



CASE STUDY

KIA OPIRUS

Problem: Kia Motors had launched the Opirus- it's largest and the first Kia sedan that was priced around the AED 100,000 mark (Anything at 100K or above was never Korean territory). Despite a major facelift and technical upgrades, it had not attracted the desired enquiry levels that the lower-priced Kia products (e.g. Sportage, Picanto) had.

The dealer – Al Majid Motors Co. – had attempted various marketing activities and other sweeteners but to no avail. Finally, it was also aimed at institutional users i.e.: fleet usage was also explored.

When this, too, evoked a lukewarm response, the Agency requested an opportunity for its newly formed Strategy & Planning cell to re-work the marketing strategy, rather than the advertising alone.

To first understand and define the problem, the Agency did the following:

- Observed enquiry-handling by salesmen at the Kia showrooms.
- Conducted test-drives of the Opirus and a benchmark competitor amongst cross-section of likely end-users and buyers in Dubai and Sharjah. Some of the respondents were also subjected to a 'blind-fold' test, where they

ushered into the rear passenger seat without being able to see with in-depth interviews before and after the test.

- Compared Kia with competitive products, using price, size and options lists as criteria.

The results revealed that:

1. As a product, the Opirus was rated very highly by respondents on what they considered as key performance attributes for large premium sedans:
 - 'Quietness and comfort' - Passengers & drivers.
 - 'Stress-free power' - Drivers.
2. Sales staff pushed pricing aggressively, since they considered it as a natural compensation for the lack of 'badge-value'.
3. Sales staff gave a detailed options list to customers, but did not explain the benefits of the basic product concept to them.

The Agency created a strategy based on the following key points:

- To position the Opirus as a luxury sub-brand of Kia, as it was:
 - The most the expensive and largest model in the Kia line-up.
 - All price points below the Opirus were covered by smaller-sized Kia models, and aggressive discounts on the Opirus could have a cascading effect on them as well.
- To focus on individual buyers first, as their opinion would be critical as a trigger for institutional buyers – sales to whom could follow when retail sales had risen.
- It was a mistake to presume that Korean products could not possess "badge value". Premium products from

Samsung and LG were cited as examples. Therefore it was vital to exude confidence about the product in advertising and on the sales-floor, as there could be consumers who did not have biases against Korean products, or for whom Kia was an unknown quantity.


- It was vital for the sales-force to:
 - Explain the benefits of the product features to prospects in the showroom, rather than impress consumers with a list of 'options' alone, as automotive technology had advanced far beyond the average user's comprehension.
 - Take the prospect for test drives immediately after explaining the benefits, as the consumer would naturally seek to experience the benefits discussed, and thereby also be convinced by the salesperson's pitch and trust him/her. Test drives could be by appointment at customer's preferred locations if the dealership was difficult to access during peak traffic hours.
 - Pricing and options would be discussed last, and the average ticket value would be higher as consumers would desire the benefits they had experienced. This would help steer the sales pitch away from pricing and 'bare-bones' configurations.
 - A special 'shop-in-shop', manned by salespersons trained as above, be created for Opirus reflecting its 'premium' positioning that was distinct from other Kia models.

The client agreed to the above strategy, which was also approved by the principals, and the campaign below flagged it off in Q1 2008.

The results:

1. A big boost in retail enquiries, a higher enquiry conversion ratio, and a significant increase in the presence of Opirus on UAE roads.
2. A confidence boost for the sales-force and the brand in the UAE, vital for the next step – A new luxury sedan company that will take the fight to BMW, Mercedes Benz and Lexus in 2009.

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