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Introduction

The South Korean automaker Kia has made a name for itself as a major force in the international automobile industry. The report will analyse and contrast Kia's macroenvironment analyses in Germany and Japan in this aspect. Thus, the macroenvironmental factors will be analysed using the Pestle analysis framework, and the social and cultural forces will be evaluated using the Hofstede Cultural Dimensions model. Finally, the report will assess the strengths and weaknesses of the Hofstede Cultural Dimensions model objectively.

PESTLE Analysis of Germany and Japan

A framework called PESTLE analysis is used to examine the external macroenvironmental elements that influence a firm. The six factors of PESTLE analysis are Political, Economic, Social, Technological, Legal, and Environmental (Du, 2022).

Political:

- Germany has a sound legal framework and a stable democratic government. The country has a stable political environment and a high degree of political stability.
- Japan's political system, which is a constitutional monarchy, is stable. Politically, the country is largely stable, because its system of law is widely acknowledged (Shu, 2022).

These factors are in favour with Japan as well as Germany. Based to the respective case, both countries have strong and reliable legal systems, reliable democratic governments, and a high degree of political stability all of that is essential for supporting both their economies and society.

Economic:

- Germany has the biggest economy in Europe and is heavily reliant on exports. It is well known for offering top-notch products and services, and the automobile industry accounts for a sizeable section of its economy.
- Japan, which is well-known for its high-quality goods and services, is the third-largest country in terms of the global GDP. The country's auto industry significantly boosts its economy.

These factors are in favour with Japan as well as Germany. Germany's economy is competitive and successful, as evidenced by the fact that it is the largest in Europe, is

recognised for high-quality goods and services, and especially having a robust car sector. Being the third-largest nation with regard of global GDP along with having an established auto sector, emphasise Japan's power and efficiency in the economy.

Social:

- German residents, who also enjoy a good standard of living, receive substantial social welfare benefits.
- Japan is a country with a homogeneous culture and a strong sense of national identity, but the economy has trouble supporting a functioning social system due to a growing elderly population. It is challenging for economic growth to support a functional welfare system because to the population's increasing ageing (Li, 2022).

The first point is often favourable when it comes to Germany. The government's commitment to assuring that its inhabitants have a high level of living, that can support their social security and happiness, is indicated by the realisation that German citizens obtain significant social welfare payments. However the second point is considered unfavourable in regards to Japan. Significant social and financial difficulties that the nation confronts are highlighted by the fact that the nation struggles with maintaining an effective social system because of rising numbers of elderly people and the difficulty of supporting an operational welfare system due to the populace's raising ageing. The future economic development of the nation and the welfare of its residents might both be adversely affected by this.

Technological:

- The latest technology is highly regarded in Germany, particularly in the automotive industry. The country is home to a number of prestigious automakers, notably Mercedes-Benz, BMW, and Volkswagen.
- Particularly in the auto industry, Japanese technology is recognised for being cutting edge. The country is home to well-known automakers like Toyota, Honda, among Nissan.

These factors are in favour with Japan as well as Germany. Germany has an outstanding track record for inventiveness and technological development, as evidenced by the fact that the most recent technology is highly esteemed, especially within the automotive industry,

as well as the fact that the nation is home to highly regarded car manufacturers like Mercedes-Benz, BMW, and Volkswagen. Japan's capabilities in innovation and technical growth are highlighted by the acknowledgment of the latest innovations, notably in the car sector, and by the presence of renowned manufacturers like Toyota, Honda, and Nissan.

Legal:

- The judiciary in Germany has a lengthy history and is founded on civil law. The country has a strong legal framework that protects property rights and promotes fair trade.
- Civil law has long served as the foundation of Japan's legal system. The country has a strong legal framework that protects property rights and promotes fair trade.

Both Japan and Germany benefit from these factors generally. It is noteworthy that both Germany and Japan have an extensive tradition of civil law and a robust legal system. Thus, this upholds property rights and encourages fair commerce proves that both countries have trustworthy and efficient legal systems. A stable and open business climate can result from this, and investment as well as economic expansion depend on it.

Environmental:

- Germany has some of the greatest environmental laws in the entire globe and has made a number of efforts to reduce carbon emissions as well as promote sustainable development.
- A variety of initiatives have been implemented in Japan to reduce carbon emissions and promote sustainable development. However, the country has faced criticism for how it manages its nuclear power plants (Pan, 2023).

The first aspect is favourable when it comes to Germany. Germany is passionate about preserving the planet while dealing with the effects of climate change, that is crucial to achieving long-term viability. They enforces some of the strictest environmental regulations in the world and has worked to reduce carbon dioxide emissions and advance sustainable development. Nevertheless, the second point regarding Japan is mixed. The fact that a variety of initiatives have been implemented to reduce carbon emissions and promote sustainable development is generally favorable. However, the criticism that Japan has faced for how it manages its nuclear power plants highlights potential risks and challenges associated with the country's energy policies. This can have negative implications for the country's long-term sustainability and the safety of its citizens.

Hofstede Cultural Dimensions Model

A framework for evaluating cultural variance among nations is the Hofstede Cultural Dimensions model. The model identifies six cultural dimensions: Power Distance, Individualism, Masculinity, Uncertainty Avoidance, Long-Term Orientation, and Indulgence (Lehe et al., 2022).

Hofstede Cultural Dimensions Model of Germany

Power Distance: Germany's low power distance score of 35 demonstrates its preference for egalitarianism and commitment to universal human rights. This indicates that there is a relatively little difference between the distribution of power among the population and the power held by one individual.

Individualism: They receives a perfect score of 67 in the individuality category. This suggests that the priority is for personal freedom and self-expression. Instead of being affected by group identity, people in Germany frequently place a greater emphasis on their own aspirations and accomplishments.

Masculinity: With a score of 66, Germany has a rather high masculinity index, favouring aggressiveness, competition, and achievement. As a result, traits like ambition, bravery, and accomplishment that have historically been linked with men are valued by society (Shetty et al., 2023).

Uncertainty Avoidance: Germany receives a score of 65, which is a moderately high level for avoiding uncertainty. This indicates that Germans are often risk-averse and favour structure and order. Their society's norms and values, which place a high importance on stability and security, are a reflection of this trait.

Long-Term Orientation: Germany scored 83 on the long-term orientation scale, which is a fairly high result. This suggests a preference for preparation, tenacity, and adherence to custom. Future-oriented objectives, such as spending money on research and education, tend to be given precedence by Germans.

Indulgence: Germany scored poorly on indulgence, receiving a score of 40, showing a preference for restraint and self-control. In Germany, people typically place a high value on self-control, humility, and economy (Jan et al., 2022).

Hofstede Cultural Dimension of Japan

Power Distance: Japan's power distance score is rather high (54), showing a tendency for hierarchical order and submission to authority. This indicates that people in Japan are generally more accepting of status and power disparities.

Individualism: Japan's low individuality score of 46 indicates a desire for collective identity and collectivism. This indicates that Japanese people favour group objectives over personal success.

Masculinity: With a high masculinity score of 95, Japan is clearly a country that values ambition, aggressiveness, and competition. This indicates that success and achievement, which are traits often associated with men, are highly valued in Japanese society.

Uncertainty Avoidance: Japan has a strong preference for structure and order, as seen by its high uncertainty avoidance score of 92. This indicates that Japanese people value stability and security over danger and are often risk averse (Liyanage et al., 2019).

Long-Term Orientation: Japan scored an impressive 88 on long-term orientation. This suggests a predisposition for tenacity, economy, and adherence to tradition. Long-term objectives, such as spending money on research and education, are frequently given priority by Japanese people.

Indulgence: Japan scored poorly on indulgence, with a score of 42, demonstrating a tendency for restraint and self-control. Modesty, frugality, and self-control are values highly valued by Japanese people.

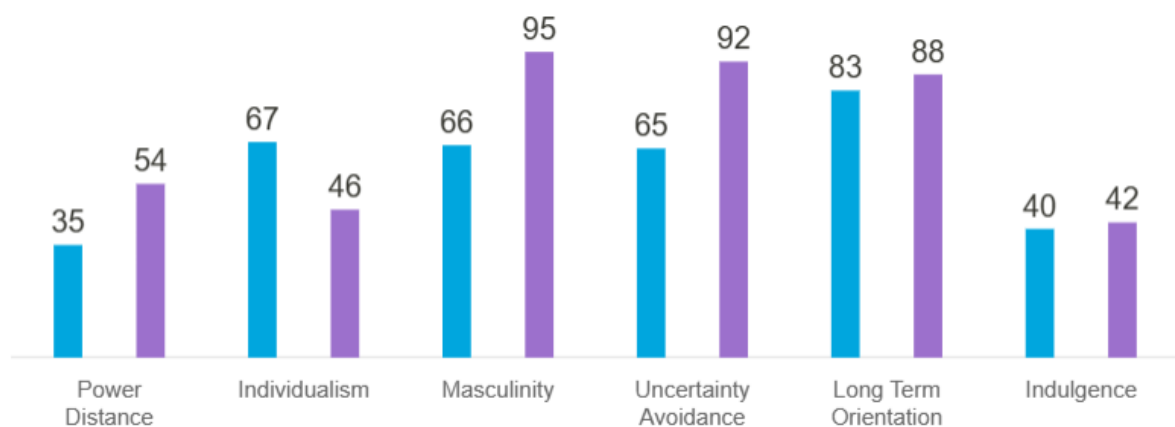


Figure: Country comparison of Germany and Japan

Source: Hofstede Insights

Critical Analysis of Hofstede Cultural Dimensions Model

Advantages:

- The Hofstede model offers a practical framework for comprehending cultural variations between nations. Understanding cultural customs, principles, and opinions of various societies can aid people and organisations, which can be useful in business and cross-cultural communication.
- The model is a well-known and accepted technique for cross-cultural study since it is based on substantial research and has been applied in a variety of scenarios.
- The Hofstede model is a valuable beginning point for comprehending cultural differences, however it is also adaptable and customizable to meet the needs of different people (Laukka and Elfenbein, 2021).

Disadvantages:

- The Hofstede model has come under criticism for oversimplifying intricate cultural variations between nations. The model distils intricate cultural aspects into six dimensions, which might not adequately represent the subtleties of many countries.
- It frequently generalises about cultural differences, which might result in oversimplification and stereotyping. It is crucial to acknowledge that there are cultural distinctions both within and between nations.
- Individual cultural differences are not taken into account. Although the model offers a helpful framework for comprehending cultural variations among nations, it does not take into account the diversity that exists within particular societies.
- The complexity of globalisation and cultural interchange might not be adequately represented. The Hofstede model may become less helpful in comprehending society as cultures converge and become more intertwined (Litvin, 2019).

Environmental Scanning

Information about the outside elements that can have an impact on a firm is gathered through a procedure called environmental scanning. It assists companies in keeping abreast of environmental changes and spotting possibilities and hazards. Environmental scanning includes keeping an eye on economic indicators, technological breakthroughs, political and legal issues, social and cultural trends, and concerns about the environment in Japan and Germany in the case of Kia, an automaker (Yu et al., 2022).

Environmental Scanning of Kia, Japan

For instance, environmental scanning in Japan might entail keeping an eye on economic indicators like the ageing of the population and the expansion of the service industry. Japan is renowned for its technological advances in robotics and automation, that may have an impact on the automotive sector. Trade policies and laws governing emissions and safety requirements may be political and legal variables to take into account. Additionally, it would be important to monitor societal and cultural changes, such as the increasing marketplace for eco-friendly products and the movement regarding urbanisation (Babatunde and Adebisi, 2012).

Environmental Scanning of Kia, Germany

Similar to this, environmental scanning in Germany may consist of keeping tabs on financial indicators like the expansion of the manufacturing industry and the rate of unemployment. Technologically, Germany is known for its advancements in engineering and innovation, which could impact the automotive industry. Political and legal factors to consider may include changes in regulations related to emissions and safety standards. It would also be necessary to keep up to date on social as well as cultural developments, such as a growing need for eco-friendly goods and the move into electric automobiles (Liyanage et al., 2019).

Environmental Analysis

Environmental analysis includes assessing the extraneous elements discovered during environmental scanning. It helps businesses to understand the impact of these factors on their operations and develop strategies to respond to them. In the case of Kia, environmental analysis would involve identifying their strengths, weaknesses, opportunities, and threats in both Japan and Germany (Stoycheva et al., 2018).

Environmental Analysis of Kia, Japan

In Japan, Kia's strengths may include its reputation for producing high-quality and reliable vehicles, while weaknesses may include limited brand recognition and market share. Opportunities may include the growing demand for eco-friendly vehicles and the potential for expansion into new markets, while threats may include increased competition from other automotive companies and changes in government regulations related to emissions and safety standards (Yousof et al., 2013).

Environmental Analysis of Kia, Germany

In Germany, Kia's strengths may include its reputation for producing affordable and reliable vehicles, while weaknesses may include limited brand recognition and market share. Opportunities may include the growing demand for electric vehicles and the potential for expansion into new markets, while threats may include increased competition from other automotive companies and changes in government regulations related to emissions and safety standards (Meckling and Nam, 2019).

By conducting environmental scanning and analysis in both Japan and Germany, Kia can gain a better understanding of the external factors that may impact their operations and develop strategies to respond to them. This can help them to remain competitive and successful in both markets.

Porter's Five Forces

When applying Porter's Five Forces model to Kia, in Japan and Germany, there are both similarities and differences to consider.

Similarities of Kia in Germany and Japan

Threat of New Entrants: The automotive industry has high entry barriers due to the need for significant capital investment and high technological requirements. In both Japan and Germany, Kia faces competition from established automotive brands, such as Toyota and Volkswagen, as well as emerging electric vehicle companies, such as Tesla (Musenora and Cagle, 2019).

Bargaining Power of Suppliers: The suppliers in the automotive industry have a significant bargaining power due to the high level of dependence on certain materials and technologies. Kia relies on various suppliers for materials and parts, and their bargaining power could impact the cost and availability of these resources in both Japan and Germany.

Bargaining Power of Buyers: The bargaining power of buyers in the automotive industry varies depending on factors such as brand reputation, product quality, and pricing. In both Japan and Germany, Kia faces competition from a range of automotive brands, and the bargaining power of buyers could be influenced by these factors (Fedotov, 2022).

Differences of Kia in Germany and Japan

Threat of Substitutes: Germany and Japan may both face different threats from Kia's competitors. The threat posed by alternatives like electric automobiles or public transit may grow as the desire for environmentally friendly vehicles rises in Japan. In contrast, in Germany, the focus is on electric vehicles, which could decrease the threat of substitutes and increase the demand for Kia's hybrid and electric models (Dias et al., 2023).

Intensity of Rivalry: Japan and Germany's competition in the automotive sector may differ in ferocity. There are numerous renowned car brands in Japan, and the market is highly competitive. In contrast, in Germany, there is a dominant player, Volkswagen, and other brands may struggle to compete with their market share and established reputation.

Threat of Government Regulations: The threat of government regulations may also differ between Japan and Germany. Regulations in Japan pertaining to safety requirements and emissions may have an effect on Kia's activities. When compared to Germany, where the emphasis is on lowering greenhouse gas emissions, Kia may see a rise in demand for greener automobiles (Liu et al., 2022).

As a result, although the Porter's Five Forces model has been applied to Kia in both Germany and Japan, there are also significant variances to take into account. By understanding and responding to the specific competitive factors in each country, Kia can develop strategies to remain competitive and successful in both markets.

SWOT Analysis

It is a widely used strategic planning tool to evaluate the strengths, weaknesses, opportunities, and threats of a company. When analyzing Kia in Japan and Germany, there are both similarities and differences to consider (Shankar, 2022).

Similarities of Kia in Germany and Japan

Strengths: Kia's strengths in both markets may include their reputation for producing high-quality and reliable vehicles, a wide range of models, and advanced technological features. In addition, their brand image and strong distribution network may also be considered a strength (Paramadotha and Hidayath, 2023).

Weaknesses: Some weaknesses of Kia in both Japan and Germany may include limited brand recognition and market share compared to established automotive brands in those markets. In

addition, limited production capacity and high dependence on key suppliers could also be considered a weakness (Jiang et al., 2022).

Differences of Kia in Germany and Japan

Opportunities: The increasing interest in quality and safety requirements as well as the rising demand for environmentally friendly automobiles may present possibilities for Kia in Japan. In contrast, prospects in Germany can include rising investments in sophisticated manufacturing technology as well as a growing need for electric and hybrid automobiles.

Threats: Kia may face risks in Japan due to the country's very competitive automotive market, where numerous well-known manufacturers are vying for market dominance. In addition, the ongoing challenges posed by the COVID-19 pandemic could also pose a threat to the company's operations. In contrast, threats to Kia in Germany may include the highly regulated market, with strict emission and safety standards, as well as intense competition from established automotive brands (Wen, 2022).

STP

Perceptual Maps

Perceptual maps are a visual method for representing customers' perceptions and preferences of brands in a certain market. A perceptual map may be developed for Kia in Germany and Japan to understand how the brand is seen by customers in these two countries.

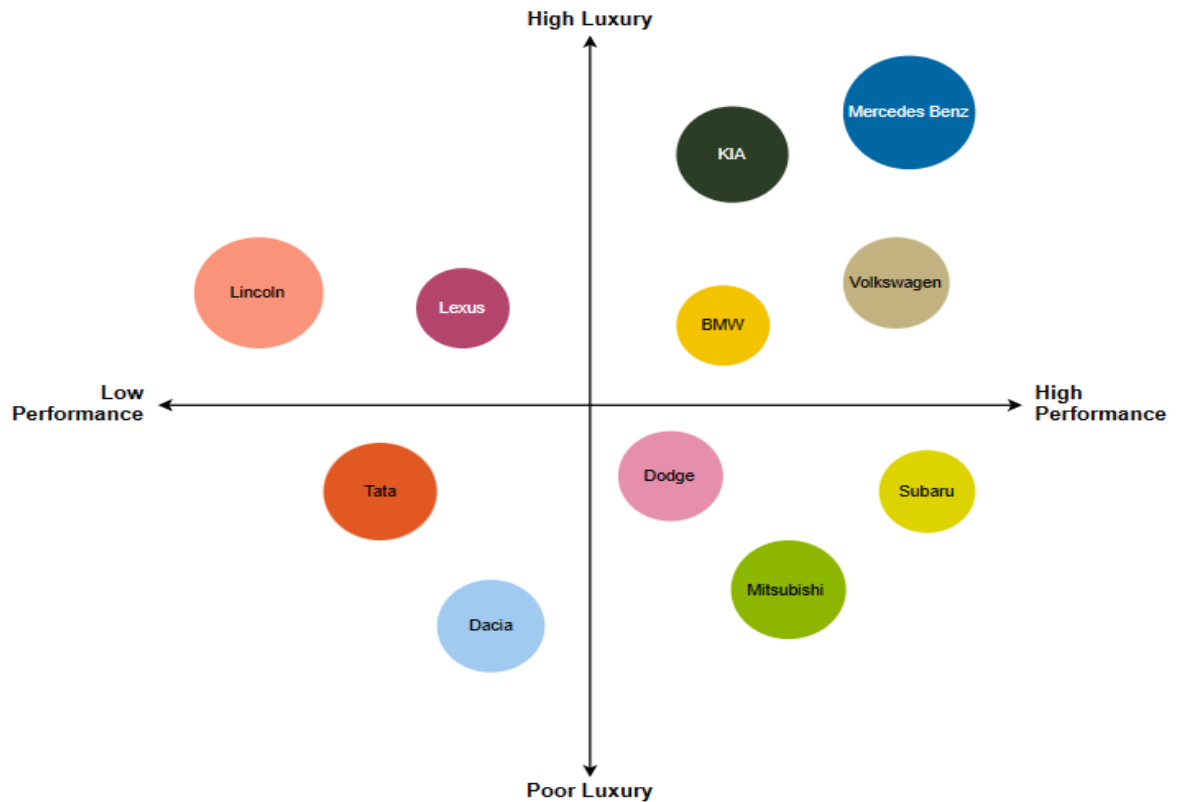


Figure: Perceptual map of Kia in Germany

Source: created by the author

Kia's perceptual map in Germany may be built on two major aspects that German automobile customers value: luxury and performance. Luxury is assessed vertically, with high luxury on top and poor luxury on the bottom. The horizontal axis is used to measure performance, with high performance on the right and low performance on the left. According to market research, Kia may be placed on a map with other brands such as BMW, Mercedes-Benz, Audi, and Volkswagen. The map can demonstrate where Kia is in regard to these rivals, as well as whether there is a market gap where Kia may differentiate itself.

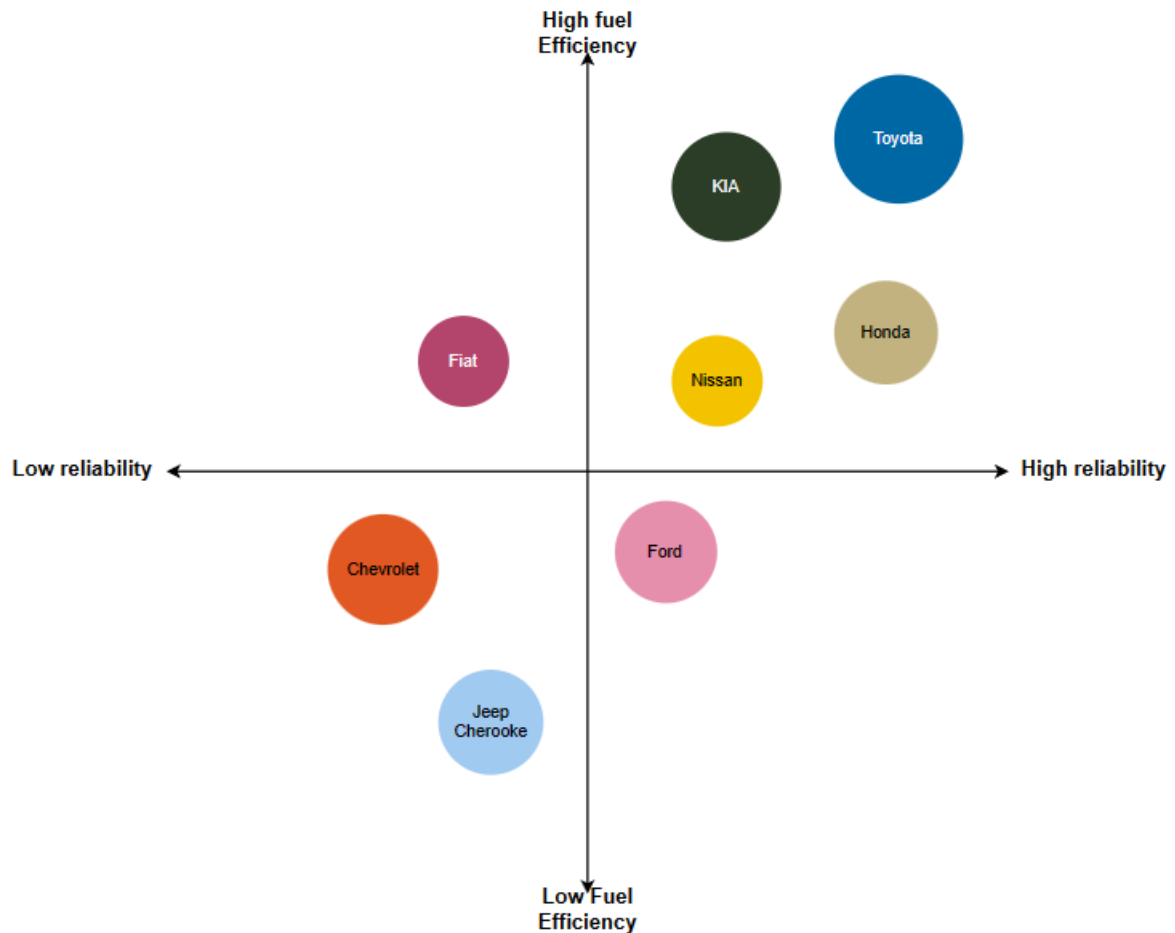


Figure: Perceptual map of Kia in Japan

Source: Created by the author

Kia's perceptual map in Japan may be based on many qualities such as fuel efficiency and dependability. The vertical axis may be used to assess fuel efficiency, with high fuel efficiency at the top and poor fuel efficiency at the bottom. The horizontal axis may be used to quantify dependability, with high reliability on the right and low reliability on the left. Kia may be plotted on a map with other brands such as Toyota, Honda, and Nissan. This map can demonstrate where Kia stands in respect to its competitors, as well as whether there is a market gap where Kia can differentiate itself.

Furthermore, perceptual maps can give useful insights into the competitive environment in Germany and Japan, allowing Kia to understand how it compares to its competitors in both countries. This data may be utilised to create marketing plans that will increase Kia's market share and profitability in various nations.

Similarities and differences

Kia is a South Korean automaker that sells its automobiles in over 100 countries worldwide (Soviar et al., 2019). This research examines at Kia's marketing strategies in Japan and Germany, with an emphasis on segmentation, targeting, and positioning (STP), and will highlight the similarities and differences.

Segmentation: Kia's Japanese segmentation strategy is mostly focused on age. Younger buyers who are interested in design and technology are targeted by the brand. Kia caters to young professionals and students searching for cheap, elegant vehicles with cutting-edge technology. The firm promotes itself as a fun and inventive brand that caters to a younger audience. Kia's marketing efforts in Japan follow this segmentation approach, which frequently features bright colours, sophisticated designs, and cutting-edge technology.

In contrast, Kia's segmentation approach in Germany is focused on lifestyle and hobbies. The firm caters to drivers that value environmental friendliness, performance, and luxury. In Germany, Kia markets its vehicles as more economical alternatives to high-end brands, while emphasising cutting-edge technology and safety features (Barzegari et al., 2022). Kia's marketing efforts in Germany follow this segmentation approach, which frequently highlights sleek looks, fuel efficiency, and modern safety features.

Targeting: Kia targets a younger demographic in Japan who want inexpensive, elegant automobiles with innovative technology. The firm promotes itself as a fun and inventive brand that caters to a younger audience. Kia's marketing efforts in Japan frequently contain young culture and technology themes, such as music and video games. Kia's target consumers in Japan are frequently early adopters seeking the latest and greatest technologies in their vehicles.

In Germany, Kia caters to drivers that value environmental friendliness, performance, and luxury. The firm offers itself as a wise solution for consumers seeking high-end features at a low cost. In Germany, Kia's marketing efforts frequently emphasise the value of their vehicles, as well as its modern safety features and fuel economy. Kia's target consumers in Germany are frequently drivers seeking for a high-quality vehicle with modern amenities that suits their individual demands.

Positioning: Kia is positioned in Japan as a fun, inventive, and elegant brand that delivers sophisticated amenities at an accessible price. The firm places a premium on design and technology, marketing its vehicles as youthful and modern. Kia's marketing efforts in Japan frequently highlight the automobiles' distinctive characteristics, such as superior audio systems and novel safety measures (Leistner et al., 2020). Kia positions itself in Germany as a smart,

eco-friendly, and cost-effective alternative to high-end brands. The manufacturer promotes the vehicle's improved safety features, fuel efficiency, and overall value. Kia's marketing efforts in Germany usually highlight the high quality of its automobiles, as well as their eco-friendliness and modern technology.

Kia promotes itself as an innovative brand to clientele interested in complex features and technology in both Japan and Germany. Kia also prioritises affordability in both markets, delivering high-end features at a cheaper price range. Both markets value safety features as well, indicating a global emphasis on safe driving. Kia's marketing strategies in Japan and Germany differ mostly in terms of segmentation and targeting. In Japan, the firm targets younger customers who value design and technology, but in Germany, the company targets drivers who value eco-friendliness, performance, and luxury.

In Japan, Kia positions itself as a joyful and young brand, but in Germany, the business emphasises its eco-friendliness and affordability. Kia's marketing campaigns in Japan and Germany also show how the business adapts its STP methods to match the demands and tastes of other regions. Kia is able to target various consumers and position its brand appropriately by segmenting the market based on age in Japan and lifestyle and interests in Germany. While Kia's marketing strategies are similar in both countries, the differences show how the company adapts its approach to meet local market conditions.

Marketing mix elements 7Ps

Product: Kia provides a variety of automobiles to meet the demands of clients in various markets. Kia's product portfolio in Japan comprises tiny and fuel-efficient automobiles like the Picanto and Rio, whilst the brand provides higher-end models like the Stinger and Sorento in Germany. Kia's product strategy aims to provide dependable, inexpensive automobiles that fulfil the demands of the target market.

Price: In both Japan and Germany, Kia's price strategy is based on market research, competitive analysis, and cost factors. Kia prices its automobiles competitively versus other compact and fuel-efficient cars in Japan, whereas the firm prices its vehicles more in Germany to reflect the luxury and performance characteristics that people demand.

Place: Kia employs a range of distribution methods to reach clients in both Japan and Germany. Kia distributes its automobiles in Japan through its own dealerships as well as agreements with other automotive dealerships. The firm primarily distributes its automobiles in Germany through independent dealerships.

Promotion: Kia utilises a variety of marketing strategies to connect with customers in Germany and Japan. To raise brand recognition in Japan, the corporation has launched TV and internet commercials, sponsored events, and collaborated with influencers. Kia has sponsored sports teams and events in Germany, as well as participating in vehicle exhibitions and promoted in periodicals and online.

People: The people component of the marketing mix refers to the people who represent the brand and engage with customers. Kia employs sales people, customer service representatives, and technicians who are educated to give high-quality assistance to consumers in both Japan and Germany.

Process: The method and processes that the firm utilises to offer its products and services are referred to as the process part of the marketing mix. Kia has optimised its manufacturing processes in both Japan and Germany to guarantee that vehicles are created effectively and delivered to customers on time.

Physical evidence: The physical evidence component of the marketing mix refers to the concrete components with which customers engage, such as dealership premises and automobiles themselves. Kia has invested in contemporary and appealing dealership facilities that create a great client experience in both Japan and Germany. In addition, the corporation has developed its automobiles to have a distinct and recognisable look that distinguishes them from competitors.

Market entry methods

Kia entered the Japanese and German markets using several market entrance strategies. In 1971, Kia launched a joint venture with a local firm called Mazda in Japan, allowing the corporation to build a market presence and have access to local knowledge and resources (Kranich et al., 2020). Although the joint venture was dissolved in 2010, Kia continued to operate in Japan through its own subsidiary. Kia entered the German market using a direct investment approach. In 1993, the firm created its own subsidiary in Germany, giving it complete control over its operations and marketing tactics. Kia was able to build a strong brand presence in Germany and customise its marketing mix to match the unique demands of German consumers thanks to this strategy.

Kia entered the Japanese and German markets using a variety of market entry techniques. Kia established a joint venture in Japan with a local business called Mazda in 1971, allowing the corporation to establish a market presence and have access to local knowledge and resources. Kia continues to operate in Japan through its own subsidiary after the joint venture was

terminated in 2010. Kia joined the German market with direct investment. The company established its own subsidiary in Germany in 1993, allowing it total control over its operations and marketing strategies (Heydarian et al., 2023). With the help of this approach, Kia was able to establish a strong brand presence in Germany and adjust its marketing mix to meet the particular needs of German consumers.

Directional development strategy

BCG matrix

The BCG matrix is a strategic tool used to assess a company's product or business unit portfolio. Based on their market share and growth rate, it divides them into four categories: stars, question marks, cash cows, and dogs. Kia may utilise this matrix to direct the development of its product range in Japan and Germany.

BCG Matrix for Kia in Japan

Stars: In the Japanese market, Kia's new electric vehicles, such as the Niro EV, might be termed stars. Because of the growing demand for environmentally friendly vehicles, these goods have a large market share and a high development potential. Kia should continue to spend in product development and advertising in order to preserve its market position.

Cash Cows: Compact Kia cars like the Rio and Soul, which are well-liked in Japan and consistently profitable, are known as cash cows. They have a large market share, but their potential for expansion may be restricted. Kia should keep investing in these items, but not as much as they do in their stars.

Question Marks: In Japan, Kia's premium vehicles, like the Stinger, have a low market share but significant growth potential. Kia should invest in these items in order to expand its market share and establish itself as a viable choice for luxury automobile consumers.

Dogs: In Japan, Kia's midsize SUVs, such as the Sorento, have a low market share and growth potential. These items should either be divested or aggressively marketed and innovated to enhance their market share.

BCG Matrix for Kia in Germany

Stars: Kia's premium vehicles, such as the Stinger, are stars in the German market. Because they are more affordable than other luxury brands, these products have a high market share and growth potential. Kia should continue to spend in product development and advertising in order to preserve its market position.

Cash cows: Kia's small and medium automobiles, such as the Rio and Optima, are popular in Germany and provide regular profits. They have a large market share, but their potential for expansion may be restricted. Kia should keep investing in these items, but not as much as they do in their stars.

Question Marks: In Germany, where there is a growing demand for eco-friendly automobiles, Kia's electric and hybrid vehicles, such the Niro and Optima PHEV, have a low market share but a high growth potential (Anuragi et al., 2021). Kia should invest in these items in order to grow their market share and portray themselves as a viable alternative for environmentally conscious automobile consumers.

Dogs: In Germany, Kia's sports cars, such as the GT, have a low market share and growth potential. These items should either be divested or aggressively marketed and innovated to enhance their market share.

With a very small market share and significant development potential in Japan, Kia might be viewed as a question mark. This suggests that Kia should prioritise product development in order to grow market share. Kia may do this by increasing its product range in Japan to include additional models that meet Japanese consumers' demands, such as electric and hybrid automobiles.

Kia is a dog in the German market, with a low market share and a slow growth pace. This suggests that Kia should think about selling or reconfiguring its product range in Germany. Kia may do this by concentrating on specific markets and supplying specialised products such as high-end luxury electric automobiles.

Recommendations

Based on the BCG matrix analysis, the following recommendations for Kia's directional development plan may be made:

- Expand investment in the development of Kia's product range in Japan to expand market share and capitalise on the country's great growth potential.
- Consider divesting or repositioning Kia's product line in Germany by focusing on specific markets and supplying specialised items that cater to German customer tastes.
- Investigate strategic alliances or joint ventures with local firms in Japan and Germany to acquire access to their distribution channels and boost market brand awareness.

- To appeal to environmentally concerned consumers in both segments, focus on producing sustainable and eco-friendly products such as electric and hybrid automobiles.

Critical analysis of the model

The BCG matrix, while useful for analysing a company's product range, has significant drawbacks. One of the primary critiques levelled at the BCG matrix is that it only takes into consideration two variables (market share and growth rate) and ignores other crucial elements such as market size, competition, and profitability (Bagnoud, 2023). Furthermore, the BCG matrix assumes that having a large market share and a high growth rate is always desirable, which is not always the case. A firm with a big market share in a falling market, for example, may be less lucrative than a company with a lesser market share in a growing industry.

Another drawback of the BCG matrix is that it implies all products or business units within a corporation are independent of one another, which is not necessarily the case. A new product line, for example, may cannibalise sales of an old product line, resulting in a loss of market share. Despite these limitations, the BCG matrix can still be a useful tool for companies such as Kia to evaluate their product line and make strategic decisions about market development. However, in order to gain a more complete understanding of the market and competition, this analysis should be supplemented with other tools and techniques.

Product Life Cycle Model

Strategies that can be used in each stage

The Product Life Cycle (PLC) model illustrates the stages that a product goes through from launch to demise. Introduction, growth, maturity, and decline are the four phases. Each level needs a distinct strategy to assure the product's continued success.

Introduction Stage: Kia will concentrate on raising brand recognition of its goods in Germany and Japan during this phase. To generate interest in its products, the corporation can utilise advertising and public relations. Furthermore, it can provide incentives such as discounts and warranties to entice customers to try its products. Kia should also spend in R&D to improve its goods and remain competitive.

Growth Stage: During the growth stage, Kia should concentrate on boosting market share and cultivating consumer loyalty. This may be accomplished by broadening its product portfolio and enhancing product quality. It can also boost its marketing efforts to distinguish itself from competition. Kia should focus on expanding distribution channels at this time to make its products more accessible to buyers.

Stage of Maturity: During the stage of maturity, Kia will see escalating competition and shrinking profit margins. To remain competitive, it should prioritise cost cutting and simplifying processes. It can also utilise price methods like discounts and promotions to maintain market share. It can also invest in product innovation to distinguish itself from competitors and adapt to changing client preferences.

Decline Stage: During the decline stage, Kia may see decreased sales and profitability. Kia might try repositioning the product, such as targeting a new client category or advertising the product for a different application, to extend the product's life cycle. Kia might potentially think about retiring the product and replacing it with a new one.

Understanding the Product Life Cycle Model is critical for firms like Kia to manage their goods successfully. It enables businesses to develop and execute suitable strategies for each step of a product's life cycle (Haipeter and Jo, 2021). Companies may lose opportunities to extend their product line or enter new markets if they do not have a good grasp of the product life cycle, resulting in falling sales and earnings. Furthermore, understanding the Product Life Cycle Model enables businesses to make more informed decisions about product pricing, promotions, and distribution. It also assists businesses in determining the best moment to spend in research and development in order to improve the product and stay up with changing client preferences. Understanding the Product Life Cycle Model allows firms like Kia to maximise the potential of their products and achieve long-term market success.

Conclusion

Kia's macroenvironment research in Japan and Germany revealed that the corporation works in an environment impacted by a variety of elements including political, economic, social, technical, legal, and environmental. According to the examination of Hofstede's cultural dimensions model, there are major cultural variations between Japan and Germany that can affect Kia's marketing methods. A critical review of the model, however, revealed significant limits that should be considered when utilising it for cross-cultural investigation.

The environmental scanning found both internal and external elements that may have an impact on Kia's commercial operations in Japan and Germany, and the environmental analysis revealed that the corporation should be aware of the market's possibilities and risks. According to the Porter Five Forces analysis, Kia confronts moderate competition in both Japan and Germany, with a low danger of new entrants and replacements. Kia has various strengths and prospects, according to the SWOT analysis, including a strong brand image and the possibility for development in the electric car industry. However, the company faces a number of

challenges, including intense competition and the need to adapt to changing consumer preferences.

The STP research revealed the significance of knowing customer behaviour and preferences in building effective Kia marketing strategies in both Japan and Germany. The marketing mix study emphasised the importance of developing suitable entry strategies that account for changes in consumer preferences as well as the competition landscape in each nation. A directed development plan based on the BCG matrix may also be used to generate expansion in new markets or by introducing new products. Furthermore, the product life cycle model can be used to direct the development of appropriate marketing strategies throughout the product's life cycle, from introduction to decline. Kia can achieve success in Japan and Germany by developing effective marketing strategies that consider the macro environment, cultural dimensions, competition, consumer behaviour, and product life cycle. By implementing these strategies, Kia can continue to grow and succeed in both markets.

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Appendix

Germany	Japan
Political	Political
• Strong democracy • Established legal framework • Extremely stable political environment	• Adopted a number of strategies to cut carbon emissions and advance sustainable development • Criticised for how it handled the nuclear power plants.
Economic	Economic
• European economy's largest • strong economy focused on exports • A big contributor to its economy is the auto industry.	• World's third-largest economy • Recognised for providing superior goods and services • A big contributor to its economy is the auto industry.
Social	Social
• High level of life • High levels of social welfare benefits are available to citizens. • The economy has a challenge from the ageing population.	• Society with a strong feeling of cultural identity that is homogeneous • The economy has a challenge from the ageing population. • Ageing population quickly
Technology	Technology
• Renowned for cutting-edge technologies, especially in the automotive sector • Leading automakers like Mercedes-Benz, BMW, and Volkswagen call this region home.	• Renowned for cutting-edge technologies, especially in the automotive sector • Leading automakers like Toyota, Honda, and Nissan call this region home.
Legal	Legal
• Firmly developed civil law-based legal system	• Firmly developed civil law-based legal system

• Robust legal system that upholds the rights of intellectual property and fosters fair competition	• Robust legal system that upholds the rights of intellectual property and fosters fair competition
Environmental	Environmental
• Pioneer environmental pioneer • Adopted a number of strategies to cut carbon emissions and advance sustainable development	• Adopted a number of strategies to cut carbon emissions and advance sustainable development • Criticised for how it handled the nuclear power plants.