

R18 Market Persona and Positioning Analysis

Presented by

Esin Aslan, Patrick Connerney, Jacqueline Drumb, Joe Hill, and JP Parra



BMW
MOTORRAD

Agenda

- The Project Objectives
- Project Background
- Business Strategy
- Target Audience & Personas
- Business Opportunities
- Conclusion & Recommendations



The Project Objectives

- Determine R18 target groups in North America.
- Analyze potential personas and positioning of marketing to reach them.
- Explore associated business opportunities associated with this strategy.



Project Background

Motorcycle owners in the United States

Demographic profile

- 37% of people who own motorcycles are between 30 and 39 years old.
- More than half of people who own motorcycles have a high yearly household income.
- Motorcycles owners are more likely to live in cities and urban areas than in rural areas.

Consumer lifestyle

- Value career advancement
- Motorcycle riders have a strong interest in automobiles and other vehicles and tend to pursue it as a hobby.

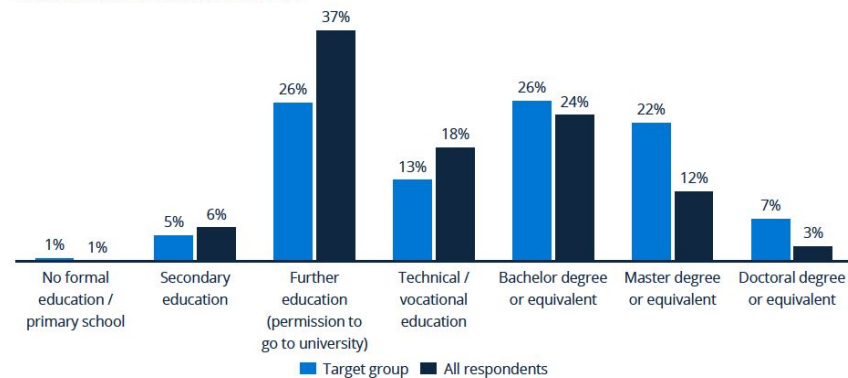
Consumer attitudes

- 39% are car enthusiast.
- 21% of motorbike owners are product inventors or early adopters.
- Motorcycle owners have more conservative political views than the typical person.

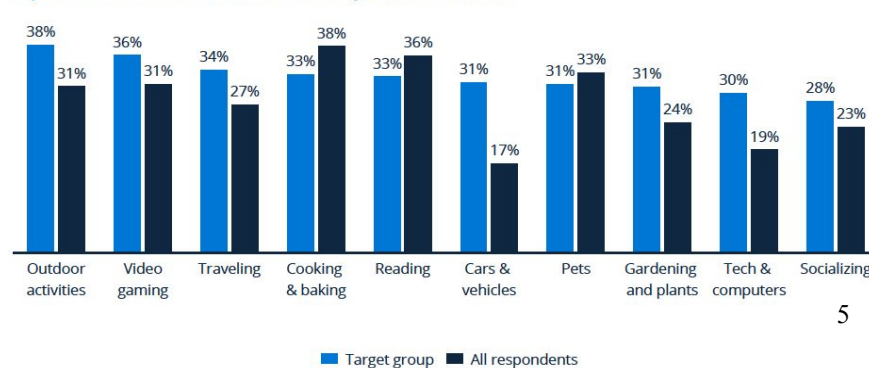
Marketing touchpoints

- Motorcyclists engage with brands more on social media than others.
- Motorcyclists recall movie commercials more frequently than others.
- Motorcycle riders recall video game advertising more frequently.

Consumer's level of education in the U.S.



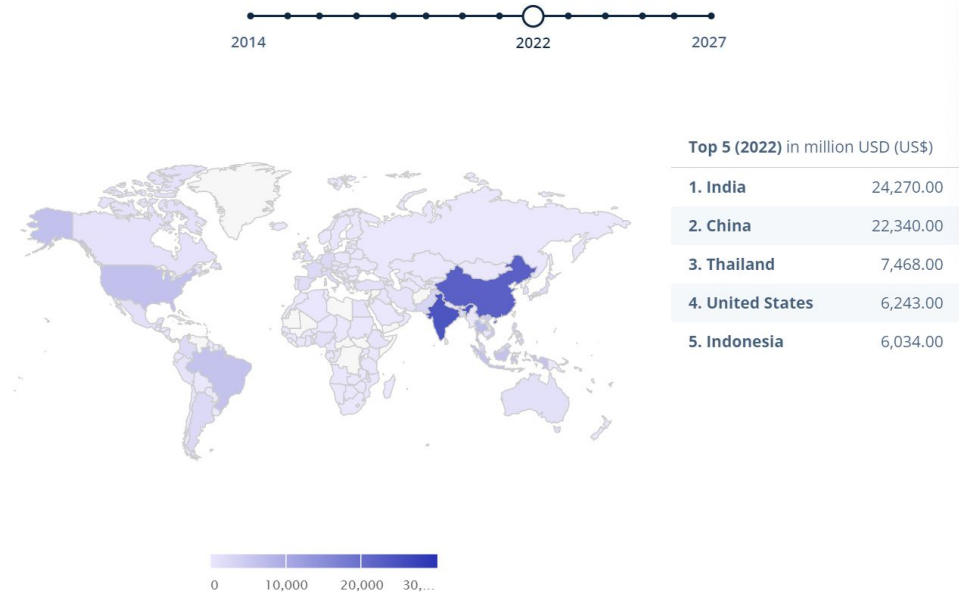
Top 10 hobbies and leisure activities of motorcycle owners in the U.S.



Motorcycle industry in the United States

- The US has been in the top 5 global markets for motorcycle sales revenue for the past years.
- In 2021, the motorcycle and parts manufacturing gross output reached \$6.2 Billion US dollars.
- Year over year increase of 9.2%.
- 550,000 units sold in 2021.
- Average two-wheeler price: \$11.9K.
- Average on road motorcycle price: \$13.9K
- 96.1% are non-electric bikes.
- In 2021 CA had the most motorcycles registered in the US with 785K followed by FL with 620K.
- Gen X riders, women make up 15%.
- Baby boomers outnumber millennials as motorcycle owners at a 4 to 1 ratio
- 22% new motorcycle purchases come from first-time buyers

GLOBAL COMPARISON - REVENUE



Most recent update: Nov 2022

Source: Statista

Motorcycle share in the U.S.

Harley-Davidson is still the leading motorcycle manufacturer in the U.S. market, followed by its main competitor Honda. Between 2020 and 2021, H-D's U.S. retail sales grew by about 21.8 percent to just under 126,300 in the 2021 fiscal year. H-D's key competitors include Minnesota-based Polaris Industries, Germany-headquartered BMW, and Asian companies like Honda and Yamaha.

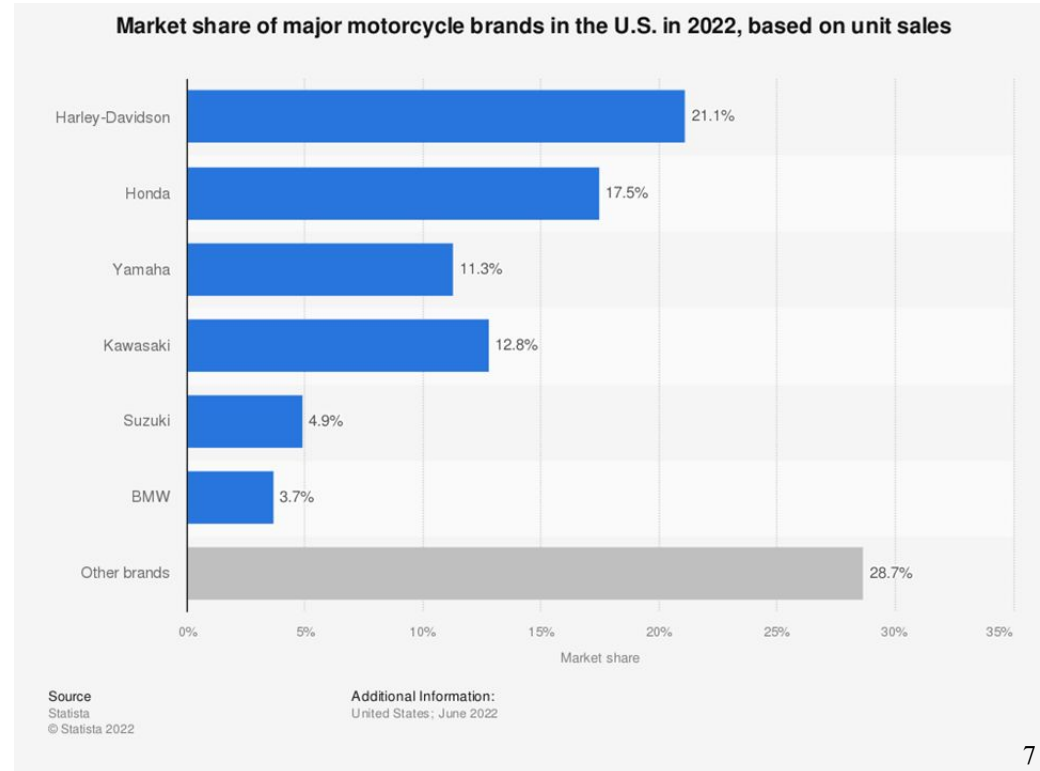
For the R18 models the direct competitors in the american market are:

Harley Davidson

- Cruiser
- Grand American

Indian Motorcycle

- Chief
- Springfield



Harley-Davidson & Indian Motorcycle



When comparing these two you'll see a large GAP in the market share.

There are many reasons why customers go into a HD dealership first and not to an Indian.

- The first one is HD suits their products to the customer needs and wants. For example, they release a 500cc and 750cc for customers who are budget-minded and price sensitive.
- The brand positioning of HD and its association with freedom, independence and The American motorcycle. Building a fanbase and loyalty customer community.
- HD are highly customizable with all the needs and wants of the customer before or after is out of the dealership, making it an enjoyable experience.



Harley Davidson - Indian profile Vs. Future

Average HD-Indian customer

- Early 50s
- Married
- Household Income > \$90,000
- Passionate for the product/lifestyle
- Sense of belonging / value freedom
- Patriotism for the country



Other Potential Markets to Target

- 2 Million potential customers
- Means of transportation
 - Riding schools
 - Law enforcement
- New Generations

Harley Davidson - Softail Slim

Target Audience: Younger/ First time bike owners

- Classic interpretation of a cruiser
- Speed: Faster
- Pricing: Lower

Recommend usage:

- Cities/ urban areas
- Around-town cruising
- Beginners/ standard usage

Reviews:

- Positives: Stripped-down style yet classic with high customization capabilities
- Negatives: Mostly for city rides/light-duty touring

Persona:

- Name: Jungle Jack
- Age: 27
- Hobbies: traveling, watching sports, working out
- Lifestyle: Educated, career driven
- Location: Big cities (LA, NY)
- Social Media: Somewhat active
- Interest in Motorcycles: Somewhat - ease of transportation
- Interest in BMW brand: Moderate



Harley Davidson- Fat Boy 114

Target Audience: Younger Generation

- Classic (modernized) Interpretation of a cruiser
- “Muscle meets performance”
- Speed: faster
- Pricing: Higher

Recommend usage:

- Rural areas
- Long drives
- Experienced riders

Reviews:

- Positives: Huge torque engine, flattering color scheme, light handling, larger fuel tank
- Negatives: Heavy controls, larger wheels

Persona:

- Name: Barley Bob
- Age: 40
- Hobbies: Bowling, working out, camping
- Lifestyle: Spending time with family, bike club, working on own bike
- Location: Detroit Eastside, Michigan
- Social Media: Minimum
- Interest in Motorcycles: High, enjoys being apart of the community, wants to start conversations about his bike
- Interest in BMW brand: Low



Business Strategy

Harley Davidson

Strengths:

- Brand recognition
- Consumer loyalty
- Online and offline communications
- Trademark licensing
- Good Quality
- American Made

Weaknesses:

- Safety
- Emissions
- Higher prices
- Recall issues
- R&D

Opportunities:

- New target audiences
- Asian economy increasing
- International heavyweight market growing

Threats:

- New Competitors
- Procurement of Raw materials
- Environmental Standards

BMW Motorrad

Strengths:

- High Quality Production
- Established Brand
- Customization

Weaknesses:

- Low North American Market Loyalty
- Well Established Competitor
- No US based production

Opportunities:

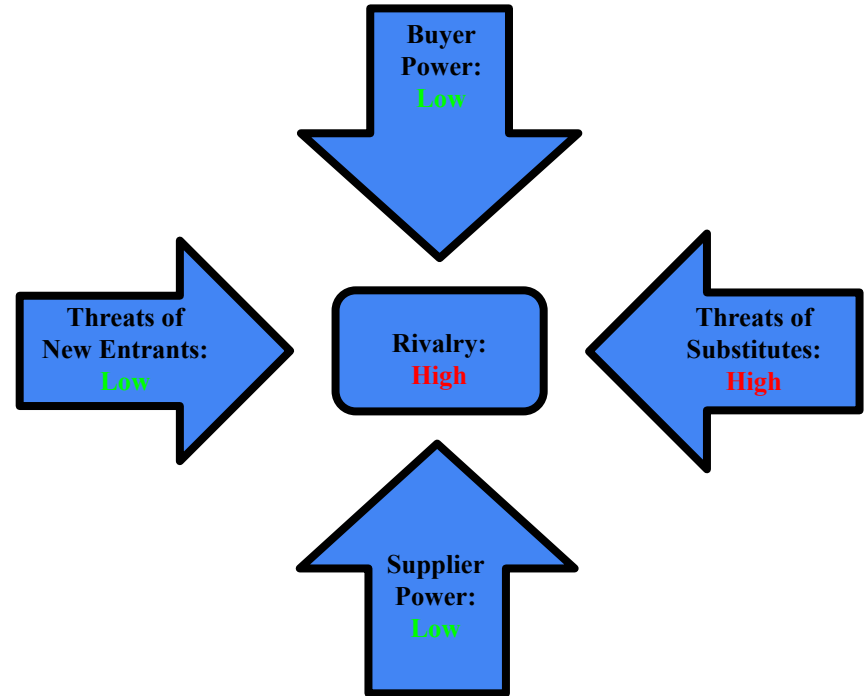
- Lower Euro-Dollar conversion
- Asian Motor Economy Increasing
- New Target audience
 - Environmentally Sensitive
 - Younger Consumers
 - New Immigrant Consumers

Threats:

- Rising fuel costs
- Procurement of Raw materials

External Factors

- Buyers have many choices for their Bikes are varying costs and styles
- Saturated Red Ocean Market with dug in competitors
- Suppliers are competing against the in house production of goods
- Red Ocean Market prevents high number of new entrants
- High cost of Entry lowers new entrants



Target Audience & Personas

The Usual Harley Davidson Suspect

Name: Terry Transmission

Age: 55 - 60

Location: Tampa, FL

Income Level: Medium earner, relies on savings and pension from civil engineering job

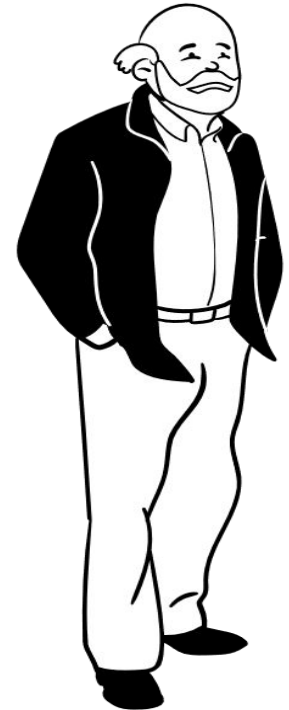
Hobbies: Reading the newspaper, photography, daily walks

Lifestyle: Retired early but still advises his old company, tinkers in the garage, enjoys spending time with grandkids

Social Media Usage: Little to none

Interest in Motorcycles: High, wants to cruise around with his new neighbors he met in the retirement community he and his wife moved to.

Interest in BMW brand: Moderate, his wife owns a BMW 2 Series



The Usual Harley Davidson Suspect

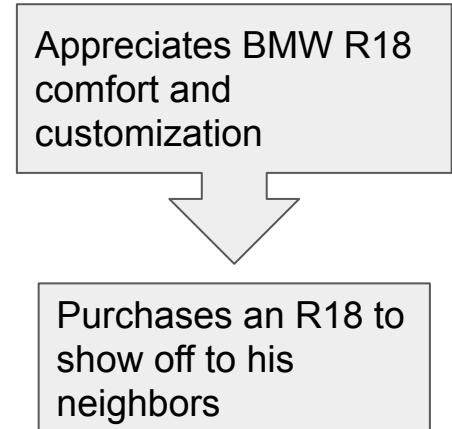
Persona Decision Analysis



Recommended Advertisement Positioning to Reach this Persona:

Newspaper Advertisement or Mailer

- Highlighting local deals
- Showcases local events



The Next Generation

Name: Suzie Suspension

Age: 30 - 35

Location: San Diego, CA

Income Level: High earner in the Biomedical Industry

Hobbies: Online Shopping, Dancing, Beach Clean Ups

Lifestyle: Very active and athletic, works hard to play hard, traveler, risk taker.

Social Media Usage: Very high

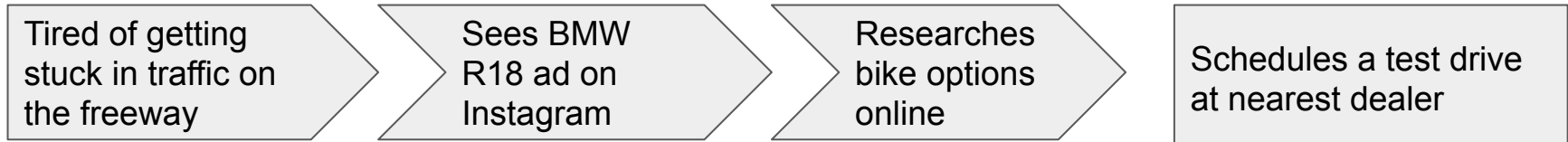
Interest in Motorcycles: Moderate, wants a better way to get around the city and ditch the car for better fuel consumption and less parking hassle.

Interest in BMW brand: Moderate



The Next Generation

Persona Decision Analysis

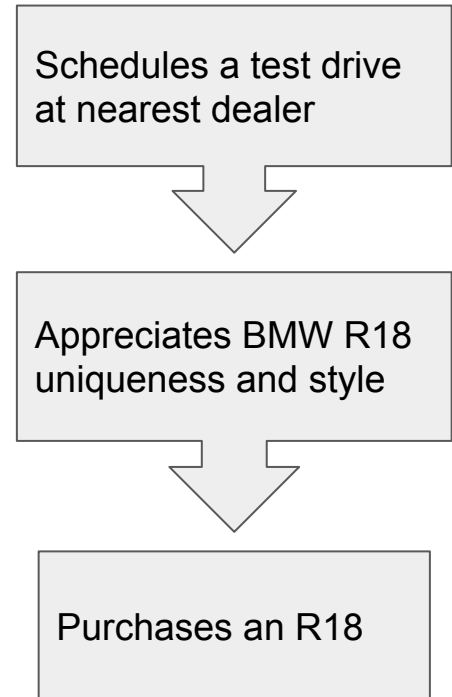


Recommended Advertisement Positioning to Reach this Persona:

Social Media Advertising via Instagram

Advertise towards users who utilize hashtags (#)

- #traffic
- #trafficjam



The Military Convert

Name: Keith Kickstand

Age: 35 - 40

Location: Las Vegas, NV

Income Level: High earner in the US Air Force

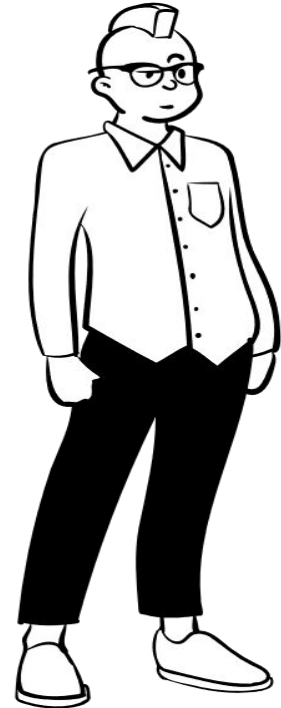
Hobbies: Road Trips, Camping, Fishing

Lifestyle: Maintains high work commitment but enjoys escaping the city.

Social Media Usage: Medium

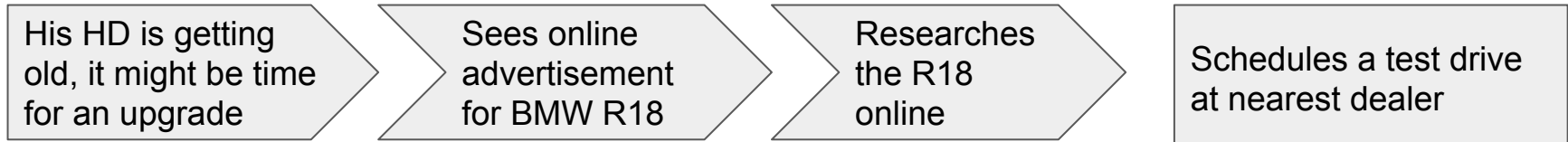
Interest in Motorcycles: High, owns a Harley but is considering all the options for a replacement or additional motorcycle.

Interest in BMW brand: High, owns a 2015 BMW M3



The Military Convert

Persona Decision Analysis

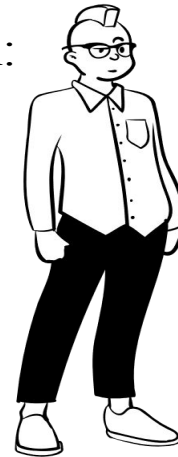


Recommended Advertisement Positioning to Reach this Persona:

Billboard Advertising at or near military bases

Online advertisements directed toward users who search:

- “Motorcycle Trade-in”
- “Cruiser Upgrade”
- “Best Cruisers”
- “Harley Davidson Replacement Parts”



Appreciates BMW R18 precision and engineering

Purchases an R18 to add to his collection

The Second Home Owner

Name: Freddie Fork

Age: 40 - 45

Location: San Francisco, CA with second home at Lake Tahoe

Income Level: High earner from finance or tech industry

Hobbies: Skiing, Snowmobiling, Golfing, Boating/Jet Skiing

Lifestyle: Works hard in the city, enjoys taking the family and some friends to the lake house on weekends to enjoy the great outdoors.

Social Media Usage: Average, motivated by kids & family

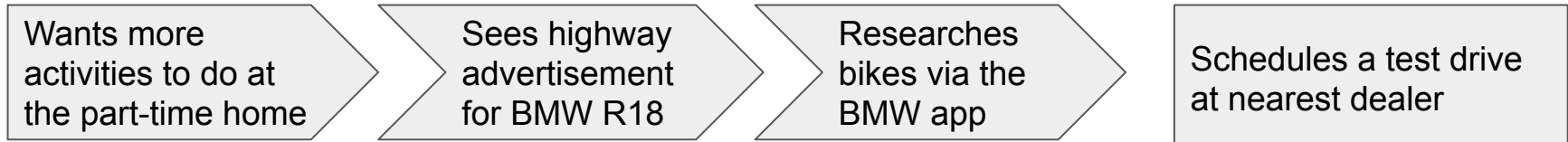
Interest in Motorcycles: Moderate, another Tahoe activity? It would be fun to cruise around the Lake or down to the desert.

Interest in BMW brand: High, owns a 2022 BMW X5 M



The Second Home Owner

Persona Decision Analysis



Recommended Advertisement Positioning to Reach this Persona:

Billboards along major Interstate Freeways headed toward second-home destinations.

Examples:

- Bay Area to Lake Tahoe, CA
- Phoenix to Sedona, AZ
- Las Vegas, NV to Southern Utah
- Denver to Aspen, CO
- Headed toward Orlando, FL

Segment within the “Explore BMW” page of the My BMW app

Content Recommendation: Showcase the R18 at these destinations.

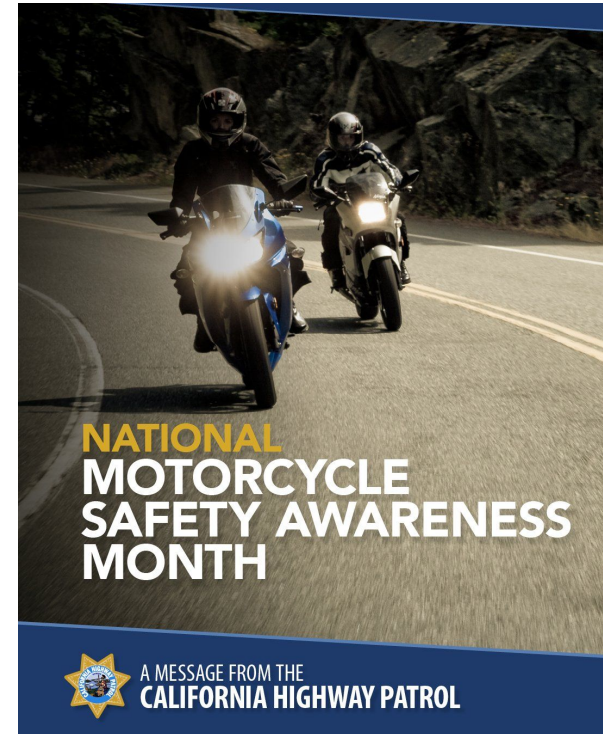


Business Opportunities

Partner with local organizations and safety departments to provide motorcycle safety courses and awareness.

- Expand existing BMW Performance Driving School to include additional locations or a touring safety skills course.
 - Open the course to drivers of all brands to showcase BMW engineering, design, and service.
- Sponsor Motorcycle Safety Awareness Events.
 - Example: Many US States, such as California and Nevada declared May as Motorcycle Safety Awareness Month.
- Partner with military base motorcycle school houses to provide bikes for training programs.
- Develop a Riding Academy in dealerships. A riding school, including a new rider course designed to introduce fresh consumers to the motorcycling experience, and teach them about the quality and high safety standards BMW follows.

zero Fatalities[®]
Drive Safe Nevada



Expand/launch BMW Motorrad

- Combine dealership with museum of BMW Motorrad company
 - Experience within a dealership, a space to purchase parts, bikes, merchandise, while having a space to host events and clubs, provide a restaurant/bar
- Target New Segment
 - Target younger/first time customers (millennials)
 - Market as means of transportation rather than a lifestyle
 - Consider cheaper standardized options and > price point for customized product
- Increase product visibility
 - Emphasize the customization capabilities
 - Harley Davidson parts compatible with BMW
 - Increase Social Media presence for Motorrad
 - Riding Schools
- Possibility to rent R18 Bikes
 - New activities such as exploring or hiking outside the big cities.
 - Free trial for potential customers
 - Host events to promote community presence

Conclusion & Recommendations

Recommended Strategies

	Goals	Message	Proposed Action
New Buyers	Connecting with New Demographics	Lower Emissions / Higher Quality / Safety	Increased marketing and events
Established Buyers	Convince current buyers to buy the R18 over owned competitors Cruiser Bikes	Better Performance / Better Customization	Appeal to established biker groups
Companies / Organizations	Make connections with companies in need of motorcycles	Lower Cost / Safety	Contact Motorcycle training centers / Service Companies

Questions?