

Ducati Motor Holding S.p.A

Structure

Ducati is a producer of premium motorcycles with exclusive Italian design, distinctive features, and superior performance proven on racetracks the world over. The brand is owned by AUDI AG, under the Volkswagen Group from 2012. The main competitors of Ducati in various product categories are BMW, Yamaha., KTM, Suzuki, Honda, Indian Scout, Husqvarna and Harley Davidson. The detailed comparison of each product category against its competitors is provided in the appendix. [1] Ducati is now present in 95 markets and the volume is spread out. There are 100+ new dealers opened since 2018 and is diversified with 57% in Europe, the Middle East and Africa, 21% Americas and 22% Asia and Australia. [2]. The bulk of the production happens in Borgo Panigale in Italy (400 bikes per day), there are other major production in Thailand, Brazil dafra and Argentina. With the increased competition and the need to tap into new markets, Ducati has started the “Off Road” segment. Ducati has entered the motocross competition. Ducati launched the new Ducati Desmo450 MX and announced its Ducati Corse R&D - Factory MX Team, with the two multi-titled riders Antonio Cairoli and Alessandro Lupino in it at the Madonna di Campiglio on the occasion of the Campioni in Pista event. [3]. **There are certain regulations which will affect Ducati as** UNECE’s Working Party on Automated/Autonomous and Connected Vehicle has decided to include motorcycles, scooters and electric bicycles with speed exceeding 25 km/h in the [UN Regulation No. 155 on cyber security and cyber security management](#) which will require motorcycle manufacturers to include cybersecurity features on many of their vehicles. [4]. Apart from the regulatory changes affecting the industry, latest innovations such as Anti-lock braking systems (ABS), traction control, electronic stability, connectivity, infotainment, performance, ride Modes, onboard diagnostic systems, self-adjusting suspension, and smart maintenance reminders are something customers demand from a top end manufacturer like Ducati and it is safe to say that

Ducati, with its 250 cc racing category which comes closer to the actual on road motorcycles, has implemented most of them.

Conduct

In 1926, Antonio Cavalieri Ducati and his three sons, Adriano, Marcello, and Bruno, founded *Società Scientifica Radiobrevetti Ducati* (SSR Ducati) in Bologna to produce vacuum tubes, condensers, and other radio components. Ducati started manufacturing sport-inspired motorcycles characterised by high-performance engines, innovative design and cutting-edge technology in 1946 post WWII. [5]. **The Ducati today is a brand that has** Style, Sophistication and Performance as its core values. It is an Italian legend rooted on the racetrack and is often referred as *Ferrari of Bikes*. The company's wide range of motorcycles covers the main market segments with the following model families: DesertX, Diavel, XDiavel, Hypermotard, Monster, Multistrada, Panigale, Streetfighter, SuperSport and Scrambler Ducati. Since 2019 Ducati has also integrated high-spec e-MTBs and city e-bikes in its product line. The target consumers of Ducati is a Biker with a passion for the brand and is often called a ducatiista. These are often men who have disposable income and who portray as being confident and risk taking. Often 10% of the customers own more than one Ducati and there is a repurchase rate of more than 45%. [2]

Tapping into this loyalty factor and having a community behind it, in 2023, Ducati delivered 58,224 motorcycles to Ducati enthusiasts around the world. This, despite being slightly lower than 2022, places the past year as the third best in the company's history in terms of sales volume. Ducati's strategy is to perform well in existing markets and it closely monitors bike loss metric, which is to identify the markets where there is loss of market share. The bottom locations are monitored to understand the root causes for deteriorating sales and then to

maintain standards, Ducati often refurbishes the dealer locations. If not salvageable, the location is closed and a new location is opened. [2]. Ducati also has ten subsidiaries representing the company all over the world. Each subsidiary is tasked with developing its reference market and coordinating a wide-reaching sales and customer support network that covers 92 Countries, amounting to a total of 790 dealers and service points. Ducati's ten subsidiaries are Ducati north America, Ducati Motor Deutschland, Ducati West Europe, Ducati North Europe, Ducati Schweiz, Ducati Asia Pacific, Ducati India, Ducati do Brazil, Ducati China. [6] To optimize the sales at the above subsidiaries and the 790 dealers, Ducati uses various strategies such as Mystery shopping, a three-step tactic of Wave 1- Understand the emotions of the customer, Wave 2 - Omni channel aiming to provide seamless shopping experience and Wave 3 - Client endearment and profiling, Customization at dealer ship and offering limited edition collectible bikes like Superleggera V4 priced at 100k. To optimize the operations, it uses dealer dashboard and corporate reporting using power BI to monitor KPIs, standardization of dealer websites by embedding into Ducati digital ecosystem and integration of salesforce, training of dealers in all areas, providing certifications, and focusing on client retention. The marketing is usually controlled by Central DMH, which uploads marketing videos, and Ducati also hosts World Ducati Week to foster the community experience. [2]

The additional revenue channels include Merchandising where Ducati sells a wide range of accessories, lifestyle products and co-branded merchandise bearing their logos and designs and organizing DRE Travel Adventures through which a Ducati owner reaches the destinations of their dreams aboard a Ducati. At present, Ducati has strategic partnerships producing motorcycles for owners of Lamborghini (Special edition 600 + (50 Ducatis exclusively for Lambo owners)) and Bentley (Special edition 500 + (50 bikes exclusively for Bentley owners)) and integrating Ducati with Audi to sell through Audi's showrooms. Ducati has partnership with Bulgari to produce Bulgari Aluminium Ducati Special Edition chronograph sports watch

produced in a limited edition of one thousand pieces. [7] Scrambler Ducati and RefrigiWear, the clothing brand created the limited-edition licensed collection of Backpack yellow/black & green, Bomber Jacket, Windproof Jacket, and Sweatshirt. [8] Ducati also maintains official suppliers of premium quality who by supplying quality products and services to Ducati, contributes to the development of Ducati's bikes and share their commitment to success, both on the racetracks and on the market. [9] Ducati has been a pioneer in product innovation, developing mechanical and electronic solutions and many of the electronic systems that today constitute a standard on motorcycles were first introduced by Ducati [10]. This has also been the case with engines as well as safety innovations. [11]

Performance

Even though there was increased competition on the international scene, and a downturn in the Chinese market, the revenue of Ducati exceeds one billion euros at the end of 2023, reaching 1,065 million euros, slightly below the record level reached in 2022 (1,089 million euros). Ducati was able to sell 58,224 motorcycles in 2023 and this has been the third best in the company's history in terms of sales volume. The major areas where the decline happened have been in Europe (-4.2%), Asia (China, Korea, Japan and Taiwan) (-3.4%), ASEAN (-5.8%) and Indian region (-14.1%). However, in North America (+2.3%) and in LATAM (+46.8%), thanks to the contribution from Brazil and Argentina, the company was able to grow. In 2022, Ducati closed the year with a record of 61,562 motorcycles delivered to enthusiasts around the world, scoring a 3.6 percent growth over 2021. The operating result in 2023 is the best ever Ducati has seen with 112 million euros and at a profitability level of 10.5%. This shows that despite the slight reduction in revenues and the number of bikes sold, the company as a whole has become more efficient. [12]

The company's optimization of operations has not come at the cost of employee satisfaction as for the ninth consecutive year, Ducati received the Top Employer certification, an award given to company that demonstrates a commitment to offering the best working conditions and which encourages the development and well-being of its employees. [13] Ducati, aligning with the "TOGETHER - Strategy 2025" of Volkswagen Group is taking steps to be fully sustainable through the "goTOzero", which concentrates on four fields of action (climate change, resources, air quality and environmental compliance). The goal is to become a CO2-neutral company by 2050. [14]

Appendix

1. Ducati's product families, and its main competitors are:

Product Family	Rival & Rival Model
Multistrada	BMW S1000XR Harley Davidson Pan America Yamaha XT1200Z Super Ténéré KTM 1290 Super Adventure S
Diavel	Triumph rocket 3 Yamaha V-max Yamaha MT-01 BMW K1300/1200 Suzuki B King
XDiavel	Indian Scout Bobber Harley-Davidson Fat Boy 114 Triumph Rocket 3 Harley-Davidson Fat Bob
Hypermotard	Husqvarna 701 Supermoto KTM 690 Duke
Monster	Triumph street triple Yamaha MT-09 Kawasaki Z 900 BMW F 900 R
Panigale	Kawasaki Ninja H2 BMW M 1000 RR Aprilia RSV4
Streetfighter	Kawasaki Z300 Honda CB300R KTM Duke 390
Supersport	Kawasaki Ninja ZX-10R Aprilla RS 660 BMW R 1250 R
DesertX	Honda CRF1100L Africa Twin BMW R1250 GS Adventure MV Agusta Turismo Veloce 800 Husqvarna Norden 901 KTM 890 Adventure R Triumph Tiger 900 Rally
Scrambler Ducati	Triumph Scrambler 1200 XE Honda CL500 Indian FTR 1200 Rally Triumph Scrambler 900 BMW RnineT Scrambler Fantic Caballero 500

2. Ducati (2024), Presentation for Babson MBAs, Milan, Italy dated March 12, 2024.
(Accessed on 13 March 2024)

3. DUCATI CORSE (2024) A new chapter unfolds: Ducati Corse Off-Road, (<https://www.ducati.com/us/en/racing/off-road>) (Accessed on 22 March 2024)
4. UNECE SDG Goals (26 January 2024) UN extends its cyber security management regulation to motorcycles and scooters (<https://unece.org/media/press/387828>) Accessed on 21-March -2024.
5. Wikipedia (2 March 2024) Ducati (<https://en.wikipedia.org/wiki/Ducati>) Accessed on 22-March -2024.
6. Ducati at a glance (2024) (<https://www.ducati.com/ww/en/company/ducati-at-a-glance>) Accessed on 22-March -2024.
7. Ducati - SPONSOR & PARTNERS (2024) Bulgari x Ducati: an exclusive collaboration that revolutionizes the standards of luxury sports watches (<https://www.ducati.com/ww/en/news/bulgari-x-ducati-an-exclusive-collaboration-that-revolutionizes-the-standards-of-luxury-sports-watches>) Accessed on 22-March -2024.
8. Scrambler Ducati (2024) RefrigiWear x Scrambler Ducati (<https://scramblerducati.com/ww/refrigiwear-x-scrambler-ducati/>) Accessed on 22-March -2024.

9. **List of Suppliers:**

- Beta: Architecture and production of workshop furniture.
- AERMEC: Air conditioning solutions and heat pumps.
- Allegri: Manufacture of plastic plates, sheets, tubes, and profiles.
- ANSATECH: Design, development, and production of full exhaust systems.
- BRIZIO BASI: Vacuum filling system technology.
- Capgemini: Consulting and technology services.
- CATAGEN: Aftertreatment testing and performance measurement specialists.
- COBIMECCANICA: Machining.
- CORTESI: Industrial security and cyber-security system.
- CPL CONCORDIA: Power plant management.
- Florence Consulting Group: IT Enterprise Consulting & Digital Transformation.
- GET: Electronic control units and data acquisition systems for vehicles.
- Global Service: Plant.
- GLOMAX: Chemicals for surface treatment.
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10. List of electronic innovations by Ducati

(<https://www.ducati.com/ww/en/company/innovation/electronics>) Accessed on 22-March -2024.

	2002	2008	2009	2010	2011	2012	2014	2015	2018	2020	2023
WORLD FIRST BY DUCATI		Traction Control 1098 R	LED front lighting Streetfighter 1100	Riding Modes Multistrada 1200	Full-TFT Dashboard Diavel	Engine brake control, full-LED front lighting Panigale 1199	Motorcycle integrated airbag Multistrada 1200 D3Ar		Slide-by-brake Panigale V4	Radar Adaptive Cruise Control Blind Spot Detection Multistrada V4	Extended Deactivation, Easy Lift Multistrada V4 Rally
INTRODUCTION ON DUCATI LINE-UP	ABS 574 S ABS			Electronic Suspension, Keyless Dashboard Multistrada 1200		Ride by Wire, Adaptive suspension Panigale 1199		Cornering Lights Multistrada 1200 S DVT	Slide Control, Rear cylinder Deactivation Panigale V4	Smartphone Mirroring/Map navigator Multistrada V4	Minimum Preload Multistrada V4 S

11. Safety Roadmap (2024) List of Safety innovations by Ducati over the years

(<https://www.ducati.com/ww/en/company/innovation/safety/safety-roadmap>) Accessed on 22-March -2024.

1. Safety Innovations:
2. 2008 - Traction Control
3. 2010 - Riding Mode, ABS, Electronic Suspensions
4. 2012 - Skyhook Suspensions, Full LED Headlamp
5. 2014 - Full Range with ABS, Airbag Integration
6. 2015 - Cornering Lights & Lens LED HBH, Bosch Cornering ABS, Wheelie Control, Cruise Control
7. 2016 - Power Launch
8. 2017 - Slide Control, Wheelie Control EVO
9. 2018 - Cornering DQS, Cornering ABS only Front, Dynamic Slide Control
10. 2019 - Cornering Slide, Slide by Brake
11. 2020 - Radar based rider assistance systems

12. Ducati Corporate (2024) Ducati closes 2023 confirming its solidity with increasing profitability and revenue above one billion euros.

(<https://www.ducati.com/ww/en/news/ducati-closes-2023-confirming-its-solidity-with->

[increasing-profitability-and-revenue-above-one-billion-euros#:~:text=Despite%20increasing%20competition%20on%20the,level%20reached%20in%202022%20\(1%2C089\)](#)) Accessed on 22-March -2024.

13. Ducati Corporate (2024) Ducati certified Top Employer for the ninth consecutive year (<https://www.ducati.com/ww/en/news/ducati-certified-top-employer-for-the-ninth-consecutive-year>) Accessed on 22-March -2024.
14. ENVIRONMENTAL SUSTAINABILITY (2024) The protection of the Environment (<https://www.ducati.com/ww/en/company/environmental-sustainability>) Accessed on 22-March -2024.