

# **Harley-Davidson: Cruising from the Past to the Future**

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## **TEACHING NOTES**

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The authors prepared this case solely as a basis for class discussion and not as an endorsement, a source of primary data, or an illustration of effective or ineffective management. Although based on real events and despite occasional references to actual companies, this case is fictitious and any resemblance to actual persons or entities is coincidental.

## Case Synopsis

Harley-Davidson is famous for its American heritage, delivering endurance and reliability for over 115 years. Their main customer base mostly consists of Baby Boomers. Harley-Davidson is further a symbol of America and with their longstanding presence on the market, they have built an extensive brand community all over the globe. However, since 2006, Harley-Davidson's sales have been decreasing, partly due to its aging main customer base, partly due to developments and transformations within the vehicle market. This year marks the first major shift for the company, further worsened by the 2008 global recession, when the sales started to decline without any significant upward trend for the first time in their history. Historically, Harley has been experiencing steady growth since it went public in 1989, which is why these setbacks required strategic rethinking, especially with regards to its existing focus on aligning strategies with the Harley-Davidson Group Owners (H.O.G) to acquiring new customers. In their efforts to become one of the first movers on the market, Harley-Davidson decided to launch an electric motorcycle (EM) called LiveWire, with the aim of appealing to young and urban riders. However, adapting to new market segment requires strategic planning and appropriate branding strategy, considering risks and opportunities which might arise along the way. Harley-Davidson has three possible options for launching LiveWire, namely; (A) add the electric motorcycle to the existing product brand portfolio, (B) leverage the Harley-Davidson reputation and use it as an endorser of the LiveWire daughter brand, or (C) create new mother brand.

## Learning Objectives

The selection and presentation of the Harley-Davidson case provides multiple key learnings. Making an important strategic decision regarding the future direction of the company requires careful assessment of possibilities, which can influence the outcome of the case discussion. Harley-Davidson is a heritage brand, trying to adapt to new customer segment as well as the situation on the motorcycle market through adding innovative products to its existing brand structure. In making this decision, it is important to consider the existing brand portfolio and its compatibility with the new, innovative products. Rather than making a preliminary decision, it is important to consider alternative branding strategies and their future implications. Therefore, this case broadens participants' knowledge in terms of brand architecture, the heritage brand-phenomenon and the impact of having a strong brand community while considering brand identity and reputation. Moreover, the Harley-Davidson case serves as an excellent tool to practice and broaden existing knowledge on the positioning of innovative products within the company's existing structure, while simultaneously considering the standpoint of the brand community. For the comprehensive understanding of the case structure, the Corporate Brand Management Process by Urde (2019) provides guidance regarding the key areas covered throughout the case; brand identity and positioning, brand architecture, and their influence on a brand's image and reputation (Figure 1).

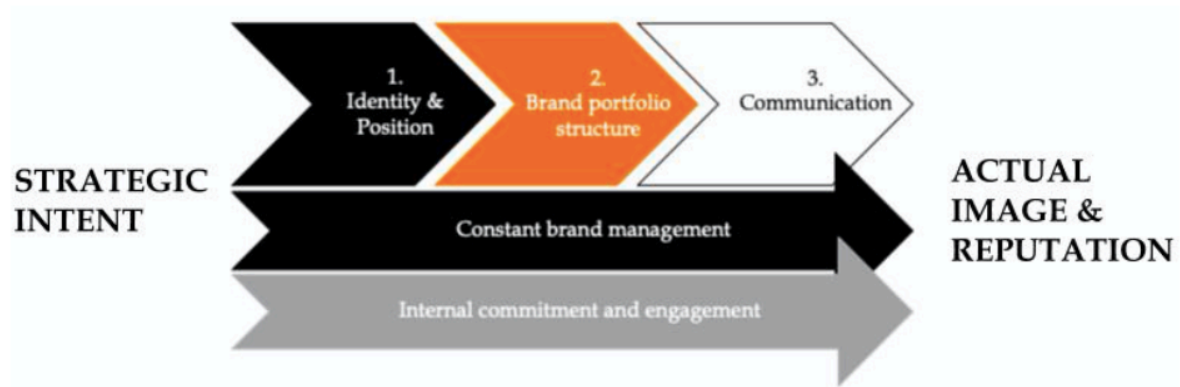


Figure 1: Corporate Brand Management Process

Additionally, reading and analyzing the case should further intensify participants' abilities within the following areas:

- Applying the Corporate Brand Identity and Reputation Matrix (CBIRM) as a tool to identify brand identity and its elements, all affected by implementing new disruptive models within the existing brand architecture.
- Applying existing brand frameworks with the aim of identifying and understanding the brand, its history and the impact on external stakeholders.
- Recognizing the challenges of managing a brand with a strong brand community and its influence on a brand and its reputation.
- Applying the principles of brand architecture and assessing the reactions of key stakeholders, especially the brand community, when aligning new products with an established brand architecture.
- Evaluating the risks and opportunities of launching new products with respect to existing brand identity elements, pursuing strategies to actively capture market share in an emerging market.
- Understanding the implications, especially the financial burden, of; (A) adding innovative product to existing brand portfolio, (B) daughter brand endorsed by mother, or (C) creating separate mother brand.

## Corporate Brand Identity and Reputation Matrix

To be able to assess the compatibility of the electric motorcycle with the existing brand architecture, the CBIRM is used as a key analytical tool. The main advantages of the tool, as argued by Urde and Greyser (2019), is the guidance it provides in terms of examining the alignment between identity in relation to a company's position,

competence and value proposition the context of the Harley-Davidson case. The application of this tool brings further clarification to the internal relationships within the existing brand architecture, business development and brand image repositioning (Urde & Greyser, 2019). The reputational elements will be serving as a tool to create a holistic view of the Harley-Davidson brand identity. (Figure 2).

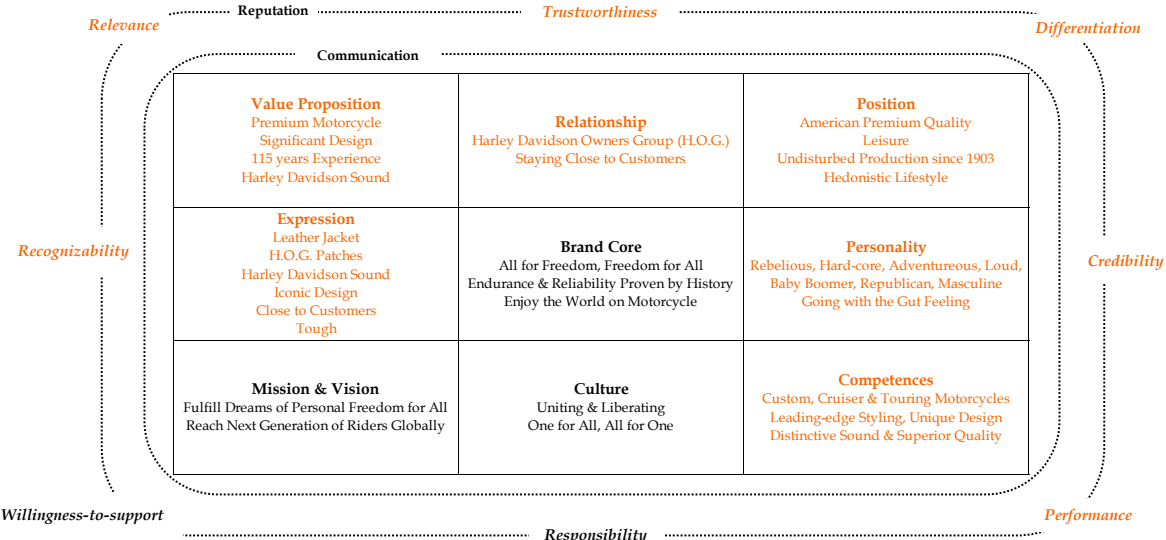


Figure 2: Corporate Brand Identity & Reputation Matrix

By identifying the nine components of the brand in light of the CBIRM (Urde & Greyser, 2015), one can identify a set of elements affected by the product launch, as illustrated in orange on Figure 2. Starting with the competition diagonal, Harley-Davidson’s *competence* is to produce superior quality, custom, cruiser and touring motorcycles with leading-edge and unique design, along with its distinctive sound (Harley-Davidson, 2019c). Moving onto the *value proposition*, the company offers premium motorcycles, known for their significant design, with over 115 years of motorcycle expertise. Looking at it from the perspective of external stakeholders, launching the LiveWire-concept might raise some questions regarding the compatibility. LiveWire does not provide the distinctive sound, is not in line with Harley’s leading-edge design, nor is it a cruiser or touring type of motorcycle. In contrast, the LiveWire EM has a modern and sporty style, similar to what other competitors offer, and is rather discrete and quiet, than recognizable from a distance. The LiveWire EM is also different because of its performance driven character, it is not designed for leisure and relaxed cruising as the other Harley-Davidson models.

Looking at the strategy diagonal (Figure 2), Harley-Davidson’s *mission* is to fulfill the dreams of personal freedom for all, with the *vision* to reach the next generation of riders globally. Moving onto *position*, Harley-Davidson facilitates the fulfillment of customers’ dreams, providing a sense of freedom by allowing customers to casually explore the world on their motorcycles in their spare time. In contrast, LiveWire as an electric motorcycle not intended for the hedonistic lifestyle of the middle-aged customers who can afford it. It is rather positioned as a utility driven, performance vehicle, built to facilitate transportation for future generations. Therefore, launching a

performance-centered motorcycle as a part of their existing brand portfolio centered around leisure and freedom, might result in a miss-match.

Moreover, launching the LiveWire-concept could affect the communication horizontal (Figure 2), and thus the *personality* and *expression* of the brand. The existing Harley-Davidson brand is represented by a masculine Baby Boomer customer base, expressing engagement and dedication through leather jackets with H.O.G. membership patches, participation in events and rallies, and rumbling of the engine. However, this is not in line with the new customer group Harley-Davidson is aiming for. The missing signature sound is again one of the key characteristics of the brand and when missing could take the brand's charm away. Additionally, looking at the *relationship* (Figure 2), Harley-Davidson has been mainly nurturing and building it with their existing H.O.G customer base. Therefore, the nature of the relationships with its main customer base and other stakeholders can be perceived as quite disproportional. As a result, the strong image associated with the brand's main customer base might hinder attempts to attract new customer segments.

As multiple brand components are likely to be affected by the launch of LiveWire, one needs to keep in mind their influence on reputational elements. Considering both ends of the competition diagonal, *performance* and *relevance* can become subject of discussion in the eyes of external stakeholders. Same applies for the communication horizontal, where *recognizability* and *credibility* might be subject to change. At one end of the competition diagonal, *differentiation* is affected due to different *position* of LiveWire in the minds and hearts of the consumers. The existing relationships might affect the *trustworthiness* in eyes of existing and potential customers as well as other stakeholders, thus affecting only one end of the interaction vertical. The specific way in which the reputational elements are affected, thus what the actual reputation of Harley-Davidson will result in, cannot be estimated since this product is not yet launched at this moment.

## Brand Heritage and Brand/Market Orientation

According to Urde, Greyser and Balmer (2007), all brands have a history, some brands have a heritage and only a few brands have successfully made their heritage a valuable asset. It is argued how a heritage brand can be defined using five core elements; *track record*, *longevity*, *history important to identity*, *core values* and *use of symbols*. Moreover, it is imperative to distinguish between a heritage brand and brands with a heritage. While a heritage brand is one where its *positioning* and *value proposition* is based on the heritage, a brand *with* heritage has a story to tell (Urde, Greyser and Balmer, 2007). Based on Urde, Greyser and Balmer (2007), looking at the U.S. motorcycle market, one could argue that Indian Motorcycle is a comeback *retro brand*. Harley-Davidson, on the other hand, can be argued to be a true heritage brand, with a 115 years long track record of endurance, reliability and proven functionality through many years of service in military and police departments (Exhibit 1).

The use of symbols can be seen in the trademarked Bar & Shield logo, the signature leather jacket and also in the various patches and pins, often used to display membership of a particular H.O.G. club. The signature heritage design of the

motorcycle can be categorized as a symbol, since the shape and sound are recognizable from a distance. There are also other symbols, more widely associated with Harley-Davidson, such as its unique V shaped double engine, along with American icons such as Marlon Brando or Elvis Presley. Unofficially, the brand is also associated with a long lasting support of the Republican Party in the U.S. The core values of Harley-Davidson can be summed up in one word; freedom. All in all, the Harley-Davidson's stewardship is marked by a strong performance record extending over decades, and with over 115 years of rich history, Harley-Davidson is set at delivering iconic and stylish motorcycles, granting customers a sense of freedom and American patriotism.

Furthermore, Harley Davidson's strong heritage and identity can be categorized as highly brand oriented. A brand oriented business has an inside-out approach guided by its own identity and values (Urde & Koch, 2014). This is further demonstrated by their focus on the H.O.G community, fully aligned with the brand's existing values and identity, if not reinforcing it to an even larger extent. Such a strongly identity driven organization as Harley-Davidson needs to consider the market orientation and listen to the signals from the market in order to cope with the competition. The balance between having a brand and market orientation is extremely fine, a tradeoff referred to by Urde and Koch (2014) as *the quintessential question*. The quintessential question is centered around asking to what extent a strongly identity driven organization can meet the expectations of the market's wants and needs, while still being able to stay true to its own values and beliefs. This very fine balance and the extent of market adaptation needs to be considered in the Harley Davidson case. A strong market orientation might jeopardize the company's vision and identity. On the other hand, a strong brand orientation without adaptation can endanger the whole business, holding on to an outdated position on the market.

At this point, it can be argued that by launching LiveWire-concept, Harley Davidson is trying to establish a balance between the two concepts. The company has been a market leader for over 115 years, which did not necessarily require them to consider signals from the market to the same extent. However, as Urde, Greyser and Balmer (2007) argue, the historical roots of the company are important and serve as a tool to examine the past in order to discover the future. This allows for the corporate brand identity to be everlasting and forward looking, but rooted in the past (Greyer and Urde, 2019). In this situation, decreasing sales, mainly due to the ageing target group and new generation prospects, make the situation challenging. Transformation of the vehicle market and new sustainability trends require an appropriate strategy for the brand portfolio and communications, which in turn contributes to the overall brand reputation.

## Brand Community

Based on Muniz and O'Guinn (2001), brand community can be defined as a specialized, non-geographically bound community with a structured set of social relations among admirers of the brand. The authors further argue that the community is often centered around a good or service, and that the community is characterized by a shared *consciousness of kind, rituals and traditions, and a sense of moral responsibility*. However, all of these three attributes are surrounded by commercial and mass-

mediated ethos, each of them having a particular expression (Muniz & O'Quinn, 2001). In addition, brand communities are a part of the brand's larger social construction, playing an important role in cultivating the brand's ultimate legacy. Therefore, the brand community plays a vital role in building, maintaining and nurturing brand image and reputation.

Consciousness of kind indicates a shared identity, a "we-ness" among the members of a community. In the case of Harley-Davidson and the H.O.G community, ownership of a Harley-Davidson motorcycle or being designated passenger of a Harley rider is fundamental to this sense of shared identity (Harley-Davidson, 2019a). Also, Harley riders are often visibly identifiable, wearing the classic leather jacket ornate with patches indicating membership (Suddath, 2018). Additionally, consciousness of kind is identified by legitimacy and oppositional brand loyalty (Muniz & O'Quinn, 2001). Legitimacy serves as differentiating factor for members between those who are true members and those who occupy marginal space. By opposing other brands, the internal relationships among community members are reinforced. Oppositional loyalty enhances brand meaning and expresses one's inclusion or exclusion of a certain lifestyle (Muniz & O'Quinn, 2001). As a result, Harley-Davidson's intention to appeal to young, urban consumers with the new quiet electric motorcycle can get in conflict with the existing Baby Boomer generation riding the original, noisy cruiser. The tension between old and new, "real" and "faux", creates a clash, where an extremely loyal group of brand community members wants to keep the pagans out. As a result, the community protests against the market, hegemony and growth of the brand (Muniz & O'Quinn, 2001). This is an imperative factor in the Harley-Davidson case, since the H.O.G. members define the success of the brand in different terms than the company's management team. Thus, in this sense, a misalignment can cause a serious clash or boycott of the brand.

Second, rituals and traditions spread the meaning of the community and ensure its survival. Such activities are often focused on sharing experiences of consuming the brand, serving as a tool to reproduce the meaning and culture of the community (Muniz & O'Quinn, 2001). Celebrating the history of the brand, as well as sharing brand stories, are important means perpetuating the brand. Participating in rallies and tours, as well as celebrating brand anniversaries and other customer gatherings are essential rituals and traditions of the Harley-Davidson community (Schouten & McAlexander, 1995; Fournier & Lee, 2009). As Muniz and O'Quinn (2001) point out, the brand community members play an active role in social construction of brand meaning through accommodation, negotiation, rejection and the use of communal symbols and therefore the brand as such. They further argue, that in some cases, the brand community regards the marketer as having too much power in brand's future and therefore, the brand's very ownership is conflicted. This can indeed be seen in the H.O.G. community, hesitating or criticizing Harley-Davidson's intentions to launch new, modern and electric motorcycles as a part of their existing brand portfolio, appealing to young and urban consumers (Suddath, 2018). As a result, rituals and traditions are important parts of consumer agency and an active negotiation is needed between strong a H.O.G. community and Harley-Davidson brand when adding new products to the existing brand architecture and adjusting brand meaning.

Third, members take moral responsibility towards the community and its members by voluntarily helping and looking out for each other in different ways and strengthening the bonds between members (Muniz & O’Guinn, 2001). This is done through integrating and retaining members as well as assisting in the use of the brand (Muniz & O’Guinn, 2001). In the Harley-Davidson community, there is a strong sense of brotherhood, inclining members to help out, for instance, with roadside assistance (Schouten & McAlexander, 1995). In online forums members are helping out by sharing tips and solutions to all kinds of problems (Harley-Davidson Forums, 2019). However, responsibility and information sharing within Harley-Davidson community either through forums or H.O.G. is often more useful than information provided by the actual brand and therefore brand community contributes to what Muniz and O’Guinn (2001) refer to as blurring of the marketer-consumer role.

## Brand Architecture

According to Kapferer (2012, p. 309), *“a brand has only one need: to grow, while maintaining its reputation and profits”*. He further argues, that brands can capitalize on the success of existing products by adding *narrow* (product line, range) or *broader* (entry into new product categories) extensions. In the case of Harley-Davidson, it can be argued that by adding electric motorcycles without clutch and with a different design, the brand is entering into a new product category. Moreover, in order to use the electric motorcycle, there needs to be an existing infrastructure in place. At the same time, positioning a new product within an existing brand portfolio requires decisions to be made regarding the number of brand levels, the role of the corporate brand in the product value communication, the weight of these brands and their coexistence, as well as the degree of globalization (Kapferer, 2012).

There are multiple approaches a company can use when positioning a brand within the brand architecture. The three main factors, as presented by Petromilli, Morrison and Million (2002), are business, brand and customers. The same authors further state that by looking at the offerings from the customer perspective, the company can develop a strategic brand architecture. Management should evaluate the customers’ perception of the brand, its relationship and value transfer between the brands in the portfolio (Petromilli, Morrison & Million, 2002). Given the strong Harley-Davidson brand community, it is of key importance to assess the position of an electric motorcycle in the brand architecture, and, as Petromilli, Morrison and Million (2012) argue, evaluate both positive and negative consumer expectations, as well as possible levels of confusion.

First, based on the process of brand relationship mapping by Petromilli, Morrison and Million (2002) (Exhibit 2), one could argue that when launching LiveWire as a product of an existing brand portfolio, it might pose as a potential risk to the existing brand, due to its contrast with the rest of the product families, which fuel powered, have a more classic heritage design, possess the signature sound, as well as the fact that most of the existing products are touring or cruising bikes, in contrast to the LiveWire as an electric performance bike. Looking at it from a brand perspective, the launch is not aligned with brand’s position, as well as its competences and the value proposition offered at the market (Figure 2). Although launching LiveWire would be



aligned to the mission and vision of attracting new customer segments, it would oppose the existing positioning of Harley-Davidson in the hearts and minds of their stakeholders. This would add a sense of confusion, especially among the key customer segment and the brand community members (Figure 2). Thus, the existing brand within the portfolio its perceived compatibility for external stakeholders can limit the potential of LiveWire. From the aspect of profitability, however, Harley-Davidson could exploit *economies of scale* (Roper & Fill, 2012), a benefit of marketing the products under the existing brand, rather than separately, as this strategy would not require any additional operational costs.

The second option, based on brand relationship mapping (Exhibit 2, Petromilli et al., 2002), launching LiveWire as a daughter brand endorsed by its mother, Harley-Davidson, would offer a potential lift to both parties, as well as allow for a certain degree of separation. From a business perspective, this approach would help strengthen and leverage the core business by endorsing the daughter brand through Harley-Davidson, with over 115 years of proven track record. Based on Kapferer (2012), Harley-Davidson, as an endorser, would play the role of a motivator and source of value for LiveWire, as well as an identifier of the origin in form of the manufacturer's brand. On the other hand, LiveWire, as an electric motorcycle, is in line with Harley-Davidson's aspiration to adjust to the sustainability trend. It could serve as a moral endorsement for the producer (Kapferer, 2012). As a result, both mother and daughter brand could benefit from this option. Moreover, the formal separation would allow for tailoring the positioning, value proposition and competence, and establishing a new personality, expression and relationship (Figure 2). In contrast to the Harley-Davidson mother brand, the separated brand would thus attract younger customer segments. From the perspective of the brand community, as well as that of new customer segments, this option would prevent confusion and enable Harley-Davidson to serve multiple markets and segments. Also, as is argued by Roper and Fill (2012), Harley-Davidson and LiveWire by Harley-Davidson could benefit from the *halo effect*, where the reputation of one brand is likely to be transferred to another brand in the brand architecture portfolio. However, from a financial perspective, there would be additional costs for establishing the daughter brand. Yet, these costs would be lower than for establishing a standalone LiveWire mother brand.

The third option is to launch LiveWire as a separate mother brand, since it would allow for defining, aligning and managing LiveWire in its full scope, separated from the remaining brand portfolio. Furthermore, in implementing such a strategy, Harley-Davidson would not have to be concerned about fitting LiveWire with the existing brands in the portfolio, which would be at risk of limiting the full scope of the new opportunity (Exhibit 2; Petromilli et al. 2012). Creating a standalone mother brand would support both the mission and vision of the brand to attract a new generation of customers (Figure 1), it would also allow for a tailored positioning in the hearts and minds of customers. Furthermore, from the perspective of the H.O.G community, it would maximize clarity and minimize confusion in the hearts and minds of current and potential customers. Additionally, it would optimize the ability of Harley-Davidson to serve more than one customer segment. On the other hand, from a business perspective, the costs of setting up a separate brand and managing it could just impose an additional financial burden on the company.

## Teaching Suggestions

Greyser and Urde (2019, p. 7) argue that companies need to seek what is timeless, and that brand identity should be lasting – “*forward looking, but rooted in the past, it has stood the test of the time*”. Bridging Harley-Davidson history with future is of key relevance in this case. Since multiple heritage brand encounter challenges while trying to stay relevant in the new millennium, it is imperative to make the audience remember the key takeaways from this case. As a result, in order to enhance Harley-Davidson case experience and learning, variety of teaching media to highlight key aspects of the case and provide the structure are deployed. Using a PowerPoint presentation makes for a great tool in sharing vital information about the case, offering an overview and insights are relevant when leading the case discussions. In addition to offering such insights, using visual elements, such as videos and images, is helpful. As a supplement to the PowerPoint, such elements emphasize certain aspects and perspectives of the case, while engage the audience at the same time. As a result, LiveWire promotional video are used. Combined with visuals showing the contrast between heritage and new generation motorcycles will further help in understanding the case. Moreover, a whiteboard is a great tool for structuring the discussion, offering a space for the instructor to collect valid insights from the audience, while also acting as a summarizing tool for the audience and their insights.

The *Corporate Brand Identity and Reputation Matrix* (CBIRM; Urde & Greyser, 2014) is implemented as the theoretical basis for analysis as well as it is used throughout the case discussion. In displaying the CBIRM of Harley-Davidson (in black only), the instructor not only sets part of the frame within which the discussion should take place, but also offer the audience more in-depth insights into the case. Thus, the CBIRM is to be considered as an essential tool for analyzing the multiple dimensions of the case presented, highlighting important attributes and dimensions to be taken into account in order to give the case justice in light of its context, as well as its theoretical and managerial implications.

In preparing the audience for a discussion, information covering the specificities of the LiveWire-concept needs to be presented. Together with visuals and the promotional video, the instructor can refer to quotes and announcements regarding LiveWire concept. Quotes offer more hands-on information, making the case more tangible and comprehensive. Also, the rawness and originality of quotes, especially from Harley-Davidson’s internal and external stakeholders, puts the case within an actual context in light of key actors associated with the case in question. Before opening up for discussion, it is vital to ensure that the audience is keeping up and that nothing is left unclear. This is preferably done by giving the audience a chance for asking any final questions regarding the information they have just taken part of. It is important to make sure that the audience is on board with what has just been presented, setting the tone for nuanced, in-depth and rewarding discussions covering the full complexity of the case.

After having set the tone and context within which the discussion will take place, making sure that the audience have taken part of and understood the information shared, it is time to initiate the discussion. In order to engage the audience, it is recommended to let the discussion take place as a role play, placing the audience in

the role of management. The role of the instructor is essentially to lead the discussion. The instructor must make sure to follow the discussion and listen carefully to what is being discussed among the participants. In case the discussion turns silent or comes to a standstill, the instructor should be prepared to pose assisting questions. These questions should be set to get the audience thinking, while also ensuring that the flow of discussion is in line with the frame set for the case. However, the instructor must make sure not to inflict on the discussion so that it influences the group decision.

## Discussion Questions

In order to facilitate smooth and fruitful discussion, the instructor is encouraged to ask following questions, which help in navigating the structure of the discussion based on the main theoretical concepts covered in this case.

### Main Question:

- What branding strategy should Harley-Davidson implement for launching the LiveWire-concept?

### Assisting questions:

#### *Brand Identity*

- Considering the value proposition and positioning of the brand, how should Harley-Davidson act with respect to its core heritage values when launching the LiveWire-concept?
- How should Harley-Davidson align the LiveWire-concept with the existing product portfolio in order to pursue successful launch?

#### *Brand Heritage*

- How does the launch of the LiveWire concept affect Harley-Davidson, a strong identity driven heritage brand?

#### *Brand-Market Orientation*

- To what extent should Harley-Davidson, adapt to the market, without losing their values and identity?

#### *Brand Community*

- Given the strong relationship between Harley-Davidson and the H.O.G community, how should Harley-Davidson act with respect to the H.O.G community? To what extent should they value the opinion of the H.O.G community?

#### *Brand Reputation*

- How can Harley-Davidson remain trustworthy and relevant? How will the LiveWire-concept affect the Harley-Davidson brand in terms of reputation?

### *Alternative D*

If the discussion comes to a halt, or if there is time left, the instructor could ask the following question:

- Is there any alternative D? Should they even launch the LiveWire-concept?

This opens up for other perspectives than the ones presented and releases the case from the theoretical framework brought forward in the teaching notes. Taking the case a step further allows for new insights and a deeper understanding helpful in future implementations.

Efficiency is key in generating a nuanced discussion, especially considering the limited amount of time set for the assignment. In ensuring the efficiency of the discussion, the instructor should also make sure that the discussion stays somewhat focused and within the frames set for the case. Furthermore, the instructor should make sure to distribute the word so that all who wish to participate have the opportunity to do so, but also to call upon those who are not as active and include as many as possible in the discussions. Additionally, the instructor should be keeping track of the arguments put forward by participants, preferably writing them on the board for everyone to take part of. This will give the discussions a certain structure, facilitating the final decision-making. Also, this structure will give insights into the possible conclusions and learnings to be drawn from combinations of the thoughts and ideas shared by members of the audience.

In finalizing the discussion and summarizing it into a final decision, it is important to conclude it so that it constitutes a fair representation of the audience standpoints. This will be ensured by declaring a vote, by which participants will be asked to pick one of the options discussed. The option receiving the greatest amount of votes will be declared as the final decision. As a final step for clarification, and also for shedding light on the case and its contributions as a basis for analysis, the instructor can ask a voluntary member of the audience to summarize key aspects brought up during the discussion in relation to the main issues of the case, as well as the final decision decided upon.

## **Board Plan**

An additional element for facilitating the case session process is having a board plan, which assists the instructor as well as the audience to keep the track of the case discussion. Being filled out beforehand, the board plan should contain a structured overview of potential topics which might be touched upon during the actual discussion, in light of the established theoretical basis and case insights. The board plan constitutes the tool for the instructor to organize the discussion, acting as a means to structure and collect their thoughts and ideas prior to the session. In turn, it facilitates smooth point of departure by following and navigating the discussions and making sure that the arguments made are within the frame and dimensions of the case. Additionally, the board plan facilitates keeping the flow of the discussion going, and also sets up an efficient process.

BRANDING STRATEGY DIMENSIONS OF INFLUENCE	NEW PRODUCT			ENDORSED DAUGHTER BRAND	SEPARATE MOTHER BRAND
	H.O.G Community	<ul style="list-style-type: none"> <li>Potential threat</li> <li>Customer confusion</li> <li>Against value proposition and positioning</li> </ul>	<ul style="list-style-type: none"> <li>Formal separation of old and new generation of riders</li> <li>A middle ground</li> </ul>	<ul style="list-style-type: none"> <li>H-D's business able to remain centered around present-day target group</li> </ul>	
H-D capabilities & know-how	<ul style="list-style-type: none"> <li>Potential to leverage capabilities and know-how</li> </ul>	<ul style="list-style-type: none"> <li>Potential to leverage capabilities and know-how</li> <li>Build on heritage, endurance, performance and reliability, but customized to new offering</li> </ul>	<ul style="list-style-type: none"> <li>No potential to leverage capabilities and know-how</li> </ul>		
New customer segments	<ul style="list-style-type: none"> <li>Confusion in relation to current brand portfolio</li> <li>Adding something new and different – drawing attention to the brand</li> <li>Appealing to new customer segments</li> </ul>	<ul style="list-style-type: none"> <li>Keeping old customer segments while also attracting new segments</li> <li>Flexibility</li> </ul>	<ul style="list-style-type: none"> <li>Free hands in shaping the product offering - customized to demands and expectations of new customer segment</li> </ul>		
Financial costs	LOW	MEDIUM	HIGH		
Image & reputation	<ul style="list-style-type: none"> <li>Inconsistency in relation to current brand portfolio</li> <li>Indicating attempt to shift overall image and reputation</li> </ul>	<ul style="list-style-type: none"> <li>Impact on overall image and reputation of H-D brand</li> <li>Spillover effect</li> </ul>	<ul style="list-style-type: none"> <li>No effect on the overall image and reputation of the H-D brand</li> </ul>		

Figure 3: Board plan for case session

As a final part of the session, management decisions of Harley-Davidson will be presented. Showing how the company decided to launch LiveWire, as an extension of existing product portfolio, can be combined with visuals and quotes of external stakeholders' reactions. This will provide fruit for further thoughts on how complex this case actually is, and maybe Harley-Davidson's course of action will not be what the audience expects.

## Time Plan

In order to ensure a smooth and efficient case session with limited time, it is important to adhere to estimated schedule. Apart from providing an indication of how much time should be spent on each of the case sections, the time plan is used as a guiding tool, setting an overall structure for the case session. Additionally, the time plan acts as a frame of reference, ensuring that the case and its dimensions are all covered to their full extent, creating a good basis for discussion. On an overall basis, the time plan will make the process less stressful, while also making it more flexible as it provides the instructor with an estimated structure, from which the instructor is able to draw upon encountering unforeseen events. In case of any such events, the time plan will facilitate shifting the focus and adapting the remaining time so that the vital parts of the case are highlighted.

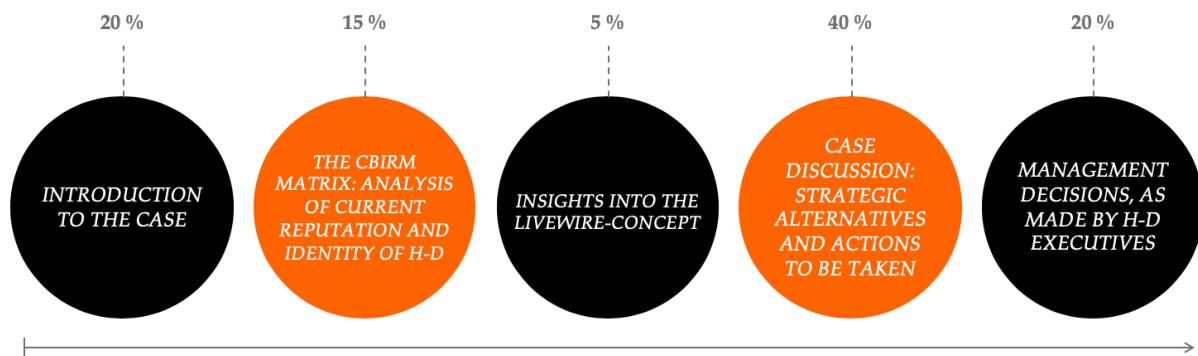


Figure 4: Time plan of case session

## Epilogue

The nature of this case showcases major challenges encountered when bridging a heritage brand, with a strong brand community, to product innovations, while selecting appropriate branding strategies in order to remain relevant in the future. In the Harley-Davidson case, launching an electric motorcycle requires the evaluation of the following branding strategies; (A) adding LiveWire model to existing product portfolio, (B) launching LiveWire as a daughter brand endorsed by Harley-Davidson mother, or (C) a new mother brand. Several key takeaways can be drawn from this case. First, when adding new products to the portfolio, one should make sure to understand the brand's identity with respect to the brand heritage, as well as their alignment and management over time. Second, having a close relationship with and relying on a strong brand community built over the years might impose limitations on the brand. Third, the brand needs a finely balanced brand/market orientation, which requires the brand to listen to the market, while also allowing for a certain degree of adaptation. Fourth, based on the previous three key learnings, when evaluating the launch of new products, it is necessary that these new additions have an appropriate position in the brand architecture. As a result, the case covering Harley-Davidson's branding strategy captures a management and reputation challenge that many heritage brands face, especially in regards to entering the new millennium. Sustaining and nurturing brand value over time requires a comprehensive and proactive branding strategy, that calls for brand management team's judgement and use of branding theory. The strength of this case is that it can also be used in the years to come, which further enhances its timelessness, making it an *evergreen* case.

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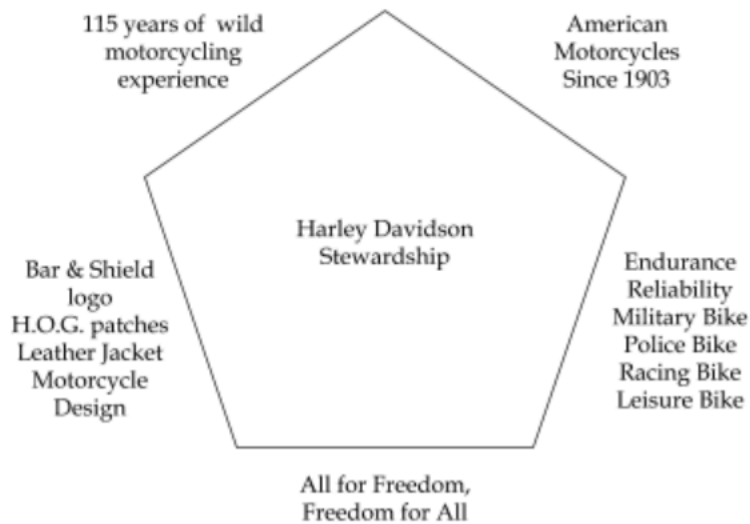
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# Appendix

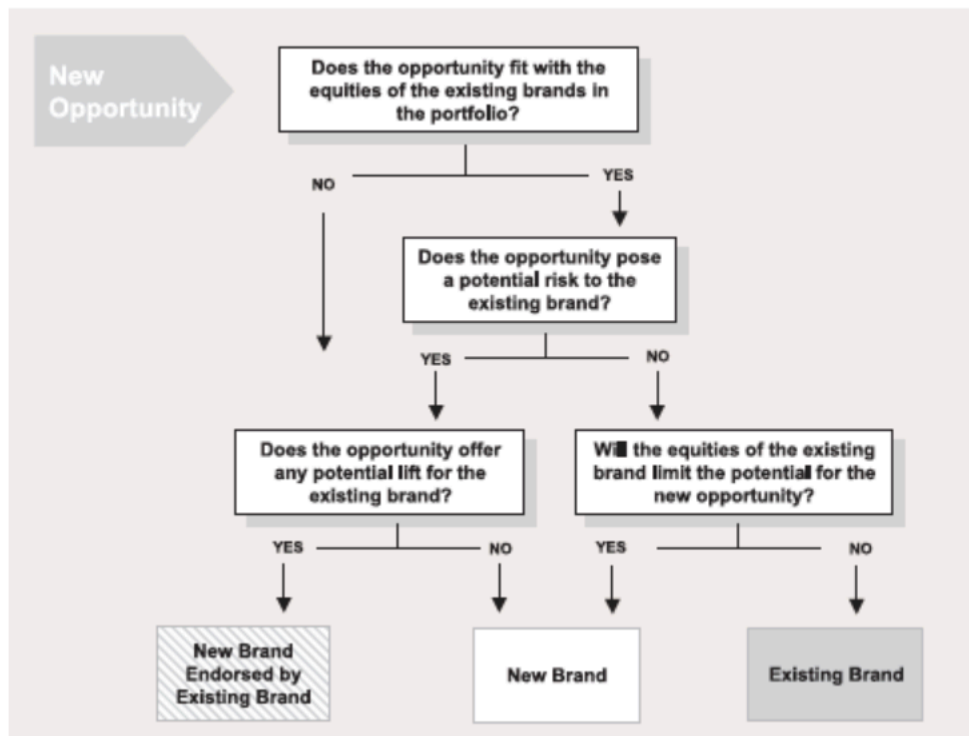
## Exhibit 1

### Harley-Davidson Heritage Stewardship



## Exhibit 2

### Brand Relationship Mapping, Petromilli, Morrison and Million (2002), p. 25



### Exhibit 3

#### Corporate Brand Identity & Reputation Matrix

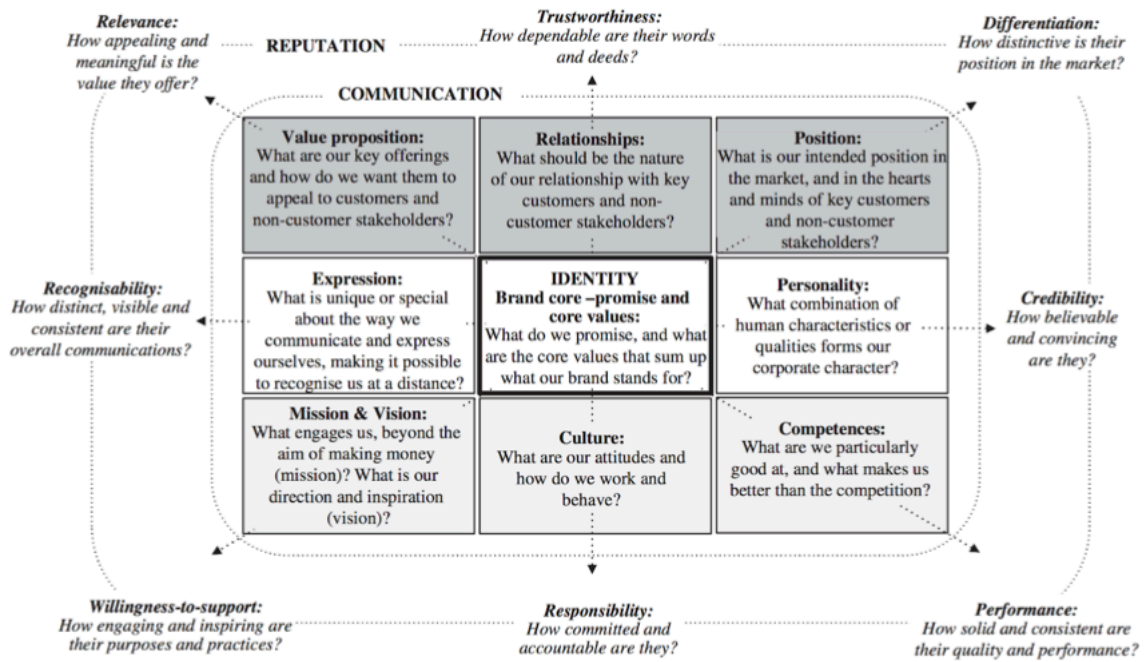


Figure 4: The Corporate Brand Identity and Reputation Matrix (CBIRM).

### Exhibit 4

#### Harley-Davidson Brand Architecture

