

## Example 1-BAMS 300X

### Content Overview: Segmentation and Target Markets

#### Competency

MKTLG3: Perform a market segmentation analysis and select an appropriate target market.

#### Outcomes

To demonstrate your competence regarding the role of marketing, you should be able to:

- Explain the concept of market segmentation.
- Explain variables used to segment consumer and business markets.
- Utilize market segmentation processes to analyze and select one or more target markets.
- Utilize a perceptual or positioning map to position products or services.

Assessment: Harley-Davidson Case III

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#### Overview

- **Point Value:** 24 points
- **Min. Required Score:** 80%
- **Allowed Attempts:** 2
- **Grading Time:** 3 days

#### Directions

1. (12 pts) Use the concepts assessed on market segmentation as a reference, as well as this [student sample](#)  from the cell phone industry, for formatting guidance.

After reviewing the above, create your own marketing segmentation grid. Within this grid **identify** and **describe**:

- Four key target markets for the motorcycle industry.
- The segments on any combination of segmentation variables, including:
  - Demographics
  - Lifestyle
  - Usage
  - Geographic location
  - And others

**OPTIONAL** You can also include lifestyle (psychographic) segmentation variables such as the VALS model. If you like, take the [VALS survey \(Links to an external site.\)](#) from Strategic Business Insights to see what category you fall into.

After the first part of the assignment is completed, perform the following analysis steps.

2. **(6 pts)** Draw a perceptual map for Harley-Davidson and 3 competitors using the following downloadable [template](#), and follow the instructions within the Excel spreadsheet. If you would like further information about using perceptual maps in Excel, please see the [walk-thru \(Links to an external site.\)](#) provided by Perceptual Maps.

3. **(6 pts)** Identify and justify a potential target market that Harley-Davidson could pursue.

### Evaluation

A rubric for this assignment is located below the instructions.

### SUBMISSION

**You are encouraged to submit assessments as you complete them. Feedback provided by your instructor is often helpful as you complete future assessments. Please know, if you choose to submit multiple assessments at the same time, you may experience a delay in grading turnaround time.**

### STUDENT EXEMPLAR

#### Harley Davison Case 3

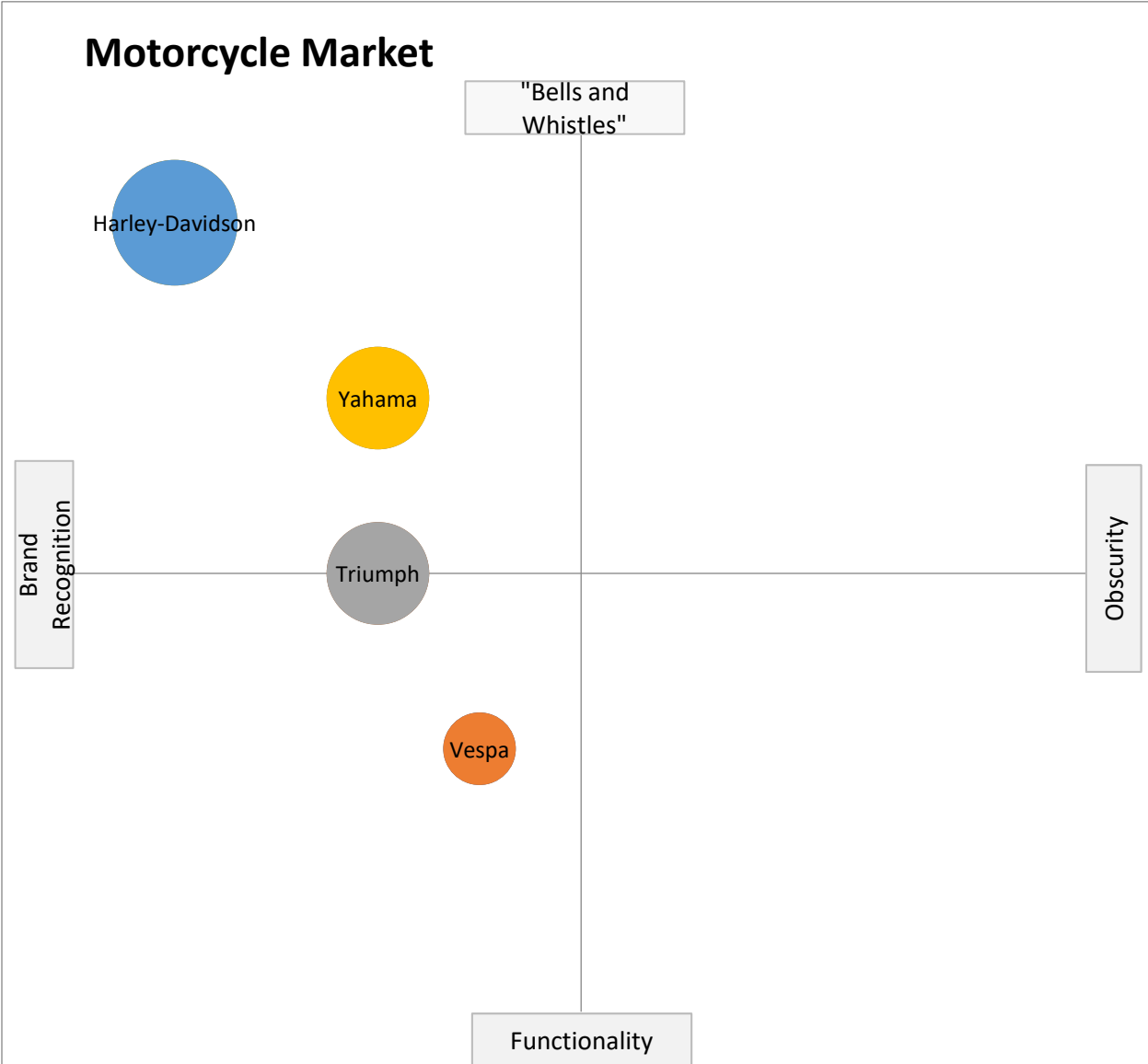
1.

| Sample market segmentation for the motorcycle industry |                           |            |          |               |
|--|---------------------------|------------|----------|---------------|
| Segment Name   | Wild Hogs/Weekend Warrior | 1%er Clubs | Commuter | Thrill Seeker |

|  |  |   |  |  |
|--|--|---|--|--|
| <b>Who are they? Lifestyle, Demographics, Location</b> | People like the Motor Maids. Those who are white collar or weekend warrior types. Generally, over 50 and are using a bike to distract them from the drudgery of corporate America. | Outlaws, leather jacket wearing, heavily tattooed, frequenting biker bars.          | Often seen zipping through busy city streets with helmet and blazer, briefcase strapped to the back.                                 | Often under 30, lack of helmet, lane splitter, spouse or SO disapproves of life-choices. |
| <b>Benefits Sought</b>                                 | Comfort forward with high safety rating. Space for a second rider, potentially space for storage.  | Loud, brash, and powerful. Generally, highly customized.                            | Sleek and fuel efficient with space for storage.   | Fast and agile. Easy load on to a trailer for races.                                     |
| <b>What do they buy?</b>                               | Cruisers and trikes. Thinking of Goldwing or touring edition bikes. Something a little larger with “bells and whistles”.   | Highly customizable used bikes. Very functional, not a lot of “bells and whistles”. | Lightweight and fuel efficient, low cc bikes or mopeds. Will likely have some sort of tech integration or electric motor capability. | High cc sport bikes.   |
| <b>Where do they buy?</b>                              | Dealerships  | Private Party, ie Facebook Marketplace or Craigslist                                | Dealerships  | Private Party, ie Facebook Marketplace or Craigslist                                     |
| <b>When do they buy?</b>                               | Usually in the “offseason” when the price is right   | As needed   | When dealerships are having sales  | As soon as they can afford to purchase.  |
| <b>Why do they buy?</b>                                | They purchase because they have never had a “non-practical” vehicle.   | Out of necessity  | To save money and the environment.   | Status and flash.  |
| <b>How do they buy?</b>                                | Either financed or with a trade in.  | Cash or trade   | Financed   | Cash or trade  |

|                                     |   |   |   |   |
|-------------------------------------|---|---|---|---|
| <b>What do they read and watch?</b> | Syndicated reruns of courtroom procedurals. Will read user manuals and spec sheets. | Watches sports and will read magazines like Car and Driver or Popular Mechanic. | Does not watch TV generally, but does read books by the likes of Simon Sinek or Yuval Harari. | YouTube videos by influencing content creators, not likely to read. |
|-------------------------------------|---|---|---|---|

2.



**3. Harley-Davidson could pursue the Police and First Responder market. Having been an EMT for several years back in my twenties, I can say for certain that your typical First Responder is a unique individual who respects the same. A brand such as Harley fits this**

**mold quite nicely. For example, Harley is one of the most recognized brands in the world. Police and First Responders are equally as recognizable and therefore could go hand in hand. This target market generally likes both form and function. Dodge coming out with the Police cruiser is a prime example of this; a super sleek and attractive cruiser that can also outperform the standard issue Ford Crown Victoria that had been on the streets for years. First Responders are also “blue collar” workers who could respect and align with a factory who builds American products in the Midwest. Creating a “First Responder” issue motorcycle could prove very fruitful for not only those who are serving communities as such, but also those who dream about such a life.**

## **EXAMPLE 2-BAMS 300X**

### **Content Overview: Impact of the External Environment**

#### **Competency**

MKTLG2: Evaluate the impact of the external environment on marketing strategies.

#### **Outcomes**

To demonstrate your competence regarding the external environment’s impact on marketing, you should be able to:

- Explain the impact of social, legal, political, economic, demographic, competitive, individual, and technological factors on marketing strategy.
- Perform the O and T portions of a SWOT analysis.
- Recognize the key concepts of consumer behavior and how individual factors impact marketing strategy.

## **HARLEY DAVIDSON CASE 2**

#### **Directions**

1. **(10 pts)** Identify 4 opportunities and 4 threats for the Harley-Davidson Company. Include one each of social, legal, political, economic, demographic, competitive, and technological factors.
2. **(5 pts)** Who would be the aspiration group for potential Harley buyers? Give 3 examples.

3. (5 pts) How would Harley Davidson reduce cognitive dissonance among Harley buyers? Give 3 examples.

**Evaluation**

A rubric for this assignment is located below the instructions.

**SUBMISSION**

You are encouraged to submit assessments as you complete them. Feedback provided by your instructor is often helpful as you complete future assessments. Please know, if you choose to submit multiple assessments at the same time, you may experience a delay in grading turnaround time.

**Points**

20

**Submitting**

a text entry box, a website url, or a file upload

| Due  | For      | Available from | Until |
|------|----------|----------------|-------|
| -N/A | Everyone | -N/A           | -N/A  |

Rubric

| Harrley-Davidson Case II Rubric                               |  |  |  |         |
|---|--|--|--|---------|
| Criteria  | Ratings  |  |  | Pts     |
| This criterion is linked to a Learning OutcomeCorrect Example | <b>4.0 pts</b><br><b>Completely Meets Expectations</b><br>Opportunities and threats selected are factually correct and properly cited. | <b>3.0 pts</b><br><b>Partially Meets Expectations</b><br>Opportunities and threats selected are partially factually correct and partially cited. | <b>1.0 pts</b><br><b>Does Not Meet Expectations</b><br>Opportunities and threats selected are not factually correct or properly cited. | 4.0 pts |
|   |  |  |  |         |

Harley-Davidson Case II Rubric

| Criteria   | Ratings   |   |  | Pts     |
|--|---|---|--|---------|
| <p>This criterion is linked to a Learning Outcome<br/>Characteristics of Opportunities &amp; Threats</p> | <p><b>4.0 pts</b><br/><b>Completely Meets Expectations</b><br/>Opportunities and threats selected are external to the company and not controllable.</p> | <p><b>3.0 pts</b><br/><b>Partially Meets Expectations</b><br/>Opportunities and threats selected are mostly external to the company and not controllable.</p> | <p><b>1.0 pts</b><br/><b>Does Not Meet Expectations</b><br/>Opportunities and threats selected are not external to the company and not controllable.</p> | 4.0 pts |
| <p>This criterion is linked to a Learning Outcome<br/>Depth of Understanding</p>                         | <p><b>2.0 pts</b><br/><b>Completely Meets Expectations</b><br/>Answers demonstrate in depth understanding of implications to the organization.</p>      | <p><b>1.0 pts</b><br/><b>Partially Meets Expectations</b><br/>Answers demonstrate basic understanding of implications to the organization.</p>                | <p><b>0.0 pts</b><br/><b>Does Not Meet Expectations</b><br/>Answers do not demonstrate basic understanding of implications to the organization.</p>      | 2.0 pts |
| <p>This criterion is linked to a Learning Outcome<br/>Concept</p>  | <p><b>1.0 pts</b><br/><b>Completely Meets Expectations</b><br/>Concept is correctly identified.</p>   | <p><b>0.5 pts</b><br/><b>Partially Meets Expectations</b><br/>Concept is partially identified.</p>  | <p><b>0.0 pts</b><br/><b>Does Not Meet Expectations</b><br/>Concept is not correctly identified.</p>   | 1.0 pts |
| <p>This criterion is linked to a Learning Outcome<br/>Examples</p>                                       | <p><b>3.0 pts</b><br/><b>Completely Meets Expectations</b><br/>Examples selected are appropriate and well justified.</p>                                | <p><b>2.0 pts</b><br/><b>Partially Meets Expectations</b><br/>Examples selected are somewhat appropriate and partially justified.</p>                         | <p><b>1.0 pts</b><br/><b>Does Not Meet Expectations</b><br/>Examples selected are not appropriate or well justified.</p>                                 | 3.0 pts |

Harley-Davidson Case II Rubric

| Criteria   | Ratings   |   |   | Pts     |
|--|---|---|---|---------|
| This criterion is linked to a Learning Outcome<br>Depth of Understanding | <b>1.0 pts</b><br><b>Completely Meets Expectations</b><br>Answer demonstrates in depth understanding of implications to the organization. | <b>0.5 pts</b><br><b>Partially Meets Expectations</b><br>Answer demonstrates basic understanding of implications to the organization. | <b>0.0 pts</b><br><b>Does Not Meet Expectations</b><br>Answer does not demonstrate basic understanding of implications to the organization. | 1.0 pts |
| This criterion is linked to a Learning Outcome<br>Concept                | <b>1.0 pts</b><br><b>Completely Meets Expectations</b><br>Concept is correctly identified.  | <b>0.5 pts</b><br><b>Partially Meets Expectations</b><br>Concept is partially identified.   | <b>0.0 pts</b><br><b>Does Not Meet Expectations</b><br>Concept is not correctly identified.   | 1.0 pts |
| This criterion is linked to a Learning Outcome<br>Examples               | <b>3.0 pts</b><br><b>Completely Meets Expectations</b><br>Examples selected are appropriate and well justified.                           | <b>2.0 pts</b><br><b>Partially Meets Expectations</b><br>Examples selected are somewhat appropriate and partially justified.          | <b>1.0 pts</b><br><b>Does Not Meet Expectations</b><br>Examples selected are not appropriate or well justified.                             | 3.0 pts |
| This criterion is linked to a Learning Outcome<br>Depth of Understanding | <b>1.0 pts</b><br><b>Completely Meets Expectations</b><br>Answer demonstrates in depth understanding of implications to the organization. | <b>0.5 pts</b><br><b>Partially Meets Expectations</b><br>Answer demonstrates basic understanding of implications to the organization. | <b>0.0 pts</b><br><b>Does Not Meet Expectations</b><br>Answer does not demonstrate basic understanding of implications to the organization. | 1.0 pts |



## Harley-Davidson Case II Rubric

| Criteria   | Ratings   |                                  |   | Pts |
|--|---|----------------------------------|---|-----|
| This criterion is linked to a Learning OutcomeMKTG_02<br><a href="#">view longer description</a><br>threshold: 3.0 pts | <b>5.0 pts</b><br><b>Mastery with Distinction</b> | <b>3.0 pts</b><br><b>Mastery</b> | <b>0.0 pts</b><br><b>Not Yet Mastered</b> | --  |
|  |   |                                  |   |     |
| Total Points: 20.0   |   |                                  |   |     |

### STUDENT EXEMPLAR

#### Assessment #2: Harley Davidson Company Case 2

- (10 pts)** Identify 4 opportunities and 4 threats for the Harley-Davidson Company. Include one each of social, legal, political, economic, demographic, competitive, and technological factors.

In assessment 1, I identified some of the strengths and weaknesses of the Harley-Davidson Company (HD). That is the first half of a “SWOT” analysis. Now, I will outline some opportunities and threats facing HD:

Opportunities:

- Competitive: Form even more strategic alliances and innovate in order to enter less penetrated markets such as Asia and emerging markets. Harley Davidson says on their website that part of their long-term strategy is, “Developing more accessible, small-displacement (250cc to 500cc) motorcycles for Asia markets through a strategic alliance with a manufacturer in Asia. These new products are intended to fuel Harley-Davidson’s customer access and growth in some of the largest, fastest growing markets in the world”.

2. Social: Allocate more resources/capital for social media marketing. Social media is a vast world of endless data and potential customers; it is the next generation marketing platform, and it offers creative and cost effective ways to advertise. Harley Davidson stresses uniting riders into a tight knit community. Social media can help achieve this more easily than traditional ways of marketing (i.e. TV commercials).
3. Economic: HD offers financing (motorcycle loans) at a much lower interest rate than if the customer had to acquire his loan from his or her local bank. Harley's APR is around 3.99% compared to an average APR of around 7% from other lenders. Since most buyers require a loan in order to afford the purchase of a motorcycle, this is a significant advantage to HD. They have an opportunity to build on this streamlined business model of offering convenient and more affordable financing than its competitors can offer. This part of Harley-Davidson's value proposition differentiates them from their competitors. Thus, forming a sustainable competitive advantage.
4. Social: According to the National Highway Traffic Safety Administration, the number of deaths for motorcyclists is 29 times greater than for car drivers per mile traveled (LaBOVICK Law Group). "While most Americans want to bike more, 54 percent said that fear of getting hit by a car or truck holds them back" (Breakaway Research Group). In other words, Harley Davidson can double its customer base by convincing the type of customer who is too afraid to ride, that it is safe enough to ride a HD motorcycle. In HD's case they have an advantage here. As an innovator in the industry, HD has already started to make advances to increase the safety for their riders ("ahead of the game"). However, there is still so many more customers that can be swayed into believing that Harley-Davidson's motorcycles are safe enough for them to purchase and ride.

## Threats:

1. Legal: “In 1996, bureaucrats at the Department of Health and Human Services created a loophole that allowed insurance companies to deny benefits (known as "source-of-injury" exclusions) to people who are injured while participating in legal transportation and recreational activities, such as riding motorcycles or off-road vehicles” (Hotbike). The “H.R. 1253” bill is now in the hands of the Senate after being approved by the House of Congress. The insurance system needs to offer current and potential Harley Davidson riders with assurance that if they get into an accident that leaves them unable to work for a paycheck, then they will be compensated enough to make ends meet financially. In other words, if this legislation is not approved by the senate then this could make the value proposition of purchasing a motorcycle much less attractive and also add lots of risk factors into the mix (i.e. falling off motor cycle, can no longer work, and the insurance company denies your claim). This could cause a significant decrease in HD’s top and bottom lines, reflecting a decreased percentage of motorcycle riders in the U.S. due to bill H.R. 1253. The U.S. accounts for roughly 60% of Harley Davidson’s total retail sales (Statista).
2. Technological: Tesla is a disruptive innovator in the transportation space. Younger motorcycle riders have started to steer towards purchasing electric powered bikes over fuel-based in an attempt to be more environmentally friendly and reduce the loud noises that are common in most fuel-based motorcycle engines. E-bike sales jumped by an incredible 91 percent from 2016 to 2017 and then another 72 percent from 2017 to 2018

to reach an impressive \$143.4 million, according to the market research firm NPD Group (TheVerge.com). Tesla has shown us that it knows how to make, market, engineer, sell, and distribute electric vehicles better than anyone. By using their well-established customer networks, no-dealership model, and large pool of financial resources and human capital, Tesla can indirectly compete with the Harley-Davidson company. No one wants to be in competition with Tesla (i.e. The fuel based car companies like Ford, GM, and Chrysler are getting crushed by Tesla). Harley-Davidson is standing their ground and protecting their customer base by investing heavily in research and development and financing for the introduction of new electric bikes that can compete with firms like Tesla.

3. Demographics: According to a popular motorcycle information website Hot Bike, “As of 2016, the median age of the American motorcyclist is 47, up from 40 in 2009, and 32 in 1990”. Add the statistics that show “successive younger generations are getting into motorcycling at a progressively lower rate”, and now you can see that HD’s target market demographics are constantly changing (HotBike.com). These constant changes can increase the cost to obtain a new customer, and also these aging customers can age out of this market.
4. Political: Federal regulation has been tightening on the recreational vehicle/motorcycle industry over time, speeding up during the past 20 years. Examples of mandates that could be threats to HD’s future business environment and performance are ABS brakes and extensive rider education. ABS brakes increase the cost for the lower-priced options in the HD product line by around 20% (HotBike.com). The mandates on rider education

deter new motor cycle licensing, because this process is more expensive and less accessible than the current licensing process.

**(5 pts)** Who would be the aspiration group for potential Harley buyers? Give 3 examples.

**Example 1: U.S. Patriots:** When one of Harley-Davidson's motorcycles was contracted to become a WWII vehicle, owning a "Harley" became a way for someone to profess their faith in the U.S.A. Purchasing a Harley allows one immediate acceptance into a community of riders who share the same patriotic beliefs as themselves.

**Example 2: Masculine Men:** The danger of riding, the roar of the engine, and an image of a pretty woman holding on to you are some of the social and cultural cues that make riding a Harley-Davidson appear as an extremely masculine activity. Men on average aspire to be more masculine to attract women and feel more like their own sexual orientation (Biology). If you have the financial means, then with the Harley brand and product you can essentially become a more masculine man on purchase.

**Example 3: Thrill Seekers:** The “thrill” of driving at record breaking speeds, being fully exposed to the elements, and leaving cars “in your dust” can be a strong aspiration for a potential Harley buyer. Instantly, when you drive off the lot of your HD dealership after purchasing a Harley motorcycle you have unlimited access to all different types of thrills. Weaving through traffic at high speeds may not be legal, but it has never deterred those seeking a thrill from taking those windows of opportunity to get their “fix” of thrill.

**(5 pts)** How would Harley Davidson reduce cognitive dissonance among Harley buyers? Give 3 examples.

**Example 1: Customer Testimonials:** Similar to giving reviews on items you buy off Amazon, strong customer testimonial can reduce cognitive dissonance by giving Harley buyers confidence instead of remorse post-purchase. Customer testimonials are also very effective pre-purchase to help a buyer chose between what initially seem to be two equally attractive options.

**Example 2: Give a percent of profits to support U.S. war veterans financially:** This unique approach to add to the Harley value proposition, will both differentiate the product from competitors and fight cognitive dissonance. After implementation, this will allow buyers to support something they believe in and help others, while purchasing a motorcycle at the same

time (i.e. “killing two birds with one stone”). This is a value proposition that other competitors may not be willing to implement due to a smaller bottom line.

**Example 3: Offer more valuable post-purchase services:** example: Offer free lifetime service of all Harley-Davidson motorcycles to increase buyer confidence.

#### Works Cited:

<https://www.harley-davidson.com/us/en/about-us/more-roads.html>

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<https://www.statista.com/statistics/252220/worldwide-motorcycle-retail-sales-of-harley-davidson/>

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