

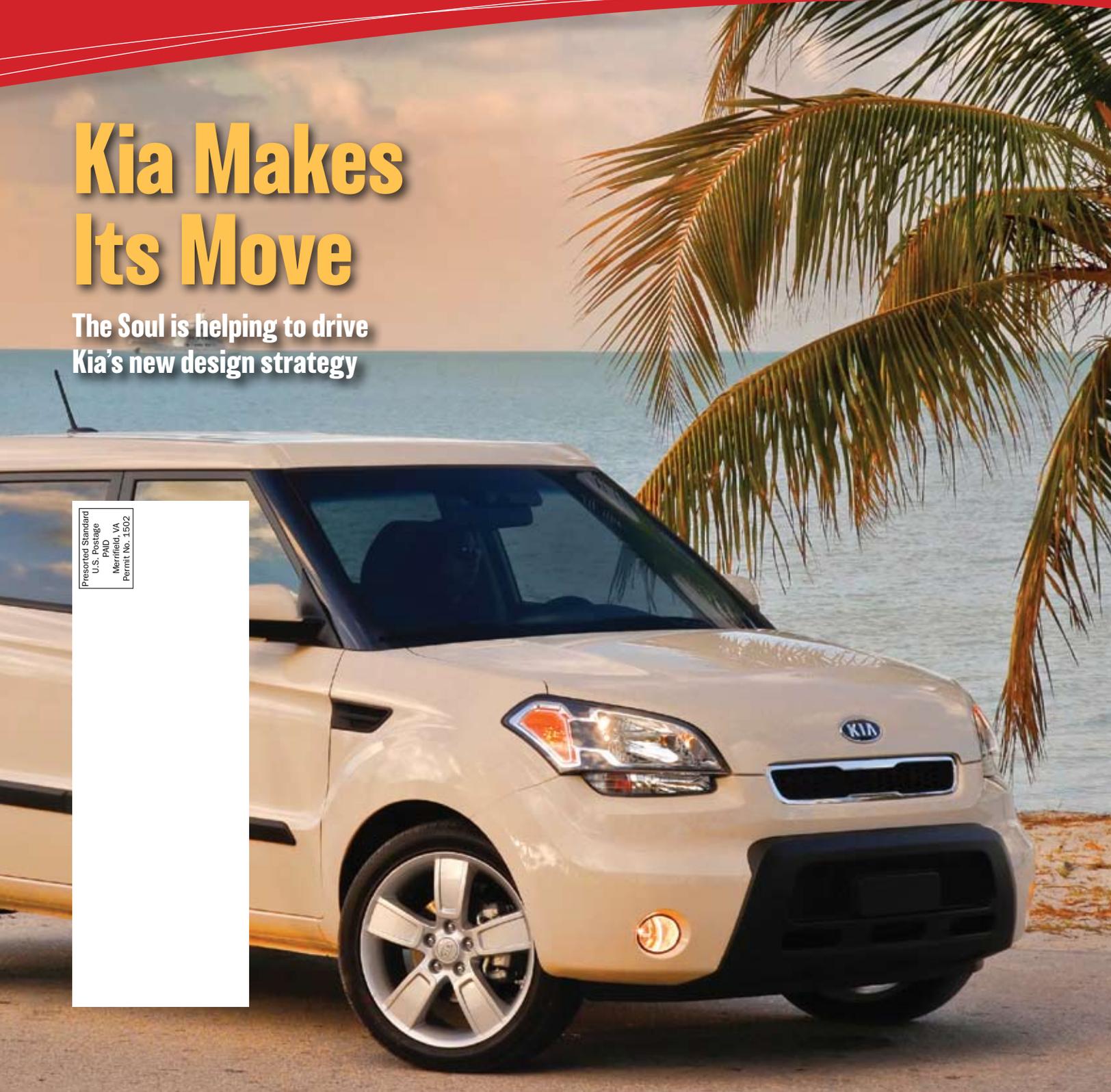
AutoDealer™

The Magazine of the
American International
Automobile Dealers

VOLUME 3 NUMBER 3
FALL 2009

Kia Makes Its Move

The Soul is helping to drive
Kia's new design strategy



Presorted Standard
U.S. Postage
PAID
Merrifield, VA
Permit No. 1502



◀◀ The 2010 Kia Forte Koup has “the right blend of sophistication and aggressiveness” to appeal to many types of buyers, says Senior Designer Kurt Kahl. The roofline allows better rear seat headroom than most sport coupes.

▶▶ “In a sea of boxy vehicles, the Soul stands out with a dynamic look and feel that befits its name,” says KDCA Senior Designer Mike Torpey.



DESIGNING FOR growth

KIA ABANDONS BLAND AND LAUNCHES A WAVE OF EXPRESSIVE MODELS

KURT KAHL

SENIOR DESIGNER FOR THE KIA FORTE GROUP



Kia Design Center America Senior Designer Kurt Kahl (left) and Chief of Design Tom Kearns introduce the 2010 Forte Koup at the New York Auto Show.

AIADA: Two things stand out about the Koup: its clean, sharp lines and, based on its roofline, attention to passenger comfort. Was part of the design directive to go beyond typical sport coupe appeal?

KK: We gave the Koup enough excitement and edginess to appeal to a young enthusiast while still having a classy and restrained style fitting an older business professional. These qualities were important in creating an enduring shape that would be attractive for years to come. This well-rounded character is also displayed in the car's packaging. Although the roofline is that of a sporty two-door driver's car, it doesn't sacrifice rear seat comfort.

AIADA: Many long-running sporty coupes have faded or disappeared in the past decade or so, but the Scion tC and Honda Civic coupe have done well. Is it because they have a somewhat practical side?

KK: I definitely think that a nod to utility helps in the survival of certain coupes today. Buyers want a sporty car with an athletic silhouette, but if that vehicle also offers the ability to carry four people comfortably or has a trunk pass-through, then all the better. Some sub-premium brand coupes have failed in the past because they were strictly two-seaters, too technically complicated, and expensive. Less expensive coupes have done well recently because of their simple blend of sportiness, reasonable practicality, and value.

With this year's introduction of the boxy Soul, the new Forte compact sedan, and the sporty Forte Koup, Kia has declared an end to plain and derivative designs. Going forward, Kia plans to implement a new plan to grow the brand and communicate its identity by ensuring that all new Kia models showcase more expressive design.

At the same time, Kia hopes to avoid the trendiness that has doomed some past "distinctive designs" to a short shelf life. The brand's designers are seeking to balance a "wow factor" with broad appeal. Although the strategy and the first new models borne from it are still in their infancy, early signs point to success.

"Vehicle design is one of the most important influences on new car purchases, and our design-led evolution is delivering eye-catching, stylish vehicles and is attracting new customers to our showrooms," said Michael Sprague, vice president of marketing at Kia Motors America. "Despite the sluggish economy, our sales are outpacing the industry, and our market share has grown to 3.1 percent, an all-time high for the Kia brand."

According to data from *Edmunds.com*, the Forte sedan is off to a good start. Launched in June, the new compact was showing three times the consideration on the *Edmunds.com* in late July compared to the Spectra model it replaced—accounting for 5.7 percent of total *Edmunds.com* site traffic vs. 1.8 percent for the Spectra. Kia also recently launched a new boxy runabout, the Soul, which *Edmunds.com* spokesperson Jeanine Fallon noted has continued to receive the highest consideration of Kia's model line over the summer.

"Distinctive" Must Mean Attractive

Edmunds.com *INSIDE Line* Editor Scott Oldham thinks carmakers should be cautious when using design as a selling point but also feels Kia is on the right track. "Relying on design

to stimulate sales can be dangerous," said Oldham. "Remember the Pontiac Aztec? The new Kias do look good, though, and the designs are distinctive. They're also conservative enough to remain appealing to everyone."

Oldham believes Kia's new design-centric strategy will pay off. "I do think the design of the Soul and the Koup are strong enough to lure more educated and younger, style-conscious buyers to Kia, and more women, too," he told AIADA. "But design, while important, isn't everything. There still needs to be a quality vehicle under the sexy skin to get that crowd to spend its money with Kia."

Making distinctive design affordable can be a challenge, since not all of the adventurous design cues seen on concept cars can be economically translated to manufacturing. Tom Kearns, Chief Designer at Kia Design Center America, believes the designers have found the right balance.

"Our team understands that our target customer still wants a great value, so we need to be sensitive to that. However, an overall pleasing shape or design can be just as inexpensive as one that is not. Most of the increase in cost comes from design details, materials, and features. To balance the value question, we need to prioritize what we think will be most important to the customers' expectations and focus on those areas."

Kearns also credits top management support for the new design direction. "If we really need something to make the design work, they are open and willing to accommodate as much as possible," he said.

Setting Their Sights on Midsize

The Kia Optima received fresh styling for 2009, with a frontal theme similar to the new Forte, and it will eventually receive a full redesign. The midsize segment, though, is among the most competi-

tive, with some models already using distinctive design to stand apart—the Mazda6, for example.

“There are some really nicely designed volume sedans on the road now,” Kearns acknowledged. He is confident, though, that the new Kia design direction can help it make an impact in this segment. “I think when you see some of our new products in the volume segment come out in the near future, you will agree that they can go heads up against some of the best the competition has to offer.”

That also applies to the next-generation Amanti (or Amanti replacement), which, based on published spy photographs, will not even resemble the current model. Yet, although a far more modern design is anticipated, Kearns says not to expect a radical looking car. “When designing for the luxury segment, you need to show a bit of restraint. The design should look new with a modern twist, but I believe luxury goods should have a timeless quality and still look good 10 or 20 years from now. They shouldn’t be too trendy or faddish.”

Marketing Design

Kia is strategically weaving its design strategy into marketing tools and messages. “From a marketing perspective, we viewed the Soul and Forte as true game-changers for the brand, and positioned both vehicles as an introduction to the ‘new Kia,’ says Kia marketing VP Sprague. “To shift consumer perception of the brand, interactive online tools are key to telling our story.”

Sprague points to the microsite, KiaSoul.com, as one example. “This site builds on the brand’s design-led transformation and is geared toward younger buyers who like personalization options to make their vehicles reflect their own distinctive style,” he says.

“We have an extremely aggressive vehicle launch schedule over the next few years, and each successive launch will add to our developing brand DNA and continue to differentiate our vehicles from the crowd,” Sprague adds. He confirms, though, that Kia would continue to pursue a strong value message “with right-sized and fuel-efficient vehicles.” **AD**

MIKE TORPEY

SENIOR DESIGNER FOR THE KIA SOUL



Kia Design Center America Senior Designer Mike Torpey inside the Soulster Concept, a potential variation on Kia's new model.

AIADA: Can you say why the “box” seems to be the new design for the entry-level segment?

MT: For one, you sit higher—so you can feel more secure, looking out at a height more comparable to an SUV. Secondly, these cars absolutely devour cargo! In an overall vehicle footprint smaller than your average compact sedan, you’re getting the ability to carry home huge items from “box stores”... as well as pack in the items that make your weekend happen. Thirdly, despite the added height and functionality, the Kia Soul gets more than 30 MPG on the highway. And as if that wasn’t enough, many people are finding that these taller, upright “box cars” just plain look new and cool.

AIADA: Among “box car” competitors, what would you say makes the Soul uniquely Kia?

MT: From the get-go, we designed the Soul to be every bit as functional and spacious as we could. And, we also established that the Soul had to have wonderful style and be an energized, head-turning example of modern design. So, in a sea of boxy vehicles, the Soul stands out with a dynamic look and feel that befits its name.

AIADA: The Scion xB and Honda Element have appealed to customers beyond “younger buyers.” However, did you do anything in particular to keep the focus on younger buyers?

MT: For sure. We really wanted Soul to reflect the youthful, dynamic spirit of Kia, so of course we wanted it to appeal to a particularly young set of buyers. But it was never meant to create a feeling that it was exclusively for the young buyer. The Soul was more about targeting an optimistic, enlightened driver’s attitude, not a specific age demographic.

Kia is injecting a greater sense of style into the mainstream compact segment with the 2010 Forte.

