



# INNOVATION IN PORSCHE

Group 1 Uni Mannheim

**Emilie Boualavong, Hua Tan, Yanan Nie, Yongyi Zheng**

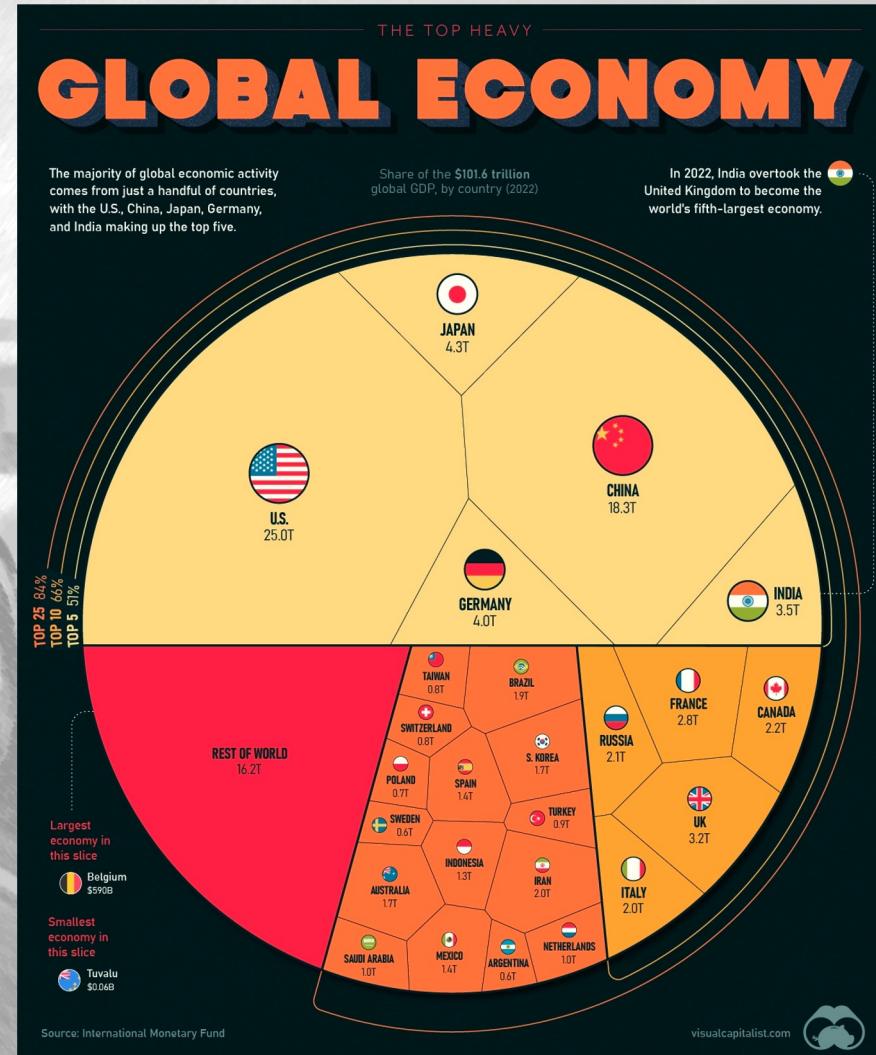
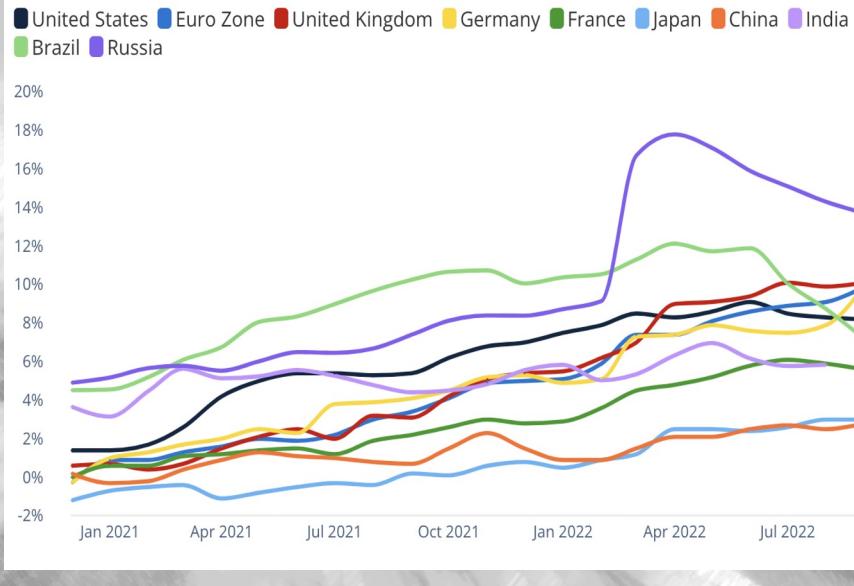
Universität Mannheim | Hochschule Pforzheim

# Table of Content

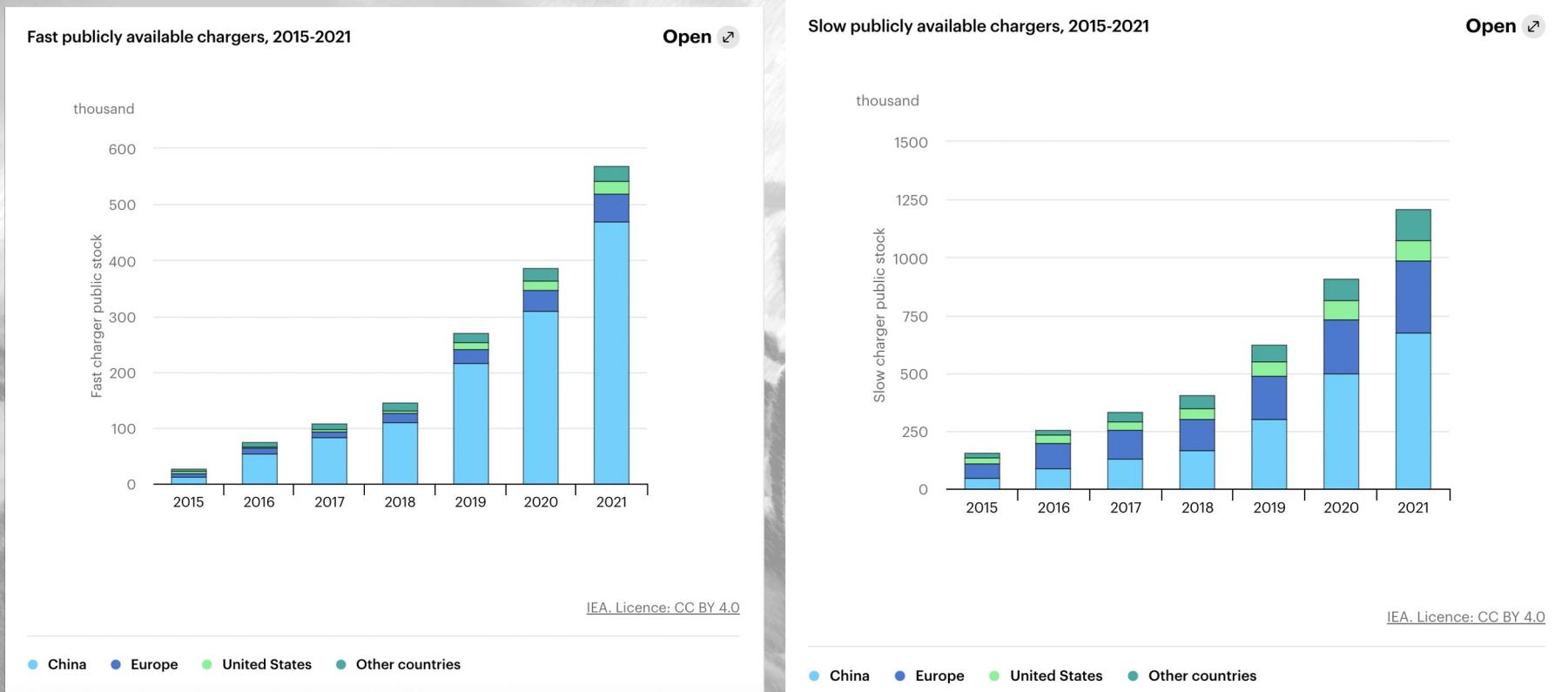
- **Market Analysis**
- **Source of Innovation in Chinese Market: A Nutshell**
- **Finding new potential partnerships**



# Wealthy & Healthy Country

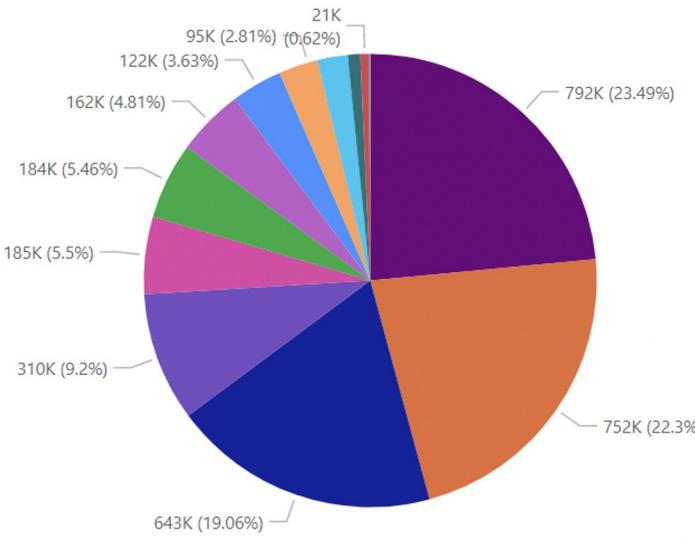


# Well-Appointed Market for EV



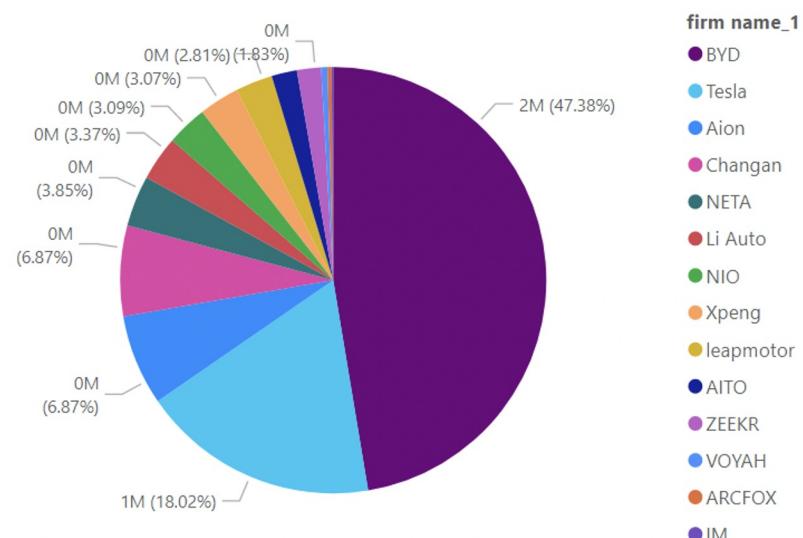
Trends in charging infrastructure

# Moderately Concentrated Luxury Car Market, Highly Concentrated EV Market



0.16

HHI-luxury car market



0.27

HHI-EV Market

# Strongly Supported By Government

- 1.Tax exemption(announced that relevant authorities will exclude NEVs from vehicle purchase tax until the end of 2022. The tax exemption includes PEVs and PHEVs, and FCVs.)
- 2.Continuous Investment in EV infrastructure
- 3.EV subsidies(end at the end of 2023)
- 4.EV credit system(mandate that a certain percentage of all vehicles sold by a manufacturer each year must be battery-powered)

中国新能源汽车13年补贴退场 崛起的雄心与未来的挑战

# Source of Innovation in Chinese Market: A Nutshell

What are Chinese looking forward to?

## Electric and hybrid vehicles

- market: a huge & growing market. The industry is rapidly evolving with new players entering the market.
- policy: The Chinese government is aware of sustainability, thus has implemented a range of supporting policies to encourage the adoption of electric vehicles, which leads to increase of customer willingness to pay.

-> Porsche can increase its sales by introducing more electric and hybrid models in the market, and give Porsche a competitive edge over other luxury car brands.

## Digitalization

- autonomous driving: in experiment, coming soon...
- AI-assisted driving
- remote vehicle monitoring

-> Porsche can invest in experiments, and integrate the tech once it is mature.

# Source of Innovation in Chinese Market: A Nutshell

What are Chinese looking forward to?

## Connectivity

- dedicated mobile App: My Porsche
- up-to-trend in-car entertainment, localized on-board tablet features
  - e.g. music, maps, calls and messages

## Branding: Porsche X \_\_\_\_\_

- cross-industry collaboration with Chinese brands, creative products
- local events sponsorships; marketing campaigns; TV programs



Infiniti exclusively crowns a TV show



AWGE x Mercedes-Benz

# Finding new potential partnerships

## Electric and hybrid vehicles

- CATL: high-performance batteries
- State Grid: fast charging stations
- BYD: car development cooperation



## Technologies

### Digitalization

- Baidu: advanced driver assistance systems with the use of AI and big data analytics
- Alibaba: cloud computing, (AI) Intelligent Driving.



### Connectivity

- Tencent: personalized mobile apps
- Pony.ai / WeRide: autonomous driving capabilities
- Banma: connected car service; digital showroom etc.



## Branding

### Luxury brands

- LV / Gucci / Hermes: exclusive products or services (eg. watch or luggage)

### Sport events and marketing campaigns

- CCTV / Tencent Sport: car / motor racing game live streaming.



# Finding new potential partnerships

## Battery and charging infrastructure companies



**BYD (Build Your Dreams):** specializes in electric vehicles, battery technology, and energy storage solutions.

### Battery innovation: "Blade Battery" :

- Safer and more efficient
- LFP (lithium iron phosphate) : more stable at high temperature compared to the traditional battery

**Environmental value:** reduce pollution and support the initiative to cool the earth by 1°C

**Safety :** BYD has won the 5 stars European safety rating for electric SUV Atto

- safe e-platform and driver assistance system : forward collision warning, autonomous emergency braking
- superior body structure

**Competitive advantage :** financial performance (\$22.7 billion revenue) and strong innovation

⇒ Partnership to develop a new battery or improve the safety of the car

# Finding new potential partnerships

Technology companies



Tencent 腾讯

**Tencent** largest gaming company (fortnite,wechat...): plan to support car company to manufacture high-quality cars

**Connectivity technologies with Tencent Auto Intelligence (TAI 3.0):**

- “Tencent Way”: mobility life assistant that personalized car driving experience (hobbies, driving preferences...)
- “Fun Audio” : propose different services (music, Tencent sport) and technology that allows to drive safely while they are using WeChat
- “WeScenario”: generate different driving scenarios based on the weather or car location.

**Plan to set up Intelligent Automobile Cloud Zone in Shanghai** : a platform for autonomous and smart driving

**Over 35 auto companies are using Tencent intelligent cockpit products like BMW Group**

⇒ **Partnership to develop connectivity for new intelligent car functionality and to customize dashboard based on chinese customers preferences**

# References

- Inflation worldwide - Statistics & Facts:  
<https://www.statista.com/topics/8378/inflation-worldwide/#topicOverview>
- Trends in charging infrastructure  
<https://www.iea.org/reports/global-ev-outlook-2022/trends-in-charging-infrastructure>
- MARKETSTop Heavy: Countries by Share of the Global Economy  
<https://www.visualcapitalist.com/countries-by-share-of-global-economy/>
- 2022汽车产业大数据|整车销量排行榜：市场集中度进一步提升 自主五强冲入前十  
[https://www.sohu.com/a/631123704\\_430289](https://www.sohu.com/a/631123704_430289)
- China to halve purchase tax for small-engine cars <https://www.reuters.com/markets/asia/china-halve-purchase-tax-small-engine-cars-2022-05-31/>
- 中国新能源汽车13年补贴退场 崛起的雄心与未来的挑战  
<https://www.bbc.com/zhongwen/simp/business-64173650>
- AWGE x Mercedes-Benz <https://www.hignsobiety.com/p/asap-rocky-mercedes-benz-awge-collab-interview/>
- Infiniti exclusively crowns a TV show <https://www.jiemian.com/article/315250.html>

# References

- BYD : <https://en.byd.com/news/byds-new-blade-battery-set-to-redefine-ev-safety-standards/>
- Global Times, Tencent sets up Intelligent Automobile Cloud Zone in Shanghai, to assist smart vehicle manufacturing, 27/06/2022 : <https://www.globaltimes.cn/page/202206/1269115.shtml>
- Green car congress, BYD launches 3 new electric vehicles at the Paris Motor Show, 18/10/2022 : <https://www.greencarcongress.com/2022/10/20221018-byd.html>
- Hotcars, Here's How BYD's Blade Battery Is Superior To Tesla's Lithium-Ion Packs, 23/02/2023 : <https://www.hotcars.com/byds-blade-battery-superior-to-tesla-lithium-ion-packs/>
- Porsche China, stand: 15/04/2023. <https://newsroom.porsche.com/zh/2023/company/cn-porsche-delivieries-2022-30926.html>
- Tencent, Intelligent Vehicle Innovation Turns Cars into Mobile Digital Devices, 31/07/2020 : <https://www.tencent.com/en-us/articles/2201068.html>
- What is BYD's Competitive Advantage (Moat)? <https://valueinvestorscentral.com/what-is-byds-competitive-advantage-moat/>
- Why China's car makers are streets ahead in race to develop electric vehicles, 23/01/2023 <https://www.reuters.com/business/sustainable-business/comment-why-chinas-car-makers-are-streets-ahead-race-develop-electric-vehicles-2023-01-23/>



# THANK YOU FOR YOUR ATTENTION

Group 1 Uni Mannheim

**Emilie Boualavong, Hua Tan, Yanan Nie, Yongyi Zheng**

Universität Mannheim | Hochschule Pforzheim