

Harley-Davidson's Product Development

Harley-Davidson not only survives but flourishes as the sole U.S. motorcycle manufacturer because it has successfully retained a fiercely loyal customer base it has worked very hard to foster. Harley-Davidson achieved this via a series of marketing strategies created from, and in support of, their mission statement which is "We fulfill dreams through the experience of motorcycling, by providing to motorcyclists and to the general public an expanding line of motorcycles and branded products and services in selected market segments" (Harley-Davidson, 2007). Harley-Davidson's mission statement clearly demonstrates the entire organization is aligned around one key stakeholder, the customer.

One example of how Harley-Davidson has put this mission statement into action is the creation of a group known as the Harley Owners Group. The Harley Owners Group was created to keep people active with their Harleys and to build brand loyalty but more important, Harley Owners Group keeps the company close to its customers (Harley-Davidson, 2007). Clearly, in this capacity Harley Owners Group has been highly successfully as it now boasts 1 million worldwide members, 1,157 local chapters and is the largest company-sponsored motorcycle enthusiast group (Harley-Davidson, 2007).

Additionally through the Harley Owners Group, Harley-Davidson conducts various annual rallies as yet another promotional tool to further enhance customer relations and showcase new products (Harley-Davidson, 2007). Both these approaches not only include the customer in the new product development process but also by default include stakeholders from within the company itself by sponsoring such events and capturing input provided by them. The linkage and prioritization of the relationship Harley-Davidson has with its customer is a unique synergy that sets Harley-Davidson apart in fueling its new product development approach without the need to invest millions in Customer Relationship Management software.

With other stakeholders such as its suppliers, Harley-Davidson uses the same involvement and closeness approach however, the process here differs. The implementation of a supplier Web portal for half their 695 parts suppliers lowers the cost of transactions while improving inventory and delivery information (Dillner, 2003). This not only improves the efficiency of supply-chain management but the suppliers, again another key stakeholder, say Harley-Davidson is much easier to work with (Dillner, 2003). The impact of this relationship drops operating expenses from 17.7 percent of revenue to just 14.2 percent (Dillner, 2003). This more tech savvy approach can also be leveraged by Harley-Davidson to provide access to these same stakeholder's and others such as employees to new products being developed to capture valuable input.

The approaches that Harley-Davidson takes to include stakeholders in its new product development process effectively capture the four basic business and management practices that "matter" (Kerin, et al, 2005). These practices include having a clearly stated and focused strategy; executing the strategy consistently well; fostering a supportive and performance-oriented culture;

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and establishing a corporate structure that is able to adapt and implement new product idea rapidly (Kerin, et al, 2005).

Companies would do well to mimic Harley-Davidson's 'low tech' and 'high tech' approaches in involving key stakeholders such as employees, suppliers and customers in the development and marketing of new products. This includes not only benchmarking Harley-Davidson's tenacious approach to retain customers but also in its ability to provide Web portal access to bring other key stakeholder' such as suppliers and employees early into the new product development process as well. Information is power and the more companies can leverage early in the development of new products via the four business practices that "matter" will increase the odds of consistently launching innovative products that set it apart for its competition (Kerin, et al, 2005).

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