Harley Davidson - Worst In Class Quality, Best In Class Marketing

Wed, 09/08/2010 - 09:38 — Chris



[1]

Quick View

Harley Davidson has lost its focus on quality as evidenced by our most recent bike trip and by dozens of others expressing their opinions about HD motorcycles. That hasn't seemed to impact HD's business momentum in large part due to the success of their marketing strategy and brand image. But will it be enough? I know I won't ever own a Harley, at least not until they clean up their quality issues.

History

In 1979, riding a brand new Suzuki motorcycle, a sixteen year old boy went on a 4000 mile bike trip with his father. This started my love affair with motorcycle touring. Since then my brothers, father and myself have been on several bike trips, usually every three or four years. We've ridden Hondas, Kawasakis, Suzukis, and on the most recent trip, Harley Davidsons.

Harley Davidson (HD) was started by William Harley and Arthur Davidson. They built their first motorcycle in 1903 and by 1910 had sold 3,200 motorcycles [1] [2]. During the sixties, after the Japanese manufacturers starting selling bikes in the US, HD's business dropped off drastically due to decreasing quality and the increased competition. HD went through a bankruptcy and re-emerged through a leveraged buy-out lead by former HD executives including one of the founder's grandsons, Arthur Davidson.

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The new owners, having learned quality lessons from the school of hard knocks, visited a nearby Honda plant and started implementing Total Quality Management (TQM) practices. They also implemented two additional strategies, 1) lobbied Washington to temporarily raise import tariffs from 4 to 40 percent on non-US motorcycles, and 2) began their well-known and highly embraced branding and marketing strategy.

What are the Facts?



[3]

Quality

This year we decided to ride the western states, Idaho, Utah and Montana. We rode a 2002 Kawasaki Meanstreak, 2006 Honda ST1300 and two 2002 HD Ultra Classics. Both Harleys had nearly the same mileage (within 200 miles of each other). Both Harleys saw two dealers during the trip, the Honda and Kawasaki rode flawlessly, including one day through Hell's Canyon at 102 degrees faranheit. Which was NOT my favorite day. At the bottom of the blog I have included the log my brother published and posted on HDForums.com.

Two out of four bikes had quality issues on the last trip. If you include all of the bikes we've ridden through the years (19 different motorcycles), three had issues requiring a dealer visit, two out of two Harleys, and one out of ten Hondas. It makes a pretty good case that Harley Davidson is still fighting it's quality issues, however, let's look at one other source.

A quick review of ConsumerAffairs.com [2] [4] provided additional data, there were 39 recorded complaints logged against Harley Davidson, 2003 to 2010 and two recorded complaints logged against Honda Motorcycles, 2006 to 2010.

Marketing

Harley Davidson has been a consistent sponsor of the "Harley Owners' Group", which has grown from

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73,000 members in 1987 to 450,000 in 2005 to over 1 million members today. This has positioned HD as a provider of the motorcycle experience moving the company well beyond simply providing a product. A full 75% of Harley customers make repeat purchases, which seems to prove that folks identify with "Being part of the Family". Perhaps Harley Davidson was an early pioneer of what we now call social marketing.

If you consider Harley Davidson's brand reach starting with the motorcycle, moving to accessories and clothing. All one has to do is look for the Harley emblem on their way home from work. You will see it on hitch covers, truck windows, and will even find it on people's skin. It should leave little doubt to HD's success in selling their brand.

Whether Harley Davidson had direct input or [Robert N. Brisco] [5] of InternetBrands has a [policy] [6] against customers expressing their experiences with Harley motorcycles, the fact is HDForums.com banned my brother's post. Perhaps the unofficial policy is you can say anything you want about Harley Davidson motorcycles as long as it's good!

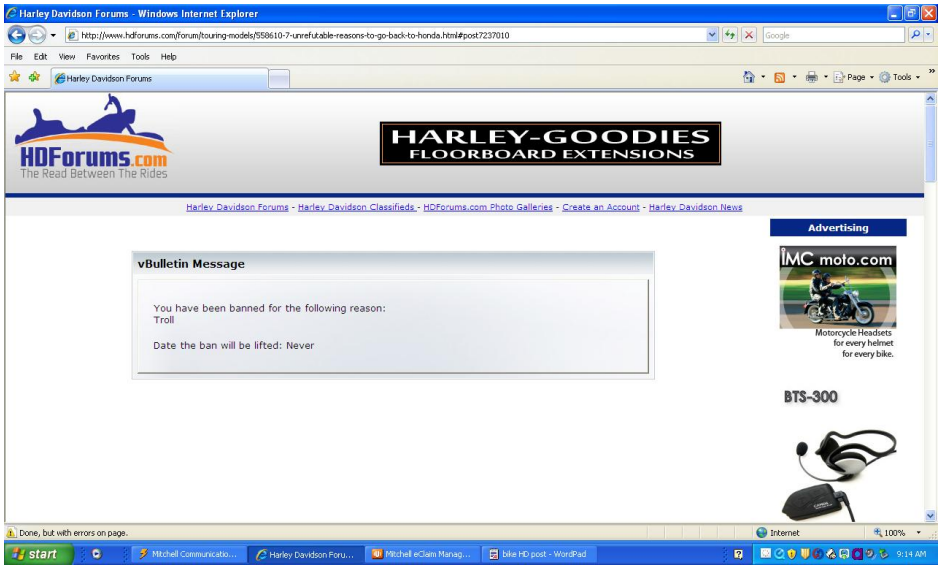
Conclusion

The first step to healing is admitting you have a problem. As with Harley Davidson, and many other companies I've engaged with, success can breed a sense of invulnerability. I once had a mentor who said, "Business growth can hide a lot of problems". All too often, it's these problems that catch up with you when the revenue growth curve starts to flatten out. It is always unfortunate when a company doesn't see it coming or refuses to deal with it before they layoff thousands of workers.

Let's hope that Harley Davidson is taking a more proactive approach!

And as promised - -

2010 Montana Ride Harley Davidson Log - 7 unrefutable reasons to go back to Honda
The BANNED Post by Tim Lindstrom.



[7]A quick bit of history so you know a little bit about me and the validity of this post.

My dad started us (me and my other 2 brothers) touring on our 16th birthdays and every 3 years after that. I am 42 years old now and have rode over 24,000 miles of JUST touring. But since we only go every 3 years it is not feasable for me to own and maintain a bike with very little usage in between. I rode my first tour on a 1986 Suzuki GL 850 but every bike after that has ALWAYS been a big touring

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bike. I have rode the lions share of these trips on Honda Goldwings but recently my younger brother decided that a HD would be a nice switch. We purchased 2 lightly used 2002 HD U/Classics. Coincidentally both had nearly the EXACT mileage. 13998 miles on one and 14200 on the other, both bikes were very well cared for and BOTH were serviced at our local HD shop and BOTH had been given a clean bill of health for the tour...and here's history.

July 30 rode 230 trouble free miles

July 31 8:30 a.m. (Saturday) RED bike, dies in heavy traffic and wont restart. 15 minutes it restarts. Happens again in a few miles and we were able to limp it into Harley shop in Logan ID.... 2 hours later repaired. BTW, great dealer and great service!! Thanks Duncan!!

PROBLEM, 30 amp circuit used for ignition hot switch. HD undersized common problem he says.

July 31 1:00 p.m. (Saturday) RED bike, driving away from dealer after repair done notice brake lights stuck on.

PROBLEM, front brake detent switch bad. None in stock so lubed and adjusted.

Aug. 1, Mid morning (Sunday) GREEN bike, Speedometer starts to fail readings falling.

PROBLEM, speed sensor failing result no turn signal cancel, no cruise. Managable but annoying.

Aug 2, Second day without troubles besides standing un-repaired troubles.

Aug 3, Mid afternoon, (Tuesday) RED bike, speedometer develops same issue.

PROBLEM, speed sensor failure.

Aug 4, Morning (Wednesday) Green bike, Rear brake lights locked on.

PROBLEM, Rear hydraulic switch stuck open. No cruise and mtn riders behind me think every corner is a tight one.

Aug 4, 2:00 PM (Wednesday) Green bike, 102* out in road construction bike dies but restarts later,

PROBLEM same as red bike the 30 amp circuit failed.

Aug 5, 2:15 PM (Thursday) RED &GREEN bike at dealer in Great Falls MT. The Service department wouldn't take an appointment for any work because "Sturgis week, first come first serve and we are busy". We arrive at 2:15 to have speed sensors replaced and hear, "Thats a 1.5 hour job EACH and theres NO way we can do it" I said it's a .5 job tops. He agreed but said "its just the way it is"<--------worst service around and I would NOT recomend them.

**Went to Harbor Freight for tools and instead of touring the beer breweries we spent our time installing sensors in motel parking lot.

Aug 9, (RED bike) After 4 days of working flawlessly the NEW speed sensor takes a crap

PROBLEM: Newly installed speed sensor fails. <----------This was the straw!

All in all I liked the Harley it is a well rounded bike. It has its flaws but what bike doesnt! The biggest complaint I have is it is just PLAIN out not as reliable as the metric bikes. Case proven. There are some other major things but not worth a pizzing match...but I will mention one. PLEASE HD goto a liquid cooled motor and quit using your riders legs as a heat sink. I wont be the c@@l guy with my Honda but

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I also wont be spending my time repairing it rather than enjoying my once every 3 year tour. Sorry guys but I gave the HD a serious try and probably would of been a convert if the product held up.

References

[1] Case Study: Harley Davidson, Josef Schinwald, WebPro News 2005.
[2] ConsumerAffairs.com, automotive/Harley_Davidson and automotive/Honda

- Quality Excellence [8]

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