

FOUNDATIONS OF MARKETING

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Harley-Davidson: **Segmentation & Target Market Selection**

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1. Executive Summary

Identification of segments and finding a target market is essential to any company's success. This isn't any different for Harley-Davidson, the motorcycle brand that has taken over America for over a century now. However, as times are changing, Harley-Davidson's marketing strategies must be reevaluated. An *aging customer base has led to a decrease in sales* for the company in recent years, along with other issues such as manufacturing and supply chain issues. In this report, we will analyze Harley-Davidson's marketing tactics, financial analysis, and overall health in the motorcycle market using analyses such as *SWOT, PESTLE, ANSOFF-growth matrix*. Using our analyses of the company's current state, we will provide recommendations and improvements on customer segmentation and target market selection so that Harley-Davidson can see continued success in the future.

2. Introduction

A. Company Background

Harley-Davidson was founded in Milwaukee, Wisconsin, in 1903 and officially incorporated in 1907 with Walter Davidson as the first president¹. Over the next few years, demand and production grew steadily. During World War I, Harley-Davidson motorcycles were used by the police and military. In the 1920s, the company was the head of innovation for motorcycles. A strong dealer network, along with varied use by the military, police, and U.S. Postal Service allowed Harley-Davidson to overcome economic disasters. In the 1970s and 1980s, Harley-Davidson's share of the U.S. heavyweight motorcycle market gradually declined due to growing competition from Japan. While there were still riders who wanted a Harley-Davidson motorcycle, the newest members of the motorcycle market preferred how affordable and reliable the Japanese motorcycles were. In response to competition from Japan, Harley-Davidson strategized using management techniques such as decentralized quality discussion groups and inventory control.

In the early 1980s, the company began to alter the appearance of its motorcycles and introduce new designs to appeal to a wide range of consumers. However, this was not the only way Harley-

¹ "History of the Men who Founded Harley-Davidson". *Harley-Davidson Insurance*, 14 April 2020. <https://www.insurance.harley-davidson.com/the-open-road/profiles/founders-of-harley-davidson>.

Davidson began to focus more on marketing. In 1983, the company formed the Harley Owners Group (HOG), a club with its own newsletter for motorcycle enthusiasts, designed to introduce and attract more new buyers. By the end of the 1980s, membership in the group had grown to 100,000. As Harley-Davidson's sales continued to decline in the early 1990s, new labor and fiscal policies were introduced, encouraging production and growth again. The company's stock grew steadily, attracting many new investors while retaining old ones. Throughout time, Harley-Davidson has shown that their original and classic motorcycles have been well-received by their customers, and the company will hopefully continue to see growth in the coming years².

Currently, Harley-Davidson's primary customer base has been married Caucasian males, mid 40s to early 50s, with the peak age range of 45-55 years old³. With an average annual salary of \$90,000 or greater, they typically have comfortable disposable income to spend⁴.

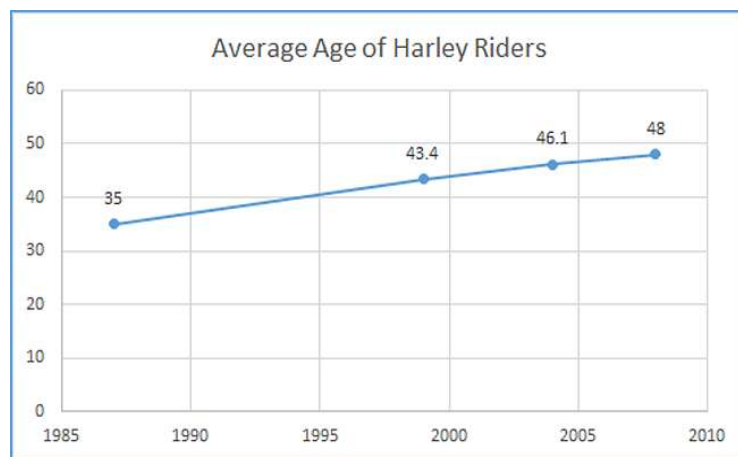


Fig 1. Beulah, Daniel. “Harley-Davidson Overcomes the Baby Boomer Cliff by Creating a New Customer Base”. *MarketingSherpa, LLC*, 15 May 2015. <https://sherpablog.marketingsherpa.com/consumer-marketing/harley-davidson-new-customers>.

²“Harley-Davidson, Inc. - Company Profile, Information, Business Description, History, Background Information on Harley-Davidson, Inc.” *References for Business*, 2022.

<https://www.referenceforbusiness.com/history2/86/Harley-Davidson-Inc.html>.

³ Sizemore, Charles. “Harley-Davidson’s Downfall: Baby Boomer Demographics”. *Michael Campbell’s MoneyTalks*, 2022. <https://mikesmoneytalks.ca/harley-davidsons-downfall-baby-boomer-demographics>.

⁴ Ferris, Robert. “Millennials may claim another victim: Harley-Davidson and the classic American motorcycle”. *CNBC*, 25 January 2019. <https://www.cnn.com/2019/01/25/actually-young-people-really-could-kill-harley-davidson.html>.

Looking at the American motorcycle industry, sales were \$124 billion in 2021 and are anticipated to increase to \$180 billion by 2031⁵. Additionally, the global market for motorcycles has been on the rise as well. During the COVID-19 pandemic in 2020, public transportation such as buses and trains was avoided by many people due to the high risk of disease transmission. Specifically in regions such as China and Western Europe, people were looking for a different means of transportation that allowed for ease of travel while being cost-effective.

B. Marketing Challenges

Currently, the marketing challenges that Harley-Davidson is facing are related to declining sales due to their *aging customer base and growing competition*. So, in order to cater to the younger population, *how should Harley-Davidson reorganize their segmentation and what should their target market be?*

If nothing is done about proper segmentation within Harley-Davidson's audience, sales will continue to decline, and subsequently, so will the likelihood of gaining potential future customers. It is vital for Harley-Davidson to tailor their marketing strategy towards the right audience that is both eager and willing to purchase their products. After solving Harley-Davidson's problems in regard to segmentation and target market selection, it will allow the company to market and offer their products more effectively towards customers with specific preferences and needs. This will boost Harley-Davidson's overall position in the market and ultimately let the company gain a competitive advantage. Also, by segmenting their market in a new way, their strategies can be applied to target different customer segments. Catering different options of bikes to a narrowed-down audience will give Harley-Davidson an opportunity to maintain and smoothly expand market share, along with revenue.

In this case, Harley-Davidson's *external stakeholders* are their *customers and suppliers*, since the change in segmentation and target market will affect how the company markets their products and what parts will be required for possible changes in motorcycle production. The *company's internal stakeholders are managers, employees, and investors*. Managers will implement changes, employees will carry them out, and investors will make decisions based on the changes.

⁵ "Motorcycle Market". *Fact.MR*, 2022. <https://www.factmr.com/report/7/motorcycle-market>.

3. Situation Analysis

A. Context

Now, for Harley-Davidson's current orientation, they are using the *product concept* along with a *position defense strategy*. They believe that by just providing high-quality premium products and attempting to rank highly in consumers' minds, products would sell themselves. However, due to growing competition, innovation, *changing consumer behavior* and dynamic market situations, this strategy doesn't seem to give any fruitful results.

B. Financial Situation Analysis

The yearly net income for Harley-Davidson in 2019 was \$424 million, a 20.29% decrease from the previous year⁶. However, Harley-Davidson's annual net income in 2020 was \$0.001 billion, or 99.69% less than in 2019⁷. As a result of the *black swan event*, there was a significant decline in sales during the pandemic. But at the conclusion of the year, the market started to rebound; for the quarter ended June 30, 2022, Harley-Davidson's net income was \$0.216 billion, up 4.61% from the same period the previous year⁸. Additionally, Harley-Davidson's net income for the fiscal year ending June 30, 2022, was \$623 million⁹. This represents a 27.3% increase over the prior year, which may not seem like much of a boost in comparison to the scenarios of 2018.

A significant portion of Harley-Davidson's motorcycle sales are *financed through leases*, which *delay cash collection*. To maintain its operating cash flow, Harley-Davidson uses variable interest entities to securitize its lease portfolio, which is unusual for the companies in this sector. Also, looking at the overall financial analysis of the company, we can say that the company's *financial position has been deteriorating since 2014 to 2015*, mainly due to the *reduction in sales revenue*, which is attributed to an aging customer base. Other factors contributing to the same are the *COVID-19 pandemic, disruptions in the semiconductor supply chain*, etc.

⁶ "Harley-Davidson Net Income 2010-2022 | HOG". *Macrotrends*, 2022, <https://www.macrotrends.net/stocks/charts/HOG/harley-davidson/net-income>.

⁷ Ibid.

⁸ Ibid.

⁹ Ibid.

Key Performance Indicators

	2018- 2019	2019- 2020	2021- 2022	Interpretations
Assets Management				
Current Ratio (times)	1.31	1.46	1.36	Company's ability to pay its short-term obligations has reduced significantly from its all-time high value of 2.7 in 2012; a lower ratio indicates lower financial strength . Here, the ratio is greater than 1, meaning that the company still can <i>cover its current liabilities with help from its current assets</i> .
Quick Ratio (times)	1.02	1.36	1.16	Company's ability to deal with its liabilities quickly without liquidating its inventory has also reduced significantly from its all-time high value of 2.43 in 2012. It is <i>due to business having slow sales, high bills, and poor collections for receivables</i> .
Assets Turnover (times)	0.50	0.33	0.48	The higher the number, the better the company is at employing the assets to generate revenue, but in the case of Harley-Davidson, there is a significant reduction from its all-time high value of 0.6 in 2016. This is due to an economic downturn as well as the company's competitors' producing competitive products .
Inventory turnover ratio (times)	5.69	5.12	4.81	Inventory turnover ratio has decreased significantly since 2012. It is mainly because Harley-Davidson has managed its inventory inefficiently due to poor replenishment procedures, supply chain disruption, seasonality, carrying slow-turning, high-cost products, and the product life cycle (as the product is almost at its maturity phase and demand is hitting a decline).

Days sales outstanding (Days)	172.3	12.88	12.45	This indicates how long it takes a company to collect what it is owed, and for Harley-Davidson, it increased significantly from 143 days to 172 days between 2016 and 2019, decreased at the time of COVID, and then began increasing again; it was 115.09 days for the three months ending September 30, 2022. An increasing DSO is a warning sign that something is wrong. There are various <i>reasons, such as a decline in customer satisfaction, or offering longer terms of payment to drive increased sales. Or, the business may be enabling those with bad credit to buy purchases on credit.</i>
Profitability				
Net Profit Margin (%)	7.90	0.03	12.18	This tells how much a company earns as a percentage of every sales dollar, i.e., net income as a portion of total sales revenue. In the case of Harley-Davidson, this has reduced significantly over the years, from 2016 to 2020. The <i>reasons behind these are ineffective cost structures and/or poor pricing strategies, as well as inefficient management.</i>
Operating Profit Margin (%)	7.90	0.03	12.18	This has reduced a lot during the past few years after the year of 2014, which suggests that the <i>operating activities are not very profitable, and the reasons behind this are a decrease in sales or an increase in expenses due to increased material costs.</i>
ROE (%)	23.48	0.07	25.10	Since 2016, the amount of profit generated by the company as a percentage of the owner's investment has decreased (all-time high of 35.42% in 2016).

Return on Asset (%)	4.02	0.01	5.88	The efficiency with which a company uses its assets to generate profit has also decreased significantly over the years since 2014.
ROI (%)	6.11	0.017	9.09	ROI has decreased significantly since 2014 due to a <i>reduction in sales of Harley-Davidson because of an aging customer base.</i>

Fig 2. “Harley-Davidson Financial Ratios for Analysis 2009-2022 | HOG”. *Macrotrends*, 2022.
<https://www.macrotrends.net/stocks/charts/HOG/harley-davidson/financial-ratios>.

C. Market Situation Analysis

Product Life Cycle

The product life cycle consists of four stages: introduction, growth, maturity, and decline. At the moment, Harley-Davidson is transitioning from the *growth stage to maturity stage*. There is still growth to be made with the new motorcycle technologies and features that are coming out that Harley-Davidson can apply to their products. However, there are more competitors in the market now compared to when Harley-Davidson first became popular, so there has been a slowdown in their sales over the years as they prepare to enter the maturity stage. Also, during the late growth and early maturity stage that Harley-Davidson is currently in, customers usually look for deals and place emphasis on the *convenience of the product*.

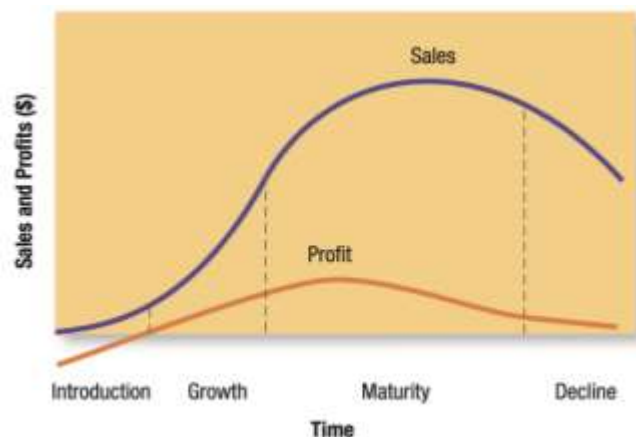


Fig 3. Kotler, Philip, and Kevin Lane Keller. *Marketing Management*. Pearson Education Limited, 2016, p. 371.

PESTLE Analysis

Political & Governmental Factors
<p>Increased Tariffs: Originally in 2018, tariffs on Harley-Davidson's bikes increased from 6% to 31% due to U.S. tariff regulations on European steel and aluminum¹⁰. Thus, the brand responded to the tariff increase by opening a manufacturing facility in Thailand. However, in 2021, a tariff deal was made between the U.S. and the EU, which would cause Harley-Davidson to save around \$225 million USD in 2022¹¹. This tariff negatively impacted Harley-Davidson's prices, tacking on an additional \$2,000 to its products¹². Now that the tariff issue is no longer a threat, Harley-Davidson can consider opening other factories internationally to reduce potential costs and further expand its global reach as a brand.</p>
Economic Factors
<p>Economic Slowdown: As of October 2022, the <i>unemployment rate</i> in the U.S. is 3.7%¹³, which is at a normal level. However, the inflation rate is high, around 7.7% since October 2022¹⁴ (normal inflation being around 2%). The Federal Reserve has also increased interest rates to 3.75% to 4.25% in November 2022¹⁵. This will slow down the economy, making people less likely to purchase, and is potentially a method to curb the <i>high inflation</i> that the U.S. is currently facing. Subsequently, this could possibly decrease demand for Harley-Davidson's products in the meantime while inflation is high, leading to a decline in overall sales.</p>
Social Factors
<p>Demographic shift: A social factor that is affecting Harley-Davidson is their potential demographic shift — age in particular. Previously, the brand's main customer base was made up of baby boomers who had excess money to spend on their motorcycles. Now, Gen X and millennials struggle to fill the gap that baby boomers left behind, in part because of their small</p>

¹⁰ Thomas, Arthur. "Harley says EU tariff deal will save company up to \$225 million in 2022". *BizTimes*, 1 November 2021. <https://www.biztimes.com/harley-says-eu-tariff-deal-will-save-it-up-to-225-million-in-2022>.

¹¹ Ibid.

¹² Ibid.

¹³ "U.S. Economy at a Glance." *U.S. Bureau of Labor Statistics*, 16 November 2022. <https://www.bls.gov/eag/eag.us.htm>.

¹⁴ "Current U.S. Inflation Rates 2000-2022". *U.S. Inflation Calculator*, 2022. <https://www.usinflationcalculator.com/inflation/current-inflation-rates>.

¹⁵ Chang, David. "Federal Reserve Interest Rates and How They Affect You". *The Ascent*, 12 November 2022. <https://www.fool.com/the-ascent/federal-reserve-interest-rates>.

numbers and initial interest in motorcycles, as people today are more interested in fancy, expensive cars and are also more concerned with their social status.

Technological Factors

Material Shortage: Currently, there is a global semiconductor chip shortage, which has affected Harley-Davidson's supply chain and caused sales from dealers to decline 5% in North America in 2022¹⁶. On the other hand, a positive technological factor includes an upgrade in safety systems, such as anti-lock braking systems, cruise control, new display options, and blind spot detection¹⁷. Further advances in motorcycle technology will grant Harley-Davidson the opportunity to incorporate these features into their products in the future.

Legal Factors

Lawsuit: Harley-Davidson has faced some legal issues in the past. In August 2022, a lawsuit was filed against the company for violating the Magnuson-Moss Warranty Act, which upholds warranties on consumer goods¹⁸. Harley-Davidson was accused of leading customers to assume their warranties would be void if they used other motorcycle dealers for repairs¹⁹. Another case was the Harley-Davidson Clean Air Act Settlement, brought upon by the U.S. Environmental Protection Agency (EPA) and the Department of Justice (DOJ). The settlement required Harley-Davidson to refrain from selling illegal tuning devices that would cause significant air pollution and ordered the company to pay a \$12 million fine as well²⁰. In the future, Harley-Davidson should take caution in explicitly stating their warranty terms and ensure that their products are as environmentally friendly as possible and meet the Clean Air Act emissions standards upheld by the EPA.

Environmental Factors

As people begin to favor eco-friendly personal transportation, electric vehicles are becoming more prevalent in society. Harley-Davidson can use this chance to further push its marketing for

¹⁶Hufford, Austen. "Semiconductor Shortages Slow Harley-Davidson's Bike Building". *The Wall Street Journal*, 27 April 2022. <https://www.wsj.com/livecoverage/twitter-musk-earnings-microsoft-alphabet/card/semiconductor-shortages-slow-harley-davidson-s-bike-building-PsWvkGZg6B3bbUYgnB6r>.

¹⁷ Sexton, Brian. "Motorcycle Sales and Technology Trends for 2022". *Motorcycle & Powersports News*, 17 January 2022. <https://www.motorcyclepowersportsnews.com/motorcycle-sales-technology-trends-2022>.

¹⁸ Smart, Ashley. "Harley-Davidson hit with lawsuit related to customers' right to repair". *BizTimes*, 12 August 2022. <https://www.biztimes.com/harley-davidson-hit-with-lawsuit-related-to-customers-right-to-repair>.

¹⁹ Ibid.

²⁰ "Harley-Davidson Clean Air Act Settlement". *EPA*, 2022. <https://www.epa.gov/enforcement/harley-davidson-clean-air-act-settlement>.

electric motorcycles, and bikes to customers. As mentioned above, the brand can learn from the Harley-Davidson Clean Air Act Settlement and confirm that moving forward, its motorcycles will follow the rules and regulations set upon by the EPA and DOJ. Placing an emphasis on being environmentally conscious can win favor in Harley-Davidson's direction, allowing potential customers to be less worried about causing excess pollution with their motorcycles.

Porter's Five Forces

Threat of intense segment rivalry (High)

Harley-Davidson has *numerous competitors* that it must continue to differentiate from in terms of unique features and maintaining high-quality products to stand out in the market. Even though the company has a good reputation in the motorcycle industry, Harley-Davidson may need to find the best way to identify the right customer segment and target market.

Threat of new entrants (Low)

The entry barriers for the *motorcycle market are extremely high, while the exit barriers are low*. Harley-Davidson is already a well-established company in the industry, so they are not only selling motorcycles, but also their brand and the values associated with it. It will likely be difficult for new companies to enter the motorcycle market at this point, so in that aspect Harley-Davidson should not be concerned.

Threat of substitute products (Moderate)

The threat of substitute products for Harley-Davidson here is moderate. *Substitute forms of transportation include cars* or public transportation such as trains, buses, etc. Many people are switching from motorcycles to cars or public transportation for safety reasons, personal preference, or even as a cheaper alternative, as some motorcycles are quite expensive.

Threat of buyers' growing bargaining power (High)

Buyers are key to Harley-Davidson's success, which makes it very important that the brand keeps its customers satisfied since there are a growing number of motorcycle competitors in the U.S. In addition, buyers' switching costs are relatively low to medium, and Harley-Davidson's motorcycles represent a large portion of their costs, both of which increase buyers' bargaining power.

Threat of suppliers' growing bargaining power (Low)

Harley-Davidson's suppliers *do not have much bargaining power* since there are a variety of substitutes from which the company can source its parts in the manufacturing process and the costs of switching suppliers are low. In fact, Harley-Davidson has factories in the U.S. and internationally, in countries such as Brazil, India, and Thailand²¹. Being able to manufacture abroad helps with decreasing costs, so suppliers in the U.S. do not have the best leverage in those scenarios.

SWOT Analysis

Strengths

Harley-Davidson is seen as a *powerful and reliable motorcycle brand* that has served Americans since the early 1900s. In terms of brand awareness, the company is an extremely reputable brand in the U.S. and internationally as well. Harley-Davidson has a cult-like following, with many customers getting tattoos of the motorcycle brand to show it off, and even its *own club called Harley Owners Group (HOG)*, where members can join to receive merchandise, roadside assistance, magazine subscriptions, credit card points, and more. With over 1 million members, HOG has expanded Harley-Davidson's customer base extensively within the motorcycle industry. Moreover, If we talk about their products, they provide *highly customized, top-quality premium bikes with innovative, cutting-edge technology* to their customers.

Weaknesses

Harley-Davidson has *loyally stuck to their primary customer base*, baby boomers. However, as they have been *aging out*, the motorcycle company has not seen as much success with younger generations compared to before, since the *demand for their motorcycles has decreased among their original target group* in particular.

Furthermore, Harley-Davidson's motorcycles are *expensive*, making them a luxury item that not everyone can afford, limiting who they can sell their products to.

²¹ "Where are Harley Davidsons Made?" *Timeless 2 Wheels*, 19 June 2022.
<https://timeless2wheels.com/32915/where-are-harley-davidsons-made>.

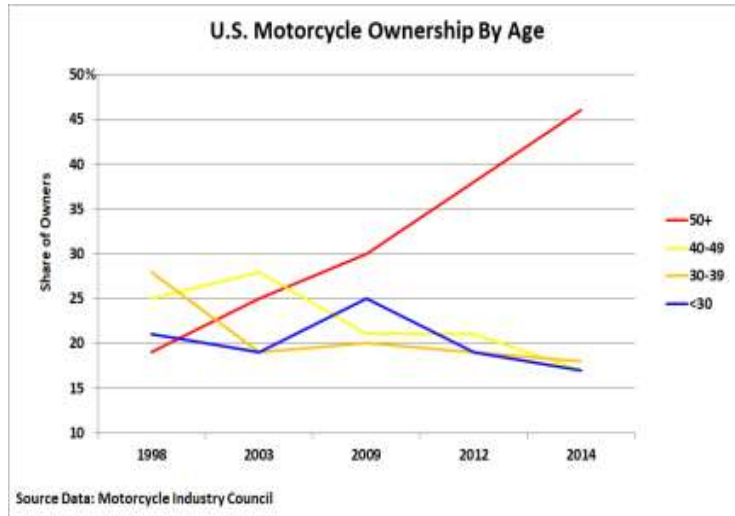


Fig 4. Bright, Jake. “Harley Davidson’s EV debut could electrify the motorcycle industry”. *TechCrunch*, 22 February 2018.

<https://www.techcrunch.com/2018/02/22/harley-davidsons-ev-debut-could-electrify-the-motorcycle-industry>.

Opportunities

While Harley-Davidson does have its own line of electric motorcycles and bikes, these are not marketed as much as their classic line of motorcycles, which run on gas. As the electric vehicle industry expands, it would be beneficial for Harley-Davidson to administer more of their efforts into *producing and promoting its electric motorcycles and bikes*. Also, the company has the opportunity to *expand their product line* to a properly segmented customer base. *Instead of simply targeting upper-middle class, middle-aged males, Harley-Davidson can segment their customers into different categories based on their needs and wants for the bikes*. They also can target younger and female riders as well.

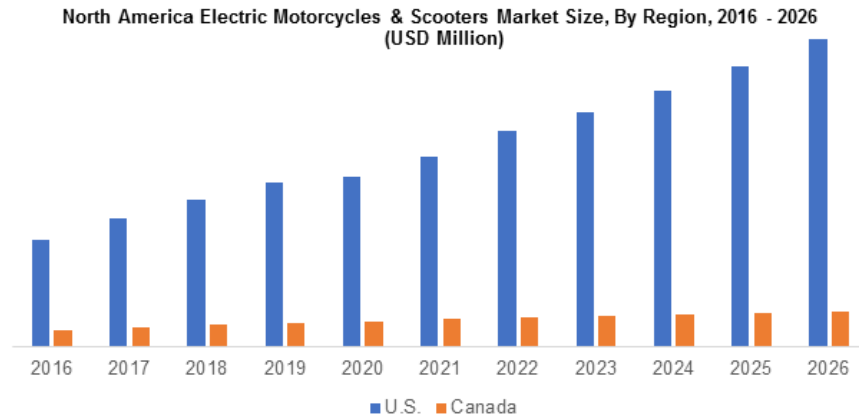


Fig 5. “North America Electric Motorcycles & Scooters Market Forecast 2026 By Product (Motorcycles, Scooters), By Battery (SLA, Li-ion), By Voltage (24V, 36V, 48V), Research Report, Regional Outlook (U.S. and Canada), COVID-19 Impact Statistics, Price Trends, Historic Data, Growth Prospects, Competitive Industry Share”. *Graphical Research*, May 2021. <https://www.graphicalresearch.com/industry-insights/1841/north-america-electric-motorcycles-scooters-market>.

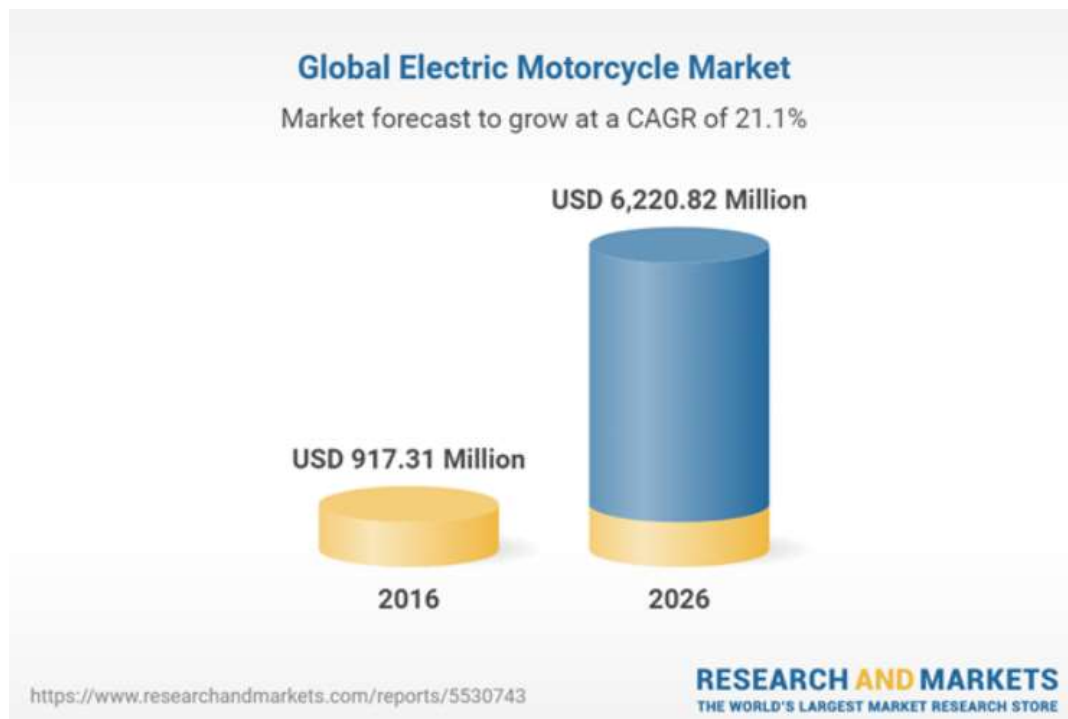


Fig 6. “Insights on the Electric Motorcycle Global Market to 2026 - Featuring Zero Motorcycles, Hero Electric Vehicles and ARC Vehicles Among Others”. *GlobeNewswire*, 7 February 2022. <https://www.globenewswire.com/en/news-release/2022/02/07/2379885/28124/en/Insights-on-the-Electric-Motorcycle-Global-Market-to-2026-Featuring-Zero-Motorcycles-Hero-Electric-Vehicles-and-ARC-Vehicles-Among-Others.html>.

Threats

There are several **competitors** that Harley-Davidson needs to watch out for. This includes brands such as Yamaha, Ducati, Triumph, Kawasaki, Honda, Indian Motorcycle, and Royal Enfield. Some companies sell more than just motorcycles, like Kawasaki (ATVs, jet skis) and Yamaha (golf clubs, musical instruments). Customers who have bought other products from these companies may be easily introduced to another line of the company's products, in this case being motorcycles. It is more difficult to switch over a potential customer to Harley-Davidson's motorcycles if they are familiar with a competing brand that serves them well already. Motorcycle companies that operate in other countries typically have a lower price point for their products than Harley-Davidson does, so it may be difficult for Harley-Davidson to continue to compete with them in the long run.

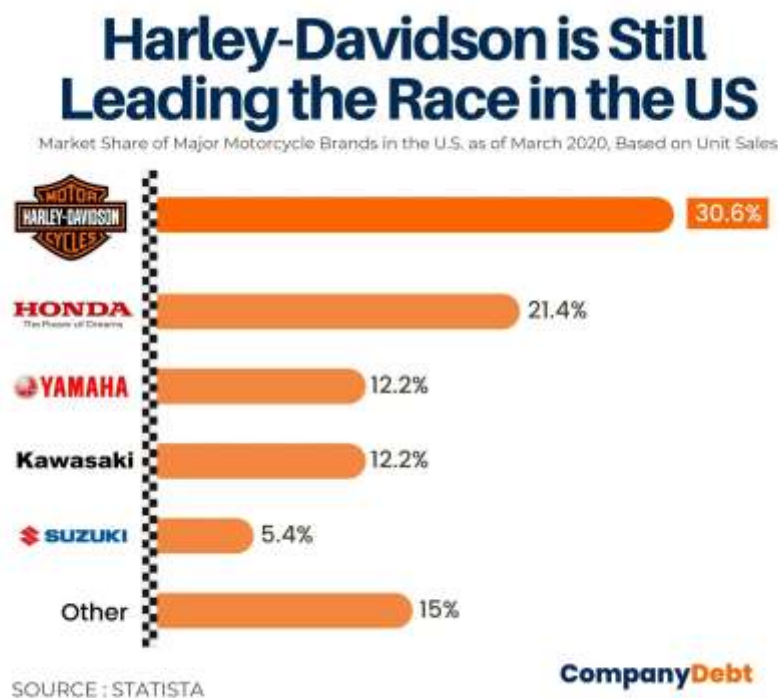


Fig 7. Sinclair, Adam. "Is Harley-Davidson Heading For A Crash?" *Speedway Digest*, 31 March 2022.
<https://www.speedwaydigest.com/index.php/news/racing-news/61552-is-harley-davidson-heading-for-a-crash#close>.

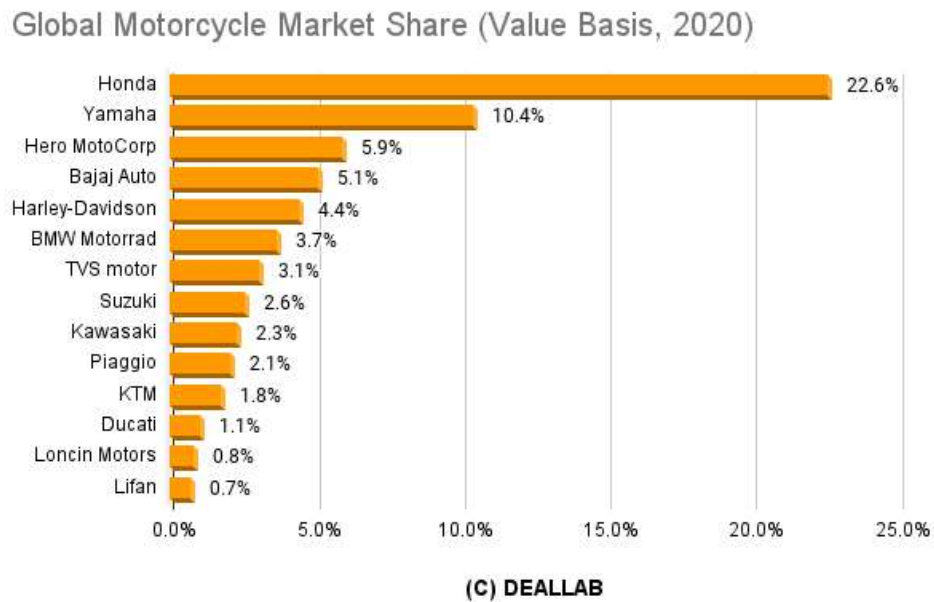


Fig 8. “Global Market Share Analysis of Motorcycle Industry”. *Deallab*, 30 December 2021.

<https://deallab.info/en/global-market-share-analysis-of-motorcycle-industry>.

In addition to the results of our *secondary market research*, which are based on the company's already-published reports, here are the results of *primary market research* that our group did using *interviews, survey questionnaires, and online polls* using methods of *convenience sampling*.

Survey Results

In order to determine the different segments and what Harley-Davidson’s target market should be, our group conducted a [survey](#) containing 13 questions to understand people’s thoughts and opinions on Harley-Davidson. Our sample size consisted of 43 people. Below are the results:

- **What is your sex?**
 - Male: 53.5%
 - Female: 46.5%
- **How old are you?**
 - Under 20: 4.7%
 - 20-30: 81.4%
 - 31-40: 11.6%
 - Over 50: 2.3%

- **What is your annual income?**
 - <\$50,000: 76.7%
 - \$50,000 - \$100,000: 11.6%
 - \$100,000 - \$150,000: 7%
 - \$150,000+: 4.7%
- **Have you heard of Harley Davidson before?**
 - Yes: 86%
 - No: 14%
- **Do you own a motorcycle? If so, is it a Harley-Davidson motorcycle?**
 - Yes, I own a Harley-Davidson motorcycle: 2.3%
 - Yes, I own a motorcycle of a different brand: 11.6%
 - No, I don't own a motorcycle: 86%
- **If you answered "Yes" to the previous question: what is your primary purpose for a motorcycle?**
 - Transportation/commuting: 7%
 - Hobby/just for fun: 9.3%
 - N/A: 83.7%

If you answered "Yes" to the previous question: what is your primary purpose for a motorcycle?

43 responses

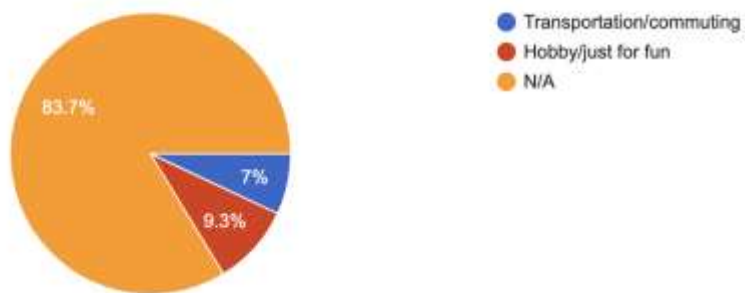


Fig 9. "Primary Purpose For A Motorcycle".

- **If you answered "Yes, I own a motorcycle of a different brand" to the previous question: please write the brand below. If you answered "No", write N/A.**
 - N/A: 86%

- Bajaj, Jabba, Pulsar, Royal Enfield, Suzuki, TVS: 2.3% each
- **Would you like to purchase a Harley-Davidson motorcycle in the future?**
 - Yes: 23.3%
 - No: 76.7%
 - Already have one: 0%
- **If you answered "No" to the previous question, why not? If you answered "Yes", write N/A.**
 - Too expensive: 4.7%
 - Not interested/no need: 65%
 - Unsafe: 11.6%
 - Doesn't fit my style: 4.7%
 - Prefer cars: 7%
 - Prefer different motorcycle brand: 7%
- **If you were to buy a Harley-Davidson bike, which segment would you fall under?**
 - Off-road adventurers: 34.9%
 - Environmentalists: 16.3%
 - Exercisers (bicycles): 20.9%
 - Socializers (bike gang): 23.3%
 - None: 4.6%

If you were to buy a Harley-Davidson bike, which segment would you fall under?
43 responses

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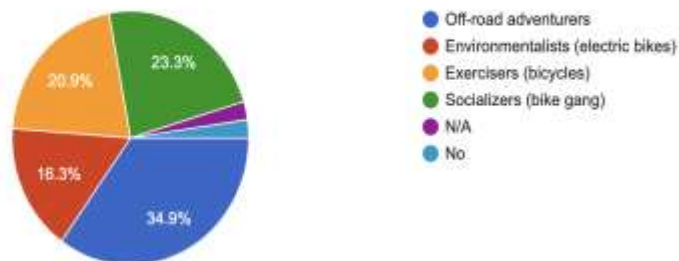


Fig 10. "Segments of Harley-Davidson".

- **Is there anything you would like to change about Harley-Davidson's motorcycles?**
 - Nothing: 81.4%
 - Old design: 7%

- Improved mileage: 2.3%
- Make it cheaper and add more features: 7%
- Brand image: 2.3%
- **Do you want to purchase an electric Harley-Davidson motorcycle?**
 - Yes: 27.9%
 - No: 72.1%
 - Already have one: 0%
- **Do you wish to buy other Harley-Davidson's products like jeans, accessories, etc.?**
 - I did not know Harley-Davidson sold other products: 58.1%
 - I know Harley-Davidson sells other products but I'm not willing to buy: 20.9%
 - I know Harley-Davidson sells other products and I'm willing to buy: 9.3%
 - I just found out through this survey and will eventually buy something in the future: 11.6%

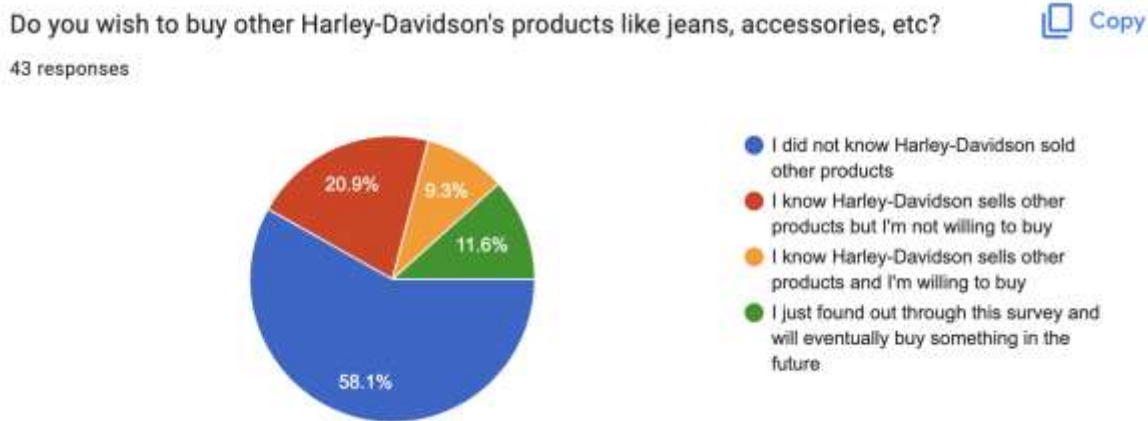


Fig 11. “Knowledge and Willingness to Buy of Other Harley-Davidson Products”.

A majority of the participants in the survey are between 20-30 years old and have an income of less than \$50,000. Most do not own a motorcycle but have heard of Harley-Davidson. Out of those who do own a motorcycle, they bought it more as a hobby than a means of transportation. However, many participants mentioned they do not want to own a Harley-Davidson motorcycle in the future for price or personal interest reasons. This is understandable, as Harley-Davidson motorcycles are on the expensive side, and some people are content with simply driving cars.

From our survey, we can say that the target market of Harley-Davidson should be off-road adventurers, followed by socializers. Most of Harley-Davidson's prospects and current customers will fall into these two segments.

Although we received great responses from the survey, there was also a restraint. A caveat of this survey was that the sample size was quite small, meaning that the demographics are less diverse. Ideally, the survey would produce more accurate results with at least a couple hundred participants of more varying backgrounds.

D. Summary

Based on our primary and secondary market research, as well as our analysis of Harley-Davidson's financial situation, it is clear that the company has been impacted by a number of factors, including but not limited to *the global pandemic, semiconductor shortage, disruptions in supply chain, inflation, economic slowdown, aging customer base, cash collection delays etc.* Also, the motorcycle brand has certainly made a name for itself in the U.S. and globally, they still have plenty of room for growth and improvement in the future.

4. Issue Identification

A. Issues

There are a couple of issues that Harley-Davidson is currently facing that are affecting the company's potential for maximum growth and profitability.

- 1. Less responsive target demographic**
- 2. Semiconductor shortage**
- 3. Supply chain inflation**

Issue Prioritization Matrix

Relevant Issues	Relevance High = 3 Low = 1	Focused High = 3 Low = 1	Critical High = 3 Low = 1	Pressing Yes = 3 No = 1	Complex High = 3 Low = 1	Implementable High = 3 Low = 1	Sum
Less responsive target demographic	2	3	3	3	2	2	15
Semiconductor shortage	1	1	2	2	1	3	11
Supply chain inflation	2	1	2	2	2	3	14

Fig 12. Issue Prioritization Matrix.

As shown from the issue prioritization matrix above, the most relevant issue at hand in regard to segmentation and target market selection for Harley-Davidson is that their target demographic is becoming less responsive. The second issue is the semiconductor shortage that has been affecting not just the U.S., but countries everywhere. The third issue is supply chain inflation, which has added to Harley-Davidson's costs.

B. Causes

Less responsive target demographic

Potential customer interest is declining as the traditional Harley-Davidson bikes do not appeal as much to the audience that is able to buy them — Americans who have a decent amount of disposable income and are likely to have been working for a while (ages 30-45). This is on the younger side of who Harley-Davidson has been targeting in the past (ages 45-55).

Normally, for Harley-Davidson's previous customers, motorcycles were *seen as a hobby and sign of status, rather than a source of transportation*. Our survey validates this claim as well. Where the problem lies is the fact that these *baby boomers are aging* out of Harley-Davidson's target demographic. Gen X is not big enough to replace them all, and it will still be a while before millennials reach the age range of 45 to 55. This is all assuming that these two later generations

have equal interest and need to purchase motorcycles as the former generation. In fact, the younger generations now purchase motorcycles primarily for daily transportation, rather than interest in the product itself.

Semiconductor shortage

During the pandemic, motor vehicle manufacturers reduced the number of chips ordered due to declining sales from lower demand, since fewer people were going out and making large purchases. However, during the second half of 2020, demand recuperated faster than expected, and semiconductor manufacturers had already adjusted their production to fit other products²². This led to a shortage in chips for motor vehicle manufacturers, including companies like Harley-Davidson.

Supply chain inflation

Harley-Davidson had an excess of \$82 million in supply chain costs during the first quarter of 2022 compared to the previous year²³. In 2021, its logistics costs saw a 100%+ increase, manufacturing costs saw a 3% increase, and materials costs saw a 5% increase²⁴. During the first quarter of 2022, logistics costs decreased to 50%, manufacturing costs increased to 7%, and material cost increased 3% to 5%²⁵. This inflation led to a drop in Harley-Davidson's net income, decreasing from \$259 million to \$223 million²⁶.

C. Focus

Given that the most relevant marketing problem for Harley-Davidson is that their current target demographic is becoming less responsive, the company should focus on possible solutions for remedying this issue — which include various ways to segment their audience.

²² Aboagye, Aaron, et al. "When the chips are down: How the semiconductor industry is dealing with a worldwide shortage". *World Economic Forum*, 9 February 2022. <https://www.weforum.org/agenda/2022/02/semiconductor-chip-shortage-supply-chain>.

²³ Thomas, Arthur. "With supply chain costs up \$82 million in Q1, Harley still expects improvements in second half". *BizTimes*, 2 May 2022. <https://www.biztimes.com/with-supply-chain-costs-up-82-million-in-q1-harley-still-sees-improvements-in-second-half>.

²⁴ Ibid.

²⁵ Ibid.

²⁶ Ibid.

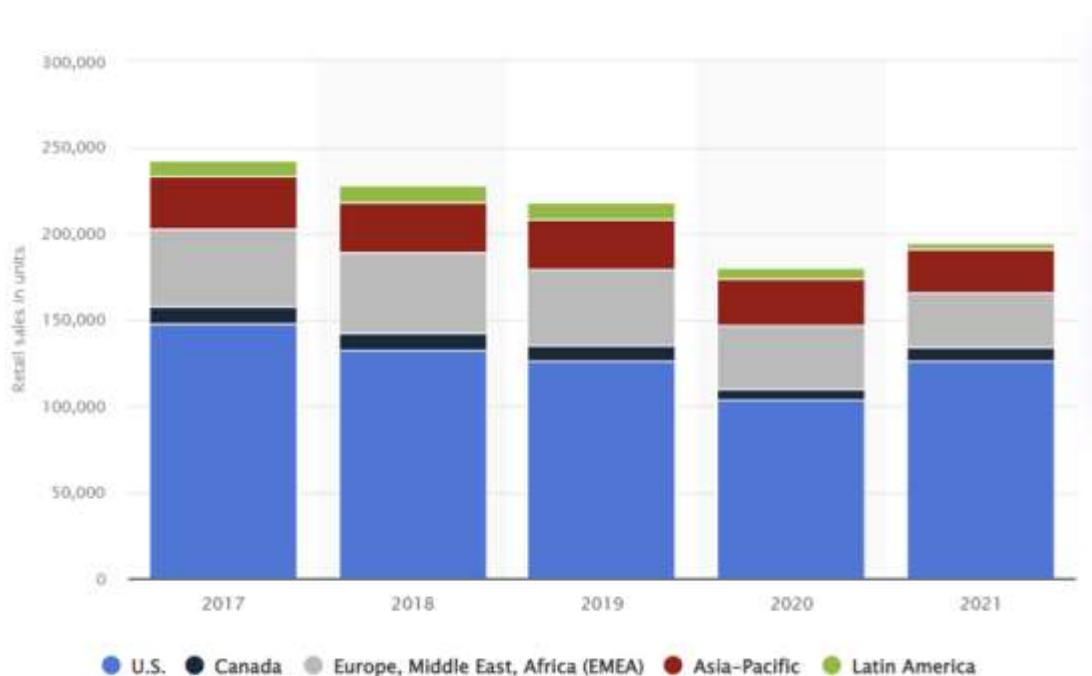
D. Summary

Issues such as supply chain inflation, the semiconductor shortage, and a less responsive target demographic have all affected Harley-Davidson's sales. While the first two issues are more in the short-term and related to supply chain problems, the last issue is a long-term one that must be addressed in order to increase sales and continue to boost Harley-Davidson's popularity as the new generations of customers arrive. Additionally, the first two issues Harley-Davidson has less control over versus the last issue. Thus, the company should revitalize their marketing strategy and optimize efforts to find solutions to the issue of their target demographic becoming less responsive.

5. Solutions

A. Options

1. Geographic Segmentation



Harley-Davidson's Worldwide Motorcycle Sales by Country or Region

Fig 13. Carlier, Mathilde. "Harley-Davidson's worldwide motorcycle retail sales between FY 2017 and FY 2021, by country or region". *Statista*, 26 September 2022.

<https://www.statista.com/statistics/252220/worldwide-motorcycle-retail-sales-of-harley-davidson>.

Harley-Davidson can be *segmented by region*. In 2021, the motorcycle industry in the Asia Pacific region was worth \$78.94 billion²⁷. Reaching out to the global market more would help increase sales. For example, India’s bike industry is the largest in the world, accounting for up to 40% of global sales in 2021²⁸. In both China and India, the government promotes electric bikes as a reliable and effective means of transportation for its citizens.

2. Demographic Segmentation

a) Segmentation based on age

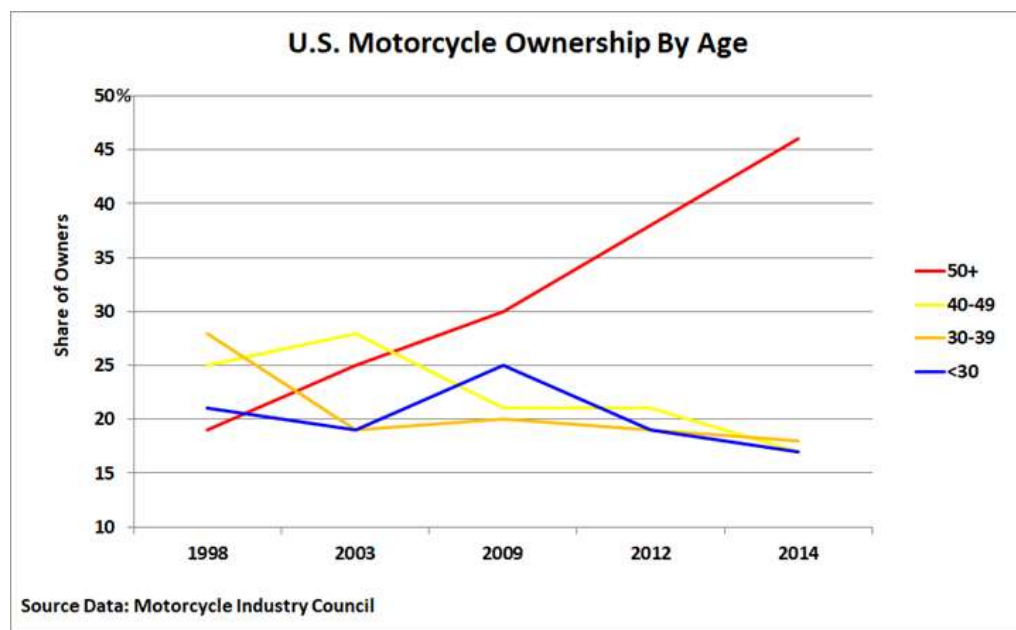


Fig 14. Bright, Jake. “Harley Davidson’s EV debut could electrify the motorcycle industry”. *TechCrunch*, 22 February 2018.

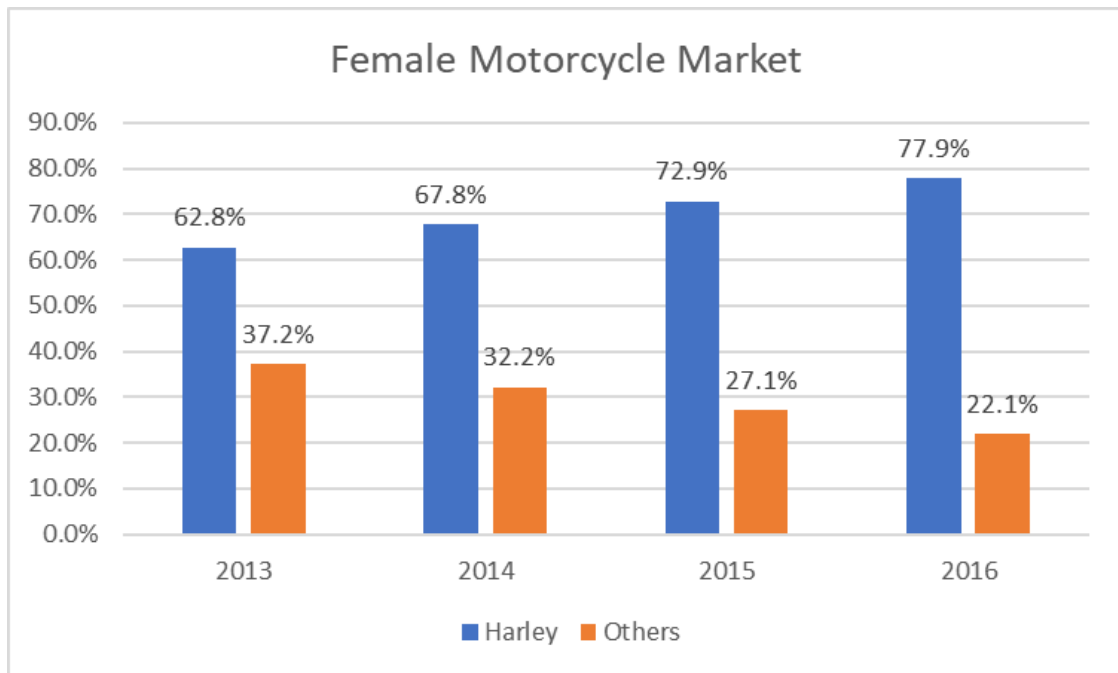
<https://www.techcrunch.com/2018/02/22/harley-davidsons-ev-debut-could-electrify-the-motorcycle-industry>.

Harley-Davidson can segment its customers based on demographic — *age in particular*. Currently, the company is targeting middle-aged men on the older side but can expand their marketing efforts towards younger folks (ages 25–35).

²⁷ “Motorcycle Market Size, Share & COVID-19 Impact Analysis, By Type (Standard, Sports and Cruiser), By Propulsion Type (ICE and Electric), and Regional Forecast, 2022-2029”. *Fortune Business Insights*, April 2022. <https://www.fortunebusinessinsights.com/motorcycle-market-105164>.

²⁸ “Motorcycle Market Size, Share & COVID-19 Impact Analysis, By Type (Standard, Sports and Cruiser), By Propulsion Type (ICE and Electric), and Regional Forecast, 2022-2029”. *Fortune Business Insights*, April 2022. <https://www.fortunebusinessinsights.com/motorcycle-market-105164>.

b) Segmentation based on gender



Harley Davidson's Forecasted Market Share in Female Motorcycle Market

Fig 15. Kobia, Christine, "Appeal to Women. Is it working? By Harley Davidson". *WordPress*, <https://www.mpk732t12016clusterb.wordpress.com/2016/04/04/appeal-to-women-is-it-workingby-harley-davidston>.

Harley Davidson can segment their market on the basis of gender as well. As the chart shows, the female motorcycle market share of Harley-Davidson has expanded compared to that of other brands. It means Harley-Davidson needs to embrace female bikers more actively.

c) Segmentation based on income

Harley-Davidson can segment its customers based on income. Targeting upper-middle class for high end motorcycles and bikes, middle-class people for medium quality motorcycles and bikes.

3. Psychographic Segmentation

Harley-Davidson can segment by behavior, channeling their marketing efforts into buyers who are looking to buy bikes based on their *needs for the products*. Some of the examples of such categories are following:

Off-road adventurers: for those who prefer riding on rough terrain such as sand or snow and want a low-maintenance motorcycle. These would be catered towards customers in nature-heavy, hilly areas.

Environmentalists: for those who prefer an electric vehicle that produces the least number of harmful emissions to the environment. These would be catered towards customers who want to be eco-friendly.

Socializers: for those who are currently in or have interest in joining a biker gang or socialize. These premium motorcycles would be stylish and composed of the highest quality, catered towards those who own motorcycles as a hobby and want to show off their ride.

Exercise enthusiasts: for those who want to use bikes as a tool to exercise. Two versions can be made available, one for city roads and one for rough terrains. These would be catered towards those who exercise regularly in any sort of environment.

B. Evaluation of Options

Targeting

According to our survey, if we consider the age factor alone and target only people between the ages of 20 and 30 (i.e., vicenarians), we would lose 18.6% of the market, and also among vicenarians, 76.6% of them would not want to purchase the motorcycle in the future. Therefore, it is not the best way to segment.

Also, if we do segmentation only based on income and target only rich individuals, we would lose 88.4% of the market share, which is again not feasible. Also, the segmentation based only on gender will be too broad, which is again not feasible.

Since our sample size is quite small, the demographics are less diverse. Therefore, segmentation based on geography (i.e., if we consider the international market) is out of scope for this project and can be considered for future scope. Ideally, a survey with a more diverse set of geographic regions will provide better results for this.

However, as per our survey and the parameters such as *measurability, substantiality, accessibility, differentiability, and actionability*, the best way to segment the market is through *psychographic*

segmentation, along with some inclusion of demographic segmentation (to target different genders of the upper and middle classes by customizing the product). In our survey, *psychographic segmentation* was the most distinguishable, indicating that 34.9% of respondents wanted to use the product for off-road adventures, 23.3% wanted to use it as a socializer, 20.9% wanted to use it for exercise, and only 16.3% wanted to use it as an environmentalist. As a result, targeting *off-road adventurers and socializers would be the best option.*

Ansoff's Growth Matrix

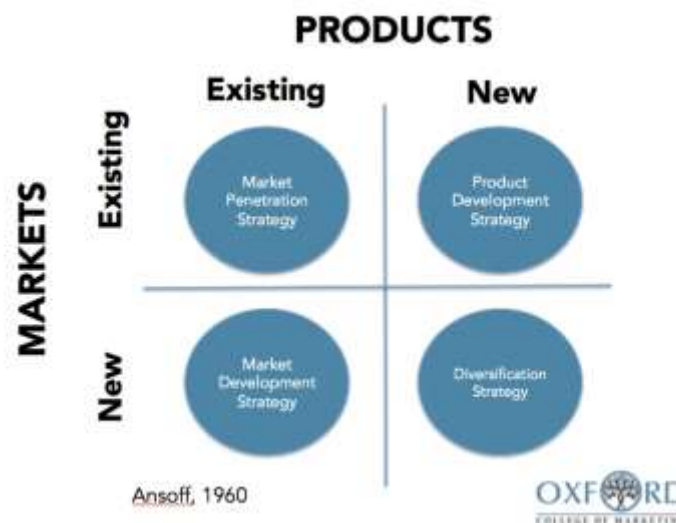


Fig 16. “Using The Ansoff Matrix to Develop Marketing Strategy”. *Oxford College of Marketing*, 2022.
<https://www.blog.oxfordcollegeofmarketing.com/2016/08/01/using-ansoff-matrix-develop-marketing-strategy>.

Ansoff's Growth Matrix of Harley-Davidson

Ansoff's Growth Matrix is a tool to help companies find different ways of marketing their products and/or expanding into new markets. Harley-Davidson should focus on “***Market Development Strategy***” under ***New Markets/Existing Products*** — promoting motorcycles towards not only older male customers, but also younger or female customers. This new targeting strategy will solve Harley-Davidson's marketing challenge that their target market is too narrow to sustain their current profits in the future.

Positioning

The only motorcycle manufacturer
That makes big, loud motorcycles
For macho guys (and “macho wannabes”)
Mostly in the United States
Who wants to join a gang of cowboys
In an era of decreasing personal freedom.

[Harley-Davidson’s current brand positioning statement](#)²⁹

From the brand’s current positioning statement above, they position themselves as focusing on male customers who are or want to be macho. However, this positioning needs to be revised to broaden their target market.

To all generations around the world,
Harley Davidson is the brand
of the only high-end motorcycle
that offers strength and freedom on roads
because of its powerful design and performance.

²⁹ Smith, Kevin. “Creating a Clear Brand Positioning Statement”. *Mighty Roar*, 14 November 2018. <https://www.mightyroar.com/blog/brand-positioning-statement>.

Harley-Davidson's new brand positioning statement

With this new positioning, Harley-Davidson can broaden its target market in terms of geographic and demographic segmentation. This way, they are not only targeting older male customers in the North American market but also younger or female customers around the rest of the world.

C. Best Solution

Moving forward, the main evaluation criteria for Harley Davidson will be the ***growth factor rather than the survival factor***. Therefore, the best solution for segmenting the market is through the ***implementation of psychographic segmentation along with some inclusion of demographic segmentation*** (to also target different genders of upper and middle class by customizing the product), i.e., with the main categorization as off-road adventurers, environmentalists, exercise enthusiasts, and socializers, and from these four categories, Harley-Davidson can also select their target market as shown from our survey, i.e., off-road adventurers and socializers..

By using the four categories mentioned above as identified segments and making their target market specific, Harley-Davidson can increase the ***customer's perceived value*** by developing a truly ***unique value proposition*** that includes the four values listed below:

1. **Economic value:** by providing free gifts or offering extra services to customers.
2. **Functional value:** by enhancing the value of a product to their customers by offering new features or functional benefits, such as bikes that can be used on snow or sand.
3. **Experiential value:** through branding, design, customer experience/service, and emotional benefits, making the customer feel appreciated overall.
4. **Social value:** Harley-Davidson Owners Group (HOG) or other clubs for Harley-Davidson can host events where they can invite celebrities and loyal customers. The brand can broadcast these events and promote ideas or charitable causes, while advertising Harley-Davidson's products even further.

All these undertakings will help Harley-Davidson build a long-lasting relationship with their customers of all those segments, and both sides will tremendously benefit from this. It is imperative that Harley-Davidson listens to their customers' feedback, allocates efforts towards market research, improves rankings on satisfaction indices, and more. All the above is important because

buying a motorcycle is ***complex buying behavior*** as it involves a high degree of consumer involvement. The motorcycle is a ***specialty product*** that is expensive, risky, bought infrequently, and extremely self-expressive.

In addition, Harley-Davidson's prescribed orientation should instead be the ***marketing concept*** to achieve the organization's goals. They can improve their effectiveness compared to competitors in ***creating, delivering, and communicating superior customer value to target markets***, along with profit and sales.

D. Summary

In order to fix the problem of Harley-Davidson's target demographic becoming less responsive, the company has different options for segmentation: geographic, demographic, and behavioral. After thorough analysis, the best solution Harley-Davidson should proceed with is implementing ***psychographic segmentation along with some inclusion of demographic segmentation*** tactics and, from there, choosing their target market. This will further enhance their unique value proposition and strengthen their name in customers' minds as well as in the market.

6. Action Plan/Recommendation

Action planning can be recommended using the four Ps of marketing mix—***product, promotion, place, and price***.

a) Product

Based on our primary and secondary market research, out of the above mentioned four segments, Harley-Davidson should first focus on ***off-road adventurers*** and ***socializers*** for their target market.

Currently, Harley-Davidson's categories of motorcycles include Sport, Cruiser, Grand American Touring, Adventure Touring, Trike, Electric, and Electric Balance. However, these categories can be narrowed down into fewer focused customer segments, so it does not become too niche.

Sport, Grand American Touring, and Adventure Touring can be merged as bikes for ***off-road adventurers***; Electric and Electric Balance can be for ***environmentalists***; Cruiser and Trike can be

for *socializers*; and for the exercise enthusiasts, Harley-Davidson should launch a *new product line* of bicycles for recreational use. With these new and improved customer segments, Harley-Davidson should expect to see a rise in sales along with building sustainable relationships with more relevant customers.

Product levels

Moreover, looking at the *five product levels* of Harley-Davidson's motorcycles, we could say in addition to the *core, basic, and expected benefit* (which is common for all brands) of their product, they should work on *augmented and potential benefits* such as electric touch pad controls, digital displays, and improved thermostat settings (adjusting the temperature of seats, silent running, energy efficient etc.).

Goods/Service Mix

Also, if we talk about *Goods/Service Mix*, Harley-Davidson's bikes are considered *goods with accompanying services* which is beneficial for building long term sustainable relationship with the customers.

b) Promotion

Harley-Davidson can do the following things to attract the younger age group in the newly identified segmentation:

1. Networking event

Harley-Davidson can invite a young celebrity who rides their motorcycles in order to draw attention from people. They can also host concerts or festivals for the younger demographic.

2. Digital marketing and partnerships with another corporation

This can play a significant role in Harley-Davidson's promotion and the identified three core objectives for its digital marketing strategy:

- a. Increasing traffic to the brand's website and conversions.
- b. Building the brand through value addition.
- c. Generating brand loyalty at retail.

Harley-Davidson can advertise their young HOG riding crew and feature their road trips to the mountains or inner cities as a way to showcase the community and adventures. They can also *partner with another corporation*, such as GoPro (show body cam footage while riding). *Social media platforms* Harley-Davidson can promote include Facebook, Twitter, YouTube, Instagram, Pinterest, and more.

3. *Exclusive HOG for the young*

By having an exclusive HOG for the younger riders, this can help them feel more comfortable socializing with other people their own age. Harley-Davidson can also use this opportunity to promote crew riding as a new trend or hobby for the younger generation.

4. *Demonstration*

The product can be demonstrated to potential customers at airports, shopping malls, premium consumer goods fairs etc.

5. *Advertising*

Using a catchy tagline that rightly positions the brand in the minds of Harley-Davidson's consumers is essential. It should be advertised not only on TV and social media, but also in lifestyle magazines. When Harley-Davidson becomes deeper in the maturity stage later on, they need existing customers to continue to buy their products. Advertising efforts (such as through social media, TV, etc.) should be used to remind customers of the benefits of the brand.

6. *Free shipping*

For both online and offline sales, Harley-Davidson can have the option of free shipping of the product to all the geography within our market.

7. *Direct marketing*

Direct marketing tactics will be also helpful since they are more personalized towards the customer (emails, flyers, etc.).

c) **Place**

Since Harley Davidson is offering an innovative and premium product, it is better to not sell it in large independent chains and mass merchandisers; instead, the company should rely on *selective and exclusive distribution*.

Distribution channels that Harley-Davidson can utilize include *motorcycle dealerships*, *Manufacturer-owned outlets*, sports stores, and the H-DI Marketplace (a section of the company website where people can buy and sell pre-owned Harley-Davidson motorcycles). Further, they should focus on *exclusive outlets* which not only sell product but *also act as a service center which takes care of the after sales and service issues*. It can basically offer the motorcycle and bikes solution through combination of product, services and experiences which is difficult to imitate by other competitors. Such stores can provide consumers with guarantees covering speed and quality services.

Buying products *online and e-commerce* is quite common nowadays, and Harley Davidson can utilize the same for selling its own products like motorcycles, bikes, t-shirts, jeans etc. (*through its own website and through the tie-ups with third party e-commerce website*). Furthermore, most customers still need to test out motorcycles before purchasing since it is a complex buying behavior. So, *in-person distribution* methods would also be the most ideal and effective in such scenarios.

Also, *defensive marketing* is key to a company's success. Before releasing their products, Harley-Davidson did not update their outdated brand image. Earlier, the company was utilizing a *position defense* strategy in which they were attempting to rank the highest in consumers' minds. However, many competitors (especially Honda) did a better job at implementation, and Harley-Davidson missed the chance to revamp their brand image using innovative technology and design. To help with this, Harley-Davidson can up their *advertising efforts (online and on TV)*, as well as use a *preemptive defense* strategy to be more aggressive and attack first. This kind of *guerrilla marketing action* may lead to a perspective shift in the motorcycle market for Harley Davidson.

d) Price

Since it is a qualitative study, our research does not focus on the pricing strategy of Harley-Davidson. However, as per our understanding, among *markup*, *target return*, *going rate*, and *perceived value pricing*, Harley-Davidson should focus on the *perceived value pricing* along with some *discriminatory pricing* (i.e., seasonal pricing) to increase the sale of its product. In case the product's benefits are less obvious to consumers, they can be communicated by Harley-Davidson to its consumers (e.g. via advertising, personal selling, etc.).

*Note: For the further scope of this project, we can conduct a survey to assess the **perceived value** of Harley-Davidson's bikes to customers.*

Word Count: 7576

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8. Appendix

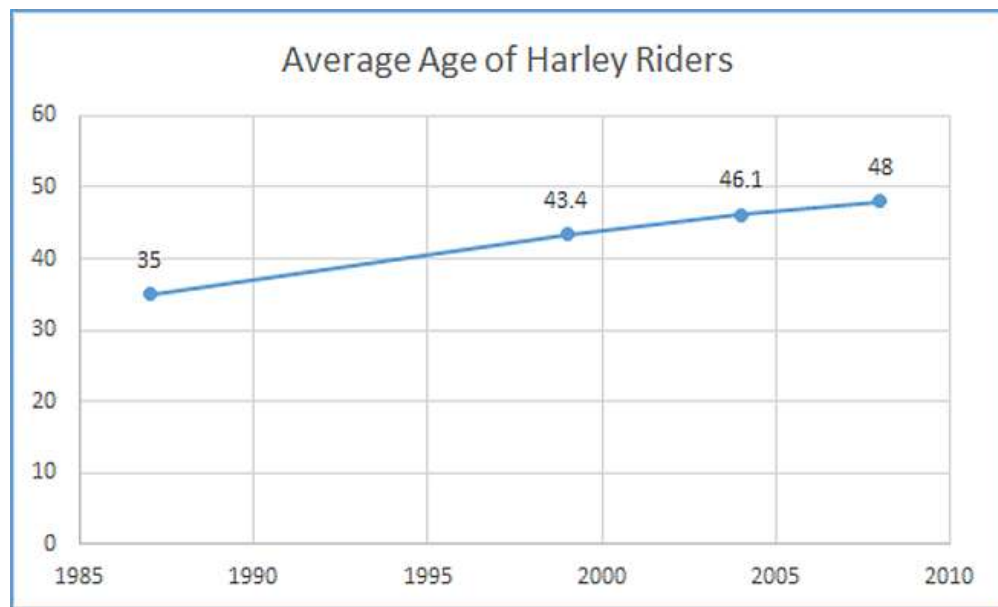


Fig 1. Beulah, Daniel. “Harley-Davidson Overcomes the Baby Boomer Cliff by Creating a New Customer Base”. *MarketingSherpa, LLC*, 15 May 2015.

<https://sherpablog.marketingsherpa.com/consumer-marketing/harley-davidson-new-customers>.

	2018- 2019	2019- 2020	2021- 2022	Interpretations
Assets Management				
Current Ratio (times)	1.31	1.46	1.36	Company's ability to pay its short-term obligations has reduced significantly from its all-time high value of 2.7 in 2012; a lower ratio indicates <i>lower financial strength</i> . Here, the ratio is greater than 1, meaning that the company still can <i>cover its current liabilities with help from its current assets</i> .
Quick Ratio (times)	1.02	1.36	1.16	Company's ability to deal with its liabilities quickly without liquidating its inventory has also reduced significantly from its all-time high value of 2.43 in 2012. It is <i>due to business having slow sales, high bills, and poor collections for receivables</i> .
Assets Turnover (times)	0.50	0.33	0.48	The higher the number, the better the company is at employing the assets to generate revenue, but in the case of Harley-Davidson, there is a significant reduction from its all-time high value of 0.6 in 2016. This is due to an <i>economic downturn as well as the company's competitors' producing competitive products</i> .
Inventory turnover	5.69	5.12	4.81	Inventory turnover ratio has decreased significantly since 2012. It is mainly because Harley-Davidson has managed its <i>inventory inefficiently due to poor replenishment</i>

ratio (times)				<i>procedures, supply chain disruption, seasonality, carrying slow-turning, high-cost products, and the product life cycle (as the product is almost at its maturity phase and demand is hitting a decline).</i>
Days sales outstandi ng (Days)	172.3	12.88	12.45	This indicates how long it takes a company to collect what it is owed, and for Harley-Davidson, it increased significantly from 143 days to 172 days between 2016 and 2019, decreased at the time of COVID, and then began increasing again; it was 115.09 days for the three months ending September 30, 2022. An increasing DSO is a warning sign that something is wrong. There are various <i>reasons, such as a decline in customer satisfaction, or offering longer terms of payment to drive increased sales. Or, the business may be enabling those with bad credit to buy purchases on credit.</i>
Profitability				
Net Profit Margin (%)	7.90	0.03	12.18	This tells how much a company earns as a percentage of every sales dollar, i.e., net income as a portion of total sales revenue. In the case of Harley-Davidson, this has reduced significantly over the years, from 2016 to 2020. The <i>reasons behind these are ineffective cost structures and/or poor pricing strategies, as well as inefficient management.</i>
Operatin g Profit Margin (%)	7.90	0.03	12.18	This has reduced a lot during the past few years after the year of 2014, which suggests that the <i>operating activities are not very profitable, and the reasons behind this are a decrease in sales or an increase in expenses due to increased material costs.</i>

ROE (%)	23.48	0.07	25.10	Since 2016, the amount of profit generated by the company as a percentage of the owner's investment has decreased (all-time high of 35.42% in 2016).
Return on Asset (%)	4.02	0.01	5.88	The efficiency with which a company uses its assets to generate profit has also decreased significantly over the years since 2014.
ROI (%)	6.11	0.017	9.09	ROI has decreased significantly since 2014 due to a <i>reduction in sales of Harley-Davidson because of an aging customer base.</i>

Fig 2. “Harley-Davidson Financial Ratios for Analysis 2009-2022 | HOG”. *Macrotrends*, 2022.
<https://www.macrotrends.net/stocks/charts/HOG/harley-davidson/financial-ratios>.

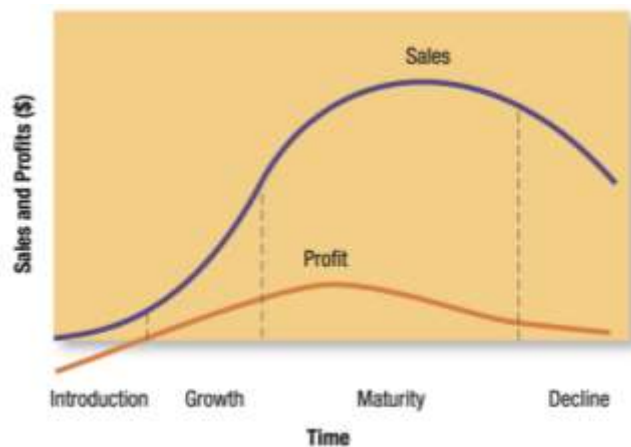


Fig 3. Kotler, Philip, and Kevin Lane Keller. *Marketing Management*. Pearson Education Limited, 2016, p. 371.

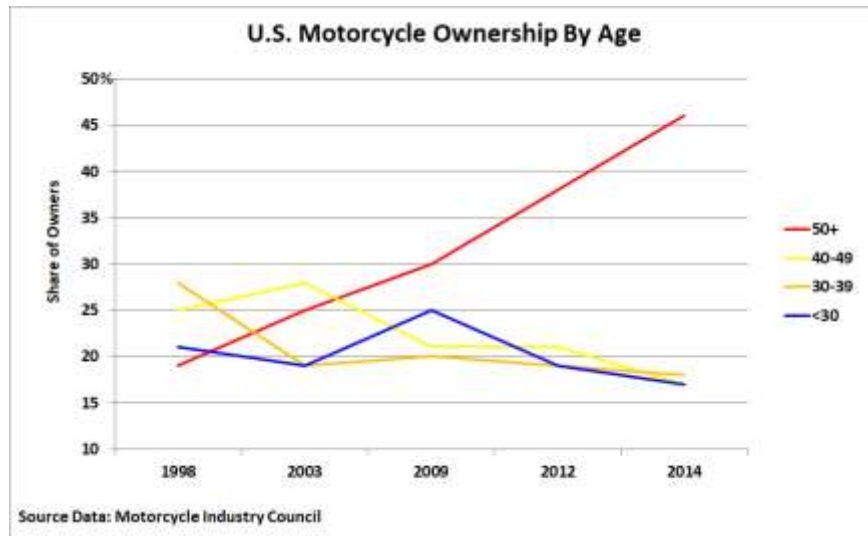


Fig 4. Bright, Jake. “Harley Davidson’s EV debut could electrify the motorcycle industry”. *TechCrunch*, 22 February 2018.
<https://www.techcrunch.com/2018/02/22/harley-davidsons-ev-debut-could-electrify-the-motorcycle-industry>.

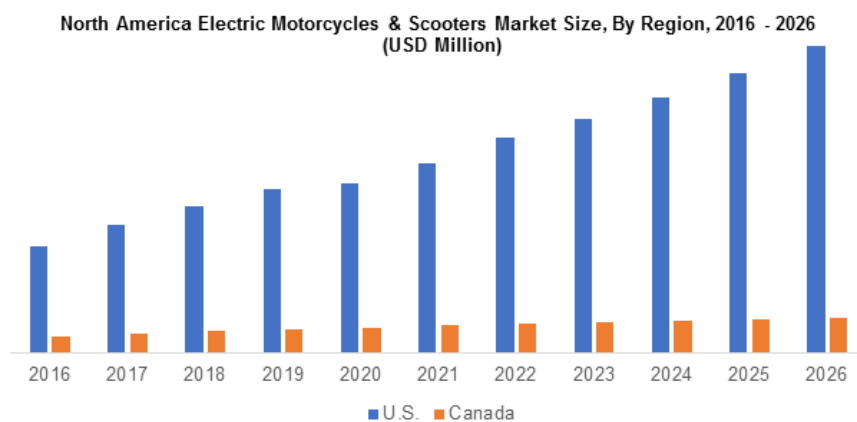


Fig 5. “North America Electric Motorcycles & Scooters Market Forecast 2026 By Product (Motorcycles, Scooters), By Battery (SLA, Li-ion), By Voltage (24V, 36V, 48V), Research Report, Regional Outlook (U.S. and Canada), COVID-19 Impact Statistics, Price Trends, Historic Data, Growth Prospects, Competitive Industry Share”. *Graphical Research*, May 2021.
<https://www.graphicalresearch.com/industry-insights/1841/north-america-electric-motorcycles-scooters-market>.

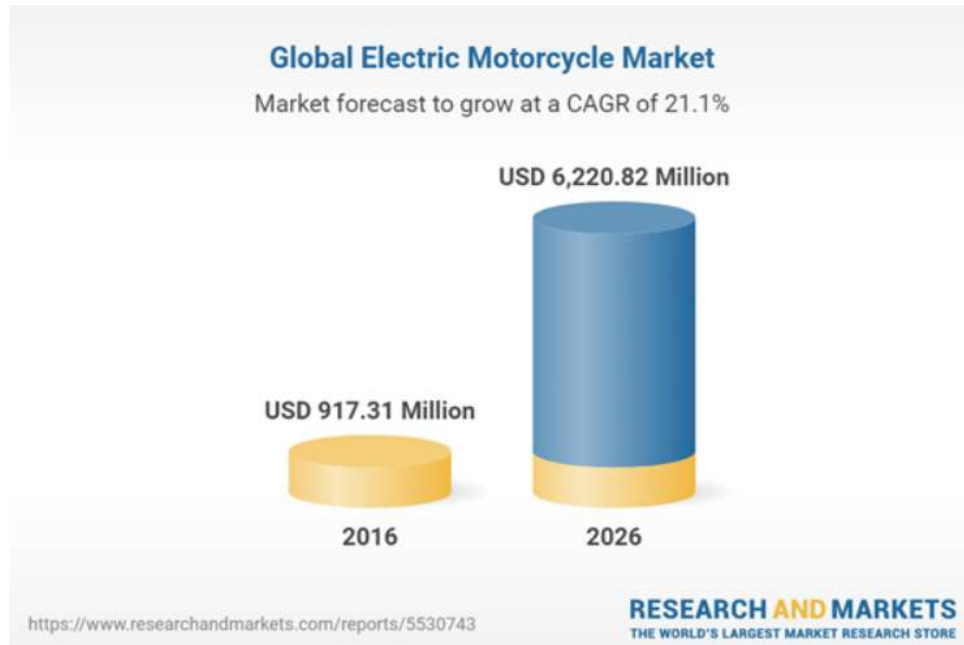


Fig 6. “Insights on the Electric Motorcycle Global Market to 2026 - Featuring Zero Motorcycles, Hero Electric Vehicles and ARC Vehicles Among Others”. *GlobeNewswire*, 7 February 2022. <https://www.globenewswire.com/en/news-release/2022/02/07/2379885/28124/en/Insights-on-the-Electric-Motorcycle-Global-Market-to-2026-Featuring-Zero-Motorcycles-Hero-Electric-Vehicles-and-ARC-Vehicles-Among-Others.html>.

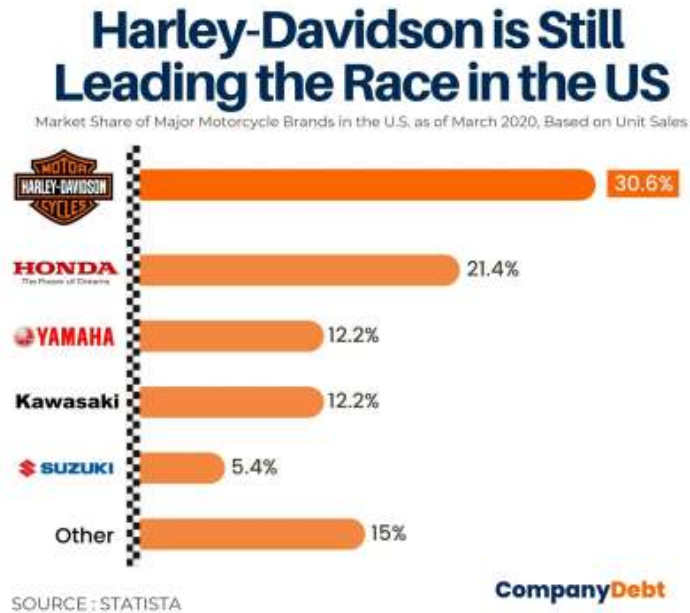


Fig 7. Sinclair, Adam. “Is Harley-Davidson Heading For A Crash?” *Speedway Digest*, 31 March 2022. <https://www.speedwaydigest.com/index.php/news/racing-news/61552-is-harley-davidson-heading-for-a-crash#close>.

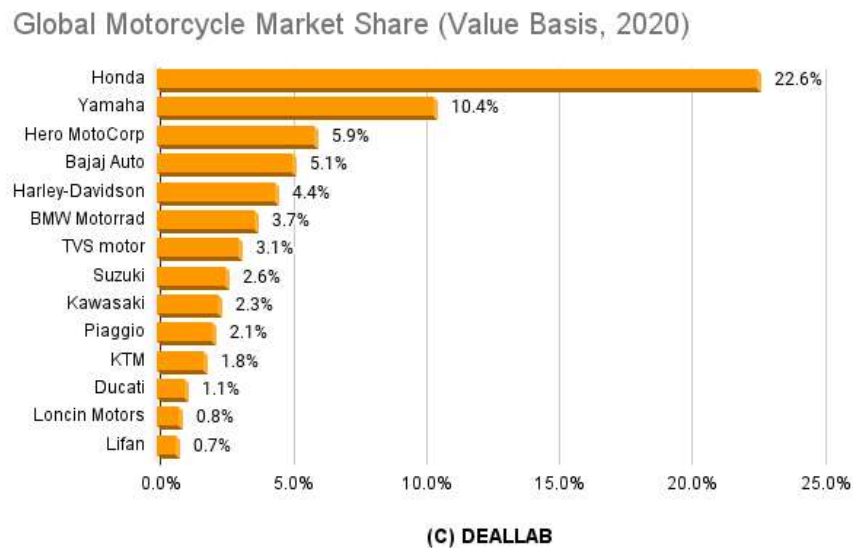


Fig 8. “Global Market Share Analysis of Motorcycle Industry”. *Deallab*, 30 December 2021. <https://deallab.info/en/global-market-share-analysis-of-motorcycle-industry>.

If you answered "Yes" to the previous question: what is your primary purpose for a motorcycle?

43 responses

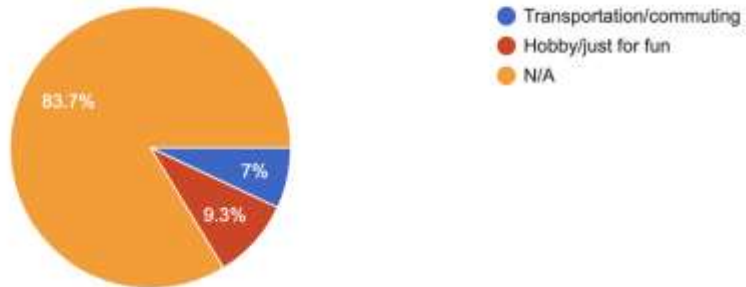


Fig 9. "Primary Purpose For A Motorcycle".

If you were to buy a Harley-Davidson bike, which segment would you fall under?

43 responses

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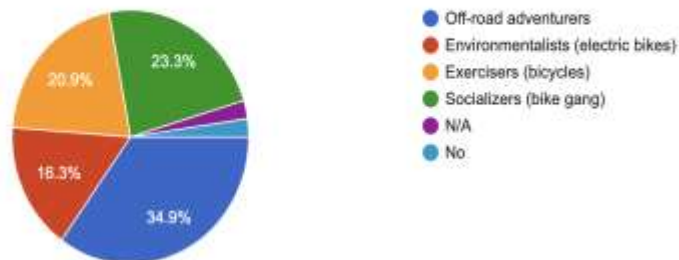


Fig 10. "Segments of Harley-Davidson".

Do you wish to buy other Harley-Davidson's products like jeans, accessories, etc?

43 responses

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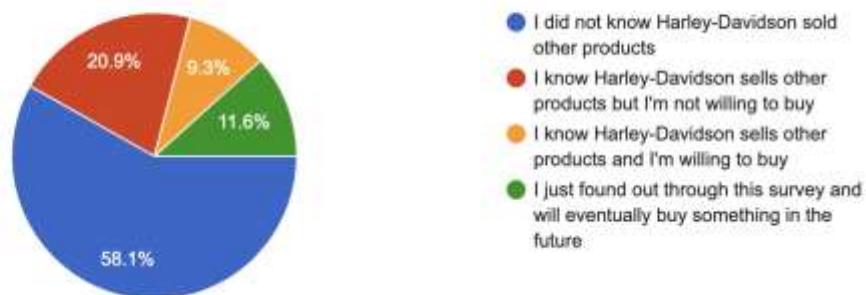
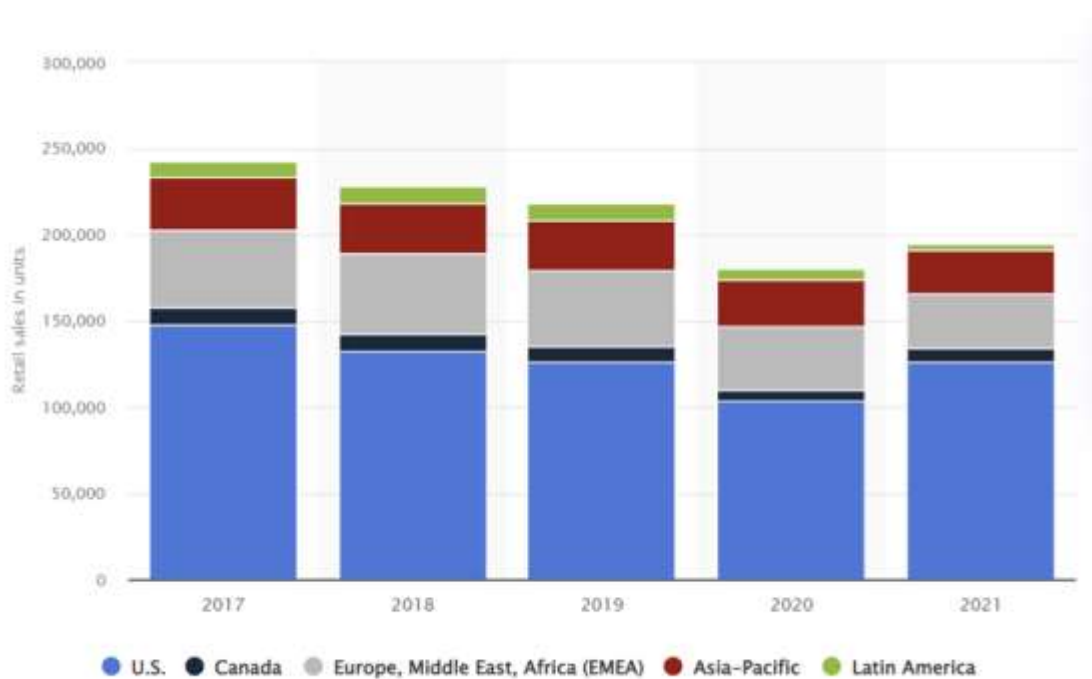


Fig 11. "Knowledge and Willingness to Buy of Other Harley-Davidson Products".

Relevant Issues	Relevance High = 3 Low = 1	Focused High = 3 Low = 1	Critical High = 3 Low = 1	Pressing Yes = 3 No = 1	Complex High = 3 Low = 1	Implementable High = 3 Low = 1	Sum
Less responsive target demographic	2	3	3	3	2	2	15
Semiconductor shortage	1	1	2	2	1	3	11
Supply chain inflation	2	1	2	2	2	3	14

Fig 12. Issue Prioritization Matrix.



Harley-Davidson's Worldwide Motorcycle Sales by Country or Region

Fig 13. Carlier, Mathilde. "Harley-Davidson's worldwide motorcycle retail sales between FY 2017 and FY 2021, by country or region". *Statista*, 26 September 2022.

<https://www.statista.com/statistics/252220/worldwide-motorcycle-retail-sales-of-harley-davidson>.

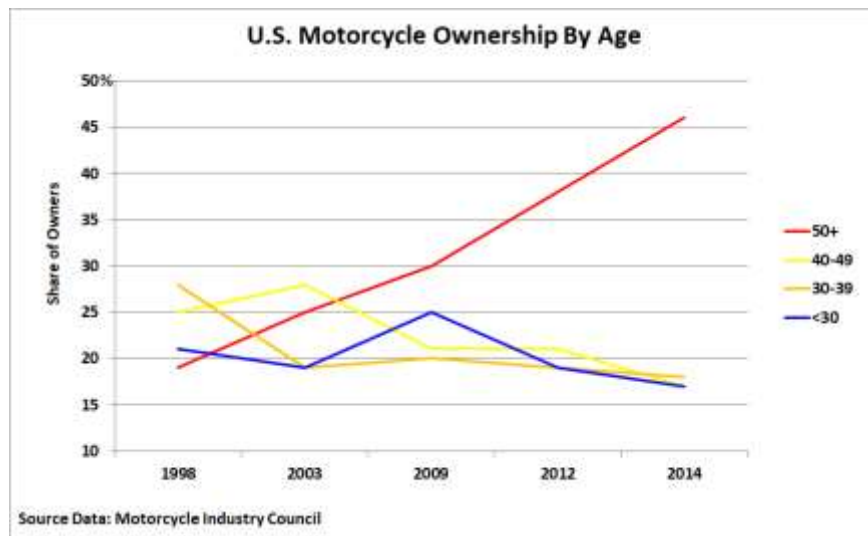
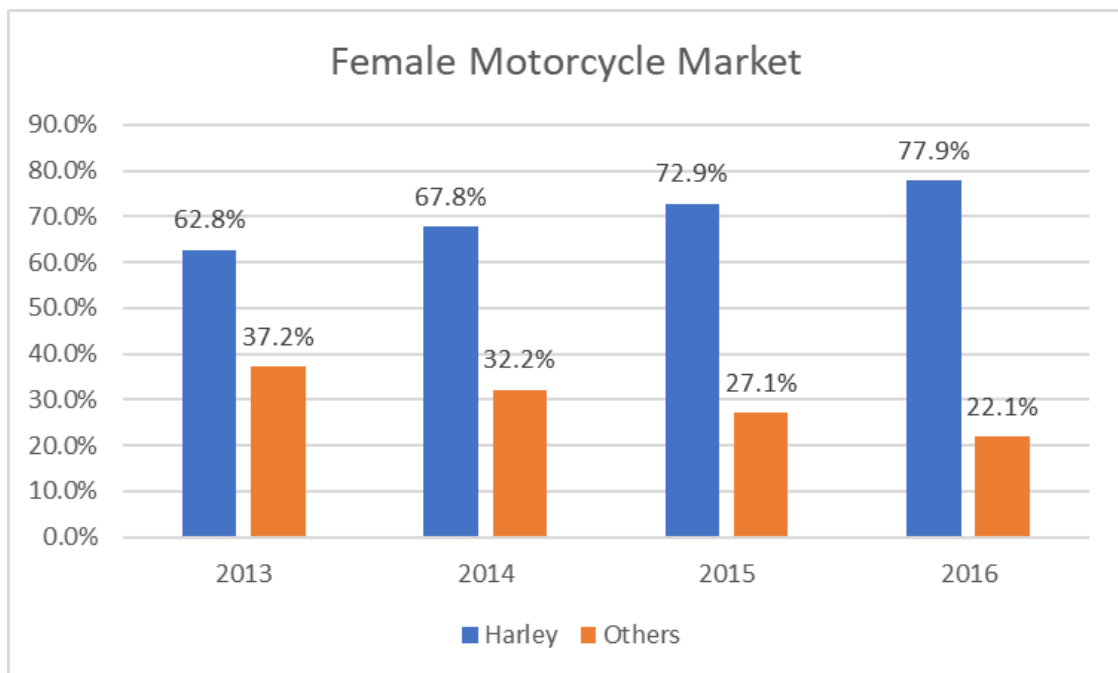


Fig 14. Bright, Jake. "Harley Davidson's EV debut could electrify the motorcycle industry". *TechCrunch*, 22 February 2018.

<https://www.techcrunch.com/2018/02/22/harley-davidsons-ev-debut-could-electrify-the-motorcycle-industry>.



Harley Davidson's Forecasted Market Share in Female Motorcycle Market

Fig 15. Kobia, Christine, “Appeal to Women. Is it working? By Harley Davidson”. *WordPress*, <https://www.mpk732t12016clusterb.wordpress.com/2016/04/04/appeal-to-women-is-it-workingby-harley-davidston>.

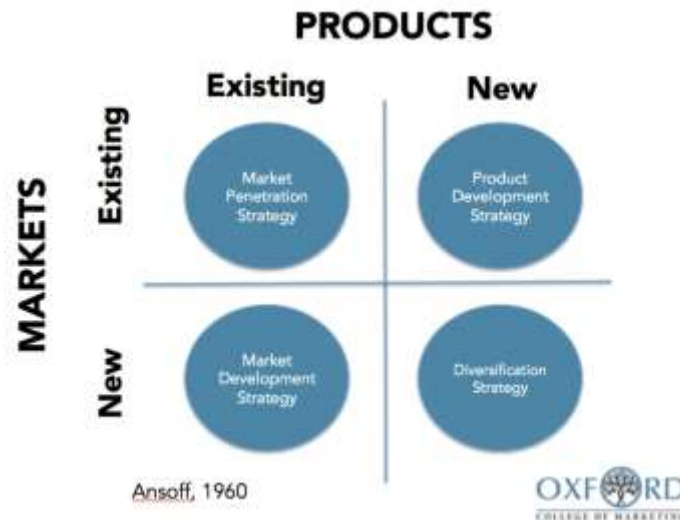


Fig 16. “Using The Ansoff Matrix to Develop Marketing Strategy”. *Oxford College of Marketing*, 2022. <https://www.blog.oxfordcollegeofmarketing.com/2016/08/01/using-ansoff-matrix-develop-marketing-strategy>.