

Marketing Strategies of KIA Motors

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Abstract:- The auto industry has seen tremendous growth and Kia Motors is one of them. Kia Motors entered the Indian auto market in 2017. Kia Motors wants to create a brand that aims to increase sales and market share, not profits. Hyundai Motor Group company is fully aware of government plans and regulations regarding infrastructure and other requirements for EVs before launching their EVs in India. Kookhyun shim is both the CEO and MD of Kia Motors India. In an interview, he explained that Kia's long-term goal is to establish itself as a household name in India. Kia has taken many cues from the industry's leading firms. Seltos is the first product introduced by Kia Motors. is a sports utility vehicle (SUV) that aims to challenge the SUV market in India. In this extremely competitive market, Kia has set a reasonable objective. The manufacturing industry has a major impact on economic growth because it provides so many different types of jobs, goods or services. Due to the split of Andhra Pradesh, the AP's economic situation, natural resources, trade opportunities and allowing foreign direct investment in the Indian economy have spurred the economy and job growth in the state. Due to the development of Sri City (Chennai-Bangalore Industrial Corridor), AP Government is seeking Car Manufacturing New Industry at Hyderabad-Bangalore Highway N.H-44, Penukonda, Ananthapur District. Kia Motors (Korea's first automobile company) invested \$2 billion to create 10,000 jobs. Thanks to this business, Penukonda and its surroundings have undergone a great change, and agriculture, out of agriculture, rental house, activity work etc. saw an increase in business.

I. INTRODUCTION

With the introduction of new companies and models, the Indian auto industry has undergone significant transformation in recent years. With an 8.3 percent increase in sales to 3.99 million units in 2018, Kia Motors became the seventh largest replica car manufacturer in India and the fourth largest automaker in India. According to data from the Indian auto market, 80 percent of all domestic vehicle sales this fiscal year came from the two-wheeled vehicle sector. This is because of the dramatic rise in both median income and total population. Kia Motors' expanding focus on the agricultural market has helped boost the auto sector as a whole. Kia Corporation is the oldest company in Korea, having been established in May 1944. Kia Motors, a division of the Hyundai-Kia Motors Corporation, is now the fifth largest automaker in the world, having started out making bicycles and motorcycles.

More than 1.4 million vehicles are manufactured and assembled by Kia each year at 14 facilities in 8 countries. More than 3,000 dealers and distributors in 172 countries sell and service these automobiles.

Over \$17 billion a year is brought in by the company's 40,000 or so employees. Kia's "home" country of South Korea is home to three large car assembly plants (Hwasung, Sohari, and Kwangju plants), as well as a world-class R&D centre with 8,000 specialists and environmental R&D facilities in Namyang. Future hydrogen fuel cell vehicles and cutting-edge end-of-life recycling technologies are being investigated at the Institute of Eco-Technology in Seoul. Kia invests 6% of its revenue into R&D every year, and the company also maintains facilities in the United States, Japan, and Germany.

A. Present Condition of the Indian Automobile Industry

India sold 4,444 commercial vehicles in 2018, making it the world's fourth largest automaker by volume (399 million). Cars accounted for 80% of domestic vehicle sales in FY2019, as shown in Exhibit 1, while motorcycles made up only 20%. The large middle class and relatively young population are likely responsible for their dominance. This industry is expanding because car manufacturers increasingly want to sell their products in the world's 4,444 rural markets. India is positive that it can keep its top spot as an auto exporter worldwide. The projected CAGR for auto exports from 2016–2026 is 3.05%, down from FY19's CAGR of 14.50%. The government's efforts have led experts to predict that by 2020, India's two- and four-wheeler market will have surpassed China's.

B. KIA Motors Corp

The Korean word Kia has two possible meanings in English. Ki, a preposition meaning "out," and a suffix meaning "is," are both appropriate here. Therefore, "from the East" refers to a company based in East Asia that serves clients worldwide. Kia Motors, founded in May 1944, is the oldest automaker in Korea. It began producing bicycles and motorcycles. Hyundai-Kia Motors, a Hyundai Group affiliate, has risen to the position of fifth-largest automaker in the world. It manufactures approximately 1.4 million vehicles per year at its 14 assembly plants located in eight different countries. It generates roughly \$17 billion in annual revenues thanks to its network of over 3,000 distributors and resellers in 172 countries.

C. *Kia Motors' Debut in India*

In August of 2019, car sales fell by their largest percentage in 20 years. Car sales in the United States were consistently down from April to September of this year. Since announcing their intent to enter the Indian market in 2016, automaker Kia Motors has been unusually quiet. In time for the holiday shopping season, the company will introduce the Kia Seltos, its first car built specifically for the Indian market. There won't be another one until next October. The brand was virtually unknown in India up until about eight months before the launch. Kia, on the other hand, has made some pretty audacious promises, such as the fact that it intends to become one of the top five auto suppliers in India within the next three years. He has invested \$1.1 billion (about Rs 6,900 crore) in a 536-acre luxury manufacturing facility in the Anantapur district of Andhra Pradesh, India. The factory can crank out three million units per year thanks to its state-of-the-art robotics, artificial intelligence (AI) building, and eco-friendly power infrastructure. Kia uses an aggressive marketing campaign to shift these vehicles.

D. *Strategy Product Price Placement Promotion*

Kia Motors, based in South Korea, is a Fortune Global 500 company that pulls in \$1.5 billion in annual revenue. The company's automobiles have a reputation for being among the most thrilling and lifelike in the business. Vehicles in this lineup include trucks, cars, SUVs, and even transport and military vehicles. Kia Motors made their debut in the Indian market with the release of the Seltos, a midsize sport utility vehicle. It plans to take on established players in India's rugged SUV market like Hyundai, Tata Motors Ltd, and Mahindra & Mahindra Ltd. The Chinese SAIC Motor and the French PSA Group are both gearing up to enter this market, increasing the intensity of competition. Kia plans to release four new models in India over the next two years, despite fierce competition in the market. Popular Kia models in India right now include the Seltos and the Carnival. Kia Motors India will compete with other major brands like Maruti Suzuki India and Hyundai India¹⁰, which have also announced plans to offer electric vehicles in India by 2020. To get ready for the production of EVs, Kia is also investing in a plant in Andhra Pradesh. Beyond the Seltos and the Carnival, Kia Motors has ambitious plans to grow its product line. Kia plans to launch about nine new vehicles in India between 2020 and 2021. These will include the Kia Stonic, Kia Sonet, Kia Soul, and Kia Xceed. The nine new models include two sedans, four SUVs, and three hatchbacks.

E. *Seltos KIA*

The Kia Seltos is offered in two different trim levels: Tech and GT Line. All models in the Tech Line have prices between 9.89 and 16.34 million. HTE, HTK, HTK+, HTX, and HTX+ are the models available. Luxury meets high performance in the Grand Tourer (GT) Line, perfect for extended trips on the open road.

There are a total of three distinct models, and their prices range from 1,379 lakh (ex-pan-India showrooms) to 1,734 lakh (GTX+). The Seltos is available with a 1.5L petrol engine, a 1.4L turbo petrol engine, or a 1.5L diesel

engine, all of which comply with the latest BS VI emissions standards. The 1.4-liter turbo petrol engine and the manual and automatic transmissions are unique to the GT Line. Seltos is 16 miles away. Gas mileage can be anywhere from 1 to 20, depending on the fuel and the model. The Seltos is a 2610mm long, 1800mm wide, and 4315mm tall SUV with seating for 5. The Kia Seltos is equipped with numerous features, including Kia's UVO connected car technology's 10.25-inch touchscreen, ambient lighting with an 8-inch head-up display, and a smart air purifier. Sunroofs, leather interiors, heated front seats, a Bose sound system with eight speakers, power drivers seats, and ventilated front seats are just some of the available options. When it comes to safety, this vehicle has got you covered with its six different airbags, anti-lock brakes, electronic brake-force distribution (EBD), and electronic stability control (ESC). It has a blind-view 360-degree camera, parking sensors for the front and back, and a rear-view monitor. Some competitors to the Seltos include the Nissan Kicks, Maruti Suzuki SCross, Hyundai Creta, and Renault Captur. Competitors in this sector include the MG Hector and the Tata Harrier. There is also a need for the next-generation Skoda VISION IN SUV.

F. *Caravan de Kia*

The Carnival MPV is available in three different grades (Prestige, Premium, and Limousine) and has seating for seven, eight, or nine people, respectively. Each of the three variants is powered by a diesel engine displacing 2.2 litres. In the middle row of the limousine model, there are seven comfortable seats. Prestige models are available with either seven or nine seats. Either seven or eight seats are standard in the Premium package. There are three colour options: Aurora Black Pearl, Steel Silver, and Glacier White Pearl. Some of these colours, however, have variations. Unlike the rear-wheel-drive InnovaCrysta, the Carnival has front-wheel drive, a claimed fuel economy of 13.9 kmpl, and 540 litres of cargo space. The Carnival's unique features include a wireless phone charger, Android Auto, Apple CarPlay, and tri-zone climate control. Other available amenities include a rear entertainment screen, power sliding rear doors, and a power liftgate. You can get electronic stability control (ESC), a camera, parking sensors (front and rear), anti-lock brakes (ABS) with electronic brake-force distribution (EBD), and six airbags. The upper trims also include a three-year subscription to UVO Connected Car, a 10.1-inch dual-touchscreen Harman/Kardon premium audio system, a ventilated driver's seat, rear entertainment, a 10-way power driver's seat, wireless chargers, and Smartwatches - Connected (Part 5). The Kia Carnival competes with a wide variety of vehicles, including the Ford Endeavour, Mahindra Alturas G4, Toyota Innova Crystal, Isuzu MU-X, Honda CR-, and Mitsubishi Pajero Sport.

G. *Price :*

Kia Motors, based in South Korea, has implemented a reasonably priced pricing structure there. Only in the United States, the United Kingdom, and certain parts of Africa have export prices remained consistently high. While its brand is well-known around the world, its prices tend to be higher than those of competitors like Nissan. After finishing a massive expansion and modernization of its flagship store and other brands, the company intends to increase prices. It's

not on par with the other names in the series, though. To prevent price wars between its different brand segments, the company maintains price discrepancies between its various product lines. Exhibit 6 Kia Motors anticipates annual sales of \$44 billion. After analysing the market, considering customers' willingness and ability to buy Kia Motors India, knowing the fierce competition from 4,444 competing companies, and trying to avoid the right balance between its businesses, a pricing strategy is developed. It uses a competitive pricing strategy, matching or beating the prices of its competitors. Kia Motors' improved profitability is based not on the profit maximisation principle of expanding business but on the growth of its customer base. Kia's first entry into the Indian market, the Seltos, also happens to be the best-selling vehicle of its class. The Kia Seltos is a midsize SUV with a starting price tag of Rs 9.89 lakh and going all the way up to Rs 1,729 lakh (ex-showroom). The price of a Kia Carnival starts at 24.95 lakh and goes up to 3.395 million. The cost of a diesel-powered Fiesta ranges from 24.95 lakh to 33.95 lakh in India.

H. Place

Kia Motors is an international automaker with global operations headquartered in Seoul. In addition to its headquarters in South Korea, the firm also maintains 14 manufacturing and R&D facilities in the United States, Vietnam, Mexico, China, and Slovakia. Kia Motors America handles sales and distribution in the United States. Kia has approximately 4,000 service dealers and distributors spread across more than 170 countries worldwide to provide customers with access to sales and maintenance for the company's products. More than three million units have been sold thanks to this robust network. There are 342 sales offices under the supervision of 20 regional headquarters. It's simple to place an order for a Kia Motors vehicle at a dealership or through an online auto marketplace.

With the launch of the Seltos and a highly aggressive network strategy that includes a presence in 160 cities and 265 contact points, Kia India has entered the Indian market

with a bang. This is significantly higher than the majority of businesses that have been operating in India for at least a decade.

I. Promotion :

Kia Motors' use of advertising is a key component of its overall promotional mix strategy. The company's recent sponsorships of major sporting events like the Australian Open, NBA basketball games, the NBA Women's Basketball League, FIFA, and the UEFA Cup have increased its global profile. Kia Motors' advertising push extends across a wide range of mediums, from billboards and TV to newspapers and magazines to digital marketing. In an effort to gain more exposure, the company has partnered with several notable athletes and sports organisations. Kia Motors has established itself as an industry leader by prioritising customer satisfaction over profit. Social media campaigns like "Share #Kia" help spread the word about the company's automobiles. Kia has shown concern for society and the environment on a global scale through its participation in a variety of CSR activities, such as product donations to the disabled and scholarships for college students. Kia India has probably already received a lot of interest from its target market. An effective sales and marketing campaign combines market-specific narratives with online, offline, and television advertising.

Kia's new ad campaign stars a young celebrity. As the popularity of Bollywood films grows in India, so does Tiger Shroff's fan base. India's large mobile consumer base has led to a shift in the country's emphasis towards digital platforms. It was crucial to generate interest in the brand before formally introducing it to the market. Some of the websites and social media sites it has utilised include Facebook, Instagram, and YouTube. Videos are a great medium for advertising to Indians because of their love of the format. The success of this advertising campaign can be seen in the fact that over 6,000 pre-orders were placed on the first day they were offered.

II. RESULTS AND DISCUSSION

Table 1: What are the sales of Kia cars in India of any Five Months?

MODEL NAME	OCT 2022	NOV 2022	DEC 2022	JAN 2023	FEB 2023
SELTOS	9777	9284	5995	10470	8012
CARNIVAL	301	419	88	1003	504
SONET	7614	7834	5772	9261	9836
CARENS	5479	6360	3195	7900	6248
EV6	152	128	134	0	0

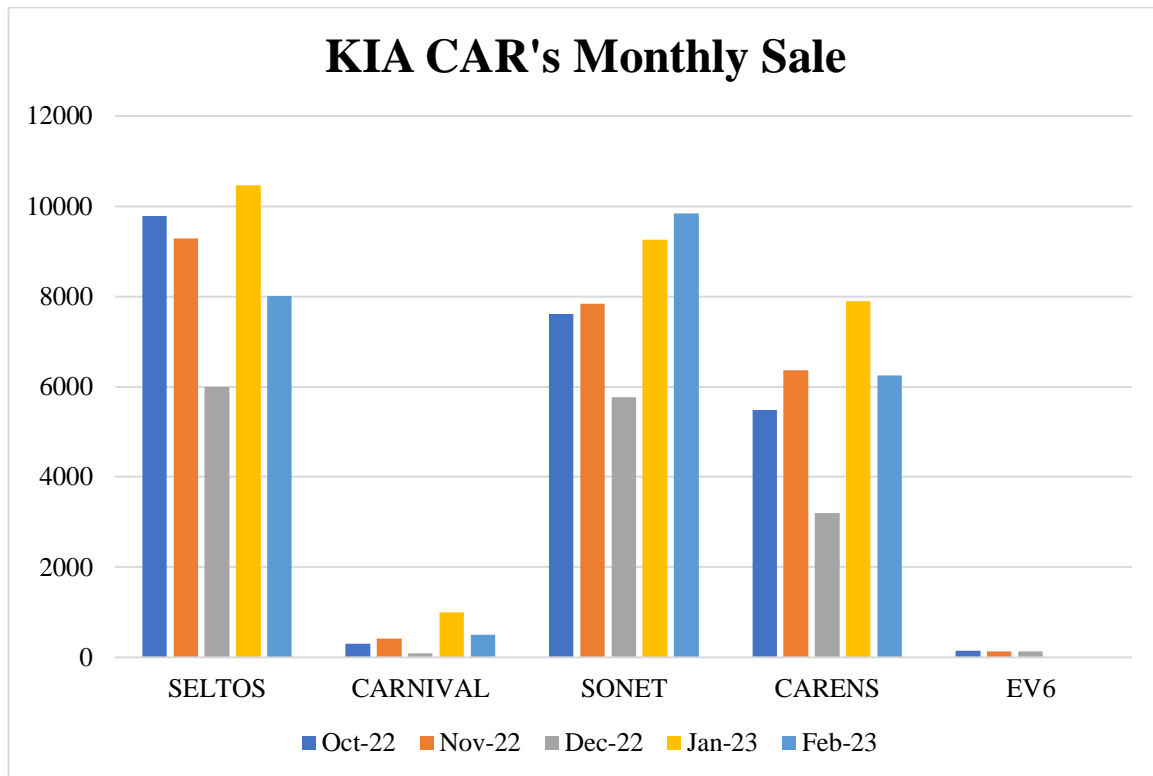


Table 2: How did you come to know about Kia Motors?

Magazines	20
Newspapers	45
TV Ads	60
Dealers	54
Others	21

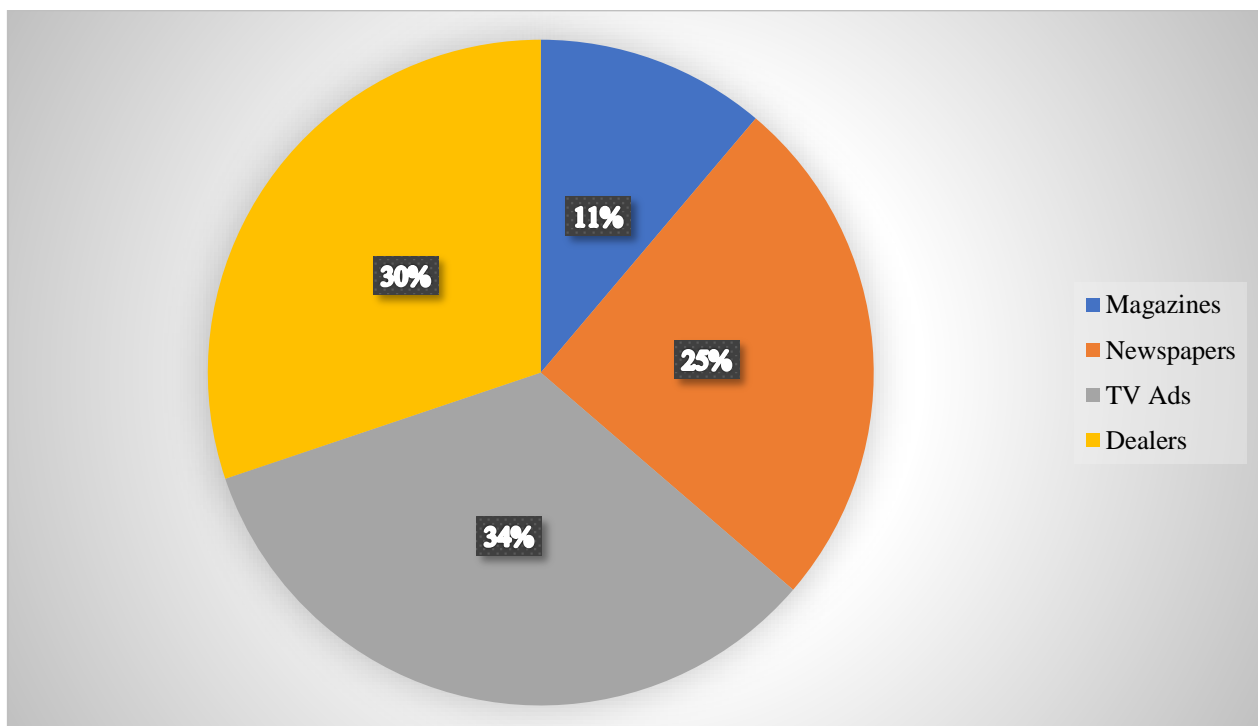
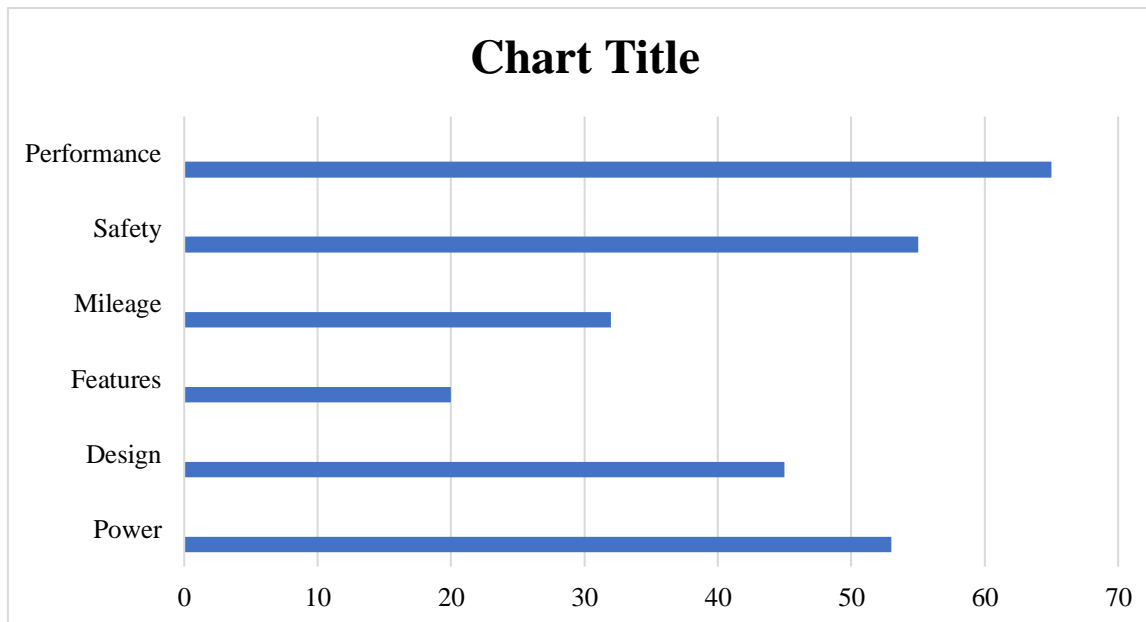


Table 3: Out of all the other brands, what made you buy a Kia?

Power	53
Design	45
Features	20
Mileage	32
Safety	55
Performance	65
Price	90



III. CONCLUSION

Kia Motors has set 2019 as the official release date for its vehicles in India. Hyundai holds a 33.88% stake in Kia Motors¹⁵. Despite fierce competition in the English market, the company was able to break through. Their efforts are largely responsible for the widespread success of the dealer network they've established. There are 12 production lines for Hyundai Kia spread across 165 countries. They have over 166 suppliers, making them the fourth largest original equipment manufacturer worldwide. Every business needs a USP—a way to differentiate itself from competitors. Kia Motors Corporation separates itself from competition by offering cheaper prices. However, the long-term objective has been to have people associate this name with innovative, high-quality design. Sporting events are a common venue for promotional appearances. Kia joined FIFA as an official partner and sponsor in 2002.

Until 2022, she will be protected by sponsorship agreements. They used innovative strategies and sports sponsorship to transform their product's image from cheap to state-of-the-art. Kia is the official automobile sponsor for both the cricket and tennis leagues. Kia's seven-year warranty has contributed to the company's image as a reliable producer of stylish goods. They reworked their advertising strategy using AIDA. Raising people's awareness is the first step in gaining their attention. The next thing to do is to pique their interest. Buyers' discretion was clouded as a result. Kia's marketing strategy is unparalleled,

and no other company comes close to matching it. Direct customer contact, sales promotion, and sponsorship are all examples of below-the-line promotion strategies that complement more traditional forms of marketing such as advertisements, online blogs, banners, etc. Kia Motors has set up a digital hub to better serve its customers online. Kia Motors also plans to prioritise corporate social responsibility (CSR) and environmental education. It collaborates with Trees in Cities, an organisation that promotes tree planting in cities. The company needs to take such extreme action if it is to remain competitive.

KIA Motors India has done a preliminary feasibility study. If it stays true to its roots and principles, the company should be able to compete well in India. Intriguing progress will be made in the coming year if the company is successful in breaking into the Indian market.

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