to attract a wider market by selling products related to motorcycling for those who like the sport, but not necessarily wanting to buy a motorcycle. At least 20% of Harley Davidson's revenue comes from a combination of "Parts and Accessories" and general merchandise.

2. As Harley Davidson is a company founded in 1903 it ends up having a history in the motorcycling business. With this, it has created a reputation for quality and experience with more than 120 years and it is the number 1 company

in the United States when it comes to motorcycles, having 30.6% of the country's market in 2020 according to statistics given by the company Statista, a German company specialized in data. market.

3. Harley Davidson also uses promotion strategies such as rallies, better known as HOG Rallies, which should already have 29th editions, but the 2021 edition was canceled due to the pandemic. This helps create a feeling of connection with the product.

4. Although the average age of consumers is around 50 years old, Harley tries to use social media as a way to solve this problem trying to appeal to a younger audience. The company has close to 13 million fans on Facebook and more than 5 million on Instagram, making it the company with the most followers on Instagram in this field.

Weaknesses:

1. Harley's core demographic, the so-called "Baby Boomers", people born between 1946 and 1964, are getting older and even trying to appeal to the younger audience with social media, they end up not being interested in motorcycles, especially bulky motorcycles. Even if they want to buy a motorcycle, it turns out to be for practical reasons and not because motorcycles are "cool".

2. When they tried to get into the electric motorcycle business, it didn't work as expected. Not only the price of the first Harley electric motorcycle was 30 thousand euros, which in itself already leaves something to be desired due to being able to buy an electric car with such an amount, also one of the competitors, Zero Motorcycles, ends up having motorcycles of this type. type in the range of 8500 to 21 thousand euros.

3. The diversity of Harley products is also limited as they only focus on bulky and wide bikes. Even trying to expand the size and weight of the bikes they sell with a dirt bike model and the LiveWire model, they end up continuing on the same path as bulky bikes which ends up not appealing to younger generations.

4. Harley also ends up having a tight supply chain. This turns out to be a big problem due to the fact that if the only supplier of a certain essential part has problems the production of the final product will be completely stopped. This leaves the company at a huge disadvantage due to its lack of diversity.

Opportunities:

1. The expansion of product and demography ends up being intercalated. Creating new electric motorcycles, learning from the mistakes of the previous model, Liv Wire, ends up appealing to a younger audience as can be seen in its competitor, Electric Motorcycles, in California. With this, using smaller bikes can also help with the younger generation.

2. Sales to other countries have increased exponentially without any other competitor. Countries such as Germany, Japan, France, Canada, Australia and Brazil are completely bountiful markets where Harley has the potential to make as much profit as possible.

3. Harley not only wants to appeal to younger audiences but to all genders. The company's normal customer type is men in their 50s, but over the years more and more women are starting to consume this market. A study by Biker Lawyer says that in 2018, 19% of people who ride motorcycles are women. Among these, 34% choose Harley-style motorcycles.

Threats:

1. When trying to reach the international market, Harley has to fight for its place against local manufacturers that are already available in the countries. Due to the fact that India, Japan and China are the biggest markets in the world, Harley ends up having to compete with local companies. Using India as an example, the India-owned company Royal Enfield is able to dominate the bountiful market of close to 1.3 billion people.

2. With the increase in demand for electric models, Harley needs to be careful not to be able to meet the demand and end up doing the same thing that happened with the Live Wire model. If they don't succeed, the competitors will end up taking advantage and imitating the company's style.

3. Fees are something that can have an adverse effect on a company's bottom line. For example the tariff for exporting to countries such as China is around 15 million dollars. This affects Harley by increasing the price of motorcycles in international purchases or parts imported from these countries.

Current Strategy

Harley-Davidson recently announced “The Hardwire”, its strategic plan for the 2021-2025 cycle. more like one of the most famous and most desired motorcycle brands in the world. To achieve these goals, the company intends to carry out the following points:

- Increase profitability and keep double-digit EPS growth low;
- Expand your customers' vision, pilots or not, through various channels, such as improved digital touchpoints.
- Invest in the main Touring, Large Cruiser and Trike segments to strengthen and increase your position.
- Expand into Adventure Touring and the Cruiser segment to explore never-before-explored volume and margin.
- Launch of Harley-Davidson Certified™, a pre-owned motorcycle program that supports expected growth across all complementary businesses
- Reinforce the commitment to electricity with the creation of a division dedicated exclusively to leading the future of electric motorcycles.
- Increase the power of Harley-Davidson as a global lifestyle brand through reinvigorating riding parts, accessories and equipment.
- Global expansion of financial services
- Extend company ownership from employees to all employees by offering a capital grant to approximately 4500 employees.
- New approach to inclusive shareholder management.

Leadership at Harley-Davidson

Like any company that exists in the world, Harley-Davidson has a CEO who manages the company's shares in the market in which it is located.

The Harley Davidson Executive Board is as follows:

Jochen Zeitz- President and CEO of Harley-Davidson
Gina Goetter - Chief Financial Officer
Edel O'Sullivan- Commercial Director
Paul Krause- Vice President, Chief Legal Officer and Secretary, Harley-Davidson
Jagdish Krishnan- Digital Director
Julie Anding - Managing Director
Ryan Morrissey- Director of Electric Vehicles
Bryan Niketah- Senior Vice President of Product Development and Operations
Jonathan Root- Senior Vice President
Luke Mansfield- Vice President, Motorcycle Management
Theo Keetal - Vice President, Marketing
Tori Termaat- Vice President, Human Resources
Andy Benka- Chief of Staff and Chief Executive
George Prassas- Vice President, Communications and Corporate Relations
Kolja Rebstock- Managing Director and Regional Vice President Europe, Middle East and Africa
Eduardo Bravo- Vice President and Managing Director, North America
Dimitris Raptis- Vice President, Asia Pacific
John Klein- Director, Latin America

The main decisions that the leadership had in 2021 were to put the new strategic plan into action, called “Rewire”, or translated into Portuguese, “Religar”.

The new strategic plan sought to revolutionize Harley-Davidson, with Jochen Zeitz recently joining the company, which was in March 2020.

With the launch of the Bronx, Pan America, Bareknuckle and Harley's first electric motorcycle, the Live Wire, Jochen Zeitz sought to end certain modalities of the old plan and reinforce traditional Harley models.

This plan is based on several points:

- Reinforce the brand's strengths and find a better balance when entering new segments;
- Give priority to the markets that matter most;
- Resetting the launch of new products and simplifying for greater impact;
- Maximize the development of Merchandising products and official parts and accessories;
- Increase the company's efficiency, reducing the complexity of the personnel structure, reducing costs, to ensure greater stability in the future. (Firing more than 700 company workers)

CONCLUSION

In conclusion, we noticed that throughout our research at Harley-Davidson, the brand is currently in a “rejuvenation” phase, and despite having gone through so many unsatisfactory moments for the company, the brand has always managed to maintain its status, And its tradition passed down through several generations. Finally, we believe that these types of companies should be talked about and valued for having existed in our world, as they have left a great mark on today's society.

Webgraphy

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