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Contents

[Introduction 3](#_Toc196924672)

[Background and Historical background 3](#_Toc196924673)

[Business Portfolio 4](#_Toc196924674)

[Board of Directors and top management 4](#_Toc196924675)

[Organizational Structure 4](#_Toc196924676)

[Code of Ethics/Core Values 5](#_Toc196924677)

[Porsche's Mission: 5](#_Toc196924678)

[Porsche's Vision: 5](#_Toc196924679)

[Targeting Strategy 6](#_Toc196924680)

[Target Market 6](#_Toc196924681)

[Positioning 7](#_Toc196924682)

[Differentiation 7](#_Toc196924683)

[External analysis 7](#_Toc196924684)

[Threats 7](#_Toc196924685)

[Industry competitive structure 8](#_Toc196924686)

[Porter’s 5 Forces 8](#_Toc196924687)

[5-Industry Rivalry (High) 9](#_Toc196924688)

[Internal Analysis 10](#_Toc196924689)

[Weaknesses 10](#_Toc196924690)

[SWOT 15](#_Toc196924691)

[Weaknesses 15](#_Toc196924692)

[**Threats** 16](#_Toc196924693)

[Grand Strategies 18](#_Toc196924694)

[1- Integration strategies 18](#_Toc196924695)

[Vertical Integration: 18](#_Toc196924696)

[Horizontal Integration: 18](#_Toc196924697)

[2- Intensive Strategies 18](#_Toc196924698)

[Market Penetration: 18](#_Toc196924699)

[Market Development: 18](#_Toc196924700)

[Product Development: 19](#_Toc196924701)

[3- Diversification Strategies 19](#_Toc196924702)

[Related Diversification: 19](#_Toc196924703)

[Unrelated Diversification: 19](#_Toc196924704)

[4- Defensive Strategies: 19](#_Toc196924705)

[Retrenchment: 19](#_Toc196924706)

[Divestiture: 19](#_Toc196924707)

[Liquidation: 19](#_Toc196924708)

[Competitive strategies 20](#_Toc196924709)

[Porter’s Generic Strategy 20](#_Toc196924710)

[Conclusion: 20](#_Toc196924711)

[First Mover Advantage 21](#_Toc196924712)

[Maintaining the edge: 21](#_Toc196924713)

[Outsourcing & De-Integration 21](#_Toc196924714)

[Cooperative Strategies 21](#_Toc196924715)

[BCG matrix 22](#_Toc196924716)

[Grand strategy Matrix 24](#_Toc196924717)

[Strategies Porsche Currently Applies 24](#_Toc196924718)

[QSPM (Quantitative strategic planning matrix) 25](#_Toc196924719)

[Conclusion 26](#_Toc196924720)

[References 27](#_Toc196924721)

# 

# Introduction

As a German company Porsche produces luxury vehicles including high-performance cars together with SUVs and sedans. The brand Porsche started operations in 1931 through its founder Ferdinand Porsche which has become famous for its superior engineering work combined with elegant design together with its competition background. The 911 series have achieved fame for establishing performance and innovation standards across the industry. Porsche keeps establishing new automotive benchmarks through its specific engineering solutions while integrating modern electric technologies into its Taycan series.

## Background and Historical background

A Humble Beginning (1931-2022)

1931

Ferdinand Porsche founded an engineering office in Stuttgart, laying the foundation for the company.

1948

The first Porsche-branded vehicle, the Porsche 356, was introduced.

1963

The iconic Porsche 911 was launched, becoming a hallmark of the brand.

2009

Porsche became part of the Volkswagen Group.

2022

Porsche AG went public, with the Porsche and Piëch families regaining direct control by acquiring 25% plus one share of the voting stock.

## Business Portfolio

Porch company have several product lines such as:

- **Sports Cars:** 911 series, 718 Cayman, etc.

- **Sedans**: Panamera.

- **SUVs:** Macan and Cayenne.

- **Electric Vehicles:** Taycan.

## Board of Directors and top management

**As of December 31, 2023, the leadership team includes:**

* **Chairman of the Executive Board**: Oliver Blume.
* **Chairman of the Supervisory Board**: Wolfgang Porsche.

## Organizational Structure

Porsche operates under a functional organizational structure, with divisions based on specific functions such as research and development, production, sales, and finance.

## Code of Ethics/Core Values

Porsche emphasizes values such as innovation, quality, and customer satisfaction. The company is committed to providing impeccable service to its clientele, ensuring attention and care in all business aspects.

# Porsche's Mission:

Porsche’s mission is to **" We are committed to providing an impeccable service to our demanding clientele of premium cars. Pay our customers with the greatest possible attention and care in all aspects of the business. To create a connection in the workplace, with a shared passion for our vision and goals"**, that mission is:

* Customers: The mission targets "demanding clientele of premium cars," indicating a focus on affluent, quality-conscious customers.
* Product or Services: It emphasizes "impeccable service" and premium cars, highlighting Porsche’s core offerings.
* Markets: Geographically, it implies a global market, as premium car brands like Porsche compete internationally.
* Technology: It doesn’t explicitly address technology currency, but the focus on premium cars suggests a commitment to innovation.
* Concern for Survival, Growth, and Profitability: The emphasis on "greatest possible attention and care" and workplace connection suggests a focus on long-term growth and stability.
* Philosophy: The mission reflects values of excellence, customer care, and a passionate workplace culture.
* Self-Concept: It positions Porsche as a leader in premium service and car manufacturing, a key competitive advantage.
* Concern for Public Image: There’s no direct mention of social or environmental responsibility.
* Concern for Employees: The focus on workplace connection and shared passion indicates employees are valued assets.

The mission strengths clear, inspiring, and aligned with Porsche’s brand identity, Weaknesses Lacks emphasis on markets, technology, sustainability, and employee value.

# Porsche's Vision:

Porsche's vision is to **" The brand for those who follow their dreams.",** that vision is:

* **Brief**: The vision is concise and to the point.
* **Verifiable**: It’s not easily verifiable as it’s aspirational rather than measurable.
* **Bound by a Timeline**: No specific timeline is provided.
* **Current**: It aligns with contemporary aspirations but lacks a time-specific context.
* **Focused**: It focuses on inspiring dreamers, though it’s broad and legacy-focused.
* **Understandable**: The statement is clear and relatable.
* **Inspiring**: It effectively inspires by connecting to personal dreams and ambition.
* **A Stretch**: It’s ambitious, suggesting a bold, aspirational future, though it leans toward the "too far away" (science fiction) end without grounding.

The vision Strengths Short, futuristic, inspiring, Weaknesses lacks focus, specifics, and a timeline.

# Targeting Strategy

Porsche follows a **differentiated (niche) marketing strategy** by targeting high-income individuals who value luxury, performance, and brand prestige.

# Target Market

Porsche’s target market consists of:

1. **Demographics:**

* High-income individuals ($100K+ annual income).
* Age range: 30-60 years old.
* Primarily male audience, but increasing appeal to female buyers.

1. **Psychographics:**

* Passionate about performance and luxury.
* Status-driven individuals who value exclusivity.
* Environmentally conscious buyers (for models like the Taycan EV).

1. **Geographic’s:**

* Strong presence in **Europe, North America, and China**—major markets for luxury sports cars.

1. **Behavioral:**

* Customers loyal to premium automotive brands.
* Enthusiasts who appreciate advanced engineering and racing heritage.

# Positioning

Porsche positions itself as a **luxury sports car brand** that blends:

* High performance
* Luxury and exclusivity
* Innovation
* Heritage and prestige

# Differentiation

Porsche differentiates itself from competitors like Ferrari, Lamborghini, and Tesla through:

* **Engineering Excellence**
* **Racing Heritage**
* **Luxury and Everyday Usability**
* **Electrification Leadership**
* **Customization**

# External analysis

|  |  |
| --- | --- |
| Opportunities | Threats |
| Growing Demand for Electric Vehicles (PESTEL: Technological & Environmental)   * The shift towards sustainability and emission-free mobility presents an opportunity for Porsche to expand its EV lineup | Intense Competition from Luxury and EV Automakers (**Porter’s Five Forces:** Competitors)   * Rivals like Tesla, Mercedes-Benz, BMW, and Audi are aggressively innovating in the luxury and EV segments |
| Rising Disposable Income in Emerging Markets (PESTEL: Economic)   * Expanding dealership networks and manufacturing presence can boost sales. | Supply Chain Disruptions & Rising Costs (**Porter’s Five Forces:** Suppliers & Creditors)   * Global supply chain issues, semiconductor shortages, and rising raw material costs impact production and profitability. |
| Strategic Partnerships and Supplier Relationships (Porter’s Five Forces: Suppliers)   * Partnering with battery suppliers (e.g., for EV development) and technology firms can enhance Porsche’s product offerings. | Cybersecurity Risks and Digital Vulnerabilities (**PESTEL**: Technological)   * Increasing reliance on connected and autonomous vehicle technologies exposes Porsche to potential cyber threats. |

# Industry competitive structure

**Luxury Sports Car Market: Oligopoly (Consolidated Industry)**

* High barriers to entry due to brand loyalty, technology, and significant capital investment.

**SUV Luxury Market: Oligopoly (Consolidated Industry)**

* Porsche’s Cayenne and Macan compete in the premium SUV segment against brands like Range Rover, Mercedes-Benz, and BMW.

Direct Competitors

* **Ferrari**: Competes in the high-performance sports car market.
* **Mercedes-AMG:** Competes with luxury performance cars.
* **McLaren:** Known for lightweight supercars, competing directly with Porsche’s 911 Turbo S

Indirect Competitors

* **BMW & Audi:** Offer luxury sedans and SUVs with performance-oriented trims.
* **Range Rover:** Targets luxury SUV buyers who prioritize comfort and off-road capability over Porsche’s performance focus.
* **Tesla & Lucid Motors:** Compete in the luxury EV segment, offering high-performance

# Porter’s 5 Forces

1-Threats of new entrants (low)

**Reaction**: High barriers to entry exist due to the significant capital investment, brand reputation, and technological expertise required to compete in the luxury automotive industry. New companies find it difficult to match Porsche’s established customer base and production scale.

**Response**: Porsche continues to invest in innovation, brand exclusivity, and cutting-edge technology to maintain its competitive edge and deter new entrants.

2- Bargaining Power of Suppliers (Moderate to High)

**Reaction**: Porsche relies on high-quality materials and advanced technology from specialized suppliers. Supply chain disruptions or shortages of key components like semiconductors can impact production and costs.

**Response**: Porsche diversifies its supplier base and builds strategic partnerships with key manufacturers to secure a stable supply chain while maintaining high-quality standards.

3-Bargaining Power of Buyers (Moderate)

**Reaction:** Customers in the luxury segment have high expectations regarding quality, performance, and innovation**,** but Porsche maintains strong brand loyalty, reducing buyer power. However, price-sensitive customers may consider competitors like BMW or Audi.

**Response:** Porsche enhances customer experience through exclusive customization options, after-sales services, and loyalty programs**,** ensuring a premium ownership experience that strengthens customer retention

4-Threat of Substitutes (High)

**Reaction**: Substitutes include luxury electric vehicles (EVs) from Tesla, performanceSUVs from Range Rover, and high-end sedans from Mercedes-Benz and BMW. Customers seeking luxury and speed may switch to alternatives based on technology, price, or sustainability factors.

**Response**: Porsche counters this threat by expanding its EV lineup, enhancing hybrid models, and leveraging its motorsport heritage to maintain a unique market identity.

### 5-Industry Rivalry (High)

**Reaction:** The luxury automotive market is highly competitive, with brands like Ferrari, Lamborghini, McLaren, Mercedes-AMG, and Teslacontinuously innovating to capture market share. Porsche faces direct competition in multiple segment from high-performance sports cars to luxury SUVs and EVs.

**Response:** Porsche stays competitive throughcontinuous innovation, performance excellence, and strong brand positioning**.** The company invests heavily in R&D, marketing, and sustainable technologies to differentiate itself while maintaining its reputation as a leader in high-performance luxury automobiles.

Resource Analysis

**Define Their Resource based View (RBV):**

* Resources: Tangible (facilities, Volkswagen backing), Intangible (brand, heritage, patents), Human (engineers, leadership).
* Capabilities: Designing high-performance vehicles, integrating EV tech, marketing exclusivity.

# Internal Analysis

|  |  |
| --- | --- |
| strengths | Weaknesses |
| Engineering Excellence   * Departments: R&D, Production & Operations * Details: R&D innovates (e.g., Taycan’s powertrain), Production ensures quality and logistics. | Mission Lacks Markets/Tech   * Departments: Management, Marketing * Details: Management’s vague mission hampers Marketing alignment. |
| Brand Reputation   * Departments: Marketing, Management * Details: Marketing builds prestige, Management aligns strategy. | Vision Lacks Focus   * Departments: Management * Details: Broad vision lacks actionable guidance. |
| Racing Heritage   * Departments: Marketing, R&D * Details: Marketing promotes legacy, R&D integrates race tech. | Limited Sustainability/Employee Focus   * Departments: Management, HR * Details: Mission omits key values, weakening HR’s talent efforts. |
| EV Technology   * Departments: R&D, Production & Operations * Details: R&D pioneers EVs, Production scales output. | Supplier Dependency   * Departments: Production & Operations, Finance * Details: Production relies on suppliers, Finance faces cost volatility. |
| Customization Options   * Departments: Marketing, Production & Operations * Details: Marketing sells bespoke options, Production adapts flexibly. | Weak MIS for Cybersecurity   * Departments: MIS * Details: Underinvestment risks digital security in EVs. |

VRIO Analysis

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Core Competency | Valuable | Rare | Inimitable | Organized | Result |
| Engineering Excellence | **Yes** | **Yes** | **Yes** | **Yes** | **Sustainable Advantage** |
| Brand Reputation | **Yes** | **Yes** | **Yes** | **Yes** | **Sustainable Advantage** |
| Racing Heritage | **Yes** | **Yes** | **Yes** | **Yes** | **Sustainable Advantage** |
| EV Technology | **Yes** | **Yes** | **Yes** | **Yes** | **Temporary Advantage** |
| Customization Options | **Yes** | **Yes** | **No** | **Yes** | **Temporary Advantage** |

Core and Distinctive Competencies

Engineering, brand, and heritage are distinctive (sustainable); EV tech and customization are core (temporary).

**SMART Goals for Porsche:**

1. **Increase Global Market Share by 5% by 2026**
   * **Specific:** Increase global market share.
   * **Measurable:** 5% growth.
   * **Achievable:** With strategic expansion and product innovation.
   * **Relevant:** Supports growth in a competitive automotive market.
   * **Time-bound:** By 2026.
2. **Launch Electric Vehicle (EV) Model in North America by Q4 2025**
   * **Specific:** Launch a new EV model.
   * **Measurable:** Successful launch in North America.
   * **Achievable:** Porsche has the resources and technology.
   * **Relevant:** Aligns with the automotive industry's shift toward electric mobility.
   * **Time-bound:** By Q4 2025.
3. **Reduce CO2 Emissions from Manufacturing by 20% by 2028**
   * **Specific:** Reduce CO2 emissions.
   * **Measurable:** 20% reduction.
   * **Achievable:** With better technologies and sustainable practices.
   * **Relevant:** Aligns with sustainability goals.
   * **Time-bound:** By 2028.

**Non-SMART Goals for Porsche:**

1. **Improve Customer Satisfaction**
   * **What’s Missing:**
     + **Specific:** The goal lacks detail on *how* customer satisfaction will be improved (e.g., customer support, product quality, etc.).
     + **Measurable:** There’s no clear way to measure improvement (e.g., through surveys or ratings).
     + **Achievable:** Needs an action plan to ensure it's realistic.
     + **Relevant:** This could be relevant, but more clarity is needed on how it contributes to Porsche’s long-term strategy.
     + **Time-bound:** No set timeframe for achieving this goal.
2. **Expand EV Production**
   * **What’s Missing:**
     + **Specific:** The goal does not specify which markets, production capacity, or models are targeted.
     + **Measurable:** No specific numbers to measure the expansion (e.g., number of units or models).
     + **Achievable:** The feasibility of the expansion should be addressed.
     + **Relevant:** This is relevant to Porsche’s electric vehicle strategy, but specifics would help.
     + **Time-bound:** There’s no time frame given for this expansion.

**What’s Missing in Non-SMART Goals:**

* **Specificity:** They are too vague about what exactly will be done and how.
* **Measurability:** There are no clear metrics to track progress or success.
* **Achievability:** The goals lack a practical approach or action plan for execution.
* **Relevance:** While the goals might be aligned with the company’s broad mission, more detail is needed on how they fit into the strategic plan.
* **Time-bound:** There's no set deadline to achieve the goals.

**Porsche's Target Strategy**

Porsche’s **target strategy** focuses on:

* **Premium Market Segment**: Porsche targets **high-income customers** who seek luxury, performance, innovation, and exclusivity.
* **Niche Targeting**: Rather than going for mass markets, Porsche focuses on specific customer groups — those passionate about **sports cars**, **luxury SUVs**, and **high-end electric vehicles**.
* **Global Elite**: Porsche appeals to **wealthy individuals** not only in Europe but increasingly in the U.S., China, and the Middle East.
* **Lifestyle Branding**: It’s not just about cars — Porsche positions itself as part of a **luxury lifestyle** (seen with products like Porsche Design accessories and events).

In short: **Focused, niche, premium** targeting.

**Porsche's Market Strategy**

Porsche’s **market strategy** includes:

* **Differentiation Strategy**:
  + Porsche differentiates through **engineering excellence**, **iconic design**, **driving performance**, **heritage**, and now **sustainability** (especially with EVs like the Taycan).
* **Innovation Leadership**:
  + Investing heavily in **electric vehicles**, **hybrid technology**, and **sustainable production**.
* **Expansion into EVs**:
  + Porsche plans for **80% of new vehicles sold to be electric by 2030**, reflecting a major shift toward green technologies.
* **Customer Experience Focus**:
  + Offering **bespoke customization** (through Porsche Exclusive Manufacture) and **personalized buying experiences**.
* **Selective Market Expansion**:
  + Strategic growth in high-potential markets like **China**, the **United States**, and **emerging luxury markets**.
* **Limited Volume, High Profitability**:
  + Unlike mass-market brands, Porsche focuses on **high margins per vehicle** rather than large production numbers.

# SWOT

|  |  |
| --- | --- |
| strengths | Weaknesses |
| Engineering Excellence   * Departments: R&D, Production & Operations * Details: R&D innovates (e.g., Taycan’s powertrain), Production ensures quality and logistics. | Mission Lacks Markets/Tech   * Departments: Management, Marketing * Details: Management’s vague mission hampers Marketing alignment. |
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|  |  |
| --- | --- |
| Opportunities | Threats |
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| Strategic Partnerships and Supplier Relationships (Porter’s Five Forces: Suppliers)   * Partnering with battery suppliers (e.g., for EV development) and technology firms can enhance Porsche’s product offerings. | Cybersecurity Risks and Digital Vulnerabilities (**PESTEL**: Technological)   * Increasing reliance on connected and autonomous vehicle technologies exposes Porsche to potential cyber threats. |

TOWS Matrix for Porsche

SO Strategies

S2,O2: The company should leverage its brand reputation to enter growing disposable income segments of emerging markets through expanded dealership networks and targeted Porsche luxury lifestyle marketing aimed at high-end buyers in China and India.

S4,O3: The partnership between EV Technology and strategic suppliers and technology companies will improve battery development and obtain advanced electric vehicle technology.

WO Strategies

W3, O2: depends on Investing in sustainable practices and employee programs through Rising Disposable Income in Emerging Markets.

W4, O3: Reduce supplier dependency via Strategic Partnerships for stable supply chains.

ST Strategies

S1, T1: Counter Intense Competition with Engineering Excellence through unmatched innovation.

S3,T2: Race-related heritage will serve as a platform to introduce special limited-edition models that handle supply chain issues while managing expense increases.

WT Strategies

W4,T2: The organization should create home-grown capabilities to reduce dependencies on suppliers while preventing supply chain interruptions.

W3,T1: represents the strategy to link mission aims with sustainable practices for competing against both Luxury vehicle and Electric Vehicle makers.

# Grand Strategies

Porsche strategic focus areas are Climate protection and diversity, e-mobility, digitalization and new mobility needs are just a few of the influencing factors that are constantly driving their company forward and which are particularly important when it comes to developing their four strategic focus areas.

## Integration strategies

### Vertical Integration:

* Forward Integration: Porsche has implemented forward integration by establishing its own branded dealerships and Porsche Experience Centers. These centers, such as the one in Los Angeles, not only sell vehicles but also offer immersive brand experiences, driving schools, and exclusive events, strengthening customer relationships and brand loyalty.
* Backward Integration: Porsche, as part of the Volkswagen Group, benefits from shared platforms and components (e.g., the Volkswagen Touareg platform for the Porsche Cayenne). While Porsche does not directly manufacture all components, it has invested in in-house production capabilities for critical parts, such as engines and electric motors for the Taycan, to ensure quality and reduce reliance on suppliers.

### Horizontal Integration:

Porsche’s integration into the Volkswagen Group in 2012 is a prime example. By becoming a subsidiary of Volkswagen AG while holding a significant share in the group, Porsche gained access to shared technologies, R&D, and economies of scale, strengthening its competitive position in the luxury and high-performance vehicle market.

## Intensive Strategies

### Market Penetration:

Porsche employs market penetration by leveraging its strong brand image and targeted marketing campaigns to boost sales of iconic models like the 911 and Cayenne. For example, Porsche’s “Porsche Approved” pre-owned vehicle program offers certified used cars with warranties, attracting price-sensitive customers while maintaining brand prestige. Additionally, Porsche’s social media campaigns on Instagram and YouTube engage younger audiences, increasing sales in existing markets like the U.S. and China.

### Market Development:

Porsche has pursued market development by expanding into emerging markets, particularly China, which has become its largest single market. By establishing dealerships and tailoring marketing to local preferences (e.g., emphasizing luxury and status), Porsche has significantly grown its presence in Asia. Another example is Porsche’s entry into the Middle East, where it has capitalized on demand for high-performance SUVs like the Cayenne.

### Product Development:

Product development involves creating new products for existing markets to enhance competitiveness. While significant, this is less critical for Porsche than market penetration and development due to its focus on brand consistency and premium positioning. Porsche has pursued product development by introducing electric and hybrid vehicles, such as the Taycan (launched in 2019), to appeal to environmentally conscious consumers in existing markets. The Taycan targets Porsche’s traditional customer base while attracting new buyers interested in sustainable luxury.

## Diversification Strategies

### Related Diversification:

Porsche has pursued related diversification by expanding into SUVs and electric vehicles, which align with its high-performance and luxury brand. The introduction of the Cayenne (2002), Panamera (2010), Macan (2014), and Taycan (2019) diversifies Porsche’s portfolio beyond sports cars while leveraging its engineering expertise and brand prestige. These models target new market segments (e.g., families, eco-conscious buyers) while maintaining Porsche’s performance DNA.

### Unrelated Diversification:

Porsche has engaged in limited unrelated diversification by offering merchandise such as branded clothing, watches, and accessories through its Porsche Design brand. For example, Porsche Design sells luxury watches, luggage, and eyewear, targeting affluent consumers outside the automotive market. Additionally, Porsche’s investment in non-automotive ventures, such as its start-up ecosystem (Porsche Ventures), explores digital and technology sectors unrelated to its core business.

## Defensive Strategies:

### Retrenchment:

In the early 1990s, Porsche faced financial difficulties due to declining sports car sales and economic recession. It implemented a retrenchment strategy by reducing production costs, streamlining operations, and focusing on core models like the 911. The launch of the Boxster (1996) was part of this turnaround, targeting a broader customer base and restoring profitability.

### Divestiture:

Porsche has not recently divested major automotive units, it has selectively exited minor ventures. For example, Porsche divested its stake in certain non-core investments during the 2008 financial crisis to focus on its automotive business and integration with Volkswagen. This allowed Porsche to allocate resources to high-performing models like the Cayenne.

### Liquidation:

Porsche has never pursued liquidation, as its strong brand, strategic partnerships (e.g., Volkswagen Group), and successful diversification (e.g., SUVs) have prevented such an outcome. However, in a hypothetical scenario, if Porsche faced insurmountable losses across all product lines, it might liquidate assets like manufacturing facilities or intellectual property, though this is highly unlikely given its market position.

# Competitive strategies

|  |  |  |  |
| --- | --- | --- | --- |
| Cost Leadership   |  | | --- | |  |  |  | | --- | | Porsche does **not** compete on price. Its focus is on high-end, luxury vehicles with premium pricing. | | Differentiation  Porsche differentiates through **engineering excellence**, iconic design, brand heritage, and driving performance. |
| Cost Focus  Porsche does not serve a cost-sensitive niche. All market segments of it targets are premium-oriented. | Differentiation Focus  Porsche targets a **specific market segment** (luxury performance car buyers) with tailored, high-quality products (e.g., 911, Taycan, Macan). |

## Porter’s Generic Strategy

### Conclusion:

Based on the analysis, Porsche clearly follows a Differentiation Focus strategy. It targets a specific, high-end market segment — luxury sports and performance car buyers — and sets itself apart through superior engineering, iconic design, brand heritage, and innovation (e.g., the Taycan EV). Porsche does not compete in price, but rather in delivering an exclusive, premium driving experience tailored to a niche audience.

## First Mover Advantage

* Porsche wasn’t the first sports car maker, but it was an **early innovator** in blending race performance with daily drivability (e.g., the 911).
* In **electric sports cars**, Porsche wasn't the first (Tesla was), but **Porsche Taycan** was one of the first **luxury performance EVs** that could compete with Tesla in brand and performance.

### Maintaining the edge:

* Porsche leverages its **motorsport heritage**, engineering prowess, and design consistency.
* Continuous updates (911 evolution, hybrid Panamera, fully electric Taycan) help maintain relevance.

## Outsourcing & De-Integration

Yes, Porsche uses **selective outsourcing**, especially as part of the **Volkswagen Group**:

* **Production**: Some components are manufactured externally (e.g., gearboxes, electronics).
* **Platform sharing**: Porsche shares platforms with Audi and VW for efficiency (e.g., Porsche Macan shares architecture with Audi Q5).
* **IT services and logistics**: Outsourced to specialized firms or shared across the VW Group.

# Cooperative Strategies

Strategic Alliances:-

* **Porsche + Apple**: Integration of Apple Music and Apple CarPlay directly into Porsche’s infotainment system.
* **Porsche + Google Cloud**: Partnership for data analysis and simulation in vehicle development.

Joint Ventures

* **Porsche + Rimac**: Porsche invested in Croatian EV startup **Rimac Automobili**, collaborating on high-performance EV components (especially batteries and drivetrains).
* **Porsche + QuantumScape**: Investment in solid-state battery technology, aiming for future EV innovation.

Acquisitions

* Porsche has made smaller acquisitions (e.g., tech startups), but most of its expansion is **internal or via investment** through VW Group. VW itself made Porsche part of its group through a complex reverse merger.

Mergers

* Porsche was **acquired by Volkswagen Group**, but in a **reverse takeover** style — Porsche tried to acquire VW but ended up being absorbed instead.

# BCG matrix

|  |  |
| --- | --- |
| STAR  (Macan, Cayenne, boxster)  C:\Users\abdallah\Downloads\download.jpg | Question mark  (Taycan)  C:\Users\abdallah\Downloads\7C527F1DC7424F3A83AC32342BC57830_0F6B57C8930443629954E5FBA89A3F57_EX25Q3QIX0001-taycan-gts-open-graph.jpg |
| Cash cow  (911, 718) C:\Users\abdallah\Downloads\2017-Slash-Porsche-911-Turbo-S.jpg | Dogs  Porsche 924 - Porsche 914 - Porsche 968  C:\Users\abdallah\Downloads\37.jpg |

Star: (Macan, Cayenne, 718 Boxster/Cayman)

Strategy Used: Intensive Strategy :-Market Penetration & Product Development

* **Market Penetration**: Porsche increases market share by aggressive promotion in key luxury SUV segments, especially in China and the Middle East.
* **Product Development**: Regular facelifts, introduction of EV variants (Macan EV), and tech upgrades keep the products attractive and competitive.

**Question Mark: (Taycan)**

**Strategy Used: Intensive Strategy:- Market Development & Product Development**

* **Market Development**: Porsche is pushing Taycan into new EV-focused regions and targeting younger, eco-conscious demographics.
* **Product Development**: Upgrades to battery performance and range, aiming to reposition Taycan as a top-tier EV and compete better with Tesla and Lucid.

**Cash Cows: (911, 718)**

**Strategy Used: Integration Strategy:- Forward Integration**

* **Forward Integration**: Porsche strengthens its direct channels (Porsche Experience Centers, online sales platforms), offering high-margin services like customization (Porsche Exclusive Manufacture) and classic car restoration.
* This keeps customers within the Porsche ecosystem and maximizes revenue from these high-loyalty models.

**Dogs: (Porsche 924, 914, 968)**

**Strategy Used: Defensive Strategy:- Divestiture & Liquidation**

* **Divestiture**: Porsche discontinued these models and reallocated resources toward high-potential vehicles.
* **Liquidation**: Production lines and assets tied to these models were shut down or sold off, minimizing ongoing costs and brand dilution.

# Grand strategy Matrix

Porsche's Position in the Matrix:

Quadrant I -- Strong Competitive Position + Rapid Market Growth

Strong Competitive Position:

* Porsche is one of the world’s most recognized luxury sports car manufacturers.
* Strong brand reputation for quality, innovation, and performance.
* High-profit margins and loyal customer base.
* Technological innovation (Porsche Taycan EV, hybrid sports cars).

High Market Growth:

* The luxury EV market and SUV segment are growing rapidly.
* Global automotive market shifting toward electrification and sustainability.
* Porsche is expanding aggressively in emerging markets (e.g., China, Southeast Asia).

# Strategies Porsche Currently Applies

Product Development

* Launching the **Porsche Taycan**, its first fully electric sports car.
* Constant upgrades in design, features, and performance across product lines.

Market Penetration

* Increasing presence and sales in **China** and **India**, and expanding digital/online sales platforms.
* Porsche also offers more affordable models like the **Macan**, to penetrate the luxury SUV market more deeply.

My Recommendation:

* **Product Development:** Invest further in AI-assisted driving and EV battery technology to stay ahead in performance EVs.
* **Vertical Integration:** Acquire or partner with battery manufacturers or software firms to control more of the value chain.
* **Green Marketing & ESG Positioning:** As sustainability becomes central to luxury branding, Porsche should strengthen its environmental brand image.

## QSPM (Quantitative strategic planning matrix)

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Key factors | weight | Partnership with other strategic companies | | Investing in sustainable practices | | Counter Intense  Competition | | create home-grown capabilities | |
| AS | TAS | AS | TAS | AS | TAS | AS | TAS |
| Opportunity 1 | Strategic Partnerships and Supplier Relationships | 0.25 | 4 | 1 | 1 | 0.25 | 3 | 0.75 | 2 | 0.50 |
| Opportunity 2 | Rising Disposable Income in Emerging Markets | 0.20 | 4 | 0.80 | 3 | 0,60 | 1 | 0.20 | 2 | 0.40 |
| Threat  1 | Intense Competition from Luxury and EV Automakers | 0.30 | 1 | 0.30 | 4 | 1.20 | 3 | 0.90 | 2 | 0.60 |
| Threat  2 | Supply Chain Disruptions & Rising Costs | 0.25 | 1 | 0.25 | 3 | 0.75 | 2 | 0.50 | 4 | 1 |
| Strength  1 | EV Technology | 0.25 | 1 | 0.25 | 4 | 1 | 2 | 0.50 | 3 | 0.75 |
| Strength  2 | Engineering and R&D Excellence | 0.30 | 2 | 0.60 | 3 | 0.90 | 4 | 1.20 | 1 | 0.30 |
| Weakness  1 | Limited Sustainability/Employee Focus | 0.20 | 1 | 0.20 | 4 | 0.80 | 2 | 0.40 | 3 | 0.60 |
| Weakness  2 | Supplier Dependency | 0.25 | 1 | 0.25 | 2 | 0.50 | 3 | 0.75 | 4 | 1 |
|  | Sum TAS | 2 | 3.65 | | 6 | | 5.2 | | 5.15 | |

# Conclusion

The strategic analysis of Porsche underscores the firm's strong competitive position due to the company's differentiation focus strategy. Porsche already established a strong position within the luxury performance automotive segment due to its engineering excellence, innovation, and brand prestige, which has created a sustainable advantage. In addition, the company's strategic response to undergoing technological trends, such as electric mobility, further cements its position in the evolving market. Claimable internal resources such as advanced R&D, brand equity, and well-structured marketing give Porsche the ability needed to perform both market and product development strategies—showing high levels of efficiency as well.

Porsche now faces various competitive gaps in the form of supply chain dependencies, changeable consumer shifts towards sustainability, and vulnerabilities like cybersecurity in connected vehicles. In order for Porsche to maintain its competitive edge, the company needs to continue funding green technologies, develop resources to minimize supplier dependencies, and articulate their sustainability values for the public to see.

The company's realignment of competencies to capture market gaps, fostered by strong relationships with external stakeholders, agile innovation, and a network, is what allowed Porsche to succeed. As the company strives to further refine its vision and mission, coupled with operational strategies, there is no doubt that Porsche will remain an industry leader

|  |  |
| --- | --- |
| Tasks:  Task 1: introduction  Task 2: First main body (Collecting data)  task 3: Resource based View (RBV)  task 3 p2: TOWS Matrix  task 4: Corporate strategies  task 5: Business Strategies  task 6: Matching & decision stage | Team members:  Abdallah Adel 211004389  1.✅2.✅3.✅4.✅5.✅6.✅ Abdelrahman Tarek 211004333  1.✅ 2.✅ 3.✅ 3.✅ 4.✅ 5.✅ 6.✅  Mohamed Radwan 211005433  1.✅2.✅3.✅4.✅  Khlafallah Shuaib 211014283  2.✅3.✅4.✅  Nadeem khaled 20105327  3.✅3.✅4.✅5.✅6.✅  Farjani abdulrehim 211014223  3.✅5.✅6.✅ |

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