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Harley Davidson, a Spirit of American Freedom for 100 Years

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HARLEY DAVIDSON, A SPIRIT OF AMERICAN FREEDOM FOR 100 YEARS

BY

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Chapter I

INTRODUCTION

“Perhaps more than any other 20th Century product, the Harley Davidson motorcycle is revered as an American icon- a symbol of free spiritedness, love, and a verve for living life with all your senses” (CDF.org 1). Indeed the Harley Davidson Motor Company created much more than a motorcycle when it first opened its doors in 1903 in Milwaukee, Wisconsin. They created an experience, one that would be imitated but never equaled, thus the prolonged success of Harley Davidson.

From the company’s humble beginnings, it has always been run as a “family” business, and by family Harley Davidson does not only mean William Harley and the Davidson brothers, but all those associated with Harley Davidson, the dealers, workers, and, especially, the riders, for they form the core of the “Harley” Experience.

Harley Davidson is unique as a company in its duality, in that, “Harley Davidson symbolizes the best and worst of a nation whose growth has been fitful, rebellious, disjointed, and cursed by raging crosscurrents and blurred imagery” (Yates, p.10). Throughout all of these blurred images and crosscurrents surrounding Harley Davidson the company and its motorcycles have been there and involved in nearly every aspect of the last 100 years, making it one of the most influential companies as well as one of the most misunderstood.

George Conrades is a former marketing executive with IBM and now is Chief Executive of BBN Corporation in Cambridge Massachusetts, as well as a loyal Harley rider. He has said, “The Harley management team has the best understanding of its customers and works as hard on those customer relationships as anyone I know” (Hill

Rifkin, p.80). It is this relationship with the Harley Davidson brand that riders and dealers have that makes a Harley Davidson much more than a motorcycle. In order for the Harley Davidson brand to remain strong the company must work tirelessly on maintaining brand integrity, for failure to do so could lead to the dilution of the brand image and cause irreparable damage to the company.

While there has always been a loyal following of Harley Davidson fans, a fairly new fan of the company emerged in 1986 when the company went public on the New York Stock Exchange. That new fan is Wall Street. The Harley Davidson Company, which was considered at one time an instrument of evil, seen as the choice motorcycle for biker gangs looking to terrorize America, has recently, in 2002, become Forbes Magazine's Company of the Year, showing that Harley Davidson has truly "turned love into money" (Forbes 2002). "The once feared and misunderstood Harley Davidson has risen from the ashes and now Harley Davidson stirs passion in its riders, its dealers and its employees, and translates that passion into profit" (Forbes 2002).

This study will focus on Harley Davidson, looking at the company's history and more specifically the decades from the 70's to the present in an effort to examine what the company has done that has allowed it to survive 100 years. The study will also examine the brand- management techniques of Harley Davidson and delineate the role that they have played in the company's sustained popularity in the American and global marketplace.

Research Question

How has Harley-Davidson survived 100 years in existence and successfully created a lifestyle centered on the Harley Davidson products and company? This study will examine what exactly Harley Davidson has done in order to turn a material object, a motorcycle, into the embodiment of the spirit of American freedom.

Subsidiary Questions

In order to truly understand the impact of Harley Davidson on the American culture and understand the journey from motorcycle to legend this study will also address the following questions:

- 1) What is the history behind Harley Davidson?**
- 2) How has Harley Davidson changed with the American cultural environment?**
- 3) How has the image of Harley Davidson reflected culture?**
- 4) What is the business and leadership behind the legend?**
- 5) How has Harley Davidson resurrected itself from the fallout in the 1970's?**
- 6) What is Harley Davidson's Marketing Strategy?**
- 7) What is Harley Davidson's Branding Strategy?**
- 8) What is in store for the next 100 years for Harley Davidson?**

Purpose of This Study

Much has been written about Harley Davidson, some positive and some of it negative. However, throughout the last 100 years Harley Davidson has never fallen apart as a company, through their loyal fans, and their dedication to the core principles of the company. Harley Davidson serves as an example of how to survive 100 years in business in a marketplace that today is filled with overnight dot-coms and corporate scandals.

It has not been easy for Harley Davidson to stay on top and turn itself from a one-room shack in Milwaukee, Wisconsin, to, "A darling of Wall Street and a symbol of rugged American determination." (Hill Rifkin, p.74) There are many beliefs as to what the secret to Harley Davidson's success is and many stories about the company's history. However, at the core, "It's a story of a deep-seeded belief, an understanding of and belief in an enduring brand and the brilliant management of the brand in the face of daunting odds." (Hill Rifkin, p.74).

From the beginning Harley Davidson produced a quality product which would grow to become a symbol of quality and dependability, serving the United States Military and many police forces throughout the country. However, the image of Harley Davidson would change dramatically a number of times throughout its 100-year history. From "dependable" to that of the choice motorcycle of "rebellious" troublemaking biker gangs, to becoming associated with poor quality and the punch line of many jokes in the 1970's, to the company's rise from the ashes to become the Motorcycle of choice and Forbes company of the year in 2002 (Forbes 2002).

What is it about Harley Davidson that has kept the company going at a successful rate since 1903? Research suggests that it is the marketing and brand management that

has allowed this company to retain its position in the marketplace and survive 100 years in business. Due to this the author of this study has chosen to focus on the contributions of marketing and brand management to the success of Harley Davidson and its 100 years in business.

Objectives

The intention of this study is to examine the marketing and brand management techniques of Harley Davidson. The author will examine a number of areas which include how Harley Davison as a brand chooses to market itself, including what criteria Harley Davidson chooses in order to maintain brand equity and just how Harley Davidson wants to be seen in the marketplace. The study will also look into how Harley Davidson's brilliant brand management played a major role in the company's survival during the 1970's and the AMF take over and see what exactly it was about the brand that allowed it to rise again and not fold in the face of opposition. Finally the study will look at how today Harley Davidson is recognizable as a legend and not simply a mode of transportation. This will be an examination of what role the management of the brand, the marketing, and the corporate leadership play today and how they will be vital to the success of Harley Davidson in the next 100 years.

Definitions of Terms

- #1. AMF: American Machine Foundry, headquartered in White Plains New York.
- #2. Harley: Harley Davidson Motorcycle Company
- #3. MAN: Materials as needed. Parts and raw materials are purchased and built only as required. This dramatically lowers production and storage costs and improves quality.

- #4. H.O.G.: Harley Owners Group. Created in 1983 and was begun as a way to communicate with the company's end user, and quickly grew into the world's largest motorcycle club
- #5. Hog: A term for a Harley Davidson motorcycle, named after a former racing mascot of the company.
- #6. Potato-Potato-Potato: The familiar sound of the Harley Davidson motorcycle.
- #7. Brand: According to the American Marketing Association a brand is "a name, term, symbol, or design, or a combination of them intended to identify the goods and services of the seller or group of sellers and to differentiate them from the competition." (Keller, p.2)
- #8. R.U.B.'s: Rich Urban Bikers.

Limitations

This study focuses solely on Harley Davidson Motor Company although there are a number of other motorcycle producing companies in the marketplace. However, there is no other company that produces the "experience" that Harley Davidson has produced with its motorcycles and that is why the author has chosen to focus on Harley Davidson and the experience.

Another limitation of the study is that it will focus primarily on the years from the 1970's to the present time of 2003, this time period has proved to be the most telling of the Harley Davidson Company. While the primary focus will be upon this time frame, the study will examine events throughout its entire history that have shaped and impacted the Harley Davidson Motor Company.

A final limitation is that this study will focus solely on Harley Davidson in the United States. Currently Harley Davidson is a worldwide company, with operations in Japan and Europe. However the legend of Harley started in the United States and much of the company's legend is felt more strongly in the United States, where the home of Harley Davidson is. Due to this, the author has chosen to focus solely on the United States history and operations of Harley Davidson, in order to gain a clear picture of how the United States based-company has survived 100 years in business.

Conclusion

Now that the parameters of this study of Harley Davidson have been laid out and a research question has been established it is important to look at the very history of Harley Davidson to truly obtain a well-rounded picture of this true American icon.

From 1903 to breakfast this morning Harley Davidson has made an enormous impact on the American lifestyle, and the way our freedom is perceived. It is from these contributions, and the history of Harley Davidson that we can understand where the great American love affair with Harley Davidson comes from.

As this chapter has laid out the objective, limitations, and subsidiary questions for this study along with the before mentioned research question we must now turn to the second chapter and look back to the history of Harley Davidson in order to find answers to many of these questions.

Chapter II

Founding

Before examining the specific brand management and strategic marketing strategies of Harley Davidson, it is vital to examine the history of the company, in order to better understand the origins of this American legend.

It was in 1903 that the world would be first introduced to the legendary Harley-Davidson motorcycle. During 1903 and the previous quarter of a century the world had been undergoing a technological revolution, with the inventions of the light bulb and the internal combustion gasoline engine. It was at this point in history that three boyhood friends William Harley along with Arthur and Walter Davidson would create a company that would forever change the American landscape.

The three worked out of a small one-room shed in Milwaukee Wisconsin that measured 10 X 15 feet and was adorned with a hand painted sign, "Harley Davidson Motor Company." None of the three had any technical training and they were extremely limited by budget in creating their first motorcycle. They worked mostly from blueprints of French single cylinder engine known as the De Dion-Bouton engine. This would prove a starting place for the company to develop its own machine. Due to their lack of mechanical skills the trio called upon William Davidson who was the brother of Arthur and Walter Davidson to help with the production of the motorcycles. William Davidson was working for the Milwaukee Railroad as a tool foreman, but was enticed by the promise of riding a motorcycle made to him in a letter from his brother Arthur. Soon after, he left the Railroad and went to work at Harley Davidson Motor Company.

The goal of this newly formed company was, "To build a simple, rugged machine with extra strength designed in the traditionally weak points. Utility and practicality were to form the philosophy core of the tiny organization" (Yates, p.70). The first prototypes of the motorcycles were rough riding and proved little better than a bicycle and, realizing that knowledge is power, William Harley enrolled for technical training at the University of Wisconsin. Finally, the proper combination of parts was decided on for the Harley Davidson motorcycle and, using their own ingenuity and help from a local foundry, Harley Davidson Motor Company sold their first production motorcycle. Thus, starting a company that would become more than a manufacturer of motorcycles, but that would become an American legend and an icon, "A symbol of free spiritedness, love, and a verve for living life with all your senses" (CDF.org 1). The Harley Davidson Motor Company was formally incorporated on September 22, 1907, with the President being Walter Davidson, Secretary and General Sales Manager Arthur Davidson, and William Harley named Chief Engineer and Designer. With this incorporation came a new headquarters and larger facilities for Harley Davidson. This would be a point at which the company would begin its growth and transformation into the legend that it is today.

Race History

The first Harley Davidson produced was a, "Bike built to be a racer, with a 3-1/8 inch bore and 3- 1/2 inch stroke" (harley-davidson.com 1900's). This very first motorcycle would start the tradition of success for Harley Davidson in the field of racing. It was not long after the opening of the first Harley Davidson dealership by C.H. Lang of Chicago Illinois that a Harley Davidson won its first race: July 4, 1905, a Harley Davidson motorcycle won the first 15 mile race in Chicago.

From these humble beginnings the legend of the racing prowess of Harley Davidson would grow, adding victories in several endurance races as well as the hill climb category. Soon after, a full time racing division was added to the company with a focus on victory. In 1923, Leslie "Red" Parkhurst would break 23 speed records all riding Harley Davidson motorcycles. These incredible feats also gave birth to a term that would become synonymous with Harley Davidson Motorcycles, "Hog". The term Hog, came from the Hog Association, which was started in 1920. The association mascot was a pig, which was carried on a victory lap for every victory the Harley Davidson racing team achieved. From this, the Harley Davidson's became known as Hog's and the name has stuck till the present day.

Throughout the history of Harley Davidson there has been a rich racing history associated with it. This would continue through the world wars into the 1950's when riders such as Larry Headrick won the AMA Grand National Championship for dirt track racing and the dominance continued in 1954 and for years to come with the efforts of Joe Leonard and his AMA Grand National dirt track victories. As the years progressed, Harley Davidson continued to win on dirt, hill climbs, and Daytona races.

Harley Davidson has truly made a name for itself in the racing community as a motorcycle of dominance, in a multitude of disciplines. Even today, the Harley Davidson racing division is ahead of its time. With the addition of Buell Motorcycle Company to Harley Davidson, and the addition of, "Seventeen year-old Jennifer Synder, the first woman to win a national event in the AMA formula USA National Dirt Track Series" (Harley Davidson 2000), the future looks bright for Harley Davidson's Racing Department.

Military Relationships

The history of Harley Davidson is very much a mirror of the American culture, and when the United States went to war, Harley Davidson joined in the effort. During World War I, the United States joined with the allies to fight against Germany. In this bloody battle there was a role for motorcycles, which would be used mostly for scouting and courier duties.

Harley Davidson, looking to the future after wartime, did not solely focus on manufacturing motorcycles for the war effort, as their competitor Indian Motorcycles had. Indian Motorcycles were being used by the allies in the campaign just as Harley Davidson's were. However, the Indian Motorcycle Company neglected its well-established network of dealers across the United States as it shifted total focus to the war efforts. This allowed Harley Davidson to convince many of these dealers to convert to Harley Davidson dealerships, in a brilliant business move, which would prove extremely important to the Harley Davidson Company, and will be discussed in more detail at a later point.

By the end of World War I, Harley Davidson motorcycles had played a role in the United States Military successfully. However much of their contributions tended to be inflated. Harley Davidson Motor Company was often guilty of inflating the contributions of their motorcycles to the victory in the war. However, Harley did get some photographic evidence to support their importance in the war, although it was by accident. Lost in a rainstorm in Germany on November 9, 1918, two days before the signing of the Armistice, U.S. Army Corporal Roy Holtz accidentally crossed the border into Germany while on motorcycle patrol. Holtz was soon captured by the Germans and

released on November 11, 1918, but not before he was photographed aboard his Harley Davidson Model J and dubbed the, "First Yank to enter Germany" by the U.S. Army. "Harley Davidson wisely trumpeted the dubious Holtz exploit as an example of their machine's indomitable wartime contribution, embellishing the incident to imply that Harley's led the charge in defeating the hated Hun" (Yates, p.85).

It was in 1941, that Harley Davidson was once again called to serve the United States military in World War II. This time the U.S. military established a contract with Harley Davidson to build for the Army the specified forty- five- cubic inch model WLA motorcycle. This motorcycle was built to be extremely tough and endure the harshest condition. One drawback to it, however, was the lack of speed due to the armor plating. As in World War I, the Harley Davidson motorcycles served a limited role in the war as couriers, and patrol bikes for the Military Police due to the emergence of the Jeep Willie. However, there are many pictures portraying soldiers armed and ready for battle riding alone on the Harley Davidson motorcycles built for the Army. Again, Harley attempted to show the great contribution of Harley Davidson motorcycles in winning the war for the Allies, even if that was not truly the case.

The contribution to the United States made by Harley Davidson did not go unrecognized by the United States military; Harley Davidson was awarded four Army-Navy "E" Awards for excellence in wartime production. These awards as well as the reputation for dependability that Harley Davidson acquired from the hundreds of soldiers who were trained to ride the WLA allowed for Harley Davidson to increase sales after the end of the war. This was because, as the soldiers arrived home, they never forgot about

the Harley Davidson's of the war. Many of the veterans chose to make Harley Davidson their choice for civilian transportation upon arriving back in the United States.

A Dark New Image

Page 31 of the July 21, 1947 edition of *Life* magazine forever changed the way America would come to view Harley Davidson's and those who rode them. Page 31 contained a black and white photograph of Eddie Davenport, taken by San Francisco photographer Barney Peterson, showing Davenport drunken and disorderly during the 1947 Hollister bike riot. "The photo's appearance in a subsequent issue of *Life* magazine permanently transformed all motorcyclists into 'bikers' and 'outlaws'" (San Francisco Chronicle).

This dark impression of all motorcyclists tainted the Harley Davidson image, as well as, associating the company with being the supplier to all these so-called "outlaws". *Life* magazine had in one night tainted the previously untarnished image of Harley Davidson as a company, leaving the public with an extremely negative image about the company. Soon after the picture was published, however, a second photograph which was never published showed the bottles which were previously knocked over set up in a row in front of Eddie Davenport, along with his biker jacket brought into visibility. This discovery brought many to believe that, "Either the photographer or the rider, repositioned the bottles and the jacket, thereby creating suspicion that the entire scene was posed" (Yates 79). Eighty-three year old Gus DeSerpa was on the scene of the Hollister Riots. DeSerpa claims that the photographs taken of Eddie Davenport, which terrified a nation, were posed. While walking through town with his wife, DeSerpa recalls witnessing the photographers asking a number of bikers to pose for pictures that would

accompany the story that the reporters wanted to tell. Despite the more recent discovery of the second photograph and testimony of Gus DeSerpa, many still believed the lure and exaggerated stories they heard about that weekend at Hollister. Putting Harley Davidson Motor Company in the position of being an accomplice to evil and moral corruption in America.

It was Friday July 2, 1947, that motorcycle club members began to arrive in Hollister California, for a weekend race and rally, sponsored by the Salinas Ramblers Motorcycle Club and the Veterans' Memorial Park Association. Many of the riders who arrived were military veterans who had returned from the war in Europe and were unable to readapt to society, due to the horror of war and time away from society. While the United States had set up the Veteran's Bill of Rights for the returning soldiers many were simply unable to cope with the rules and regulations of society and turned to violence and were restless in a civilized society such as the one they were returning to. "These veterans feeling cast out of normal society embraced the motorcycle not only as a recreational diversion but a weapon against the established order" (Yates, p.15).

While many of the motorcyclists simply arrived in Hollister to watch the races, there were groups who were not there to watch the races. While many camped outside of the town, these few groups, who referred to themselves as gangs, chose to cause trouble for the people of Hollister, and make their presence known to the American public. Gangs such as the Booze Fighters and the Pissed Off Bastards of Bloomington (POBOB) led the charge into the town on that Friday night leading to the riot in Hollister that would soon get out of control overwhelming the small police force. Fighting broke out in the local bars and spread to the streets, racing motorcycles roared up and down the sidewalks,

failed stunt attempts caused multiple accidents and drunken injuries numbered in the hundreds. To much surprise, no one was killed in the Hollister riot, however, there were forty-nine arrests, once order had been restored to the community. The charges ranged from public intoxication to disorderly conduct, and even indecent exposure.

“The brand on the American psyche was deep and permanent. As the St. Valentine’s Day Massacre in Chicago defined Gangsterism and the Kent State shooting became a symbol of the Vietnam antiwar movement, Hollister’s impact far exceeded the damage wrought by the actual incident.” (Yates, p.22)

AMF and the Turbulent 1970’s

In 1965, Harley Davidson Motor Company went public. This move was brought about by the company’s need for cash in order to modernize their production processes and diversify itself. This move brought Harley Davidson the investment money that the company needed to achieve its goals. However, it also had opened the door for a number of companies who were looking to buy out Harley Davidson and dismantle the company for the recognizable name. If Harley Davidson was to be bought out by a company that intended to use it simply for the name, it would have meant disaster for the company. As Harley Davidson saw it, the only way to protect the company was to allow it to be acquired by a larger company. However, it had to be one with a similar corporate philosophy to that of Harley Davidson. This is why the company looked to White Plains, New York, and the company AMF.

AMF was an industrial manufacturing company that was looking in the late 1960’s and early 1970’s to become associated with the leisure industry in America. They saw the acquisition of Harley Davidson as the perfect opportunity to make the change

from industrial production and move into the production of leisure products. As a result of likeminded thinking between the two companies, AMF acquired Harley Davidson Motor Company in 1969, a partnership that would start off strong, but eventually fall apart leading to the near destruction of the Harley Davidson brand.

Upon being acquired by AMF, Harley Davidson received all the capital that it needed to sustain itself and make the necessary advancements to make improvements in production. At this time, "The company's three most valuable assets- aside from the new AMF relationship- were a skilled dealer network, a powerful brand, and a dedicated employee base" (Teerlink Ozley, p.6). All of these would be important to the survival of the company, especially when things would take a turn for the worse in the Harley Davidson and AMF relationship.

The honeymoon period between AMF and Harley Davidson would officially end when AMF decided that it would name an executive group who would oversee the motorcycle division of Harley Davidson. Also, AMF decided to locate the new Harley Davidson headquarters near their own in White Plains. "After sixty-five years in the heart of one of Wisconsin's oldest and proudest manufacturing centers, Harley Davidson's headquarters were unceremoniously relocated to a white collar suburb of New York." (Teerlink Ozley, p.6). Soon after the news reached the workers of the Milwaukee plant of Harley Davidson, they received another shock. AMF was planning to open a new factory in York, Pennsylvania for the final assembly of the Harley Davidson motorcycles, making the original Milwaukee plant merely a parts supplier to the new plant. "AMF officials assured their Wisconsin employees that the relocation of the final assembly and

other operations to the York plant would not lead to layoffs in Milwaukee. This soon proved to be untrue." (Teerlink Ozley, p.7).

It would not be long after these announcements by AMF that there started to be retaliation by those at Harley Davidson. Many of the employees felt that the true spirit of Harley Davidson lived in Milwaukee and that the company belonged there and not in White Plains, New York, and certainly not at the newly founded plant in York, Pennsylvania. Due to many of these views and the strained relationships that developed between PACE, the labor union of Harley Davidson employees, and the management at AMF, the workers at the Harley Davidson plant in Milwaukee, went on strike in June, 1974, "Over the company's refusal to agree to coordinated bargaining across all unions within the larger AMF" (Teerlink Ozley, p.7).

The strike would last well over 100 days in Milwaukee. Due to the publicity over the strike, there arose a visible rift in the company. At this time AMF was beginning to have doubts about their acquisition of Harley Davidson. The company was becoming very difficult to manage and, by splitting the company between Milwaukee and York, AMF saw very little increase in their overall company profits. The final straw came from the Boston Consulting Group, who estimated that AMF would need to invest \$60- \$80 million dollars to update their Harley Davidson company to make it profitable. In 1980, AMF put the Harley Davidson Motor Company up for sale.

Employee Buyback and a Rise from the Ashes

"On June 16, 1981, Vaughn Beals- formerly AMF's group executive for the Harley Davidson, and now Chairman and CEO of a newly independent Harley Davidson, Inc.- rode his 'hog' up Capitol Drive and into the parking lot of the

Milwaukee plant. The ride was a highly symbolic one. Through his act Beals made the point that Harley was returning to its birthplace and that Harleys would once again would be made by Harley people." (Teerlink Ozley, p.8).

Three days prior to this symbolic ride by Vaughn Beals, Beals and twelve other members of the Harley Davidson management purchased Harley Davidson. The purchase was completed from AMF for nearly \$80 million. AMF originally refused to negotiate with the management team of Harley Davidson, however, when AMF's efforts to market and sell the brand failed, the company had no choice but to negotiate with Beals and his management team. By the time Harley Davidson returned to its roots they were welcomed home to find that they had lost nearly 50% of the market to up-and-coming Japanese companies, new competitors in the marketplace with only one thing on their minds, to be number one in the marketplace. The Japanese company Yamaha even attempted to knock Harley Davidson completely out of the market by producing motorcycles that were identical to that of Harley Davidson's offered at a lower price, and in larger quantities. While the move by Yamaha was copied by many of the Japanese companies such as Honda and Suzuki, the Japanese motorcycles were never able to muscle Harley Davidson. Much to their surprise, the Japanese could not understand how an older motorcycle could draw people to it over a newly designed and technologically advanced motorcycle that the Japanese produced.

It was a man named Robert Lipkin, known as "Bob Bitchin's", who wrote novels and multiple magazine articles in the early 1980's that glorified the icon of personal freedom as he saw it, the Harley Davidson motorcycle. Bitchin's is an avid Harley Davidson rider, with degrees from USC and UCLA in psychology and business

administration, and also worked as a bodyguard of Evil Knievel. Bob Bitchin's would be the first to explain to the Japanese, amidst an onslaught of competition from the Japanese manufactures, why this new Harley Davidson would survive and was not going to be run out of the marketplace. Despite the technological advances made by the Japanese, they could never capture the essence of Harley. Bitchin's theme was that the riders formed the central core of Harley Davidson and that they were the essence of the company. He went on to write that, "The Harley, the true symbol of human frailty and audacity, was to be honored and revered, not for its utility or its sheer excellence, but for its god-awful, all-American, in your face, hog-stomping, ball-busting, real-life representation of man's own imperfections" (Yates, p.148). It was love like this for the Harley Davidson Company that would eventually fend off the onslaught of Japanese motorcycles in the market and allow for the survival of Harley.

During the times of the early 1980's Harley Davidson looked to Willie G. Davidson to revamp the motorcycles and get the bikes away from the poor, leaky image that they had developed during the period they were part of AMF and increase the sales of the newly designed motorcycles. It wouldn't be long after that Ronald Reagan would be elected President of the United States. With him, he brought the country a, "New era of national pride and optimism" (Yates, p.153). It would be during the years of Reagan's presidency that there came a, "Revival of old-time, Pentecostal, religion and a throwback to old fashions and technologies. 'Back to basics' was the cry" (Yates, p.153). It was in this America that Harley Davidson would once again rise from the ashes. This reincarnation of the American legend was even acknowledged by President Reagan on May 6, 1987, during a visit to the Harley Davidson plant in York, when he "Praised the

company for its return to world-class competitiveness. 'You've shown us how to be the best,' Reagan said. 'We're on the road to unprecedented prosperity... and we'll get there on a Harley' (Teerlink, Ozley, p.14). The promising words recited by President Reagan showed just how successful Harley Davidson was once again becoming in the marketplace. This is a trend that has continued up till the current day, with every year more and more riders joining the Harley Davidson family. As Harley Davidson approaches its 100th anniversary in 2003, the company is more popular then ever and the anniversary party that Harley Davidson has planned for itself is expected to draw over 100,000 loyal riders to Milwaukee, to celebrate the birth of a legend.

Conclusion

The purpose of this chapter has been to bring the reader a closer look at the History of Harley Davidson. Much has changed in the company since 1903; it is certainly not the same company that it was back then. However the core principles have never changed. Harley Davidson's history is an American story, with ups and downs throughout and, despite the obstacles, Harley Davidson never gave up as a company and never turned its back on the family of riders that make up the core of this great company.

Much of the success of Harley Davidson is based on the company's relationship with its riders and dealers. "The Company relies heavily on dealer input in all aspects of its business, from design to marketing" (Hill Rifkin, p.96). As Harley moves into its 100th year they will continue to foster all the relationships which have proved vital to the success of the company. And as Harley Davidson CEO Jeff Bleustein says, "It is one thing to copy the products but quite another to create a lifestyle and total experience of a Harley- from the bike itself to the clothes and rallies and cachet. 'We've found that

providing the total experience is key, and that is not quite as easy to copy”(Hill Rifkin, p.98).

And as can be seen from the history of Harley Davidson, the company has truly created an experience that is unmatched. This Harley experience and its continued business success will lead Harley Davidson into the next 100 years.

Brand management and marketing techniques of any organization are important and can be directly related to the success of the company or product. While Harley Davidson has managed to turn its motorcycle, and the lifestyle that it sells into an American icon, another Coca Cola failed with their attempt at a brand extension with the product “New” Coke. Coca-Cola, unlike Harley Davidson did not listen to its customers. The company had a loyal customer base with Original Coca-Cola, however in a poor brand management decision decided to replace the popular drink with “New Coke”. The loyal Coca-Cola drinkers objected to the change and, “They wanted their product back! And they ultimately carried the day: the withdrawn Original Coke formula reappeared- although this time it was forced to bear the dubiously distinctive name Coke Classic.” (Aaker 49)

This move by Coca-Cola, cost the company large sums of money, and lost the company many customers. This move shows what poor brand management can bring to a company, even one as successful and well known as Coca-Cola. This example shows why for Harley Davidson it is vital to keep in touch with its history and its customer base in order to maintain the company’s brand image and achieve continued success over the next 100 years. In the next chapter the brand management and licensing practices of Harley Davidson will be further discussed, in order to show how these practices are vital

to the success that the company has achieved over the rich history that this chapter has discussed.

Chapter III

Brand Definition

Throughout Harley Davidson's 100 years, the most instrumental component to the company's success besides the product itself has been the marketing and brand management techniques employed by Harley Davidson. These techniques have simply dominated the competition in creating brand loyalty, so much so that often those loyal to Harley Davidson will tattoo the company name on themselves; no other company in the world can claim to match the brand loyalty that Harley Davidson has created.

Before moving forward into the specific techniques that have been employed by Harley Davidson it is important to get a proper understanding of what true brand management is, and why it is important to market and manage the company brand properly. "Branding has been around for centuries as a way to distinguish the goods of one producer from those of another" (Interbrand Group). A "brand" is defined by the American Marketing Association as a, "Name, term, sign, symbol, or design, or a combination of them intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competition" (Keller, p.2). The different pieces used to establish differentiation between brands are called the brand elements, and they are vital as well as unique to each company in the maintenance of brand equity. There are several reasons to explain why a brand is important to both the manufacturers and the consumer in the marketplace.

CONSUMERS

Identification of source of product
 Assignment of responsibility to product maker
 Risk reducer
 Search cost reducer
 Promise, bond, or pact with maker of product
 Symbolic device
 Signal of quality

MANUFACTURES

Means of identification to simplify handling or tracing
 Means of legally protecting unique features
 Signal of quality level to satisfied customers
 Means of endowing products with unique associations
 Source of competitive advantage
 Source of financial return

(Keller, p.7)

In the case of Harley Davidson the brand that they have created is one of the most successful and recognizable in the world. While the products Harley Davidson manufactures have been in existence for 100 years it is the brand, management and marketing that have truly taken the company through many of its most difficult times, and have led Harley Davidson to a place in American History.

Harley Davidson brands itself as a family company where everyone can be part of the legend. This family image was portrayed during the company's 95th Anniversary Party, in which the slogan "Come Home" was used to call all those associated with the company back to Milwaukee, back to their home. Harley owners from across the country joined at designated rally points and met up with Harley Davidson executives and employees such as President Rich Teerlink and CEO Jeff Bleustein to ride back into Milwaukee. "Harley's executives and managers have a visceral connection with the brand because not only do they make and sell motorcycles, they are customers" (Hill Rifkin, p.74). The "Come Home" event drew more than 125,000 riders with hotels as far as 100

miles away were sold out for over a year. This understanding of Harley Davidson as more than a motorcycle, rather that it is a family and a lifestyle that people have a great emotional connection with, which allows Harley Davidson to achieve great success and strengthen the brand.

Currently Harley Davidson is on top of the lifestyle brands in terms of recognition, which makes everyone, even Wall Street, extremely excited for the future. This is surprising coming from a company that has "No national television advertising and an extremely small print campaign" (Hill Rifkin, p.75). This great brand popularity and recognition was not easy to achieve. It was a struggle for the company and its brand image throughout the years, and in the end, Harley built a company that truly has a dual personality. "What other product would claim the fierce loyalties of both Hells Angels and business tycoons like the late Malcolm Forbes?" (Hill Rifkin, p.76). Harley Davidson through the years has been able to link together "an expansive community, but one instilled with a critical ingredient: Common Ground" (Hill Rifkin, p.77).

It is nearly impossible to sustain a business for 100 years as Harley Davidson has done and not fall prey to negative images and perceptions about your company at one time or another. The only thing a company can do is try to put the best spin possible on negative impressions formed about them, a task the brand equity managers at Harley Davidson have done multiple times over the past 100 years.

Perceived Quality

Harley Davidson's initial brand image was one that was based on multiple racing successes in the tracks of Chicago Illinois. Since Harley Davidson motorcycles won their first 15-mile race in Chicago, there has been an image of perceived quality associated

with the company. In order to gain perceived quality for your company, "The brand will have associated with it a perception of overall quality not necessarily based on knowledge of detailed specifications" (Aaker, p.19). This perceived quality of the Harley Davidson brand has stayed with the company throughout its existence, and has been marketed by Harley to increase company sales and entice new customers. One example of such a marketing strategy came during World War I in which Harley Davidson supplied the United States Military with many motorcycles for the war. Harley used its successful record in wartime to promote this image of quality that had been associated with Harley Davidson. Harley Davidson promoted this even at the expense of the truth, in many cases in which Harley Davidson photographed soldiers ready for battle on their reliable Harley Davidson's. In reality the Harley Davidson motorcycles used in the war served as transportation for couriers and military police not soldiers in combat. However, despite the exaggeration the marketing techniques proved successful for Harley Davidson and the company was able to increase sales at the end of the war. This perceived quality is extremely valuable in raising profits and in several other ways.

Perceived Quality Generates:

Reason to buy
Differentiates Position
A Price Premium
Channel member interest
Brand Extensions

(Aaker, p.86).

The image of perceived quality with Harley Davidson is one that would stick in the minds of consumers for generations to come, until the acquisition of Harley Davidson by AMF in 1969 for \$21 million, which would change many perceptions about the quality of the Harley Davidson brand. During the time of the acquisition, Harley Davidson was failing to compete with the large influx of Japanese motorcycles coming into the market. The only way for Harley Davidson to modernize and regain its position in the marketplace was to become part of the larger company AMF. During this time the three most valuable assets of the Harley Davidson brand were, "A skilled dealer network, powerful brand, dedicated employee network" (Teerlink Ozley, p.6). That was until the AMF takeover. AMF would eventually run Harley Davidson into the ground forcing the company to overproduce its motorcycles, causing the quality of the motorcycles to decline and damaging the image of perceived quality Harley Davidson had fought so hard to achieve. The final straw came when AMF demanded to put their logo along side Harley Davidson's on the signature teardrop gas tanks of all new Harley Davidson's. With the Harley Davidson brand image becoming the butt of many jokes and loyal riders turning elsewhere for better quality, and AMF's investment delivering no dividends, the executive team at Harley Davidson bought back the company in 1981, with Harley Davidson's future still very much in question.

Harley Davidson would come back from this potential disaster with a furious rebirth built on strong brand management and leadership. Harley Davidson knew that things would have to change if they were to restore their brand image and recover from their economic problems. The first place that the leadership at Harley Davidson looked

for improvement was inside the company, at the employee base. Harley Davidson's plan for re-birth consisted of five factors:

- Complete quality overhaul
- A recommitment to the design and styling that was the company's trademark
- The building and support of the Harley Community
- A commitment to brand integrity
- Positioning for success

(Rifkin Hill, p.85)

To make this strategy work Harley Davidson had to make some hard choices, and in 1982 they cut their workforce by 40%. All remaining employees took a 9% pay cut and agreed to a two-year freeze on their salaries. While this move was not popular at Harley Davidson it was done to ensure the success and survival of the company.

It would be Harley Davidson's advertising agency, Charmichael Lynch of Minnesota, who would invent the idea to get the Harley brand back in the marketplace. The company realized that the new Japanese motorcycles were very strong in the global marketplace, and Charmichael Lynch assisted Harley Davidson in coming up with a new brand strategy for the time. Clyde Fessler, advertising and sales promotions manager, as well as market strategy team member, described the strategy as "Lets turn left when they turn right. Lets be the alternative and do the things they can't do. And that became our strategy in everything we did and still do" (Rifkin Hill, p.86). By 1984, Harley Davidson's introduction of the Soft Tail line along with the creation of dealer-sponsored programs, the most famous of which is H.O.G., began to make money for the company. While marketing chose to reach success by being the alternative to Japanese motorcycles, the leadership team took a page right out of the Japanese playbook and, "Introduced

Harley Davidson to three workplace techniques borrowed from the Japanese: Employee involvement, MAN, and SOC" (Teerlink Ozley, p.11).

"This 'three legged stool' served as the basis of significant productivity improvements in the mid to late 1980s and remains a cornerstone of the company's manufacturing strategy today" (Teerlink Ozley, p.11).

Today the goal of Harley Davidson for 2003, is to produce 200,000 motorcycles by 2003, the company's 100th birthday, but to its credit, Harley refuses to sacrifice quality for speed" (Hill Rifkin, p.86).

Getting Past the Outlaw Image

Harley Davidson has an image that is unique and based on a variety of issues faced by the company during the last 100 years. Harley Davidson is very proud of this image and all that went into its creation, the good and the bad. From the reputation of reliability built during World War I and II that fell apart in the 1970's only to be rebuilt by the company, it was through the "outlaw image" that Harley Davidson would gain what would become one of the most famous images in the minds of Americans across the country.

Motorcycle clubs have existed in the United States since the 1920's. However, during the end of World War II there came to be a new breed of motorcycle club, called the biker gang. These were often composed of returning veterans who were living on what was known to be the outskirts of society and had trouble re-adapting to civilian life, retaining a thirst for chaos and violence. In order to distinguish themselves from traditional motorcycle clubs, the new biker gangs modified their motorcycles, in a manner that would become called the Chopper or Hog. These newly modified

motorcycles and gangs brought with them an unwanted image to the Harley Davidson brand. "They stirred a sense of freedom, rebellion, and individuality, in some ways replacing the cowboy's horse from the Wild West. And Harley Davidson's, big, powerful, and loud epitomized the classic motorcycle to a growing legion of enthusiasts." (Hill Rifkin 88)

It would only take one picture for Americans to associate Harley Davidson with the outlaw biker image, an image that would stick with the company for decades to come. It was the 1947 Hollister, California motorcycle rally riot, and the famous photograph of Eddie Davenport taken by Life magazine's photographer covering the event. This event served and the photographs taken at it served as the catalyst for the outlaw image that often terrified many suburban American families. Due to the images of Harley Davidson motorcycles at the Hollister riots, many associated this bike with the very soul of the outlaw biker mentality of, assuming Harley Davidson was determined to aid these biker gangs terrorism the country.

While Harley Davidson examined ways to overcome this negative image they were suddenly saddled with when Hollywood got into the act, with the 1954 film *The Wild Ones*, which was based on the Hollister incident. The movie starred Marlon Brando and would become a success throughout the country, but served as the first Hollywood movie to build up Harley's outlaw image. One of the most popular and defining films for a later generation of bikers was the film *Easy Rider*, 1969, starring Peter Fonda, Dennis Hopper, and Jack Nicholson. This film "portrayed two drug-dealing Harley riders on a journey across America, further enhancing Harley's bad boy image" (Hill Rifkin, p.82).

With the outlaw or bad boy image firmly entrenched in the minds of Americans Harley Davidson needed to find a way to deal with this image and assess the impact of it on the brand. When the executives examined the effects, they came to realize that the new image of Harley Davidson was not all negative and that, in fact, the outlaw or bad boy image had actually increased sales and “tapped into the rebel inside its mostly male customers.” (Rifkin Hill, p.82). As Harvard Business School professor Benson J. Shapiro says, “They’re a little bit naughty and a little bit nice, which is a very attractive brand image to have.” Due to the discovery of the positives of Harley’s new image, the company began to embrace both aspects, the good perceived quality and the bad boy image, and market the Harley Davidson brand both ways.

Aware that America at the time, especially the male market, was becoming associated with the rebellious image of Harley Davidson motorcycles, the company chose to use this image of rebellion to market the brand, showing that those who were rebellious were in a word “Cool”. Covers of magazines showed celebrities such as Elvis Presley sitting on his Harley Davidson. The black leather jacket introduced by Harley Davidson in the 1940’s made an appearance in mainstream culture of the 1950’s and continues on today; only the coolest wore the black biker jackets. Hollywood, again, assisted Harley Davidson in this marketing by creating characters in the “Cool” image, that the American public instantly fell in love with. From Henry Winkler’s role as Fonzie on *Happy Days* which exuded the image of what it was to be “Cool” to John Travolta’s famous role in *Grease*, with the black leather clad T-Birds. Harley Davidson truly understood that the image of rebellion was a fabric of American culture that would always exist, as would the desire for people to be “cool”. The company ingeniously took

every opportunity to portray the Harley Davidson Brand as not just a motorcycle, but as a lifestyle that symbolized rebellion and the freedom to be “cool”. This marketing is still being used today in much of the photography of Harley Davidson; currently the Harley Davidson Company will only photograph their motorcycles, even in the Harley annual report, which is designed to be a collector’s item, standing alone. This is specifically done by Harley Davidson to preserve the image that on a Harley Davidson you can be anyone you want to be, from a rebellious biker, to a Sunday rider. Anything is truly possible on a Harley Davidson.

Current Branding

Throughout Harley Davidson’s history brand management has proved as important to the success of the company as the role of leadership and the current times are no different. As it is quite widely known, Harley Davidson is not simply selling a motorcycle, but it is selling a lifestyle, the “Harley Experience”, and the company continues to sell it well.

An example of a promotional program that was designed to build brand equity was the Genuine Dealer Promotion in 1995. The primary audience for the campaign was Harley Davidson riders with a secondary audience being identified as non-owners with an interest in the brand; the campaign would consist of radio, newspaper, and television to get the message out. “The campaign was designed to build the Harley Davidson brand image, dealer loyalty, and dealership traffic by establishing the Harley ‘Genuine Dealer’ as a key contact point for the brand” (Keller, p.203). In order to do this all dealers received a Genuine Dealer Promotion Kit, which included:

- **Genuine Dealer Self-Promotion Materials:** television spot, 3 black and white ads, a radio spot, and a store hours sign
- **Genuine Dealer Holiday Materials:** provided the dealers with materials to sell motor clothes and collectables
- **Genuine Dealer/Genuine Motor Accessories Materials:** allowed the dealers to participate in a direct mail campaign, with a free pin offer, to stimulate the sale of parts and accessories

(Keller, p.203)

The total cost of The Genuine Dealer Program was budgeted at \$630,000 which included everything and "as a result of this integrated promotional campaign, Harley Davidson reported record sales and earnings for its fourth quarter and year end in 1995. At a cost of \$636,000, the Genuine Dealer Program generated an additional \$91,000,000 of revenue in the fourth quarter of 1995" (Keller, pp.203-4).

With the Harley Davidson brand understood to be one of the strongest and most recognizable in the world, the Harley Davidson Company does vast amounts of work in order to maintain the equity and integrity of the brand, not to let it be diluted or damaged. There is often a daily struggle at the Harley Davidson licensing department over what products deserve to carry the famed Bar and Shield logo of Harley Davidson. One of the most recent additions to the Harley Davidson licensing comes from "Eaglemark Financial Services unit, who introduced a Harley Visa Card- not gold or platinum but chrome." (Rifkin Hill, p.93).

Harley Davidson stipulates that all products and merchandise be the same high quality that their riders have expected from Harley Davidson for years.

"The Harley Davidson Company has a three-point strategy for licensing its hallowed name:

(1) To provide practical products that customers require, such as leather jackets, boots, and other riding apparel; (2) To provide items that enhance the general public's view of the brand; and (3) to provide toys and other items for children as a way to build relationships with future customers" (Rifkin Hill, p.93).

In this image Harley Davidson has produced licensed products such as cigarette lighters from Zippo, as opposed to those made by Bic, as a matter of quality. Bic lighters are disposable, while Zippo lighters are meant to last forever much as the branding team at Harley Davidson hopes the brand image of the company will. In the toy market, Harley Davidson has teamed up with Barbie and created a Harley Barbie doll in an attempt to market the cool image and brand name of Harley Davidson to girls and get them to anticipate the "Harley Experience".

Harley Davidson understands the importance of its brand image and realizes that it must change, not its core values, but how it markets itself, or else it cannot adapt to the future, "The aura of Harley Davidson as a shared community can be experienced by someone wearing a Harley T-shirt in a checkout line or a cabdriver wearing a Harley belt buckle. Conversations start, experiences are shared, and both the community and the brand are extended." (Rifkin Hill, p.94).

Conclusion

Throughout 100 years in existence Harley Davidson has had great successes and devastating failures as a company, and no other American company has faced the challenges Harley Davidson has had to face, but through it all the leadership and brand management of Harley Davidson kept the legend alive. This chapter has shown the unique tasks that have been faced by the Harley Davidson Company, even just one of these negative turns in image could have caused any normal company to collapse.

However, Harley, through their leadership and brand management, actually turned negative perceptions about the company into positive attributes and, in doing so, created a company with a dual personality and century of history behind them.

Today Harley Davidson is one of the most successful companies in America, recently voted Forbes Magazine's company of the year for 2001. "In a disastrous year for hundreds of companies, Harley's estimated 2001 sales grew 15% to \$3.3 billion and earnings grew 26% to \$435 million, and its shares went up 40% in 2001" (Forbes 2002). This is just yet another example of how, through the implementation of Harley Davidson's core values, proper brand management and exceptional leadership Harley Davidson has been able to "stir passion in its riders, its dealers, and its employees and translate that passion into profit." (Forbes 2002)

Any company with such a successful history deserves to have its history, its success' and failures written about for the entire world to read. Harley Davidson is no exception, and there is by no means a shortage of material written on the famed American icon. Many authors have chosen to research and write about Harley Davidson, some from a historical perspective, while others focused on the brand management and marketing success of the company that has been discussed in this chapter. Many companies choose to have material written about them that reflects the positive aspects of the company history.

Such is the case for companies such as GE (General Electric) which was run by Jack Welsh, who many considered a brilliant CEO, incapable of being associated with any type of corporate scandal or inappropriate behavior. It has not been till his recent

retirement that questions of Welsh's business practices began to make their way into print.

However unlike GE, Harley Davidson has never hid any of its past. The company like others has had ups and downs, successes and failures, and all have been made public. Harley Davidson is an American icon because it is a company for the American people, and, for that reason, Harley Davidson has more written about it than perhaps any company in America today. Do to the overwhelming amount of literature that tells the Harley Davidson story, and its multiple angles, the next chapter will focus on the literature used in this study. The literature was reviewed with the goal of answering the primary as well as the subsidiary questions that have been posed by the author in chapter I.

Chapter IV

A Review of Literature

The image of Harley Davidson has gone through many changes in its 100-year history, during which the company has conquered many new frontiers and gone from Milwaukee to the cover of *Forbes* magazine. Harley Davidson has truly come a long way in its 100 years. Much has been written about the company, its history and its legendary status in the American marketplace, but nothing caught my attention more and inspired me to begin the quest to complete a thesis about Harley Davidson than the first time I glanced at the January 7, 2002 issue of *Forbes*.

Prior to my extensive research, I knew little about the Harley Davidson Motor Company and even less about motorcycles. But to my surprise looking at the cover of *Forbes* magazine I came across a picture of Jeffery Bleustein, the CEO of Harley Davidson, with a headline that read, "Company of the Year, HARLEY"(Forbes 2002). To say that I was surprised would be an understatement; I never understood how a company that makes motorcycles would rate as company of the year from such a prestigious magazine as *Forbes*. I proceeded to read the article entitled "Love Into Money" and I came to understand just what an amazing company Harley Davidson was on a multitude of levels.

One of the most striking facts that was made evident in this article, which came to print during a time of corporate scandal and fraudulent CEO's, is that during the disastrous times Harley Davidson's sales, "Grew 15% to \$3.3 billion and earnings grew 26% to \$435 million, and its shares were up 40% in 2001, while the S&P dropped 15%"(Forbes 2002). It was at this point that I realized that Harley Davidson was more

than just a motorcycle company, and that they were something else entirely. Harley Davidson's financial success is astounding in today's marketplace in which many companies go out of business before anyone even knows that they exist. Since Harley Davidson shares went public, the company's shares have risen 15,000% compared to Intel whose have risen 7,200% and GE whose rose 1,056%. This shows that Harley Davidson is not only dominant on the asphalt, but also in the boardroom.

One of the main driving forces behind the success of Harley Davidson on the corporate side is CEO Jeffery Bleustein, who said that to stay ahead in the marketplace, "We must pretend ten fiery demons are chasing us at all times" (Forbes 2002). It is this constant drive to be the best and stay ahead of the competition that has allowed Harley Davidson to achieve its much-deserved success. However, there is a problem on the horizon for Harley Davidson and that is that the age of Harley riders is steadily rising, the median age is 46 up from 37 in 1990 (Forbes 2002). Harley Davidson is addressing this issue currently in their acquisition of Buell Motorcycles, which cater to younger riders who crave speed and the tighter handling of European and Japanese motorcycles. Harley Davidson has also implemented a program called "Riders Edge," in which the company will teach you how to ride on a Buell Blast motorcycle and slowly bring you into the Harley Family. These two attempts to gain the younger market for Harley Davidson are working, but only time will be able to judge the overall success of these projects.

With Harley Davidson's riders' median age on the rise and Jeffery Bleustein looking to keep ahead of the competition, what could be next for a company that is steeped in tradition? A break from tradition and that is exactly what Harley Davidson has

created with their newest addition the V-Rod. The V-Rod is Harley's biggest break from tradition in 65 years" (Forbes 2002).

The 600-pound piece of jewelry made of chrome and brushed aluminum; the \$17,000 V-Rod boasts 100hp, nearly twice the muscle of a typical hog. Standing still it looks like it's doing 100mph; it can actually do 140. Harley sank more money into designing the V-Rod than any other project in the company's history (Forbes 2002).

In an attempt to beat back the demons, Harley Davidson indeed has come out with something revolutionary and extremely different than anything in the company's history. The engine for the V-Rod would come from collaboration between Harley Davidson and Porsche, who would work on creating a street version of the racing VR-1000 engine used in Harley Davidson racing motorcycles. While the engine itself was a breakthrough, the most amazing feature was that it was liquid-cooled, which ran in the opposite direction of the Harley tradition of air-cooled engines. The startling break from tradition caught the eyes of *Motorcyclist* magazine that pictured the V-Rod on the cover of their October 2001 issue with the headline "Cold Day in Hell".

From the traditions of quality to the patented noise to boardroom success, and now in the future and unknown territory, Harley Davidson continues to move forward ahead of those demons and under the careful watch of CEO Jeff Bleustein.

With my interest piqued by Harley Davidson, I began a quest to learn more about the company and how it came to be what it is today. To do so I turned to the company website, www.Harley-Davidson.com for more information. I first opened the section on the history of the company, which gave me a detailed breakdown of the company and

highlighted their achievements and struggles each year from 1903 through 2003. This site was very informative and gave a full picture of the history of Harley Davidson as only the company could tell it. Upon learning the basic history of the company, which has been discussed in the earlier chapters the website brought my attention to the Harley Owners Group (H.O.G) and told me more about what made Harley Davidson such a special thing. The mission of H.O.G. is to "Ride and Have Fun" (www.harley-Davidson.com/hog), the group exists to introduce people to the world of motorcycle riding and the family of Harley Davidson. H.O.G. allows people of all lifestyles to come together and find common ground, in this way they can forge new friendships while doing what they love, riding their Harley. H.O.G was established in 1983, and today there are more than 650,000 members of H.O.G. with 1,157 local chapters.

Harley Davidson as well as H.O.G. do an excellent job of promoting themselves and offering information about themselves on the Harley Davidson web site. The site is one of the most information packed sites I have come across on the web today and I feel that it is important for Harley Davidson to keep it functioning so all people will have the opportunity to learn about the great history behind Harley Davidson and see what the company is planning on for the future.

Upon learning all that Harley had succeeded in doing and what it was currently planning on for the future, I came to wonder how the company managed their brand and how exactly the brand was able to reflect such a positive image of a company that, like any other, has had its ups and downs throughout the years. In an attempt to find out more about brands and how they were managed, I turned to two textbooks used in the MBA

program at Seton Hall University, the first was *Managing Brand Equity* by David A. Aaker, and the second was *Strategic Brand Management* by Kevin Lane Keller.

Each of the books gave their definitions of what a brand is and discussed the misconceptions associated with the average person's view of what a brand is and is not. According to Aaker a brand is, "A distinguishing name and/or symbol (such as a logo, trademark or package design) intended to identify the goods or services of either one seller or a group of sellers, and to differentiate those goods or services from those of competitors." (Aaker, p.7) As I read through each of the books, I learned more about brands and what exactly a brand can do for the company besides be a symbol of recognition. I came to understand more about brand awareness which "is related to the strength of the resulting brand node or trace in memory." (Keller, p.87) As I became more familiar I looked at the Harley Davidson brand to better understand the company's brand awareness and brand marketing strategy. This allowed me to pose my research question for this thesis and allow for forward progress in the formulation of the first three chapters of research.

In order to understand the marketing and brand management strategies that have been implemented by Harley Davidson over the past 100 years, I wanted to look deeper into the company and see exactly what made this company survive despite turmoil and a multitude of crises. To do so I turned to the text *More Than a Motorcycle-the leadership journey at Harley Davidson* by Rich Teerlink and Lee Ozley. This text allowed for an inside view of how Harley Davidson was able to make it through one of the most difficult times in company history, the years between the late 1970's and early 1990's. Teerlink and Ozley discuss the poor production in the 1970's as a result of Harley Davidson's

relationship with AMF, as well as discuss the effect the poor quality had on the image of the brand. As the text explains Harley Davidson was on the verge of closing down, and most likely would have, if it had not been for the superior leadership at Harley Davidson, and their bold move to buy the company back from AMF.

Leadership in the new Harley Davidson would assume a new role, "To anticipate impending challenges, decide how to solve them, and then impose the prescribed solution on the organization." (Teerlink Ozley, p.15) This allowed for power to be in the hands of a few individuals, around which the organization would rally. Harley Davidson has taken a company on the verge of closing down and turned it into *Forbes* 2002 Company of the Year. This is all owed to leadership, by those who had the courage to take Harley Davidson back and run the company the "right" way. An important part of this "right" way management was for Harley to stick to its values and not become a company that would sell its soul for a profit. As Rich Teerlink says, "We believed in the importance of being genuine and doing what you say your going to do."(Teerlink Ozley, p.258) It is extremely important in a time when there are many fraudulent practices in business to have a company that sticks to its values and is able to have people that work for them that cherish the same values and put those values into every motorcycle that they produce. In addition to their strict adherence to their values, the company took a chance on people. Harley Davidson gets most of its research on the marketplace from its employees, and dealers, after all they are the riders of Harley Davidson. While many companies look for ways to make money for the company by itself, Harley Davidson asks for the input of its employees and values their opinions more than it would those of an outside firm to analyze the market. Two other factors important to the leadership journey are that

command and control were left behind, and the workplace became a sort of family, one in which every person matters. This strategy has led to some of the most innovative and traditionally “Harley” designs ever to come out of the company, as well as a feeling of satisfaction and pride in the company that is present in every product and aspect of the company. It’s something that Al Welsh of Atlantic County Harley Davidson says, “If I have to explain it to you, you just can’t understand it.”(Interview)

As I became familiar with what great leadership Harley Davidson had, I could understand how so many people had good feelings associated with this company. I also could see that this superior leadership was paramount to Harley becoming *Forbes* “Company of the Year”. In order to get more insight into the brand image of Harley Davidson itself I felt it important to look not just at the leadership but also at how America perceived Harley Davidson. In order to do so I turned to Brock Yates, and his *Outlaw Machine*. In this text the first section discusses the image of Harley Davidson and how it has grown from its initial stages. Yates leads the reader into the Harley lifestyle by addressing the issues that many associate with Harley Davidson, that of unlawful and wild biker gangs with little or no respect for authority, and while this may be the first impression of many about Harley Davidson. There is quite a lot more that must be said about this groundbreaking company and the country that created it. As Yates states,

“Harley Davidson symbolizes the best and the worst of a nation whose growth has been fitful, rebellious, disjointed, and cursed by raging crosscurrents and blurred imagery. If perception equals reality, the source of the Harley mystique begins not with the founding of the company in 1903 by the brothers Davidson, Arthur, William, and Walter, and their friend William Harley, but

rather in a steamy farm town in Northern California on Independence Day, 1947.”

(Yates, p.10)

It was *Life Magazine* that would expose Harley Davidson motorcycles as an instrument for destruction and the choice of ‘outlaws’ across the country. On July 21, 1947 *Life Magazine* published a photograph taken at the Hollister California motorcycle rally, which would grace the pages of the famed nationwide magazine. When the American public saw such pictures, they became outraged and terrified of anyone who would ride with a motorcycle club, fearing for the safety of themselves and their family. “Lock up your daughters! The Huns are on the roll! Your town could be next” (Yates, p.12) became the call of the American suburbs nationwide. People became terrified of bikers and of the Harley Davidson machines that they rode. Just as the company had gained notoriety for quality and reliability, the images of Hollister California formed a new image in people’s mind about Harley Davidson, that it was truly the instrument of destruction and disorder.

Yates questions the validity of the reports from the weekend in Hollister, calling it a situation of yellow journalism on behalf of *Life Magazine*. Yates lays blame on the magazine for developing an image of ‘outlaw’ behavior in the minds of Americans that was and in many cases still is associated with Harley Davidson.

Yates goes on to discuss how Harley Davidson would embark on the task of rebuilding the image that had been tarnished by the incident in Hollister California. It would not be an easy task for Harley Davidson’s brand image to overcome the negativity associated with it from Hollister, although it would face a much tougher adversary in the form of Hollywood. Americans have always had a love affair with Hollywood and the

movies they produce there, but in the time characterized the John F. Kennedy Years by Brock Yates, Hollywood produced a number of films that would further tarnish the image of Harley Davidson as well as further distort public opinion towards motorcycles. Films such as *Easy Rider* starring Peter Fonda and Dennis Hopper and earlier films such as *The Wild Ones* starring Marlon Brando showed a rebellious and more often 'outlaw' lifestyle associated with motorcycles. "Attempts by Harley Davidson to brush aside unpleasant images were futile" (Yates 59).

Yates goes on in his text to discuss the troubles of leadership that Harley Davidson would run into in the early 1970's and furthermore discusses the change in leadership during the AMF years. Toward the end of the text there is more discussion about the new Harley Davidson riders or the R.U.B.'s that are in many cases becoming Harley Davidson's newest and largest customers.

Till this day images of 'outlaws' are still associated with the Harley Davidson brand, and while the company has grown and expanded they never shy away from their outlaw image, that fits so well with the spirit of American freedom associated with Harley Davidson. It is this 'outlaw' image combined with quality and American freedom that brings together a family at Harley Davidson, composed of mechanics, bar tenders, doctors and lawyers alike. They all feel something that is indescribable for Harley Davidson and it wasn't until the company accepted its dual image that success was once again achieved in Milwaukee.

While the history and how that history has affected the defined brand image at Harley Davidson throughout the years is extremely important. I found it equally important to look at what marketing tactics were implemented by Harley Davidson to

protect this valuable brand image and promote a brand that is truly as unique and the American culture that has shaped it. In order to do so, I turned to Sam Hill and Glenn Rifkin's text entitled *Radical Marketing* in which chapter five is entitled *Harley Davidson: Deafening Roar of a Lifestyle Brand*

If one thing can be said about Harley Davidson, it's that there is nothing else like it, and this is the signature of a true radical marketer according to Hill and Rifkin, who say, "Radical marketers thrive because they refuse to act like the competition" (Hill Rifkin, p.74). What is so different about Harley Davidson motorcycles is, "its unique styling, its distinctive rumble, the sense of freedom and rebellion and rugged American individualism- there is, in fact no simple explanation for its appeal" (Hill Rifkin, p.75). With no explanation for its appeal Harley Davidson's CEO Jeff Bleustein says about the appeal of Harley Davidson, "Its not something that can be artificially created on Madison Avenue" (Hill Rifkin, p.75).

Much of the marketing of Harley Davidson's occurred due to the popularity of the motorcycles and the country's patriotic spirit in the current post September 11th world. However even before this Harley Davidson motorcycles have appeared in the 1997 Super Bowl during the halftime show, with over 100 Harley Davidson's being driven onto the field. As Rifkin and Hill point out there were companies who paid nearly \$1 million for thirty seconds of advertising time during the game while the more radical marketing of Harley Davidson managed to get free advertising for the whole halftime duration because much of Madison Avenue feels Harley Davidson is cool, and cool is equaling profit for Harley Davidson. With Harley Davidson becoming more and more popular, Rifkin and Hill look at what is so different about this company and its marketing that allows for

Harley Davidson to achieve this level of success. One important marketing tool is the sound patent Harley Davidson possesses for the "potato, potato, potato" sound from its V-Twin engine that is unmistakably Harley on the street, as well as in the U.S. Patent and Trademark Office. This is again another example of Harley doing it differently showing their radical marketing ability in how they are able to market their differences to make the company one of a kind.

In order to combat the ever-present negative 'outlaw' images associated with Harley Davidson the company has, "Created a worldwide club, become affiliated with a reputable charitable foundation, and celebrated the bonding experience of road rallies and annual biker gatherings in places like Daytona Beach and Sturgis, North Dakota" (Hill Rifkin, p.76). Currently Harley Davidson spends very little on advertising for its motorcycles, which again is very different from other companies who flood the marketplace with advertisements for their newest product. However, unlike others, Harley Davidson does not have to spend their money on advertising when their dealerships and customers do it for them for free. The current wait is almost one year for a new Harley Davidson from Milwaukee. With popularity such as Harley Davidson has, what more is a billboard going to do for the company?

Another marketing tactic for Harley Davidson came out of the leadership of the company. Upon the takeover from AMF Harley Davidson was once again run as a family with everyone playing a role and being equally important. It is this feeling of family that Harley Davidson instills in all of its customers, thus creating common ground among those in the country who would never, under other circumstances, find anything in common on their own. This feeling of family draws many riders to Harley Davidson

because they want to become part of something greater than themselves. With a family atmosphere being established, it is important that the company executives be part of this family all the way up to the CEO, and that is exactly what has happened at Harley Davidson. CEO Jeff Bleustein, as well as Willie G. Davidson and others made a number of trips on their Harley Davidson, to understand what it is their customers wanted. Furthermore, their passion for riding gives them a unique perspective that many executives don't have about their company. Bleustein and Davidson are not only executives they are customers as well, and that combined with truly listening to your family of customers has allowed Harley to give people what they crave and give the company a legendary status in the American marketplace.

Harley Davidson continues to stand tall among America's top companies, but it is the quality and the image of the product that makes Harley Davidson the American legend. The quality of Harley Davidson's as well as the family has created some of the most loyal customers of any company in the world. In order to see this loyalty you need not look further than the tattoos on many Harley owners bodies. The Harley Davidson logo is one of the most tattooed symbols in the world and as Joanne Bischmann of Harley Davidson says, "It's a matter of pride and a badge of honor" (Hill Rifkin, p.88). Such free advertising comes easy to Harley Davidson, because of the feeling they have instilled in their loyal customer base.

In order to get past the negative images associated with the company that have been previously mentioned, Harley Davidson has aligned itself and the H.O.G. (Harley Owners Group) with the Muscular Dystrophy Foundation which is a "an honorable and highly visible charity" (Hill Rifkin, p.91) and under this partnership Harley Davidson has

raise over \$25million for Muscular Dystrophy Research over the past 15 years. This shows yet another of the ways Harley Davidson is committed to the community and how it is attempting to leave behind many of the misconceptions that have plagued the company in the past.

While a business success, Harley Davidson does not simply sell motorcycles; the company markets and sells the lifestyle that is built around the motorcycle. The lifestyle and spirit that is Harley Davidson can be seen in a number of products all produced to build a positive brand image about the company. Products such as the previously mentioned Harley Davidson edition Barbie doll and cigarette lighters manufactured by Zippo, all encompass the lifestyle that is Harley Davidson and are a quality product that will rival the quality and effort put into the manufacturing of each motorcycle.

Hill and Rifkin end their chapter on Harley Davidson by looking at what the company plans to do in order to stay radical marketers and be able to stay atop the motorcycle world. They conclude that the company must continue to grow its relationships, as well as develop new ones and bring new customers into the Harley family. As CEO Jeff Bleustien says, "We've found that providing the total experience is key, and that's not quite as easy to copy" (Hill Rifkin, p.98). With the total experience packaged up in everything Harley Davidson does, the company currently looks to the future, with a cautious yet very optimistic outlook.

Now that I had gotten a full understanding of the company I wondered just what Harley Davidson had up their sleeve that gave them such an optimistic outlook in an economy on the downturn. This is when I turned the channel and found The Discovery

Channel's program, *Birth of the V-Rod*. By a turn of fate and click on the remote my question had been answered as to what Harley had in store for the future of the company.

The V-Rod is unique for Harley Davidson. As stated previously, it was a great break from tradition, but the V-Rod has a spec sheet sure to impress any rider. It is Harley Davidson's first ever, liquid cooled engine, also the first all steel and aluminum body for the company, and it boasts an impressive 115 horsepower out of the box. The V-Rod is meant to be a "symbol of the American spirit itself" (Discovery Channel) and it truly is representing the every evolving history of the American culture and spirit.

The V-Rod was a secret design that was hidden from all but those working on the project, it was code named the P4 Digger, in its initial testing stages. The engine for the bike, the VR1000, was taken from Harley Davidson's super bike team. However, the design for the bike was turned over to Willie G. Davidson, the Vice President of Styling for Harley Davidson and grandson of the founder. Willie G had always worked for Harley and, in the 1960's, he went through design school in California, only to return to Milwaukee with some of the most exciting designs and concepts the company had ever seen.

The inspiration for the V-Rod came from a drag racing bike. The team wanted to give the bike a low aggressive stance, so that it would look like it was doing 100mph even when it was standing still. The VR1000 engine chosen for the bike would not fit in the current frame designated for the V-Rod, so a new one had to be constructed, but at the same time it would have to meet the styling standards of Willie G.

The first prototype was finished in 1996 and along with it came the first ride of the new V-Rod, still secretive to many the bike was painted flat black and stripped of all

identifying marks. The engine still needed some work, because the VR1000 racing engine used was not street legal and could not hold up to the rigors of every day street riding. To complete this engine Harley Davidson teamed up with Porsche, in Weissach Germany in 1996, and was able to build an engine beyond their wildest imaginations. With the engine being manufactured the new V-Rod needed a new exhaust, one which could hold 12 liters of air, the biggest exhaust ever to be produced by Harley Davidson. Another first that caused it share of problems was the radiator for the V-Rod, which was nicknamed "Gumby's Casket". The radiator had to be practical, but stylish at the same time, which gave the designers many headaches during the creation and design process.

Harley Davidson officially released the V-Rod to the public in 2001. The motorcycle represents years of work, as well as groundbreaking development and design strategies for Harley Davidson, showing clearly why there is an optimistic outlook for the future of this great American company.

There is much written about Harley Davidson, both in the motorcycle and marketing worlds. One area in the marketing world in which Harley Davidson has been recently discussed was at the Corporate Design Center website, in an article entitled *Harley Davidson: Marketing an American Icon*. This article was extremely helpful in supporting the previous research I had conducted, as well as backing up some of the conclusions that I had come to in my research. The article focuses on the design of the Harley Davidson Motor Company and discusses the corporate culture behind the marketing of the motorcycle that has become an American icon. Corporate Design Foundation talks about how Harley Davidson is not just a company, but more like a family in which everyone does their best to see it succeed. This feeling of family and

passion in their product is portrayed in all the marketing Harley Davidson produces, making everyone who rides a Harley feel at home in Milwaukee. In the text, it can be seen that Harley Davidson listens to their customers and feel that they are an integral part of the design process. Often the executives will go out of the office and attend rallies and get ideas from the people who know their product the best, their customers. Harley Davidson has also redesigned their stores and dealerships to give them a more friendly feeling selling Harley Davidson licensed apparel in each of them exclusively. This change from the traditional image of a greasy, dirty biker shop is far from the new Harley Davidson dealership. This is yet another step taken by the company to market itself to the American people and disassociate itself from the negative stereotypes that once plagued the company.

In addition to all the material that was used for the research of the Harley Davidson Motor Company, the review of literature would not be complete if I were to neglect to mention some recent articles. These articles show the vast diversity and commitment to the community and country that Harley Davidson has.

The first of these was come across in *The Star Ledger* Newspaper, written by John Curran and titled *Librarians with plenty of dates*. This article tells the story of the librarians in Ocean County, New Jersey, who put together a calendar, which pictured many of them in leather posing on a Harley Davidson XL 1200 Custom Sportster. The calendar was put out to raise money for the Ocean County libraries and to publicize a raffle for the Harley Davidson in the pictures. The librarians, showing anyone can become a Harley person, sold over 300 of the calendars; many libraries throughout the

country are following the example of the Ocean County librarians and raising money for their library.

While some pose on Harley Davidson's others ride them with a purpose; that is the subject from the March 6, 2003 Star Ledger article written by Andy Seyka, entitled *Veterans on motorcycles have a mission*. This article focuses on Bob Tagert of South Brunswick NJ, and his non-profit group Rolling Thunder whose mission is, "To publicize Vietnam POW/MIA issues help disabled veterans from all wars" (Seyka, *The Star Ledger*). Rolling Thunder is a motorcycle group that does good for the community, they visit veterans homes and, "Is best known for its annual Ride for Freedom to Washington D.C. in support of Veterans and POW/MIA's" (Seyka, *The Star Ledger*). The group uses the motorcycles that they ride, many of them Harley Davidson's, as a means to draw attention to the group and their message. As Artie Muller, of Neshanic Station, who is the President of the group says, "If we rode in cars to Washington, D.C., all that would create is a big traffic mess, being on a motorcycle makes more of a statement". Rolling Thunder is yet another example of people making a difference in the country that they love on the bike they love, Harley Davidson. This recent example of Harley Davidson in the community shows that the company is still serving its country as it has throughout the years.

When the United States armed forces are overseas in Iraq defending our freedom, they are under the command of General Tommy Franks of the United States Army. However, in the March 7, 2003 article *A Tough general also known as Pooh* written in the Star Ledger by Nancy Benac, we find that there are many interests away from the battlefield for General Franks, including country music, Mexican food, and a passion for

motorcycles, in particular Harley Davidson's. King Abdullah II of Jordan gave a Harley Davidson to General Franks when he discovered that the two men had a common interest in motorcycles. This shows just the universal impact that Harley Davidson can have, people find common ground in the love of motorcycles, and anyone from librarians to Army Generals can share this passion.

From 1903 Harley Davidson has been a constant in the American landscape, it has taken Americans to war and taken them across the country. Harley Davidson is truly a symbol of the American spirit allowing people to find common ground with each other. The success of Harley Davidson did not come easy, but nothing worth having ever has throughout history and now as Harley Davidson looks at its next 100 years the company looks forward to the challenge.

Conclusion

There is an extraordinary amount of material published about Harley Davidson, both as a company, and as an American Icon. Many of the authors discussed within the review of literature for this study believe that marketing and a continued positive brand image are vital for Harley Davidson's future success. The literature also suggests that Harley Davidson is more than a motorcycle and that, in fact, it is truly an American icon, that has grown and changed in its image along with the country.

Through the review of literature we have seen the progression of Harley Davidson from 1903 till the present day. While this literature has proven important in confirming claims made by the author in earlier chapters, it is truly the people that make Harley Davidson a company with a great following and literary history. Due to this the next chapter in the study will focus on the analysis of survey results obtained by the author

from a vast cross-section of society. Such analysis will lead to the understanding of society's view of Harley Davidson. Harley Davidson, unlike other companies, has such a high level of brand recognition that almost everyone across the country is at least familiar with Harley Davidson in some form or another. It is vital to this study that we look these survey results and see if the brand loyalty and American love affair with Harley Davidson truly exists. More importantly does it exist in the manner that Harley Davidson and much of the literature claims that it does? In order to answer this question we must now turn to the analysis of the survey.

Chapter V

SURVEY

Description of the Survey

The Survey (see Appendix A) included nine statements that were measured on the Likert scale, which utilizes a five-point scaling system. The scale ranged from 1 through 5: One, meaning that the individual strongly disagreed with the statement; two, meaning that the individual disagreed with the statement; three, meaning that the individual felt neutral about the statement; four, meaning that the individual agreed with the statement, and five, meaning that the individual strongly agreed with the statement. Each of the nine statements contained in this survey pertained to Harley Davidson and the image of the company and its brand reputation. The goal was to elicit either a positive or negative response from the respondents on their feelings toward Harley Davidson and the company's image as an American icon.

Sample

The sample used to complete this survey consisted of 48 people of all lifestyles. Since Harley Davidson is not simply a motorcycle, but an American icon, and holds symbolic meaning to many, I found it important to obtain data from a variety of lifestyles, not simply those affiliated with Harley Davidson. The survey responders ranged in age from 18 through 70 and in lifestyle from librarian to former racers for Harley Davidson, as well as mechanics. Through experience, I had found that everyone has an opinion on Harley Davidson, some are positive, while some remain negative.

However the Harley Davidson and the image around it is something that all American are familiar with to some degree.

Purpose of the Survey

The purpose of this survey was to determine how people throughout America, who come from various backgrounds and professions, view Harley Davidson Motor Company. Did people see Harley Davidson as a tool for lawlessness? Or did they view the motorcycle as a symbol of American freedom? This survey allowed for the author to obtain a true picture of the feeling and beliefs associated with Harley Davidson from a survey pool as rich and diverse as the Harley Davidson family itself.

Analyzing the Results of the Survey

The survey results were gathered within a month's time by responders returning the surveys via e-mail, standard mail, or hand delivering them to me. Each of the responders answered all nine statements using the Likert Scale and answered the additional questions that were asked of them at the end of the survey. After the data was collected, it was analyzed and tallied to obtain the result that shall be presented in this chapter.

Statement 1: Harley Davidson is one of the most recognizable brands in the American marketplace.

For this statement 29 respondents strongly agreed (Answer 5) that, "Harley Davidson is one of the most recognizable brands in the American marketplace". There

were 15 responders who agreed (Answer 4) with the statement, three who felt neutral (Answer 3) about it, 0 responders disagreed, and 1 strongly disagreed (Answer 1).

Since the majority of subjects either strongly agreed (Answer 5) or agreed (Answer 4) with statement 1, we can conclude that there is a strong feeling among many that Harley Davidson is indeed one of the most recognizable brands in the American marketplace. This shows the immense impact Harley Davidson has had on the marketplace over its 100 years in existence.

Strict licensing and brilliant brand management has allowed for Harley Davidson to be seen throughout the country. It is due to the tireless effort to promote the brand and the lifestyle associated with it that I believe people have come to recognize the Harley Davidson brand as more than a motorcycle.

Statement 2: Harley Davidson does not simply sell motorcycles. The company markets and sells a lifestyle.

Upon evaluation of this statement 12 respondents strongly agreed (Answer 5) with the statement that, "Harley Davidson does not simply sell motorcycles. The company markets and sells a lifestyle". 26 respondents answered that they agree (Answer 4) to the statement, 5 felt neutral (Answer 3), 4 disagreed (Answer 2) with the statement, and 0 strongly disagreed (Answer 1).

Upon evaluation of the responses, it can be seen that the majority, 26, answered that they agree (Answer 4) to the statement, the next highest response was that of strongly agree (Answer 5) with 12 responses. From this we can conclude that Harley Davidson is

not simply a motorcycle, but is more of a lifestyle that is marketed and sold by the company, and understood by many throughout the country.

It is hard to miss the Harley Davidson logo wherever you may choose to go. The Harley Davidson bar and shield logo is one of the most popular tattoos in the world. A company does not receive such customer loyalty and pride by simply building a motorcycle; it is the lifestyle that people see first, then they see the motorcycle. I think the majority of people understand that there is a lifestyle marketed by Harley Davidson for the customers that can be seen in their fierce loyalty to the brand.

Statement 3: R.U.B.'s (Rich Urban Bikers) and women should not ride Harley Davidson's.

After evaluating this statement, 2 respondents strongly agreed (Answer 5) that "R.U.B.'s (Rich Urban Bikers) and women should not ride Harley Davidson's." 7 respondents agreed (Answer 4) with the statement, 7 also felt neutral (Answer 3) on the question, while 15 respondents disagreed (Answer 2), and 16 answered strongly disagree (Answer 1).

The responses to statement 3 allow us to see that the majority of respondents 16 strongly disagree that "R.U.B.'s (Rich Urban Bikers) and women should not ride Harley Davidson's". The next highest response was those who disagree, numbering 15 responses. From this we can see that the majority of people feel that anyone has a right to feel the freedom of the open road on a Harley Davidson, regardless of gender or class. Harley Davidson would have to agree, based on the fact that they are currently marketing to women and other marketplaces not traditionally associated with Harley Davidson.

America is the land of the free. Generally American people are tolerant and open people, so it does not surprise me that the majority strongly disagreed to statement 3. The feeling of freedom associated with Harley Davidson is a feeling that cannot be equaled, and this freedom should be allowed to be experienced by everyone. The founders of Harley Davidson built their first bike for the people and I feel that the American people still believe that, that is who it still belongs to.

Statement 4: Harley Davidson's brand image is the key to the current success and the future of Harley Davidson as an American icon.

Upon reading statement 4, 16 respondents strongly agreed (Answer 5), Harley Davidson's brand image is the key to the current success and the future of Harley Davidson as an American icon. 21 respondents agreed (Answer 4), 10 felt neutral (Answer 3) about the statement, and zero answered that they disagreed (Answer 2) or strongly disagreed (Answer 1).

The responses to statement 4 show that the majority agree (Answer 4) with the statement. This data shows the importance of the Harley Davidson brand image, its impact to the company, and its continued success in the American marketplace. People who are not associated with Harley Davidson products are still exposed to the brand image of the company and they believe as much as those familiar with Harley Davidson that the brand image is central to Harley Davidson's present and future success.

I feel that the majority of people in the American landscape are familiar to some degree with Harley Davidson, as I was when I first embarked on this study. Many recognize the brand of Harley Davidson, but few understand the business and inner

workings of the company. Despite that, people realize that there is something special about the Harley Davidson brand and the respect and loyalty it commands from its customer, this I feel brought the majority to agree with statement 4.

Statement 5: The diversity of Harley Davidson owners is directly related to the company's dual image as a motorcycle of quality and a motorcycle that is the choice of outlaw bikers.

After evaluation of statement 5, 8 respondents strongly agreed (Answer 5), that the diversity of Harley Davidson owners is directly related to the company's dual image as a motorcycle of quality and a motorcycle that is the choice of outlaw bikers. 22 respondents agreed (Answer 4) with the statement, 10 felt neutral (Answer 3), while 7 disagreed, and zero strongly disagreed (Answer 1).

The majority of responses obtained came from people who agree (Answer 4) with 22 responses. This evidence shows that there is a link between the history of Harley Davidson and the reasons that people choose to purchase the motorcycle today. People purchase motorcycles for different reasons, but the diversity of the Harley Davidson family is related to its legendary past and the image the motorcycle has taken on throughout the years.

There are people of all lifestyles that ride Harley Davidson motorcycles, from the biker bar across town to the local dentist; they all take pride in their passion. It is this large and diverse customer base that people are familiar with in relation to Harley Davidson and I believe the recognition of this led the majority to agree to statement 5.

Statement 6: Currently the famed Harley Davidson "bar and shield" can be found on nearly all forms of merchandise. This current licensing practice by Harley Davidson to allow for the company logo to be used on multiple forms of non-motorcycle related merchandise is weakening the integrity of the Harley Davidson brand.

After evaluating the statement 3 respondents answered that they strongly agree (Answer 5), that Currently the famed Harley Davidson "bar and shield" can be found on nearly all forms of merchandise. This current licensing practice by Harley Davidson to allow for the company logo to be used on multiple forms of non-motorcycle related merchandise is weakening the integrity of the Harley Davidson brand. 12 answered that they agreed (Answer 4), while 9 felt neutral to the statement, 18 respondents disagreed (Answer 2) with the statement, and 5 strongly disagreed (Answer 1).

The majority of the responses favor those who disagreed (Answer 2) with 18 responses, however it was close with those who agreed (Answer 4) with 12 responses. This shows that there is not a clear answer to the statement, however the majority believe in the licensing practice of Harley Davidson, and feel that it will only serve to better the company, and not dilute the brand image the company has worked so hard over the years to develop.

The licensing practices of Harley Davidson are allowing for the brand to become even more familiar to people across the country. I feel that this building of familiarity is what the majority of people agreed to in statement 6. With more images of Harley Davidson on the marketplace, the image of the company reaches a broader market and as the majority feel will not weaken but rather strengthen the brand.

Statement 7: The late 1970's, or the AMF years of Harley Davidson, which were often characterized by poor quality control due to mass production, are often viewed in a negative light. However these years were vital to the company's success and Harley Davidson's position in the marketplace.

After evaluating the statement 4 respondents agreed (Answer 5), that the late 1970's, or the AMF years of Harley Davidson, which were often characterized by poor quality control due to mass production, are often viewed in a negative light. However these years were vital to the company's success and Harley Davidson's position in the marketplace. 11 respondents agreed (Answer 4), while 26 felt neutral about the statement, 5 disagreed (Answer 2), and 1 respondent strongly disagreed (Answer 1).

The overwhelming majority with 26 responses tended to feel neutral (Answer 3) towards this statement, showing the true dilemma of the times. While the AMF years caused many bad feelings some, which have never healed, the capital and exposure AMF brought to Harley Davidson was vital. The question as to whether or not the years were positive or negative is something that may never be answered, as shown by the indecisive responses obtained in this survey.

I feel that the reason behind the majority of respondents feeling neutral towards this question is that many are not familiar enough with the company history. While people may live the lifestyle and understand the company today, many have not taken the time to research the history of this great company.

Statement 8: In response to consumers' demand for customization of Harley Davidson's the company under the guidance of Willie G. Davidson released the "Factory Custom" line. This new Harley line provided a customized appearance straight from the factory. This as well as other examples show the importance of customer input in the design and creation of Harley Davidson motorcycles.

After evaluating the statement 11 respondents answered that they strongly agree (Answer 5) that in response to consumers' demand for customization of Harley Davidson's the company under the guidance of Willie G. Davidson released the "Factory Custom" line. This new Harley line provided a customized appearance straight from the factory. This as well as other examples show the importance of customer input in the design and creation of Harley Davidson motorcycles. 29 respondents answered that they agreed (Answer 4) with the statement, 6 felt neutral (Answer 3) about the statement, while 1 disagreed (Answer 2), and zero strongly disagreed (Answer 1).

The majority of responses agreed (Answer 4) with the statement with 29 responses indicating so. The fact that people recognize the influence that they can have in the design of a product they want to purchase, and often have a passion for will lead many people to Harley Davidson, making them feel as Harley Davidson puts it, part of the family. This is a major marketing tool for the company, and one that has proven successful over the years and is reaching many people as is show by the majority of responses answering agree (Answer 4) to the statement in this survey.

The majority tended to agree to this statement, whether they were or were not familiar with the release of the "Factory Custom" line from Harley Davidson, because they realized that it is a simple case of understanding your customers. Harley Davdison

has always strived to meet the needs of its customers, because they are one of the most important pieces in the Harley family, I feel many people understand that or, from this example, can see how Harley Davidson works for its customers needs.

Statement 9: Harley Davidson's liquid cooled VR-1000 engine is used in the latest addition to the Harley line, the V-Rod. While a break from the traditional air-cooled V-Twin engine used throughout Harley Davidson's history, it is a step forward for the company while still maintaining the strict standards of Harley Davidson.

After evaluating the statement 8 respondents answered that they strongly agreed (Answer 5) that, Harley Davidson's liquid cooled VR-1000 engine is used in the latest addition to the Harley line, the V-Rod. While a break from the traditional air-cooled V-Twin engine used throughout Harley Davidson's history, it is a step forward for the company while still maintaining the strict standards of Harley Davidson. 17 responded that they agree (Answer 4), 20 felt neutral to the question, while zero disagree (Answer 2), and 1 strongly disagreed (Answer 1).

The majority of respondents felt neutral (Answer 3) towards this statement with 20 responses received, however this was close due to 17 respondents agreeing (Answer 4) with the statement. This shows that there is a division among many people as to the new direction that Harley Davidson is taking in the design and manufacturing their bikes for the next 100 years, and many who are traditionalist say the company must stay true to the past, many others feel that the company, with the introduction of the V-Rod is staying true but at the same time forging ahead. Only time will truly tell us the answer to such a statement.

Once again I feel that the majority answered neutral due to a lack of information on the subject. Many people believe that technical advances are good for a company in order to grow; however many are unfamiliar with the new technology that Harley Davidson has put into its VR-1000 engine. I believe that this lack of knowledge and the ongoing debate as to whether or not this new engine is too large a break from tradition for Harley Davidson cause the majority to respond neutral to statement 9.

Cross tabulations

In order to get a more in depth view of the respondents and their feeling and opinions toward the questions asked of them in the survey, a series of cross tabulations was conducted of various answers throughout the survey. The results show what a certain group, who may have answered one way to a specific question felt as a whole in response to another question chosen from the survey.

The first of the cross tabulations that was conducted focused on gender and comparing that with the responses to statement 3, that R.U.B.'s (Rich Urban Bikers) and women should not ride Harley Davidson's. The results of the cross tabulation show that 4.4% of the total responses strongly agreed (Answer 5) to the statement, 15.6% answered that they agreed (Answer 4), 13.3% answered that they felt neutral (Answer 3) to the statement, while 33.3% disagreed (Answer 2), and 33.3% also strongly disagreed (Answer 1).

Males comprised 60% of the respondents while Females comprised 40%. Of the 60% of males that responded 7.4% strongly agreed (Answer 5), 25.9% agreed (Answer 4), 18.5% felt neutral (Answer 3), 25.9% disagreed (Answer 2), and 22.2% strongly disagreed with the statement.

Of the 40% of Females who responded 0% strongly agreed (Answer 5), 0% agreed (Answer 4), 13.3% were neutral (Answer 3), 33.3% disagreed (Answer 2), and 33.3% strongly disagreed (Answer 1) with the statement.

While there is a higher percentage of male respondents who feel R.U.B.'s (Rich Urban Bikers) and women should not ride Harley Davidson's, than females, the overall response of strongly disagree (Answer 1) and disagree (Answer 2) each receiving 33.3% of the overall responses shows that there is a feeling that anyone should be allowed to ride Harley Davidson's. This shows the vast diversity that can be associated with Harley Davidson, because people feel that the company and the motorcycles are open to anyone. Harley Davidson has truly done a remarkable job of making themselves the motorcycle of the American people, and as the survey results show through this cross tabulation a company that is open to anyone.

A second cross tabulation that was conducted compared the familiarity levels of respondents with Harley Davidson to statement 2, that Harley Davidson does not simply sell motorcycles. The company markets and sells a lifestyle.

The level of familiarity with Harley Davidson was measured on a likert scale, as was the previous statements in the survey. 11.1% of respondents responded they had never heard of Harley Davidson or had extremely limited knowledge of the company (Answer 1), 17.8% of the respondents responded they were not familiar with Harley Davidson (Answer 2), 37.8% answered that they were familiar (Answer 3) with Harley Davidson, 22.2% were very familiar with Harley Davidson, and 11.1% responded that they were extremely familiar with Harley Davidson.

Of that 11.1% who reported level 1 of familiarity, 2.2% strongly agreed (Answer 5) to statement 2 that Harley Davidson does not simply sell motorcycles. The company markets and sells a lifestyle, 6.7% agreed (Answer 4), and 2.2% disagreed (Answer 2).

Of the 17.8% who answered level 2 of familiarity, 11.1% agreed (Answer 4), and 6.7% felt neutral about the statement. Of the 37.8% who answered level 3 of familiarity, 6.7% strongly agreed (Answer 5), 24.4% agreed, 4.4% felt neutral about the statement, and 2.2% disagreed. Of the 22.2% who answered level 4 of familiarity, 8.9% strongly agreed (Answer 5), 11.1% agreed (Answer 4), and 2.2% disagreed. Finally of the 11.1% who answered level 5 of familiarity, 8.9% strongly agreed and 2.2% disagreed.

Overall of the 48 people surveyed 12 or 26.7% answered strongly agree (Answer 5) to statement 2, and 24 of that 45 or 53.3% answered that they agree (Answer 4). In addition 80% of those extremely familiar with Harley Davidson answer that they strongly agree (Answer 5) to statement 2.

This cross tabulation shows that people with all different levels of familiarity with Harley Davidson understand that the company is a lifestyle brand, in that it markets more than just a motorcycle but rather a way of life, one which many are familiar with regardless of their familiarity with the company. However, a stronger indicator is from those who are extremely familiar with the Harley Davidson Motor Company and, with over 80% of them strongly agreeing with the statement, Harley Davidson is truly marketing and selling more than just a motorcycle.

The final cross tabulation undertaken in this study is to compare riders and non-riders in their responses to statement 9 that Harley Davidson's liquid cooled VR-1000 engine is used in the latest addition to the Harley line, the V-Rod. While a break from the

traditional air-cooled V-Twin engine used throughout Harley Davidson's history, it is a step forward for the company while still maintaining the strict standards of Harley Davidson.

Of the 48 people surveyed 9 or 20% were motorcycle riders, and 36 or 80% were non-motorcycle riders. Of that 20% who are motorcycle riders 11.1% answered strongly disagree (Answer 5) to statement 9, 22.2% answered neutral (Answer 3), 33.3% agreed (Answer 4), and 33.3% strongly agreed (Answer 5) with the statement. Of the 80% who were non-motorcycle riders 37.8% responded neutral (Answer 3) to the statement, 41.7% agreed (Answer 4), and 11.1% strongly agreed with statement 9.

Overall 15.6% strongly agreed (Answer 5) with statement 9, 40% agreed (Answer 4), 42.2% felt neutral (Answer 3), and 2.2% strongly disagreed (Answer 1). This cross tabulation shows that the majority of those who were surveyed feel that the V-Rod from Harley Davidson is good for the company and that it will allow for success in the future without destroying any of the company's tradition. 33.3% of the current motorcycle riders surveyed responded strongly agree (Answer 5), further emphasizing the positive impact that the V-Rod will have on Harley Davidson Motor Company in the next 100 years from the people who know Harley Davidson best, their customers.

Interviews

Interviews were conducted on two separate dates, with individuals affiliated with Harley Davidson Motor Company, both serve in different capacities in different locations, however both share a love for Harley Davidson and were more than willing to assist the author with the verification of facts throughout this survey. These two separate interviews

were conducted to obtain information about Harley Davidson, as well as compare responses from the interviewees and the respondents to the survey (Appendix A).

The first interview was conducted by phone, with Chris Teitelbaum, a Material Cost Analyst/ Senior Purchaser for Harley Davidson in Milwaukee. The interview was conducted on January 21, 2003. Through this interview Chris and I discussed much of the history of Harley Davidson and he led me to 5 major crises that the company has faced in its 100 years of existence, the first being that in 1920, 28,000 motorcycles were produced, however, cars were becoming a large threat for the company. The second crisis was the Great Depression, during which production dropped from 22,000 motorcycles to only 3,000 produced yearly. The third crisis was World War II, in which Harley Davidson focused on war time production and produced 28,000 motorcycles for the U.S. Army, however after the war there was no money and no demand for the Harley Davidson motorcycles. The fourth crisis faced by Harley Davidson was postwar demand numbers, in which the demand for Harley Davidson fell as veterans returning home from the war focused on purchasing houses, and not motorcycles. The final crisis came in the 1970's when Harley Davidson was purchased by AMF, during which Japanese competition became a real struggle for the company to deal with, and Harley Davidson nearly went out of business as their competitor Indian had years before. Much of this was caused by the marketing campaign of Honda, the "You meet the nicest people on a Honda" campaign, which portrayed Harley Riders as rough and outlaw types, furthering the image the company had gained from the Hollister California rally.

Chris further explained how, at Harley Davidson, there is a great sense of family and that riding a Harley Davidson in Milwaukee makes you part of a family. He would

go on to say that there is dramatically more motorcycle riders throughout the Midwest than there are in the area of the east coast of the United States, specifically in his home state of New Jersey.

Harley Davidson takes great pride in protecting the company brand image, and Chris explained that there are strict licensing regulations that are established by the company in order to protect the image while getting maximum exposure for the company. Currently the Harley Davidson "bar and shield" logo is one of the top 5 most recognized logos in the world according to Chris, but it was not until the mid 1980's that Harley Davidson, as a company, would realize this. It took until 1983 for the strict Trademark Licensing Program to take effect at Harley Davidson.

Another issue that was stressed in the course of the interview was that of quality. Chris was very clear that Harley Davidson, from its motorcycles to its merchandise, is vigilant in making sure everything that the company produces is of the highest quality and meets the standard of their customers. Anything that does not, is immediately pulled off the shelves.

As many of the respondents answered in the survey Chris feels that Harley Davidson does sell a lifestyle and not simply a motorcycle, and he quoted the mission of Harley Davidson by saying "the mission is to fulfill dreams through the experience of motorcycles". This truly shows that there is something more than a motorcycle that is being marketed by the people at Harley Davidson and it is something that most people across the country understand, regardless of their familiarity with Harley Davidson.

As a final question I asked Chris what he felt was the strongest part of Harley Davidson as a company? He replied "Brand" and from this he went on to explain that the

Harley Davidson brand has the ability to change with the times, reach an extremely diverse market of people, and is able to expand by "making the bike and the experience right for the consumer".

The second interview conducted was with Al Welsh of Atlantic County Harley Davidson/Buell, on February 11, 2003. The interview was conducted in person at the Atlantic County Harley Davidson/Buell dealership. This interview was extremely informative in terms of understanding more about the motorcycles that Harley Davidson manufactures and what exactly the customers and dealers feel about Harley Davidson.

One of the first questions that were discussed relates to Harley Davidson's newest addition the V-Rod. I questioned Al as to whether or not people felt it was a step forward for the company, or if people were unhappy with Harley Davidson newest motorcycle. He explained to me that he personally felt that the bike rode terrifically and that it was a true step forward for Harley Davidson. However, Al went on to say that despite the great ride the true Harley sound was lacking in the V-Rod and went on to say that many traditionalists feel similar, and while they like the V-Rod they feel something "Harley" is missing from it.

In regard to the current licensing practices of Harley Davidson, Al felt that it is a good thing for the company to do and feels that it will not dilute the brand in any way, as long as the strict regulations regard licensing and brand integrity are followed by the company. However, as a dealer of Harley Davidson he feels left out by this current licensing and marketing of Harley Davidson. Al believes that the dealerships, which are the link between the company and their customers, should be given exclusive rights to sell Harley Davidson merchandise. Other larger stores can buy more and sell Harley

Davidson merchandise at a cheaper price than the dealerships, and according to Al this cuts the dealer network, vital to Harley Davidson out of the merchandising business.

While Harley Davidson has been the main focus of this study it is important to talk also about Buell, Harley Davidson newly acquired street bike company, which is know for its exceptional handling ability and unique design. Al currently rides a Buell as well as a Harley Davidson, and when asked about where Buell fits into the marketing strategy of Harley Davidson, he explained that Buell is marketed towards those ranging in age from 25- 40 years old. Buell motorcycles are not designed to race at 180mph as some of the Japanese racing bikes are, rather Buell focuses on the braking system, unique styling, and handling. Al went on to explain that he has some motorcycle racing history and that he rides a Buell for the handing as well as the speed, which is not emphasized but can do nearly 140mph. He believes that riding the Buell motorcycles reminds him of his racing days.

One of the most interesting parts of the interview I found to be discussing the individual personality of each and every Harley Davidson. As Al pointed out no two Harley's are the same, each takes on the personality of its owner. Harley Davidson allows for the widest range of customization of any motorcycle allowing for every motorcycle to become truly personal. As riders customize their Harley Davidson, they put their own spin on the motorcycle and the bikes allow for this to happen, unlike many Japanese models, which limit the amount you can customize your motorcycle, giving Harley Davidson a unique advantage.

With the median age of the Harley Davidson owner constantly on the rise, Harley Davidson must find new ways to attract new riders, and bring other market segments to

the Harley Davidson family. Al pointed out the first way of attracting new riders, the *Harley Davidson Riders Edge Program*. The purpose of this program is to train new riders how to ride a motorcycle and introduce them to the world of Harley Davidson. Each rider is trained on a Buell Blast motorcycle and taught not just how to ride but as Al pointed out they are taught how to avoid accidents and trained to deal with situations that you may come across. This program has been instituted at many Harley Davidson dealerships across the country and is an attempt to bring new riders to Harley Davidson and expose them to the Harley Davidson and Buell line of products in order to gain new customers that will hopefully remain loyal customers.

A final issue discussed during the interview was that of women, specifically referring to whether or not a woman should ride a Harley Davidson, referring to statement 3 in the survey. Al told me that more and more of the riders that are coming into his dealership are women and that while Harley Davidson has marketed in the past primarily to men, the company now is attempting to adapt and market toward women. Al pointed to the Dyna-Glide Super Low, motorcycle, which has the lowest seat height of any Harley Davidson, made specifically to accommodate women, who are not generally as tall as men. Al feels that anyone who wants to ride should be allowed to and considered a valued customer to the company and believes that it is important for Harley Davidson to recognize the importance of this new women's market, because it is only going to grow in the next 100 years.

Conclusion

The survey conducted for this study was very rich in information and enabled the author to further comprehend the views of those who are Harley Davidson customers as well as those who have very little experience with the company.

The interviews allowed the author to compare the survey result with opinions of those who work for Harley Davidson. Overall, the majority of results matched the opinions of the study's two interviewees. Both interviews proved to be an excellent source of information both about the history of the company and about the current practices and future paths of Harley Davidson. Each interview gave the story of Harley Davidson from a different point of view and was extremely important in getting a first hand view of what Harley Davidson is all about from the inside.

As the survey results and much of the research shows, Harley Davidson has lasted 100 year do to excellence in leadership and overall management of the brand. It is important to recognize the importance of these aspects in the success of the company as we move from the survey result to the summary of this study.

Chapter VI

Summary

In 1903 much more than a motorcycle company was born, it was the birth of an American legend, one that would adapt and change along with the American culture. Harley Davidson has, throughout its 100 years of existence, secured its place in American history and lore for generations to come.

While Harley Davidson has a legendary status among American icons, getting there was not an easy task for the company. The company survived a multitude of struggles and faced certain failure on a number of occasions, however, it would always manage to persevere. As this study has uncovered one of the most difficult challenges through the years for Harley Davidson was to maintain brand integrity for the company. While much of the country knew about Harley Davidson, many had a distorted view of the company due to events such as the Hollister California rally and movies such as *Easy Rider* and *The Wild Ones*. Harley Davidson has fought the outlaw image for many years and has done what no other brand would be capable of, accepted a dual image for their brand. One image is of quality and reliability; the other image speaks to the rebel within all people and yearns for the open road.

Harley Davidson is more than a motorcycle, it is truly a way of life. The brand manager and marketers at Harley Davidson are well aware of this and they continue to market the lifestyle of American freedom and sell to the country's love for the open road. No one can truly say what will come of Harley Davidson in the next 100 years, but for a company with a long heritage, and a strong brand identity, who knows what it is they want to do; the possibilities are endless for Harley Davidson.

Conclusions and Recommendations

How has Harley-Davidson survived 100 years in existence and successfully created a lifestyle centered on the Harley Davidson products and company? This study has sited many ways that this research question could be answered, however as the author one reason stands alone from the rest and that is Brand management and marketing.

Harley Davidson has done a better job than any company in managing its brand identity and creating a lifestyle around an ideal that it Harley Davidson. The ability to create such a lifestyle and maintain a brand that people are loyal to and recognize worldwide as a spirit of American freedom has allowed for Harley Davidson to survive 100 years in business.

In order to continue its success for another 100 years Harley Davidson must look to its customer base for new ideas. Customers have always been the most important people for Harley Davidson, and it is those customers who will bring success to the company. Thus, it is important for the company executive and designers to continue to develop the close relationship that they currently have with the customer. In addition, Harley Davidson must continue to forge ahead and take risks in style and design, such as the V-Rod. This type of experiment will allow the company to meet the needs of the ever-changing marketplace. If Harley Davidson is able to continue to build new and groundbreaking designs such as the V-Rod and other in the past the company will be able to continue to grow into the next century. However, it is vital to the success of the company that the traditional "Harley" feeling is not left behind on the road of progress.

Bringing new riders into the Harley family is also going to be an important issue for the continuous success of the company. The median age of the Harley Davidson rider

is constantly on the rise and now it is vital to market to the youth and to women's segments in order to bring these new members into the family to keep the passion for the company alive.

As stated previously, it is difficult to predict what the future will hold for Harley Davidson, although if the company stays true, stays American, and stays "Harley" there are no limits to both the growths of the company, and lifestyle that it creates.

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Appendix A

Survey

Please rate the following statements using the key listed below:

1-Strongly Disagree 2-Disagree 3-Neutral 4-Agree 5-Strongly Agree

1. Harley Davidson is one of the most recognizable brands in the American marketplace.

1 2 3 4 5

2. Harley Davidson does not simply sell motorcycles. The company markets and sells a lifestyle.

1 2 3 4 5

3. R.U.B.'s (Rich Urban Bikers) and women should not ride Harley Davidson's

1 2 3 4 5

4. Harley Davidson's brand image is the key to the current success and the future of Harley Davidson as an American icon.

1 2 3 4 5

5. The diversity of Harley Davidson owners is directly related to the company's dual image as a motorcycle of quality and a motorcycle that is the choice of outlaw bikers.

1 2 3 4 5

6. Currently the famed Harley Davidson "bar and shield" can be found on nearly all forms of merchandise. This current licensing practice by Harley Davidson to allow for the company logo to be used on multiple forms of non-motorcycle related merchandise is weakening the integrity of the Harley Davidson brand.

1 2 3 4 5

7. The late 1970's, or the AMF years of Harley Davidson, which were characterized by poor quality control due to mass production, are often viewed in a negative light. However these years were vital to the company's success and Harley Davidson's current position in the marketplace.

1 2 3 4 5

8. In response to consumers' demand for customization of Harley Davidson's, the company under the guidance of Willie G. Davidson, released the "Factory Custom" line. This new Harley line provided a customized appearance straight from the factory. This as well as other examples show the importance of customer input in the design and creation of Harley Davidson motorcycles.

1 2 3 4 5

9. Harley Davidson's liquid cooled VR 1000 engine is used in the latest addition to the Harley product line, the V-Rod. While a break from the traditional air-cooled V-Twin engine used throughout Harley Davidson's history, it is a step forward for the company while still maintaining the strict standards of Harley Davidson.

1 2 3 4 5

Additional Questions:

Male _____

Female _____

Do you ride a motorcycle yes no

If yes, what make and model _____

If no, why not _____

Age 20-30 30-40 40-50 50-60 60-70 70+

Level of familiarity with Harley Davidson Motorcycles

(Low) 1 2 3 4 5 (High)