

# **Harley Goes Whole Hog**

Use case for marketing research

## Context of the Study

- The motorcycle manufacturer Harley-Davidson ([www.harley-davidson.com](http://www.harley-davidson.com)) wanted to build new production facilities in 2017
  - **Positives:** investing would help Harley-Davidson expand and possibly become the clear market leader in the heavyweight segment
  - **Negatives:** would the demand follow in the long run, or would customers stop wanting when the next fad emerges?

# Defining the problems

- Discussions with industry experts
  - Brand image and loyalty are major factors that influence:
  - (a) first-time purchase, and (b) repeat sales
- Focus group with motorcycle owners (qualitative study)
  - Motorcycles are not primary means of basic transport, but a means of recreation
  - Highlighted the role of **brand image** and **loyalty** in motorcycle ownership
- Secondary data analysis and environmental context
  - Most motorcycle owners also owned automobiles such as cars, SUVs, and trucks
  - Forecasts called for an increase in consumer spending on recreation and entertainment until the year 2020

## **Defining MDP and MRP**

- Management Decision Problem (MDP)
  - Should Harley-Davidson invest in producing more motorcycles?
- Marketing Research Problem (MRP)
  - Would customers be loyal buyers of Harley-Davidson in the long term?

## Specific components of MRP

- Who are the customers? What are their **demographic** and **psychographic** characteristics?
- Can different types of customers be distinguished? Is it possible to segment the market in a meaningful way?
- How do customers feel about their Harleys? Are all customers motivated by the same appeal?
- Are the customers loyal to Harley-Davidson? What is the extent of brand loyalty?

## Research question (RQ) and associated hypotheses (Hs)

- **Example RQ:** Can motorcycle buyers be segmented based on psychographic characteristics?
  - H1: There are distinct segments of motorcycle buyers
  - H2: Each segment is motivated to own a Harley for a different reason
  - H3: Brand loyalty is high among Harley-Davidson customers in all segments
- **Theory:** brand loyalty is the result of positive beliefs, attitude, affect, and experience with the brand

## **Qualitative and quantitative research**

- Focus group of current, would-be, and owners of other brands to understand their feelings about Harley-Davidson
- 16K mail surveys
  - Develop psychological, sociological, and demographic profiles
  - Subjective appraisals of Harley

# Major findings

- Seven categories of customers
  - Adventure-loving traditionalist
  - Sensitive pragmatist
  - Stylish status seeker
  - Laid-back camper
  - Classy capitalist
  - Cool-headed loner
  - Cocky misfit
- H1 is supported



## Major findings contd..

- All customers had the same desire to own a Harley – symbol of independence, freedom, and power
  - Uniformity across segments – contradicting H2
- All customers were long-term loyal customers – support for H3
- Final recommendation: invest to increase the number of Harleys built in the future