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Kia Jordan finds creative, fun way to sell more cars with Samsung partnership

Kia sweetens promotion by giving away a specially branded device with each car



Challenge

Recent, significant increases to government taxes and fees on vehicles in Jordan has led to a dramatic decline in new vehicle sales across the country. Automakers struggle with this new reality, and Kia has countered with a variety of financial incentive programs, including cash back and free service contracts, to boost business. Kia executives, however, wanted a new promotional hook that would drive more interest and sales.

Solution

Kia teamed up with Samsung to sweeten the promotion by including a free mobile device. Kia selected different devices that matched the needs of the customer profile for each Kia model. Kia promoted the device giveaways to build interest and get customers shopping. Using the Samsung Knox Configure solution, Kia was able to customize each device to showcase the logo and branding of the Kia model purchased.

Benefits

The free device with purchase promotion enabled Kia to achieve overall new car sales growth of 46% compared to the same period the previous year. Marketing is also benefiting, reporting a 20% growth in leads since campaign launch. Kia executives were pleased with the innovative and effective incentive and reported high satisfaction among its customers as well.





The Power to Surprise

Kia Motors Corporation was founded in May 1944 and is Korea's oldest manufacturer of motor vehicles. From humble origins making bicycles and motorcycles, Kia has grown to become the world's fifth largest vehicle manufacturer. Kia produces more than 1.4 million vehicles annually at 14 manufacturing and assembly operations worldwide. These vehicles are sold and serviced through a network of more than 3,000 distributors and dealers covering 172 countries. The corporation has more than 40,000 employees and annual revenues of more than US\$17 billion.

Learn more at www.kiajordan.com.

Challenge

Finding new incentives to overcome barriers to purchase

Kia Motors, based in Seoul, Korea, is the world's fifth-largest vehicle manufacturer, producing technically-advanced vehicles that are highly rated for passenger safety, including many models identified as leaders in their class on the JD Powers Index. These same models are available in Jordan but cost the local buyer significantly more because of taxes and fees.

Vehicle sales have slowed in Jordan in reaction to increasing government fees and taxes. Jordan mandates a value-added tax (VAT) of 93% to 104% for gasoline-powered vehicles, a VAT of 25% on electric vehicles despite an earlier exemption, and continues to increase the VAT on hybrid cars, which will reach 45% in 2021. As a result, auto sales in Jordan declined by 41% in 2018 and by 4% in 2019 year to date.

Kia has worked hard to entice Jordanian consumers to buy in the face of considerable marketplace challenges. Kia Jordan has gone so far as to reduce its gross profit on some car models, yet the tax situation remains a major barrier to sales.

In addition to its advertising and marketing programs, Kia Jordan typically executes three tactical campaigns each year, which include creative offers such as free service contracts and cash back. These programs help Kia Jordan stay financially sound amid tough conditions. In fact, Kia is the only automotive brand that has increased sales in Jordan in 2019.

Kia hoped to create excitement and drive sales in Jordan with a new campaign featuring low down payments and special installment terms. Executives decided to add something special to sweeten the deal: a high-end gift with purchase that would get people talking. Kia Jordan wanted the gift to connect deeply with its brands, strengthening the customer relationship and loyalty long after the auto sale.

“ Jordan consumers are sophisticated and love new gadgets like their global counterparts. ”

Mohamed Alayyan
CEO
Kia Jordan



Solution

Free customized device with purchase adds fun to the car buying experience

Kia decided to partner with Samsung, well known in the region for its appealing and popular consumer phones. Its new promotion would offer a free, high-quality mobile device with the purchase of certain Kia models. The partnership presented a compelling opportunity to deliver branded phones aligned with the Kia car models, because both partners offer a tiered product structure that includes different models for different age groups and lifestyles. When a customer buys a car, Kia hands the customer one of five new Samsung devices customized to match the model purchased: Picanto, Optima, Niro, Rio, Sportage, and Cerato.

Kia selected the Samsung devices to give away based on the customer profile for each car model. For instance, Niro and Rio buyers are typically younger, and therefore received the Galaxy Gear watch and Samsung A50 phone or Level U headphones and A30 phone, respectively. Buyers of more expensive cars received higher-end Samsung devices. Sportage buyers, typically young managers interested in taking top-quality photos, received the high-end S10 phone that's recognized for its advanced camera.

Using the Knox Configure customization tool from Samsung, Kia was able to add sophisticated, differentiated branding to

the devices. The team cost-effectively customized the device boot-up and shut-down animation to reflect the specific Kia model purchased.













To run the program, Kia employees first created six device profiles in the Knox console. Then, using the Knox Configure auto-enrollment feature, they assigned each device to a profile using the device's unique identification number.

When the customer opens the box and connects the device to the network, they see a special logo animation for the car that showcases the Kia model they just purchased.

The branded experience was designed to give customers one more reason to feel good about their purchase and also encourage viral marketing efforts for Kia in Jordan.

"Jordan consumers are sophisticated and love new gadgets like their global counterparts," says Mohamed Alayyan, Kia Jordan CEO. "Working with Samsung, we were able to offer gifts that were personalized for buyer profiles without spending a lot of money and effort. This unique promotion helped us sell more cars and build brand loyalty among our customers."

Choosing the best Samsung gift for each customer profile

Kia vehicle	Promotion device	How partners choose the device
 Picanto	 Galaxy A30	Kia Picanto is a compact city car popular with fleet companies that frequently change their sales team's phones. It was paired with Galaxy A30, an efficient midrange phone.
 Rio	 Galaxy A30 + Level U	Kia Rio customers are similar to Niro customers and also love the latest gadgets, like the Level U wireless headphones - which was paired with Galaxy A30 for Rio buyers.
 Cerato	 Galaxy A50	Kia Cerato is a car for everyone, with buyers spread across all demographics and lifestyles. It's paired with Galaxy A50, a versatile smartphone.
 Niro	 Galaxy A50 + Watch	Kia Niro customers are between 21-35 on average and typically love the latest gadgets, like the Galaxy Gear watch, which was paired with Galaxy A50 for Niro buyers.
 Sportage	 Galaxy S10	Kia Sportage customers are typically affluent women who enjoy taking photos with their phones. they received the flagship Galaxy S10 has one of the best cameras on the market.
 Optima	 Galaxy Note 9	Kia Optima is marketed to managers. It's paired with Galaxy Note 9, the large-screen flagship with many business-friendly features.

Kia selected the Samsung devices to give away based on the customer profile for each car model. Knox Configure enabled simple customization of device boot-up and shut-down animations to reflect the Kia model purchased.

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Benefits

Customized gifts pay off for both sales and marketing

Customers were excited about the Samsung device incentive, and Kia executives deemed the campaign one of the most successful yet. Kia surpassed its campaign sales goal, thanks to a winning partnership with Samsung and its solutions. The company achieved overall new car sales growth of 46% compared to the same period the previous year, despite local market pressures.

Increased sales. Along with a growth in total car sales, Kia Sportage sales were particularly successful, surging more than 165% compared to typical monthly sales. Kia attributes the increase to the matching gift of the popular Samsung Galaxy S10.

Stronger sales pipeline and awareness. The campaign also improved brand awareness for Kia, with a 20% growth in leads since campaign launch. The Samsung device offer was promoted on Kia Jordan's website and social media accounts, and in online, print, radio, and television advertising.

High customer satisfaction. Kia Jordan loved the creative touch and the ability to give new customers a valuable gift that would remind them of their new Kia every time they turn on or shut down their devices—a powerful tool for long-term customer brand loyalty. In turn, Kia customers reported high satisfaction with the mobile phone gifts.

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Mohamed Alayyan
CEO
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For more information

For more information about Samsung Knox Configure, visit: www.samsungknox.com/kc.

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