The Comeback Of Harley Davidson, 1985-2008

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Harley-Davidson is ranked the fifth largest motorcycle producer in the world. It joined the New York Stock Exchange as Harley Owners Group, commonly referred to as HOG. The company is famous for its classic motorcycles, which represent the American spirit and image. Established in the early 20s, it is renowned for its resilience and survival in the Great Depression. The corporation is a major producer of heavyweight motorcycles, particularly designed for cruising.

The success of the company hinges on its capabilities to address the concerns outlined in the SWOT analysis. According to the SWOT analysis, the most relevant and significant factors in any business are the internal strategic points, referred to as its strengths and weaknesses as well as the external strategic issues typically known as the business opportunities and threats. In the case of Harley-Davidson, such factors and concerns are the supporting ethics that have helped the company's potential expansion and stable performance in the international motorcycle market (Hill & Jones, 2010).

However, the SWOT analytical system indicates various advancements and changes in expansion plans and strategies for improving the company's stand and rank in the market. Through SWOT analysis, it is notable that the firm is likely to benefit and gain more competitive advantages and edge through more aggressive expansion with the aim of negating the impacts of aggressive competition ("Harley-Davidson Inc," 2008).

Internal Strategic Factors: Harley-Davidson Strengths

The strengths of Harley-Davidson's company are primarily connected to the brand image of the firm as well as the market culture they established of chopper motorcycles. This factor of the SWOT analysis system singles out the internal strategic plans that have contributed to the industry's ability to grow and develop (Hill & Jones, 2010). In the case of Harley-Davidson, the most significant and crucial strengths are as follows:

- In relation to the heavyweight motorcycle market, the firm has about 70 percent of the total market shareholders, which makes it the company's biggest shareholder.
- The company boasts a strong brand image that represents American culture.
- It has loyal customers making a strong base. This is coupled with the fact that it is the only American firm producing heavyweight motorcycles. Additionally, the company offers financial

services to its customers. The strong relationship extends even to the employees, making it durable.
- The company also has a limited supply chain, increasing its profits by minimizing unnecessary expenses.
- The company has established a robust and well-organized marketing and supply channel in the United States which facilitates its aggressive marketing strategies and plans.
- The firm has established perfect relationships with its suppliers, which ensure the achievement of work integrity and performance while maintaining quality.

As seen, the Harley-Davidson brand image is among the strongest trademarks in the motorcycle market. The brand image stands out due to the chopper or custom biker culture which is strongly attributed to the Harley-Davidson brand. Additionally, the company has, over many years in operation, developed experience, thus enhancing its expertise in the business, which adds to its strengths. According to this element of the SWOT analysis, Harley-Davidson's strengths have ensured the business's stability regardless of the aggressive and low-cost rivals.

Internal Strategic Factors: Weaknesses of Harley Davidson

Through SWOT analysis, it has been noted that most of the weaknesses affecting Harley-Davidson are majorly related to the current and ongoing limited focus of the corporation. This feature of the SWOT analysis system assesses the internal issues that limit the business from maximizing its production and performance (Thompson, Strickland, Gamble & Thompson, 2005). The most outstanding and notable weaknesses are:

- A slim and limited mix of the products. The company does not acknowledge other products and thus do not attempt making any hybrid motorcycles.
- The company also suffers a limited market reach which prevents it from exploring wider markets.
- The company has a limited supply chain, which slows its supply of products and marketing.

Through the narrow mix of products, the firm is unable to explore more market segments. Also, its operations and production are centralized in North America, thus, nonexistent or insignificant sales in developing nations. The limited supply chain prevents the firm from expanding into international markets. In order to support and enhance global growth and development as well as expansion, the company must overcome these weaknesses.

External Strategic Factors: Opportunities for Harley-Davidson

Most of the opportunities that the business is likely to enjoy are linked to the potential of the global motorcycle market. The system of the SWOT analysis has identified the external strategic concerns likely to facilitate the growth, development and expansion of the business (Hill & Jones, 2010). The most significant and essential opportunities within the grasp of the Harley-Davidson company are outlined below.

- International expansion in terms of production and marketing of the company and its products.
- Diversification of the product through product mixing.
- Formation of alliances with other complementary corporations and industries. This will increase production and maximize profits while eliminating unnecessary competition.

In reality, the company stands a chance of expanding to developing markets. Through product diversification, the company can produce an array of motorcycles and other related products. Additionally, Harley-Davidson's business has an opportunity to establish business alliances. This will diversify the market and increase market reach, as was the case with its partnership and merger with Lehman Trikes. It is notable from the above discussion that according to this factor of SWOT analysis, Harley-Davidson's firm has vital opportunities to expand and develop its business reach, particularly internationally.

External Strategic Factors: Threats Facing Harley-Davidson

The threats and risks facing the Harley-Davidson industry are mainly related to the trends in the market and the legal structures and frameworks. This aspect of the SWOT analytical system extends to the external strategic features capable of reducing the corporation's performance (Trendafilov, 2015). The most conspicuous risks facing Harley-Davidson establishment are indicated below:

- Aggressive rivalry and competition
- Imitation and copying by other upcoming industries
- Increase preference and choice of electric vehicles

The company is threatened by the constant competition and rivalry leveled at it by other motorcycle-producing companies. This rivalry and competition, however, is also depicted by car plants and industries that produce electric vehicles, which normally sell their products at low prices. Another threat, as outlined, is imitation, especially from other established industries that provide chopper/custom bikes. Consequently, the trends in environmentalism have negative effects on Harley-Davidson since its brand and products are known for their internal combustion engine system.

The Harley-Davidson company is therefore required by this factor of the SWOT analysis to implement more product innovation plans and strategies with an aim of addressing the threats to their corporation.

Recommendations: SWOT Analysis of Harley-Davidson

According to the analysis of Harley-Davidson Company through SWOT systems, it is revealed that the business needs various reforms. A growth opportunity is present for the firm in the international motorcycle market. However, the industry is underperforming due to the limited supply channel and its narrow mixture of products for a hybrid that can perform better in the markets. In the view of SWOT analysis, the business should also account for the environmentalism trends (Thompson, Strickland, Gamble & Thompson, 2005). The key recommendations made include:

- The product mix is being widened through creativity, innovation, and diversification.
- Ensure they expand their product as well as market reach globally to reach new as well as developing markets.
- Establish an unlimited supply chain to ensure that their products are diversified. This can be done through decentralization.
- The company should be innovative to ensure that its products are environmentally friendly and can address trending environmental concerns such as greenhouse gas emissions and global warming.

In conclusion, the SWOT analysis is a reliable system for assisting big companies like Harley-Davidson. It helps the business identify its strengths and weaknesses internally and points out opportunities and risks it is likely to face.

References

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