



**Official name:** Kia Motors

**Owned by:** Hyundai Kia Automotive Group

**Current situation:** Kia has established itself as a successful supplier of cheap and cheerful vehicles. All of Kia's newer models are based on Hyundai vehicles, so quality has improved. The recession has seen Kia sales increase dramatically, especially in the crucial American market.

**Chances of survival:** Okay. With Kia as a separate brand, Hyundai gets two bites at the same cherry. That is, Kia and Hyundai have established themselves as separate companies selling different ranges, even though Kia and Hyundai cars share most of their DNA •



# A brief commentary on Kia

**K**IA IS KOREA'S OLDEST CAR COMPANY. The name 'Kia' roughly translates as *'Arising from Asia'* in Korean and Chinese characters.

Founded in 1944, Kia began by producing steel tubing and bicycle parts, then complete bicycles (1951), then motorcycles (1957), then trucks (1962) and cars (1974).



**KIA BRISA (1974)**

After producing obsolete Mazda, Peugeot and Fiat models for the local market, Kia began to export cars in the 1980s. Having no vehicles suitable for overseas markets, Kia signed a contract with Mazda's part-owner, Ford, to build several obsolete Mazda

vehicles under licence. One of these models, the Kia Pride, which was essentially a Korean-built version of an obsolete Mazda 121 – was then widely sold in the West as the Ford Festiva.

However, Kia had tried to grow too big too fast. The early Kia models were not well built and Kia rushed these largely untested vehicles out to waiting markets. The resultant

cars were often appalling. Tinny, unreliable and poorly built, they plunged Kia right to the bottom of most quality and customer satisfaction surveys. Kias were also horribly unsafe, crumpling like tin cans in accidents.



**KIA PRIDE / FORD FESTIVA**

By the mid-1990s Kia – like most of the Korean economy – was in deep financial trouble. Only rescue by Hyundai and the Korean National Bank saved the company.

Gradually, from the wreckage of Kia's failed attempt at empire-



building, a new company emerged. Instead of building obsolete versions of the foreign carmakers' vehicles, Kia began sharing Hyundai's technology. Nowadays, all of Kia's new models are based on Hyundai vehicles, so the quality has improved beyond recognition.

Kia established itself as a credible supplier of cheap and cheerful budget models.



**KIA SORENTO**

even a slight drop in sales could profits.

Publicly, Kia and Hyundai pretend to be two separate companies producing two separate ranges of cars. This is not really true. Hyundai and Kia cars are mostly different versions of the same vehicles. For example, the Kia Sorento and the pre-2013 Hyundai Santa Fe were much the same under the skin. Both vehicles, in fact, were often produced in the same factory and sometimes on the

Kia is also expanding into the USA, with several hundred thousand vehicles sold each year and a new assembly plant recently opened in West Point, Georgia.

Even though global sales are still strong for budget brands like Kia, profit margins are thin and have a major effect on overall



**HYUNDAI SANTA FE**

same assembly line.

However, some Kia vehicles have unique characteristics: for example, the Kia Soul and the Hyundai i20 may be effectively identical under the skin, but the Soul has more, well, *soul*, if you see what we mean •



**KIA SOUL**

