

# Taking charge



**IN PROFIT:** Kia network has achieved between 1.2% and 1.7% RoS over the past five years



Andrew Charman

## A week-long programme has put 700 Kia dealer personnel through one-day training courses, teaching all elements of electrification

**K**ia will double its presence in the UK market for fully electric vehicles (EVs) this month with the arrival of the Soul EV, the B-SUV joining the well-received and oversubscribed e-Niro in showrooms.

As carmakers rush to expand their electrified offerings in the face of new European Union regulations on fleet average emissions levels, dealers are under pressure to increase their EV sales to enable their franchise to meet the increasingly stringent CO<sub>2</sub> targets.

Kia's national dealer conference in early January was entitled

### Kia awards dealer at annual conference

Kia dealers across the UK attended the carmaker's network conference held in ACC Liverpool this month.

The Korean brand awarded the Dealer of the Year Award to SG Petch (York) while Dealer Excellence Awards went to Tates (Pyecombe) and West End Garage.

The Sales Excellence Award also went to Tates (Pyecombe) and the Aftersales Accolade to TMS (Hinckley).

The Family-Like Care Award was won

by Drayton Motors (Louth) and the GoElectric Award by Marsh (Exeter).

Kia had a good year in 2019 with new car registrations of 97,323, up 1.6% year on year with market share of 4.2% (2019: 4.05%). The brand has also performed strongly in successive NFDA Dealer Attitude Surveys. Companies House shows the Kia UK distribution business generating pre-tax profits of £12.6m on £1.5bn turnover in 2018.

'Take Charge', encouraging dealers not only to take control of their territories but also to embrace electrification.

"Clearly with CO<sub>2</sub> targets to achieve across Europe this year we need to make a step change in the volume of vehicles we sell that are electrified," Kia UK president and CEO Paul Philpott told Motor Trader.

"Within 'electrified' we count hybrid, plug-in hybrids and full EVs – the latter produce the biggest CO<sub>2</sub> benefits of all and very shortly we will have two of them on sale in e-Niro and Soul."

Of the 97,500 cars Kia sold in the UK in 2019 around 9,500 were electrified, and in 2020 Philpott aims to maintain the total volume and increase the electrified penetration from one in 10 to three in 10.

"Our 'Three in 10' strategy, encompassing HEV, PHEV and BEV, won't be achieved in the first quarter largely due to supply constraints, but supply will build very rapidly in the second and third quarter and we have worked with our dealers on how to manage long order banks. We have a great order bank for e-Niro, and we expect that for Soul EV to grow."

The third-generation Kia Soul will for the first time only be sold in mainland Europe and the UK as an EV, adopting the brand's latest advances in electric powertrains that have made the e-Niro so popular and generated long waiting lists at dealers.

Kia claims a combustion engine-like range of 280 miles from one charge of the Soul EV's 64kWh lithium-ion battery, extending to as much as 450 miles if the car is exclusively used in a city-driving environment.

Full charging through the supplied type-2 socket takes nine hours 35 minutes, while the car can be rapid-charged to 80% through a 50kW DC rapid charging station in one hour 15 minutes – 50 minutes using a 100kW charger.

Kia is supplying the Soul EV as a high-specification car, offering in

initially only one trim level, First Edition at a price of 37,295 – this can be reduced by £3,500 by claiming the Government's Plug-in Car Grant. Standard features include a head-up display, Android Auto and Apple CarPlay integration and a 10-speaker, 640-watt premium Harmon/Kardon sound system.

As the Soul EV further increases Kia's electrification penetration the franchise is investing in preparing dealers for the change. A week-long programme has put some 700 dealer personnel through one-day training courses, teaching all elements of electrification. "We are following that up with continual online training on how to best describe HEV, PHEV and BEV to customers, which best suits the individual's needs and what some of the barriers are likely to be," said Philpott.

Philpott considers it vital to convince dealers that electrification is an opportunity, not a threat. "For 100 years customers have had a choice of petrol or diesel ICE cars, now they also have three other types of electrified vehicle and they are more likely to go to a franchised dealer to talk about the new technology, particularly electrified cars and the dealers need to be ready for that."

"Fewer people will go for an electrified car from a non-franchised dealer or buy online, because they will want a face-to-face discussion as to what is right for them – driving an EV is very straightforward provided you are taken through the basics."

According to Philpott dealers are responding very well to this change. "They know Kia is in a leading position right now. While others launch perhaps their first plug-in hybrid, we are about to introduce plug-in hybrids on Ceed Sportswagon and Xceed, we already have a plug-in Niro, the hybrid Niro is selling like hot cakes, and later in the year the new Sorento will go on sale with a range of powertrains."

**Clearly with CO<sub>2</sub> targets we need to sell more cars that are electrified"**



The Niro will remain the centrepiece of the Kia electric strategy, as being available in hybrid, plug-in and fully-electric form it offers a natural progression for the transitioning motorist: "It's a big leap if you've always driven petrol or diesel to go all the way to electric."

While sales of the Soul EV are predicted to be at least 2,000, the model will remain in the shadow of the e-Niro, which is expected to claim 7,000 of the Niro's 20,000 total volume. But Philpott still sees the Soul EV as important. "Soul always has been more of a design statement, a car that lots of people have loved while lots haven't – it's more polarising whereas Niro isn't."

"We did not sell very many Soul EVs previously but we expect to see

### BEHIND THE WHEEL

For a B-SUV the latest, third-generation Soul cuts a stylish visual presence, design always having been a major element of this car. While the gimmicky colour-pulsating speaker surrounds may have gone, musical elements persist in the detailing and textures of the interior.

The space is impressive in front and back, while once out on the road progress is as expected virtually silent, but it can also be swift. The electric motor includes four drive modes, Normal, Eco, Eco+ and Sport, with clear differences in the car's behaviour. It's a simple matter to substitute the car's braking for regeneration through



buttons placed on the steering wheel. Four levels of energy harvesting are available and the effect on the car's battery charge clearly indicated through a wide driver's digital display and an equally wide central infotainment screen.

a four to five-fold increase with the new one, selling more Soul EVs than we did all versions of the model before. This is why we chose to bring it into the UK and Europe as an electric-only model."

He also expects to attract some fleet business to both e-Niro and Soul EV, particularly after 6 April this year when company car tax benefits are tilted further in favour of all-electric models. "We are seeing pretty balanced demand for the e-Niro, about 60/40 retail/fleet, while the design of the Soul EV will likely favour retail more. But I'll sell it to anybody."

The car arrives in a Kia retail network that is where Philpott wants it to be. "We have no plans to change the size or the coverage of our network and we have very few open points. The network has been profitable, achieving between 1.2 and 1.7% return on sales as an average over the past five years, and we'd only make material changes if we saw that model changing significantly."

Philpott expects a turbulent 2020 in the UK car market as uncertainty continues over the true effects of Brexit, and WLTP emissions standards replace NEDC, raising emissions levels and motoring costs: "That's a bitter pill to swallow for many and will take a lot of explaining in the showrooms."

Yet asked what his dealers are currently most concerned about, Philpott quotes supply issues, as they look to meet the Three in Ten strategy: "They have seen an upturn in supply of our electric vehicles, but they want to see more to fulfil their order books."

In challenging economic conditions, with many brands seeing downturns in sales, he adds that supply is a nice problem to have. **MT**



### FACT FILE

#### Kia Soul EV

- Model:** 64kWh electric, 150kw (201bhp)
- Prices:** £37,295 (£33,795 with Plug-in Car Grant)
- On sale:** First deliveries April 2020
- Sales forecast:** 2,000 plus
- Retail/Fleet split:** 70/30
- Rivals:** Vauxhall e-Corsa, Peugeot e-208, Nissan LEAF