



THE TIMES 100

BUSINESS CASE STUDIES

Promotion - 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. However, Kia does not have the same level of brand heritage in the UK as it does elsewhere in the world. The challenge for Kia has been to increase awareness of its brand within European markets.

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
- *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.

The acronym AIDA is useful when developing a promotional mix. Promotion activities help:



To reach its promotional objectives, Kia uses conventional techniques alongside extensive use of sports marketing such as **sponsorship**. Sponsorship involves a business paying to be associated with another organisation, event or even television programme. Sports marketing allows Kia to reach a large audience and create positive associations. Sports sponsorship enables

Kia to be linked with superiority in another field. 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. By associating with exciting and interesting sporting events Kia shows that it is also exciting and interesting. 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 official sponsor for both the FIFA World Cup finals and UEFA Championships.
- Tennis. Kia has sponsored the Australian Open for 10 years. Rafael Nadal is Kia's global ambassador.

Above-the-line promotions use mass media. This type of promotion focuses on advertising to a large audience. It includes print, online media, television and cinema advertising. Kia's 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. 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 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. Below-the-line methods include sponsorship, sales promotions, public relations, personal selling and direct marketing. 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.



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Questions

1. Promotion is only one element of the marketing mix. What are the other three?

2. What does AIDA stand for?

3. Explain the purpose of promotion.

4. Evaluate whether below-the-line promotion is better than above-the-line promotion for Kia.

Task

Using the case study, your prior knowledge and any other research, write a report explaining how the promotional techniques adopted by Kia allow the business to meet all of the AIDA criteria:

- Attract **attention**
- Gain **interest**
- Generate **desire**
- Encourage **action**

What have you learned?

Paper planes – Everyone in the group should make a paper plane from a piece of scrap paper. They write one thing about promotion on the plane then fly it across to someone else in the class. When each person has a different plane, they then write a different piece of information on that plane. Do this another four times, so there are six different pieces of information about promotion of every plane. Share the ‘plane points’ with the group or a partner.