

# Kia flagship sets sail

By Joe Sage



When an entirely new third-generation Kia Optima was introduced for 2011, the company's mission was to move beyond their already successful efforts to build a reputation through low prices, great fuel economy and a generous and confident warranty—elements that in aggregate they call "logic"—to tackling buyers' emotions. They had broken through with the appropriately named Kia Soul,

and their next move was to invigorate the huge midsize sedan segment. The new 2011 Optima carried forward designer Peter Schreyer's "tiger nose" grille design and other evolving cues, increasing the model's sales from 25,000 in 2010 to an incredible 150,000 in 2012—holding its own against Honda Accord, Toyota Camry, Ford Fusion and other longtime midsize champs.

All this helped propel Kia to where it is today:

the eighth largest brand in the US, with the number 87 spot among Interbrand's prestigious Top 100 Global Brands.

But Kia spotted an evolving void in their lineup.

Buyers in a challenged economy have been avoiding what Kia Motors America (KMA) PR director Scott McKee calls grandiose grandstanding. Instead, he says, to them "smart is the new rich."

Optima had been attracting more affluent and



Kia has made its presence increasingly known over the past decade or so. The new Cadenza flagship delivers the most presence yet, inside and out.

style-conscious shoppers, with some 40 percent coming from large, near-luxury and luxury brands.

Conversely, at the same time, while most competitors' midsize sedan transactions fall below \$25,000, fully two-thirds of Optima's have been above that. And some of those buyers were starting to tell dealers that they "really like the quality and features and price you offer, but actually wish you had something a little more expensive and a little fancier." If you were a loyal Kia customer—and they have plenty of those—there was nowhere higher to go within the brand.

Combine those two thoughts, and you see where Kia identified an opportunity.

Enter the solution: the 2014 Kia Cadenza, the brand's new full-size flagship sedan. McKee tells us the new Cadenza "makes everything you thought you knew about Kia a thing of the past."

Developing a flagship not only fills that sweet spot on the scale, but it addresses the next phase of Kia's overall product and image development—pursuing modest growth, while focusing on ever-better product quality, elevating the ownership experience and strengthening the brand. Kia thus now has "halo" cars at the bottom and top.

As the company's sales grow, they find they are able to inch up prices a bit across the board. But a flagship product adds a whole new tier.

Value is traditionally considered to be a formula that balances cost against quality and/or service ("pick two," marketers say). Kia's new definition of value is verbalized a little differently, saying "value is no longer about price—it's about what you get for your money." That still offers the



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same equation, but they are setting the stage for the main news: a Kia at a higher price tag.

To see how it all comes together, we traveled to San Diego to give the Cadenza a spin.

There's something so familiar about the Kia Cadenza, we feel as though we have already met it even as we first lay eyes on it. Our first thought is that this is because it's a lot like the Optima, just a half-size larger. But this is not really the case. The Cadenza is basically twice the car the Optima is (and the Optima is a fine car). Base price is a good place to start: fortyish (\$38,100) for Cadenza vs twentyish (\$21,350) for Optima.

Within the Cadenza price, Kia is delivering a new feature: a 36-month (or 37,500-mile) program covering the first five factory-scheduled service visits. As with the original 10-year/100,000-mile Kia warranty (also still included), this bolsters the quality image of a new flagship product, but also suggests an image of the premium dealer experience a flagship should deliver.

And yes, all this is under \$40 grand base. In fact, fully loaded, the Kia Cadenza is out the door for just \$41,100, which as McKee says "beats all the competitors, no compromises." The idea is that on this car "premium comes standard."

Kia says this is their most technically advanced car ever—with UVO eServices, blind spot detection (Kia's first), adaptive cruise control and a 550-watt Infinity sound system (we have yet to meet Infinity audio we didn't love).

Kia research showed 95 percent of GM buyers purchase OnStar "as an insurance policy," but 69 percent do not renew because of cost. Therefore, UVO comes standard—free with no subscription for 10 years or 100,000 miles, with 8-inch screen and navigation, tightly integrated with your Apple or Android smartphone, with Kia cloud computing and dedicated apps bringing you auto 911, remote diagnostics and more. Software updates will soon add remote start and other features.

Cadenza is actually built on the same frame as the Optima, but reengineered on a two-inch-longer wheelbase, five inches longer, one inch higher—adding up to best-in-class interior volume, class-leading front legroom, more accommodating rear space and ample headroom.

Cadenza is powered by a 3.3-liter V6—the same engine as the Sorento utility vehicle—with 293 hp and a rating of 19/28 MPG (city/highway). An all-new exhaust system reduces noise and boosts fuel economy. Special attention has been paid to handling, with extremely flat cornering once only expected in top-dollar German sedans.

Although Kia and Hyundai are both owned by the same parent company, both brands make a point of disclaiming any developmental ties or general product cross-awareness in the US.



From the posh shores of Del Mar, through the rolling hills of Riverside County, back through north San Diego County and down the coast, the Kia Cadenza conquers the roads and blends well with the styles.

Nonetheless, when pressed by the media at launch, KMA product planning director Orth Hedrick described the Kia Cadenza as pretty close to the Hyundai Azera (which we review in this issue.) But, unlike Kia, Hyundai has two more models above that (Genesis and Equus). This is not to denigrate the Cadenza; it is to underscore that this is a top-end model at a value price.

The uninitiated sometimes ask us about quality and reliability of the Korean brands. We generally point out two things: one, that nobody thinks twice about the wondrous nature of their LG flatscreens and Samsung phones; and two, that despite all their advances, the company still provides the same 10-year/100,000-mile warranty, a significant sign of product confidence.

We've already often noted a phenomenal rate of improvement in fit and finish over the past decade. If not self-evident, there is hard data: JD Power identifies a 36 percent increase in Kia's durability-reliability since 2009.

On top of that, Kia tells us the Cadenza has been tested to what are usually brutal commercial standards: the powertrain running for 300 continuous hours, of which 20 are over redline—which they say is unmatched by any other manufacturer.

Success has led Kia to continually raise the bar on their products, increasing quality, style and features while keeping their prices and warranties very favorable. And it has now led them to build into a new market. We might have not seen this coming, but now that it's here, there is no mistaking that there was still plenty of headroom for such a move, which—not a surprise—has been masterfully executed in the Cadenza. ■

