

# Harley-Davidson's reputation as an 'old, white-guy brand' may be its downfall

Amid revenue losses and expected job cuts, the famous motorcycle manufacturer must face facts: its all-American bad boy image is no longer cool

Easy riders: Dennis Hopper and Peter Fonda on custom Harley Davidsons in the 1969 film

It's been nearly 50 years since Peter Fonda and Dennis Hopper rode out on their custom Harley-Davidsons in *Easy Rider*. Fonda and Hopper live on in American culture – long-haired, wild-eyed expressions of bad boy cool. The motorcycles they rode? Not so much.

If the 100-year-old company's recent financial results are any indication, the image of Harley-Davidson bikes as the quintessential American two-wheeler may be fading. The US motorcycle manufacturer's market share slid nearly 4% last quarter. To make matters worse, it also announced that it would scale back production and cut jobs.

The problem may well rest with *Easy Rider* – or at least the generation that spawned it. Those old enough to remember the movie may snap up the T-shirts, keychains, lawn flags and various other consumer products festooned with Harley-Davidson logos, but the Milwaukee-based manufacturer doesn't seem to have the reach it once did.

“The younger generation has no interest in Harley-Davidson as far as I can tell,” Michelle Krebs, an analyst for Kelley Blue Book, said in an email. “Unless you ride a motorcycle or scooter in a city as your transportation, motorcycles are a splurge millennials can't afford and have no interest in – especially Harley-Davidson, which seems like an old white-guy brand.”

Old school still has its appeal. But other brands have been gaining traction with retro looks at Harley's expense. Polaris Industries – a company best known for manufacturing snowmobiles and ATVs – revived the once-celebrated Indian brand. Indian seems to have upped the Americana ante, offering fringed leather saddle bags and classic 1940s styling aimed at direct competition with Harley. Ducati unveiled a retro model called the Scrambler last year, increasing the Italian manufacturer's sales by 22%.

But there may be something else – a deeper cultural issue – that's at the root of Harley's trouble. The company's bikes, which have always been a platform for customization, have become more available in "custom" trim straight from the factory, complete with dealer-supplied financing packages.

"It's not cool if everyone else has the same stuff as you," Carlos Dos Santos, owner of Brooklyn Motor works, a New York motorcycle repair and customization shop said. "They're flooding the market with these cookie-cutter bikes, and it's not special any more if everyone can just buy instant cool."

Brian Robbins, a longtime Harley enthusiast and one of Dos Santos' customers, said that personal expression was important to many in the motorcycle crowd.

"If I'm going to spend my disposable income on a bike, I want it to be unique," he said. "I don't want to drop \$40,000 on my bike and have some guy roll up at a light riding the same thing. Ever."

Dos Santos suggested that Harley's strong sales in the past may have led to over-production. He also explained that as Harley has begun offering directly from the factory trick wheels, louder exhausts and other accessories that were once the purview of aftermarket companies, aftermarket innovators like Roland Sands Design have focused their efforts on other manufacturers' motorcycles.

"There was a time when there was a waiting list to get a Harley-Davidson," he said. "Now you can roll up with a scooter and walk out of the dealership with a financing deal on a new bells-and-whistles Harley. It's almost too easy."

He also said the more well-heeled of his customers were going for older machines than Harley's gleaming mechanical odes to a bygone era.

"I worked on more Honda CBs and other 70s bikes in general this year than any other platform," he said. "I've had more high-dollar vintage rebuilds this year than ever before."

Chalk the vintage craze to hipsters, but with the baby boomer wave breaking – Easy Rider generation motorcyclists are getting too old to ride – perhaps it's time for Harley to consider its next move. Accordingly, the company announced this week that it would increase its marketing budget by 65%. It has also begun selling its most basic motorcycles in India.

While neither move guarantees success, Harley has been through worse. American Machine and Foundry nearly ruined the company and its reputation in the 1970s (ask any Harley aficionado about the infamous "AMF years" and watch them cringe), but the brand rose from the ashes and once more became a top-seller known for high-quality loud bikes. It remains to be seen whether Harley has enough gas in the tank to pull that trick off one more time.