**A Kia Motors case study - Using sports marketing to engage with consumers**

**Introduction**

Today’s consumers have higher expectations than ever before. Dramatic improvements in media, communication and transport have made the world’s economy more connected. Products developed in one country have become increasingly attractive in other parts of the world. However, entering markets in other parts of the world is not an easy task. Entrants face many different challenges as they try to develop their brand profile. This is especially evident in mature markets like the UK car market. This market has a number of long established brands. The awareness and brand loyalty that exists for established brands form a barrier to entry for new organisations. This case study illustrates how Kia , a South Korean motor company, has used sports marketing to develop its brand identity in the European motor market.

The Kia Motors Corporation, based in South Korea, has 12 manufacturing and assembly plants and subsidiaries in 165 countries around the world. Globally the Hyundai Kia Group is now the fourth largest car company in the world. Kia Motors UK has more than 166 dealerships. It also has plans to grow the network to support the increasing demand. Kia is a relatively new entrant to the UK car market. However, it has become more well known in recent years. Kia does not have the same level of brand heritage in the UK as it does elsewhere in the world. Kia aims to overcome this through its massive ambition and plans for growth in the European market.

**Developing brand identity**

To support this growth plan, Kia has to develop its brand identity. In the past Kia has competed mainly on price, using a competitive pricing strategy. The challenge for Kia has been to increase awareness of its brand within European markets. Alongside this it has created positive perceptions of its products through high profile sponsorship deals. It wants consumers to view the brand as a manufacturer of cars of great quality and design. To do this it has harnessed the power of sports marketing to influence consumers’ perceptions of its products.

**Marketing**

The Chartered Institute of Marketing defines marketing as: ‘The management process responsible for identifying, anticipating and satisfying customer requirements profitably.’ In simple terms, it is the process where customer needs are identified and serviced through the products and services that satisfy them.

This starts with a process of planning at the very top of an organisation. Senior managers determine the long term aims of the organisation. An aim for Kia is to become a major player in the UK car market. Planning is then followed by a process of research through which customer needs are identified. A business then has to establish processes that enable it to satisfy these needs. Kia wants to bring a fresh, fun and dynamic approach to the UK car market. Its marketing strategy supports its objectives with a focus on increasing brand awareness. It aims to emphasise the great design and quality of Kia’s products, while still offering competitive prices.

**The marketing mix**

The marketing mix comprises of the 4Ps and is a useful way of summarising the marketing strategy of an organisation. Every organisation will have a unique marketing mix. Organisations need to create a unique mix of:

the right product, sold at the right price, in the right place, using the most suitable promotion .

**For example, the marketing mix for Kia is based around:**

**Product – good design and quality alongside a high level of customer service, Kia’s unique selling point is its 7-year warranty**

**Price – competitive prices provide an advantage over competitors**

**Place – with 166 dealerships there is a large and expanding number of outlets**

**Promotion – this includes a new sponsorship in cricket and long-term partnerships in football and tennis.**

**Promotion**

Promotion is about communicating with customers and potential customers. It has a number of purposes, for example:

To increase awareness – such as the range of vehicles Kia offers

To raise brand recognition – this is important in an industry with over 30 major players in the UK

To increase demand – thereby helping to meet the objective of growth in the UK

To improve brand perception – promotion communicates the fun approach of the Kia brand

To highlight the superiority of the product – e.g. the high quality and great design of Kia cars.

**Sports marketing**

For example, Kia was involved with the FIFA World Cup in Korea and Japan in 2002 through sponsorship. Since then it has become partners of the World Cup until 2022. This enables Kia to link its activities with well-attended and well publicised football matches that are enjoyed by large groups of people.

Sponsorship also helps to develop good public relations with European audiences. Public relations helps to build positive perceptions of the brand. This enables Kia to engage with potential customers who then view the organisation in a positive way. This is particularly important in markets where the brand identity lacks awareness and profile, such as when a new brand enters a marketplace. By associating with exciting and interesting sporting events Kia shows that it is also exciting and interesting. Kia proves it is a major player in the UK market through its sponsorship links with such high profile sporting events.

**Kia’s sponsorships include:**

Cricket. A new 5 year partnership with Surrey County Cricket Club including extensive branding, shirt sponsorship and naming rights for the historic Kia Oval cricket ground.

Football. Kia is the official sponsor for both the FIFA World Cup finals and UEFA Championships. These long term partnerships (through to 2022) include extensive branding and promotional opportunities, also extends to other associated tournaments (Women's World Cup, Under 21 Championships, etc). Kia is also shirt sponsor for a number of major clubs in Europe and around the world, including Athletico Madrid in Spain and Bordeaux in France.

Tennis. Kia has sponsored the Australian Open for 10 years. Rafael Nadal is Kia's global ambassador.

You can find out more details about Kia’s sponsorships at www.kia.co.uk - see About Kia and Sports Sponsorships.

**Above-the-line and below-the-line promotion**

**Above-the-line**

There are a number of approaches to promotion that are open to organisations. Above-the-line promotions use mass media methods. This type of promotion focuses on advertising to a large audience. It includes print, online media, television and cinema advertising.

As the fourth largest car company in the world, Kia is a big brand. It offers a range of products targeted at different market segments. Above-the-line activities include adverts in the press. They also produce online banner advertisements, place advertisements on billboards and use their website to meet the needs of their consumers. Recent TV advertising campaigns have included the ‘small yet mighty’ cat for the new Picanto and the ‘future proof’ Kia cee'd, emphasising the 7 year warranty. TV advertising has also been used to relay the message that Kia is an official FIFA partner.

Making a message memorable to a large audience is not always easy. It is difficult to tailor a promotion to a specific group of consumers through above-the-line promotions. This is because it is viewed by a mass audience with different tastes and needs. Above-the-line promotion is also very expensive.

**Below-the-line**

Below-the-line methods are very specific, memorable activities focused on targeted groups of consumers. They are under the control of the organisation. Kia uses these techniques to target clearly defined consumer groups rather than a mass audience like its above-the-line activity. The purpose of these activities has been to develop the brand by creating awareness and building a brand profile. Below-the-line methods include sponsorship, sales promotions, public relations, personal selling and direct marketing.

**Sponsorship and social media**

Sponsorships have helped to raise Kia’s profile amongst key target markets. Kia has also developed its relationships with consumers through public relations. Traditional press releases work alongside newer forms of marketing. For example, Kia uses digital and social media as an integral part of its below-the-line activity. This helps to create relationships with customers online.

These channels include blogs and social networking sites such as Facebook. Kia also has its own YouTube channel to emphasise its brand presence amongst target consumers. This enables them to develop eCRM, allowing Kia to collect data from customers and use it in a variety of ways for interaction. It also helps to create the basis for viral marketing. This is when messages are so widely received that they are passed on either electronically or by word of mouth to other customers.

Kia also supports a variety of environmental issues, shown through below-the-line promotions. For example, Kia works in partnership with Trees for Cities, an independent charity which aims to create social cohesion through inspiring people to plant and love trees. Environmental issues are high on public agenda. Partnerships like these are an important way for Kia to demonstrate its commitment to supporting public concerns.