



## THE TIMES 100

### BUSINESS CASE STUDIES

## Marketing - Kia

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 better 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. 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.

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** 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 years warranty
- *price* – competitive prices provide an advantage over competitors
- *place* – with 166 dealerships there are a large and expanding number of outlets
- *promotion* – this includes a new sponsorship in cricket and long term partnerships in football and tennis.





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### Questions

1. What is marketing?

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2. List the four elements of the marketing mix.

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3. Explain what is meant by a Unique Selling Proposition. What is Kia's USP?

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4. Kia wants to increase its brand awareness within European markets. Analyse the process it has been going through in order to do this.

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### Task

Draw up the 'marketing mix' for a well-known product of your choice. To do this, divide a page into four and label each of the four sections with one of the 4Ps. Now add what you know of each of the elements of the marketing mix e.g. under the 'Product' heading add your product's features, functions, benefits, packaging, brand name, image portrayed etc. When you have completed the marketing mix as fully as possible, write a short paragraph explaining why this marketing mix makes the product successful in relation to other competing products.

### What have you learned?

Plan and record a 60 second audio clip that introduces marketing and the marketing mix. Try to make it clear and memorable so you can use it for revision at a later date.