

Harley-davidson company



**ASSIGN
BUSTER**

Q1.) 1. Which of Porter's generic strategies is H-D using? Will this strategy work for all of the countries described in the case? Why or why not?

According to Porter Generic Strategies, Harley-Davidson Company uses "Differentiation Strategy" by offering its heavyweight motorcycle through the distinctive designs. Also, as a leader of heavyweight motorcycle manufacturers, more than 100 years old existed in the market, its American icon and nostalgia make H-D become traditional brand.

Therefore, with an American made version, the consumers perceive H-D motorcycles as the high quality products and demand for additional exclusive value without considering its high price. In addition, the company currently creates 33 models of motorcycles into the target market categorizing into 4 units which are Standard, Performance, Custom and Touring. The H-D Riders can freely customize the motorcycles up to their preferences through the use of chrome, paint and accessories provided by H-D dealers around the world.

We can assume that the using of differentiation strategy works well in domestic market like United States. As American people perceive the good image of H-D Company, the heavyweight motorcycles were manufactured and sold very well for many decades and this is the reason why H-D can stay in the U. S. market for 20 straight years. Anyway, the company's reputation and its long history could not attract much the European buyers' intention. H-D Manufacturer has to develop the new design named "V-Rod" or "VRSC" with Porsche-designed engine to encourage purchasing volume of heavyweight motorcycle in European countries.

Furthermore, the VRSC model is very popular in Japan and can be sold very well in 2008. But, due to the new Japanese Government Policy that does not allow a motorcycle driver carry a passenger; the sales inevitably decline later on. For China and India markets, the huge size of population attracts many motorcycle manufacturers to penetrate into the markets. Some Japanese Manufacturers already own market shares by producing the motorcycles at an affordable price. So the differentiation strategy tends to be unworkable here because price of the product is important and become a competitive issue.

H-D cooperates with local partner “ China’s Zonshen Motorcycle Group” but still has to face with trade barriers in the market. Likewise, in India, Imports of H-D heavyweight motorcycles with engine over 500 CC. are strictly prohibited. The company does not eventually succeed to enter to the market. On the other hand, H-D has strong markets in Australia and New Zealand due to its distinctive and traditional brand. Other workable markets are Canada, Brazil, Mexico and Russia.