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## Strategic analysis of Kia Motors



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Kia Brand Slogan

**“The Power to Surprise”**







## KIA Motors Branches

KIA Motors  
Slovakia

KIA Motors  
Belgium

KIA Motors  
Hungary

KIA Motors  
company Italy

KIA Austria  
GmbH

KIA Motors  
Australia

KIA Canada  
Inc.



KIA Motors  
America

KIA Motors  
Europe

KIA Motors  
Mexico

KIA Motors UK

KIA Motors India  
Private Limited

National Arab  
Motors

KIA Motors  
France



# Rivals



**HONDA**



**HYUNDAI**



Mercedes-Benz

**FCA**

FIAT CHRYSLER AUTOMOBILES



**CHEVROLET**



**TOYOTA**

**CHRYSLER**







**Interbrand** 2019

78

Previous: 71

**Global 500** 2020

227

Previous: 226





# KIA Motors Milestones



2020

- Ranked No.1 brand in industry in J.D. Power's 2020 U.S. Initial Quality Study
- Kia Motors partners with Google Cloud to develop AI-based Owner's Manual app
- Kia Telluride wins Triple Crown of 'prestigious automotive awards'
- Kia wins multiple '2020 Best Car for the Money Awards' from U.S. News & World Report

2019

- Kia enters sports arena as 'League of Legends European Championship' sponsor
- Kia Motors Ranked Highest Mass Market Brand for Fifth Consecutive Year in 'J.D. Power U.S. Initial Quality Study'
- All-electric Kia 'e-Soul' to make European debut in Geneva





## Vision

Establishing a robust marketing culture that permeates every level of the organization and within which the distinct needs of customers are identified and met will continue to be our vision for the short, medium and long term.

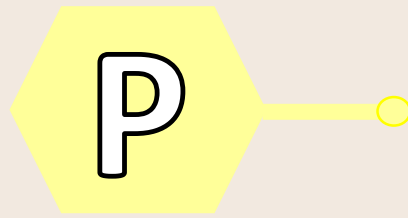




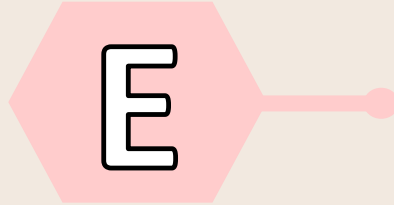
# Mission

To produce the best vehicles exhibiting superior technology, quality, and value through a spirit of continuous improvement, creativity, teamwork and value-based relationships . they strive for perfection

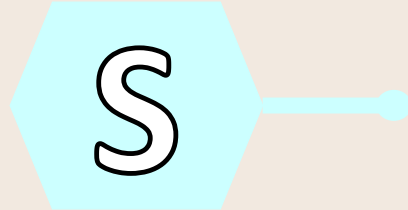




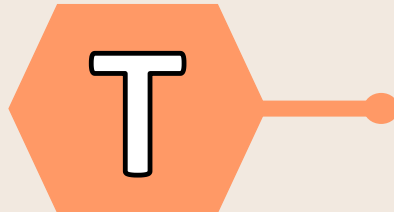
- Trade regulations and policies
- Political and diplomatic tension with China
- Government support for electric car technologies



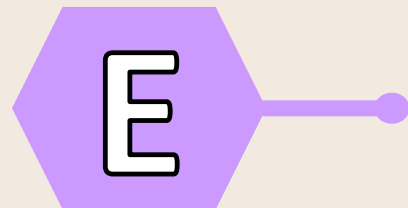
- Fluctuations in currency markets
- Growing economy and demand for vehicles
- Free trade with primary geographical markets



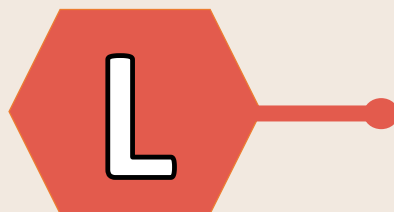
- Vested consumer interest on vehicle safety
- Focus on fuel efficient cars



- Connected supply chain and smart manufacturing
- Focus on smart technologies



- Growing concern about environmental changes
- Growing new electric and hybrid vehicles market



- Compliance for environmental policies and emission norms
- Focus on legal regulations on vehicle safety



# Core objectives

## Environmental management

- Establishment of environmental KPI management systems
- Supply Chain Eco Partnership

## Green Growth

- Development and spread of eco-friendly vehicles
- Curbing energy consumption and greenhouse gas emissions

## Risk Management

- Strengthening integrated risk management
- Developing diverse communication channels to expand stakeholder communication and participation

## Eco-friendly Production

- Reducing environmental pollutants
- Eco-efficiency

## Resource Circulation

- Increase recycling rate of landfill and incinerated waste
- Reduced water consumption





# VALUES



We promote a customer-driven corporate culture by providing the best quality and impeccable service with all values centered on our customers.



We refuse to be complacent, embrace every opportunity for greater challenge, and are confident in achieving our goals with unwavering passion and ingenious thinking.



We create synergy through a sense of "togetherness" that is fostered by mutual communication and cooperation within the company and with our business partners.

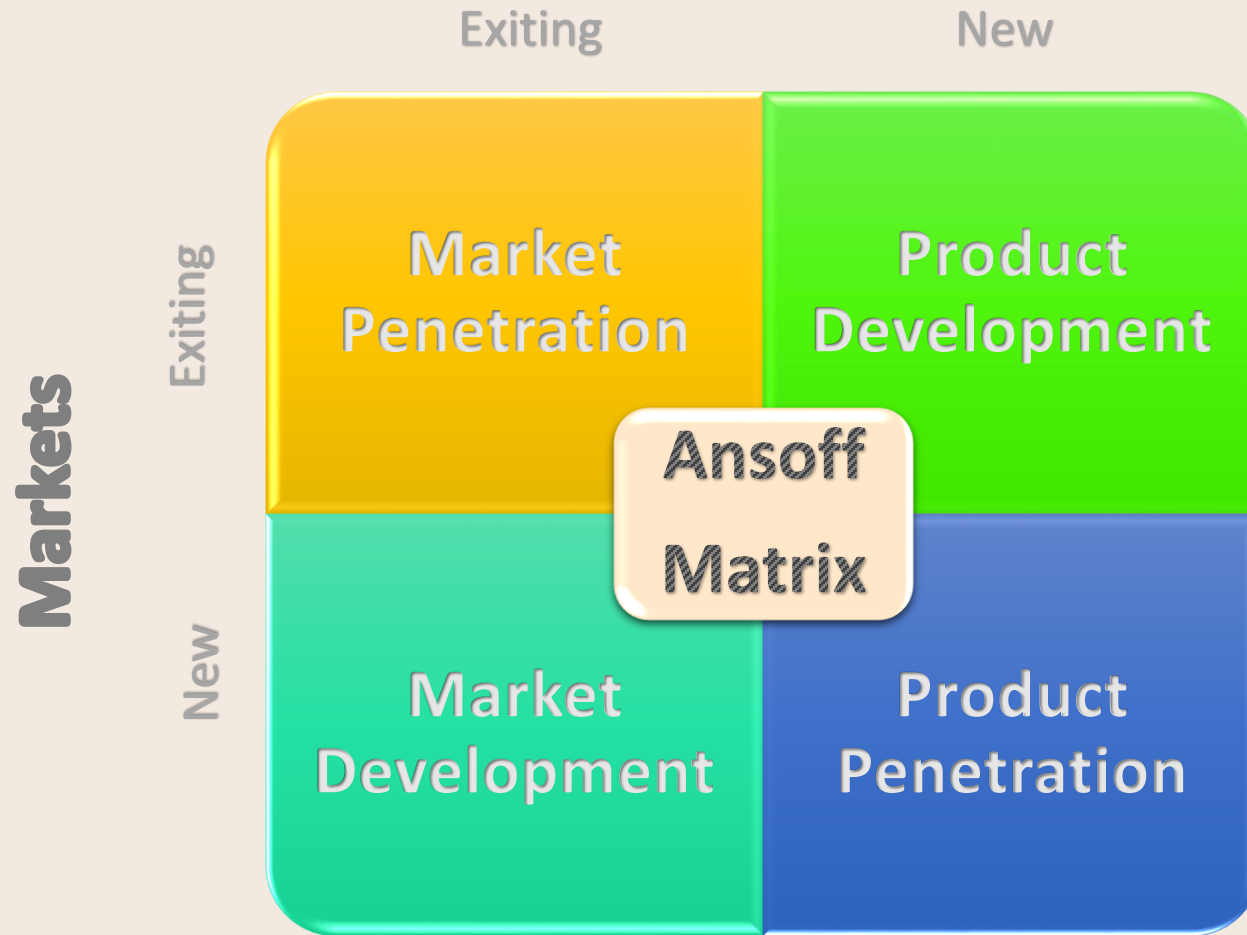


We believe the future of our organization lies in the hearts and capabilities of individual members, and will help them develop their potential by creating a corporate culture that respects talent.



We respect the diversity of cultures and customs, aspire to be the world's best at what we do, and strive to become a respected global corporate citizen.

## Products



- Geographical expansion
- Increased number of retail outlets and retail presence
- Online retailing



- Research and development
- New product development labs
- Market testing
- Strategic Marketing



- Advertising and promotion of products
- Education about product consumption



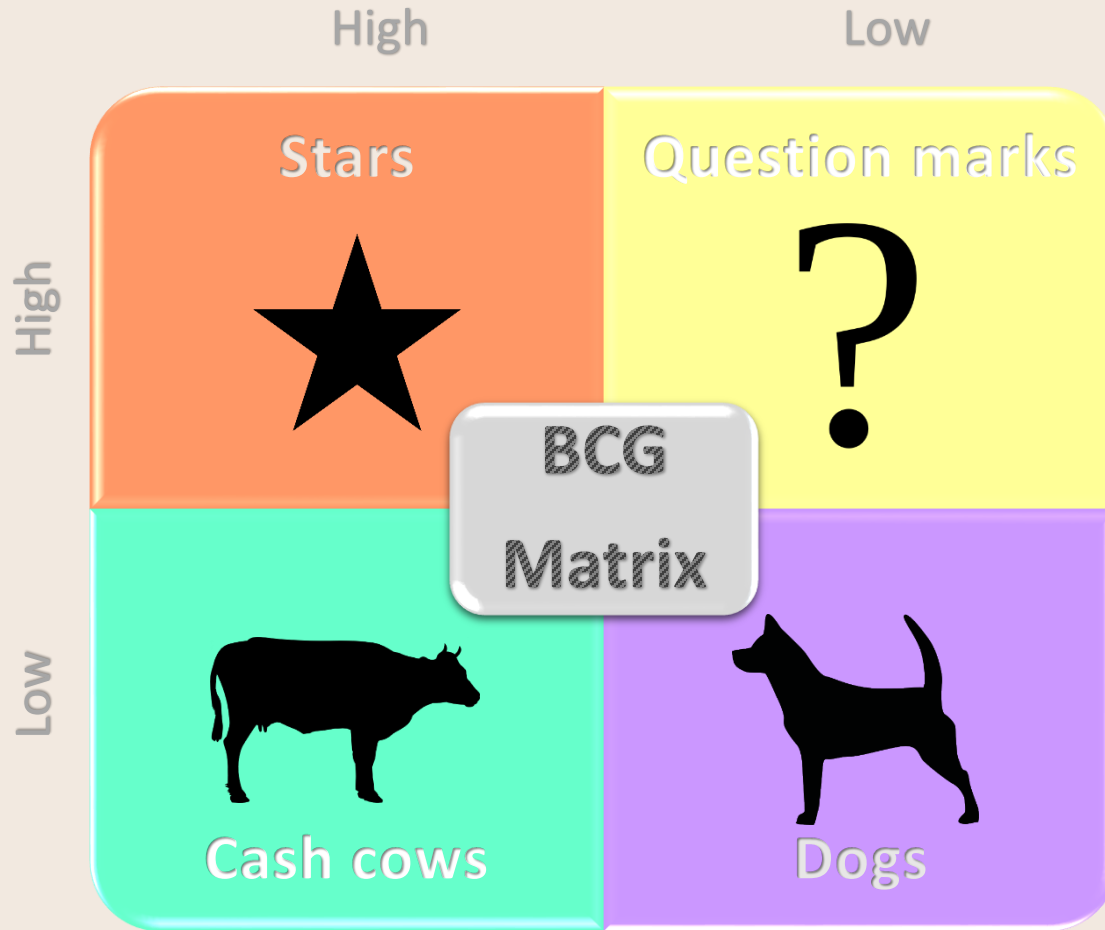
- Acquiring personally owned retail to strengthen its presence
- Diversification of portfolio





## Relative Market Share

Market Growth Rate



Soul-EV



KIA Sportage



KIA Ceed



KIA Retona

# Porter's five forces

## The threat of new entrants

- Developing brand loyalty by working on customer relationship management
- to invest in research development activities and get valuable customer data.

## The threat of substitute products or services

- To provide convincing reasons to the customers by offering a better experience and high value for money
- KIA Motors can reduce the Threat of Substitute Products or services by clearly emphasizing how its offered product/service is better than the available substitutes

## Bargaining Power of Suppliers

- KIA Motors can strengthen its position against suppliers by decreasing the dependency on one or a few suppliers

## Bargaining Power of Buyers

- To manage the bargaining power of buyers by increasing and diversifying their customer base
- Introducing new products, targeting new market segments
- Adopting the product diversification strategies

## Competitive Rivalry among Existing Firms

- It should focus on the implicit needs and expectations of its customers to strengthen the differentiation basis
- KIA Motors should raise switching costs by developing long-term customer relationship





## Strategic Plan to 2025

Kia to reach 25% share of its sales from eco-friendly vehicles by end of 2025

Kia Motors will transform itself into a ceaselessly innovative brand by accelerating its bold and preemptive transition to future businesses

Kia to enhance profitability by improving existing businesses and leadership in future businesses

Kia to invest 29 trillion won (US \$25bn) by 2025

Mobility products and services to prioritize customer value

# Porter's value chain

**Firm Infrastructure**  
General management - Accounting - Finance - Strategic planning

**Technology Development**  
R&D - Product and process improvement

**human resource management**  
Recruiting - Selecting - Training - Rewarding - Performance management

**Procurement**  
Purchasing of raw materials - Machines - Supplies

**Inbound Logistics**

- Raw materials handling
- Storing the inputs

**Operations**

- Machining
- Assembling
- testing products

**Outbound Logistics**

- Warehousing
- Distribution of finished products
- Material handling

**Marketing & Sales**

- Advertising
- Promoting
- Pricing
- Channel relations

**Service**

- Installation
- Repair parts







Allameh  
Tabataba'i  
University

V

R

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O

The research & development

Yes

Cost structure

No

Employees

Yes

Yes

No

The distribution network

Yes

Yes

Yes

Yes

The patents

Yes

Yes

No

No

Financial resources

Yes

Yes

Yes

Yes

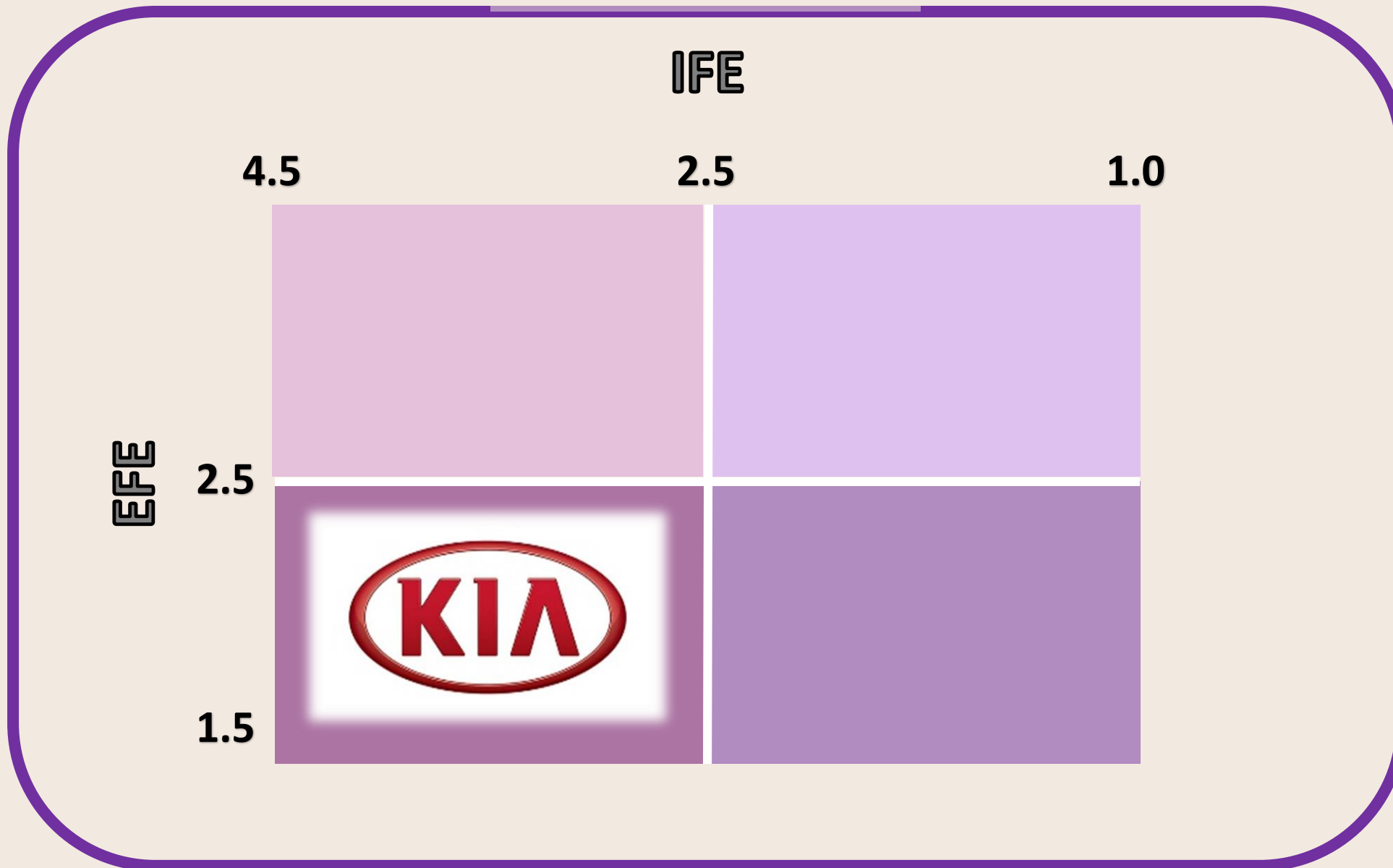
Internal factors	Weight	Rating	Weight ed Score
<b>Strength</b>			
Strong financial performance	0.20	4	0.80
Brand image	0.20	3	0.60
Strong performance in Asia region	0.10	3	0.30
Research and development activities	0.05	2	0.10
<b>Weakness</b>			
Poor profitability of financial services segment	0.15	2	0.30
Expenses related to post retirement benefits for employees	0.10	2	0.20
Bad brand loyalty	0.15	2	0.30
Inadequate technology for electric cars	0.05	1	0.05
	<b>1</b>		<b>2.65</b>



External factors	Weight	Rating	Weight ed Score
<b>Opportunity</b>			
Increasing demand for hybrid electric vehicles	0.15	4	0.45
Opportunities in Asian market	0.15	3	0.45
New trends in the consumer behavior	0.10	2	0.20
New environmental policies	0.10	3	0.30
<b>Threat</b>			
Economic slowdown	0.15	3	0.45
Competition in the global automotive market	0.15	2	0.30
Tightening emission standards	0.15	1	0.15
Liability laws in different countries	0.05	1	0.05
	<b>1</b>		<b>2.35</b>



# IE Analysis





# KIA Motors SWOT matrix

		Strengths	Weakness
		<ul style="list-style-type: none"> <li>• Leading premium company that operates internationally</li> <li>• Leading presence across countries</li> <li>• Reasonable control over production and distribution due to backward and forward integration</li> </ul>	<ul style="list-style-type: none"> <li>• Major dependence on the market as the country of origin market</li> <li>• Despite being in operation for decades, has standard procedures and regulations for all portfolio items</li> <li>• Imitability possible by competition</li> </ul>
Opportunities		SO	WO
<ul style="list-style-type: none"> <li>• New South Asian and Asia Pacific regions available for expansion emerging markets</li> <li>• Acquisition of medium-sized similar companies and shops in developing countries</li> </ul>		<ul style="list-style-type: none"> <li>• Expanding into Asia Pacific region and stabilizing emerging markets by opening new stores and developing new products</li> </ul>	<ul style="list-style-type: none"> <li>• Increasing more stores outside the country of origin, and in other parts of the world – especially emerging markets such as India, China and Brazil</li> </ul>
Threats		ST	WT
<ul style="list-style-type: none"> <li>• Increased marketing from competing players, which might affect sales negatively</li> <li>• An increasing number of independent producers and marketers</li> <li>• Increased and saturating competition</li> </ul>		<ul style="list-style-type: none"> <li>• Improving the ambience of service, focusing on augmented service levels when providing products and adapting to local culture.</li> </ul>	<ul style="list-style-type: none"> <li>• Increase budget for marketing communications, and strategic promotions and pursue a moderate expansion strategy</li> </ul>



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Thank you for your attention !



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