



Time For A Brand Overhaul At Harley-Davidson

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Harley-Davidson announced its third quarter results last month and the news wasn't great. Harley's worldwide sales was down nearly 7%, while American retail sales slumped by over 8%. This all translated into about a 40% drop in profits as compared to the year-ago quarter. Prompting its CEO to comment in its earnings press release:



“The continued weakness in the U.S. motorcycle industry only heightens our resolve and the intensity we are bringing to the quest to build the next generation of Harley-Davidson riders... As the motorcycle industry leader – with dealer strength and rider passion and loyalty like no other – we

believe we are uniquely positioned to build ridership and strengthen the sport of motorcycling.”

Clearly, HD's future rests with that “next generation of Harley-Davidson riders.” The company will not continue to dominate by simply to rely on its current aging customer demographic (of those 45 years and older) to bolster revenue. Many of those people have bought their last Harley.

So, what can Harley do to invigorate brand appeal among Millennials — who are choosing to put their motorcycling dollars into purchasing new Ducati's, vintage Honda's (because they are inexpensive and reliable) and other value-laden offerings from the big four Japanese manufacturers?

Here are just a few ideas:

1. **Stop putting heritage before innovation:** Millennials don't care about buying their grandfather's bike. In fact, they would prefer to set their own trend with completely new designs and styles. Re-imagine what a motorcycle should look like. Think video games and futuristic action movies for inspiration.
2. **Offer safer, first-time rider designs:** The lightest offering in the Harley fleet is a 500CC bike that weighs-in at about 500 pounds – that can be a bit intimidating for a first-time rider. Develop some lightweight bikes with smaller frames and engines that a Millennial can learn on and they just may give the brand a try. Like all other HOG enthusiasts, if you catch them while they're young, they'll remain loyal as they grow into more competent and confident riders that, in time, buy bigger bikes.
3. **Add more bang-for-the-buck:** Yes, you can get into a base-level, stripped down, no bells or whistles Harley for under \$10,000. But, that same \$10,000 can go a whole bunch further with any of the Japanese brands – leaving some room in the budget for a comfort seat upgrade or a new leather jacket.
4. **Earn their attention:** There's little a Millennial can't do with a cell phone and two, good thumbs. Go where they are by establishing a stronger social media presence. BMW, for example, commissioned 60 Instagrammers to tout the brand by posting their BMW motorcycling adventures as a means to establish appeal to the next generation of rider.

5. **Hype the experience:** The prospective Millennial buyer is all about collecting varied and stimulating experiences – that’s why they study abroad, seek temporary employment to travel and surf the Internet to learn more about the great big world and what is has to explore. Help Millennials to understand the rich experiential element that riding has to offer and they may be convinced to give it a try.

To close, Harley-Davidson has overcome adversity in the past. As a rider, I believe that they will overcome adversity again. But, it will take some deep reflection and a willingness to change with the times. If your company needs a brand overhaul, reach out! I bet I can help.