

ID Cover Page

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How to Successfully Implement the Porsche Drive Business Model in the Portuguese Market

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Management from the Nova School of Business and Economics.

HOW TO SUCCESSFULLY IMPLEMENT THE PORSCHE DRIVE BUSINESS MODEL IN
THE PORTUGUESE MARKET

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Abstract

The rising demand for luxury automobiles and emerging trends in the mobility sector are compelling traditional automotive manufacturers to diversify their offerings, even within saturated markets. In response, Porsche AG has introduced a luxury car rental service called "Porsche Drive". Porsche Ibérica is considering the introduction of a similar model in Portugal. The objective of this work project is to formulate a strategic plan for the successful implementation of the Porsche Drive rental service in the Portuguese market. To substantiate recommendations, the authors conducted a comprehensive literature review, interviewed Porsche dealerships, and executed a quantitative survey among potential customers.

Keywords: Car Rental, Luxury Cars, Marketing Communications, B2C Marketing

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List of Abbreviations

ARAC	Associação Nacional dos Locadores de Veículos
AV	Automated Vehicle
BEV	Battery Electric Vehicle
BIC	Bayesian Information Criterion
CAE	Classification of Economic Activities
CAGR	Compound Annual Growth Rate
CAPEX	Capital Expenditures
CASE	Connected, Autonomous, Shared and Electric
CLV	Customer Lifetime Value
COGS	Costs of Goods Sold
EBITA	Earnings before Interest, Taxes, Depreciation and Amortization
EBT	Earnings before Tax
ESG	Environmental, Social and Governance
EV	Electric Vehicle
FCF	Free Cash Flo
FTE	Full-Time Equivalent
GDP	Gross Domestic Product
GHG	Greenhouse Gases
GPS	Global Positioning System
HNWI	High Net Worth Individual
ICE	Internal Combustion Engine
IMT	Instituto da Mobilidade e dos Transportes
IRR	Internal Rate of Return
KPI	Key Performance Indicator
NPV	Net Present Value
OCF	Operating Cash Flow
OEM	Original Equipment Manufacturer
PC	Porsche Center
PFS	Porsche Financial Services
PHEV	Plug-in Hybrid Electric Vehicle
PIB	Porsche Ibérica
SOV	Single Occupancy Vehicle
STP	Segmentation, Targeting, Positioning
SUV	Sports Utility Vehicle
UHNWI	Ultra High Net Worth Individual
V2I	Vehicle-to-Infrastructure
V2V	Vehicle-to-Vehicle
VW	Volkswagen
VWFS	Volkswagen Financial Services
WACC	Weighted Average Cost of Capital

Introduction

The objective of this thesis is to answer the research question "How to successfully implement the Porsche Drive Business Model in the Portuguese Market?". Throughout the work project, Porsche Drive refers to Porsche's car rental service which allows customers to rent and experience driving a Porsche for a specific duration. The project was undertaken over an approximate duration of four months and conducted in close collaboration with Porsche Ibérica.

This introduction sets the stage for a comprehensive exploration, starting with an extensive literature review on mobility trends and consumer behavior in the luxury car sector. Subsequently, a detailed company overview unfolds, outlining Porsche's history, strategic initiatives, product portfolio, and the dealership landscape in Portugal. The following market analysis develops by dissecting the characteristics of the Portuguese market, presenting vital vehicle data, and employing Porter's Five Forces to assess the competitive landscape. Next, a dedicated methodology section is included, where details on data collection and the adopted approach are outlined for both qualitative and quantitative research. The findings section compiles insights derived from in-depth interviews with Porsche dealerships in both Spain and Portugal. This is complemented by an extensive analysis of customer demand, utilizing survey findings and cluster analysis results. Building on this solid foundation, the narrative moves seamlessly into the core of the thesis - the formulation of the Porsche Drive implementation strategy tailored to the Portuguese market. Covering aspects such as segmentation, targeting and positioning, marketing and promotion strategies, sales and distribution channels, legal requirements specific to the car rental business, and a financial analysis, this section concludes with a summary of the recommended strategy for Porsche's entry and success in the Portuguese market.

1 Literature Review

The literature review section presents a comprehensive examination of existing scientific papers and research. It delves into the evolving landscape of transportation, where advancements in technology and societal shifts are thoroughly analyzed. The focus is placed on the significance of CASE features - connected, autonomous, shared, and electric elements - within this transformation. In parallel, the review dissects trends and consumer preferences in the luxury car industry, providing valuable insights into how these elements intersect with luxury consumer behavior. The role of Porsche and its rental business model Porsche Drive is highlighted, illustrating the brand's response to emerging trends and its impact on the high-end automotive market. This narrative frames Porsche's integration of CASE features as a reflection of its innovation strategy, ensuring the brand remains at the forefront of the luxury car industry's evolution.

1.1 Mobility Trends

The invention of the motor car in the late 19th century and its industrial mass production throughout the 20th century revolutionized mobility. It was not until the mid-20th century that automobiles became the predominant mode of transport, substantially affecting urban life in our contemporary society (Sumantran, Fine and Gonsalvez 2017). While individualized transportation offers advantages to the individual, the associated impacts on the environment come at a great cost to society (Howard 2014). The widespread usage of single occupancy vehicles (SOVs) is associated with travel delays, traffic congestion, car crashes, and energy consumption, as well as being a major contributing factor to air pollution (Rahman and Thill 2023). The transition from internal combustion engines (ICE) to electric vehicles (EV) has proven to reduce society's carbon footprint (Lienert 2021). According to Lienert (2021), modern cars emit fewer greenhouse gas emissions (GHG) and have a higher rate of penetration of CASE features.

CASE shapes automotive trends

CASE delineates contemporary automotive industry tendencies, highlighting the movement from a primarily hardware-based industry to one more reliant on software. The convergence of connected vehicles that drive autonomously from point to point used for shared mobility with an electrified powertrain mutually challenges the industry (Burkacky et al. 2023). Today, the imminent mobility revolution has commenced and substantial trends such as CASE are surfacing and influencing the sector.

Connected: With the emergence of Tesla's Model 3 in 2017 and its focus on software, traditional original equipment manufacturers (OEMs) have acknowledged the transition to electric vehicles and the increased significance of software development (Shiple 2020). Modern vehicles possess more than 3000 semiconductors that control nearly all functions (Ewing and Boudette 2021). Online navigation or hands-free mobile services were the standard services provided in 2017. The next generation of features such as telematics services that transmit vehicle data related to maintenance or service requirements along with internal vehicle behavior, were already introduced by OEMs (Burghardt et al. 2017).

The future of automobiles will rely on increased connectivity not only between driver and vehicle but also vehicle-to-vehicle (V2V) and vehicle-to-infrastructure (V2I) communication. Zeadally, Guerrero and Contreras (2019) describe V2V as vehicle communication, where vehicles exchange messages and data about location, travel, or hazardous conditions. Whereas V2I captures statistics generated by vehicles, transmitting wireless information to the driver such as safety, mobility, or environmental conditions as stated by the United States Department of Transportation, (US DOT n.d.). V2I involves the use of intelligent sensors located on the road that monitor the volume of traffic within a certain timeframe or other important driving-related aspects (Duvall et al. 2019). Combining V2V and V2I functionalities in an automobile

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might further decrease the likelihood of collision. Porsche Engineering leads the development of V2V and V2I technology, aimed at enhancing Porsche vehicles’ reliability and reducing the probability of damages (Porsche Newsroom 2023). Furthermore, this leads to lower prices and can increase the appeal among Porsche Drive’s clientele.

Autonomous: Automated vehicles (AVs) are defined by Mahdavian et al. as follows: “Automated vehicle (AV) technologies are electronic systems that affect the control of the longitudinal and lateral movement of a vehicle, as well as acceleration, geolocation, braking, and sensing via camera, sensors, radar and lidar, demanding a high degree of precision” (Mahdavian et al. 2021, 22198). In pursuit of accomplishing commendable tasks, the degree of automation rises in proportion to the system’s ability to function with little or no human intervention. A scale of zero to five is used to gauge the level of automation, where zero indicates fully manual interferences, while five implies the car can operate autonomously without any human intervention (Wang et al. 2021 and Maupin 2022). Figure 1 depicts each level of automation according to the international society of automotive engineers.

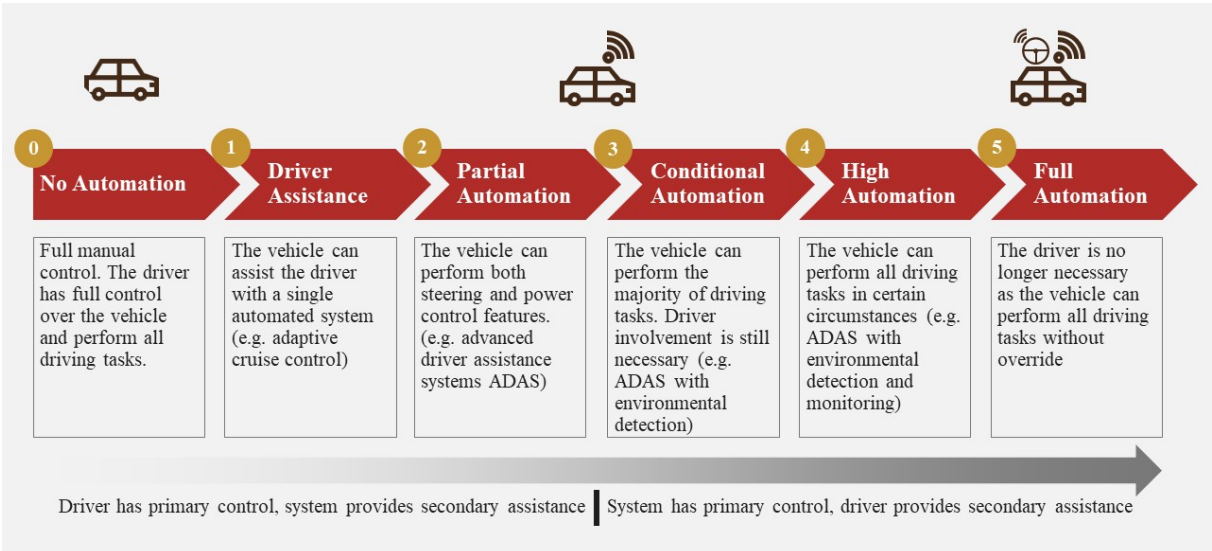


Figure 1: Six Levels of Autonomous Driving (Source: Maupin 2022)

Until 2025, only 6% of the newly registered vehicles worldwide will be equipped with level zero automation technology. The majority, 60%, will be equipped with level one technology,

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with 33% featuring level two and 1% featuring level three (Buchholz 2023). Porsche provides the InnoDrive option that offers a standard adaptive cruise control. It predicts and sets the vehicle's speed for the forthcoming road conditions. However, it does not perform the majority of tasks independently. The new Porsche Cayenne, to be introduced in 2024, will have enhanced autonomous capabilities, but will still be classified as level two on the automation chart (Porsche AG 2023a). Furthermore, it is expected that private vehicle ownership will decrease due to AVs. According to RethinkX, an independent think tank, the number of vehicles in the US may decrease by more than 80% until 2030 (Arbib and Seba 2017). In summary, AVs present significant potential, not only for individuals but also for shared mobility providers such as Uber, Bolt, or Didi or car subscription models such as Porsche Drive which will be further discussed in the next paragraph.

Shared Mobility and Vehicle Ownership: The broad usage of the internet marked a turning point that catapulted the notion of sharing into a realm beyond interpersonal interactions and into various industries such as tourism (Airbnb) or mobility (Uber). Consequently, in response to this evolving culture of sharing, the automotive industry embarked upon a paradigm shift, seeking to diversify its revenue streams by reconfiguring the traditional vehicle ownership model. The industry sought to explore newer and more innovative methods of offering mobility services to consumers, as embodied in concepts such as car-sharing, ride-hailing, and carpooling (Smania et al. 2023).

Car-sharing denotes a mobility service wherein various groups of individuals access vehicles at different times, which are provided by corporate entities (e.g., FreeNow or Miles) in exchange for a fee computed based on time or mileage (Chaudhuri et al. 2022). In contrast, carpooling involves the practice of multiple individuals sharing rides in the same direction, each with their own private vehicle (Molina, Giménez-Nadal and Velilla 2020). Concurrently, the

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domain of ride-hailing encompasses the booking of rides to specific destinations, facilitated either by privately owned vehicles or taxi services. This category is prominently represented by corporate entities such as Uber, Lyft, or Didi, rendering ride-hailing services a cornerstone of the emerging field of new mobility services (Henao and Marshall 2019). All these services collectively fall under the category of Mobility as a Service (MaaS). Hietanen (2014) articulated one of the earliest definitions of MaaS, characterizing it as a distribution model that furnishes users with a unified interface for fulfilling their diverse transportation needs. This model effectively merges multiple modes of transportation into customized mobility packages. Given the accessibility of these services primarily through smartphones, they have become direct competitors to traditional transportation providers such as buses and subways. Consequently, existent services have been impelled to enhance their offerings in the face of intensified competition (Szamatowicz and Paundra 2019). In the domain of vehicle ownership, alongside the traditional modalities of purchase, rental, and leasing, a novel form of ownership has emerged in the form of car subscriptions. Chaudhuri et al. (2022) point out car subscription as a business model where consumers commit to a monthly vehicle access arrangement, entailing an upfront payment of a fixed amount. This amount is contingent upon several determinants, including the subscription's duration, the specific vehicle model, and the extent of travel (Smania et al. 2023). Moreover, in certain subscription models, the monthly fee can be mitigated through vehicle sharing during periods of absence (Chaudhuri et al. 2022).

While car subscriptions represent a relatively recent entrant into the spectrum of business models, industry forecasts anticipate robust growth, with the vehicle subscription market projected to rise to approximately \$40 billion by the year 2030. This emerging prospect has spurred the entire mobility sector, encompassing established automakers (e.g., Porsche Drive US, Care by Volvo), car rental companies (e.g., SIXT+, LeasePlan), and entrepreneurial startups (e.g., Finn, Faaren, Cluno), to endeavor into the realm of developing their own subscription services,

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recognizing the market potential and the demand for flexible vehicle access (Schellong et al. 2021). Car subscription offers their users the advantage of accessing vehicles for varying timeframes, ranging from one month to three years, with the option to terminate the agreement with relatively short notice, typically within a week or a month (Chaudhuri et al. 2022). Notably, the capacity to customize vehicles, explore diverse options, and share vehicles with acquaintances during the subscription period serves as an additional benefit for its users (Szamatowicz and Paundra 2019). To summarize, car subscription services offer users a more adaptive, expedient, and less financially encumbering avenue for vehicle access in comparison to alternative mobility services (Chaudhuri et al. 2023). As such, subscribers are absolved from the full spectrum of ownership costs, except for fuel expenses, thereby affording them a semblance of vehicle ownership without legal obligations (Szamatowicz and Paundra 2019). Additionally, the potential for personalized vehicle configurations and the trial of diverse models augments customer retention and expands opportunities for cross-selling and upselling at the climax of the subscription period (Chaudhuri et al. 2022).

The diminishing prominence of car ownership, particularly among younger generations, underscores the evolving sociocultural landscape wherein ownership is no longer symbolic of status. This shift in perception is further compounded by the financial risks and value depreciation associated with car ownership amid external crises (Zachariadis 2011). A study by BCG (2021) illustrates this generational shift, indicating that only 45% of Generation Z respondents consider car ownership indispensable, in contrast to 75% of Baby Boomer respondents. Moreover, the number of driver's license holders within the 20-24 age group has exhibited a decline from 92% in 1983 to less than 80% in 2018. While new mobility solutions will undoubtedly exert an impact on the sales figures of automotive companies, it is evident that individual car ownership will persist in the long term (Schellong et al. 2021; Koroth, Mazurek and Pater 2019). The emphasis on traditional car ownership is a prevailing trend within Portugal, albeit with a

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relatively slight shift. An ongoing annual survey administered by Statista in Portugal since 2019, which scrutinizes the attitudes toward mobility, has brought to light this evolving perspective. In 2019, a noteworthy 73% of survey respondents held the view that the importance of owning a private car was high. However, by 2023, this percentage had experienced a modest decline, with only 69% of respondents expressing a similar sentiment (Statista, 2023a). This shift underscores the evolving perspective of the Portuguese populace, echoing global trends that are gradually eroding the conventional significance of car ownership. According to a study by American Scientific, this trend will increase as electric cars become more widespread, as the number of kilometers driven by an EV is lower than that of an ICE car, and therefore it is estimated that the importance of private cars will continue to decline (Helveston 2023). With the introduction of Porsche Drive in Germany in 2020 and the integration of the fully-electric Taycan model in 2021, Porsche acknowledges this development (Porsche Newsroom 2021).

Electrical: Spurred by escalating climate concerns, the European Commission introduced the “Green Deal” in 2019, which aims to achieve climate neutrality by 2050, aligning with commitments from the 2015 UN Climate Conference in Paris (COP 21) (European Council 2019a). The transport sector is currently responsible for approximately 25% of the greenhouse gases (GHG) emitted EU-wide, with an increase in recent years. To achieve climate neutrality by 2050, a 90% reduction compared to 1990 must be attained (European Council 2019b). Electric cars (EVs) offer a promising solution to reducing emissions in the transportation sector.

EVs form a new class of automobiles that emerged with the worldwide launch of the Toyota Prius hybrid in 2000 (U.S. Department of Energy 2014). The number of EVs sold increased significantly since then. In 2015 global sales of EVs reached 580,000, which rose to 6.7 million by 2021. Consequently, the global market for EVs which was valued at \$411 billion in 2021 is set to more than triple and increase to \$1.393 billion by 2027. A clear trend can be observed in the EV market. The global share of battery-electric vehicles (BEVs) is set to increase

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significantly stronger in comparison to plug-in hybrid electric vehicles (PHEVs). In 2016, revenue was below \$45 billion, increased to \$370 billion in 2022, and is projected to rise to \$857 billion by 2027 (Carlier 2023). As per government plans, the number of registered EVs in Portugal exceeded 90,000 and is expected to rise to 800,000 by 2030, split between BEVs, PHEVs, and BEVs for commercial use. Among them, over 550,000 BEVs will make up the majority. By 2027 it is expected that 65% of registered cars will be equipped with hybrid technology, whereas 8% will operate fully on battery power (Portuguese Manufacturers Association for the Automotive Industry 2023). Porsche acknowledges the need for change, as confirmed by their 2030 strategy. Porsche aims to have 80% of their delivered vehicles based on electric options, including battery or hybrid technology. In addition, Porsche has already introduced plug-in hybrid options for the Panamera and Cayenne models, as well as a BEV with the Taycan (Porsche Newsroom 2022a).

1.2 Exploring Trends and Consumer Behavior in the Luxury Car Industry

Despite the profound effects of the global pandemic and the ongoing economic uncertainties linked to geopolitical conflicts, the luxury car market continues to experience remarkable growth (Zhang et al. 2023; Guan et al. 2022). This chapter investigates the intricate interplay between emerging trends and evolving consumer behavior within the luxury vehicle sector.

New Momentum by Sustainability Efforts

As mentioned in Chapter 1.1, the automotive industry is experiencing a growing trend towards electrification, with the anticipation that EVs will make up a minimum of 50 to 60% of the luxury vehicle segment by 2030 (Bertoncello et al. 2022). This transformation is driven by governments worldwide, as they introduce a range of favorable EV policies, which include providing incentives for EV adoption and gradually phasing out ICE sales (D'Arpizio et al. 2023). These government initiatives are serving as a catalyst, prompting OEMs to accelerate

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their strategies and vehicle offerings while influencing customer preferences toward EV models. Within this context, numerous luxury car brands have established sustainability goals. For instance, ambition 2039 outlines Mercedes Benz's aspiration to achieve a net-carbon-neutral fleet for new passenger cars and vans along the entire value chain and vehicle life cycle by the year 2039 (Mercedes-Benz Group 2023). Porsche has set itself the goal of delivering more than 80% of its vehicles as BEVs by 2030 (Porsche Newsroom 2022a).

The luxury industry, renowned for its quality and craftsmanship, historically emphasizes sustainability attributes such as durability and extended product lifespans. Just as in sustainable products, the luxury industry aims to create items designed for longevity rather than disposability. More than 70% of all Porsche cars ever manufactured are still in operation today (Balak et al. 2023). However, the commitment to sustainability does entail certain costs. Despite surveys indicating that consumers desire more sustainable products, their purchasing decisions are still predominantly influenced by the initial purchase price of the products (Porsche Newsroom 2022b). While prices continue to be a relevant factor in the luxury market, they are not the main determinant of a customer's buying choice (ibid). Moreover, almost half of all current luxury ICE vehicle owners are ready to switch to a pure EV (Bertoncello et al. 2022). Essentially, market constraints can no longer be used as a justification for a lack of sustainability efforts.

Diversification of Luxury Customers

According to reports by McKinsey and Oliver Wyman, the projected positive performance in the luxury vehicle market can mainly be attributed to the growing population of high-net-worth individuals (HNWI) – defined as individuals with a net worth of \$1 million or more, and ultra-high-net-worth individuals (UHNWI) – defined as those with over \$30 million in investable assets (Guan et al. 2022; Zhang et al. 2023; Knight Frank 2023). These two groups represent most of the global wealth and are the major target group for luxury vehicles, given the high

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price positioning and high level of customization (Zhang et al. 2023). The wealth report by Knight Frank (2023) revealed that although four in ten UHNWIs saw their wealth increase in 2022, the overwhelming trend was negative. Europe has experienced the largest decline in wealth with a drop of 17% (Knight Frank 2023). However, the value of investments of passion (e.g. cars, art, watches, handbags) rose by 16% during 2022 despite inflation (ibid). Conversely, new markets are entering the luxury vehicle industry. While the US and Europe continue to be robust markets, emerging countries are going to redefine the industry and show the greatest growth potential (Zhang et al. 2023). For instance, India, Southeast Asia, China, and emerging African countries are poised to gain about 70 million mid and high-income consumers between 2022 and 2030 (D'Arpizio et al. 2023). While German and American consumers value “styling, performance and driving feel”, Chinese luxury car buyers strive for features like “safe autonomous driving, the integration of favorite apps, and intuitive interface design” (Guan et al. 2022).

The evolution of the luxury vehicle market, as presently comprehended, will not be solely driven by geographical shifts. Recent findings from Oliver Wyman highlight the evolving consumer characteristics in the luxury car market. Millennial and Generation Z consumers, as well as an increasing number of female buyers, are changing market demand. These younger, more digital generations are prioritizing sustainability and environmental, social, and governance (ESG) factors when choosing luxury and ultra-luxury electric vehicles. Their willingness to pay premium prices for green technology reflects a shift in consumer attitudes (Zhang et al. 2023). As noted in "Luxury Rental Purchase Intention Among Millennials", a shift toward sustainability and non-ownership models is evident in the luxury industry. Millennials are increasingly interested in renting luxury cars, reflecting their commitment to sustainable consumption practices. This trend suggests that luxury car brands should explore rental models to meet changing consumer preferences (Mishra, Jain and Jhan 2020).

New Customer Preferences

Consumer behavior in the luxury car industry is constantly evolving and is influenced by various factors such as changing consumer preferences, socio-cultural changes, and technological advancements. The study, "Factors Influencing Consumer Decision to Purchase a Car," examined factors that influence purchase intentions in the luxury car market. The results emphasize the significant influence of price, style, social parameters, fuel economy, performance, safety, space, and brand on purchase intention, while after-sales service, family needs, and road infrastructure have no significant influence (Nerurkar et al. 2023). Furthermore, cross-national influences on consumer behavior in the luxury car industry are examined in "Attitude Towards Global Luxury Car Brand Purchase Intention: Development of a Conceptual Model." This study underlines the role of culture and demographics in luxury brand consumption. The study highlights that while consumer motivations for purchasing luxury goods may be broadly similar across countries, perceptions, and attitudes toward the value of luxury goods are complex and influenced by individual perceptions and cultural factors. Understanding cultural nuances is critical for luxury car manufacturers as they target different global markets (De Silva et al. 2019).

According to Hoang (2021), consumer behavior in the luxury auto industry has changed significantly due to the global COVID-19 pandemic. The pandemic led to a surge in demand for luxury cars as travel restrictions redirected discretionary spending. Luxury consumers who were unable to travel abroad sought to improve their experience at home by investing in luxury vehicles. Moreover, a notable departure from traditional behavior was the preference for used luxury cars. Traditionally, luxury car buyers, especially repeat buyers, preferred new models tailored to their needs. However, the pandemic desire for instant gratification led to unprecedented interest in used luxury cars, underscoring the importance of immediate ownership for luxury consumers. Finally, the article also highlights the emotional aspect of luxury vehicle

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ownership. Luxury vehicles are increasingly viewed as vehicles that evoke emotions and experiences beyond their utilitarian function. As a result, luxury retailers are looking for ways to offer comprehensive services and experiences around luxury cars to enhance the emotional value associated with ownership (Hoang 2021).

Another large-scale survey by McKinsey also analyzed the changing preferences of luxury vehicle customers (Bertoncello et al. 2022). The findings revealed that a substantial 95% of luxury car buyers are open to switching to different brands for their next purchase. Their main motivations include “exploration of new product/brand”, “superior customer experience” and “feelings of exclusivity”. This trend indicates a potential decline in brand loyalty. Consequently, OEMs should rethink their brand positioning by taking into consideration both maintaining their brand’s original DNA and upgrading the brand to address the new customer preferences. Additionally, the study recommends that OEMs should market their BEVs to showcase classic sports car attributes such as driving performance and design while emphasizing sustainability and brand identity. This goes hand in hand with the finding that 43% of the surveyed luxury vehicle customers value sustainability. Moreover, more than 40% of customers prefer online channels for their vehicle purchases (ibid). Therefore, it is important to provide a seamless omnichannel experience that encompasses simplicity, customization, and experience diversity. Customers of automotive manufacturers request a seamless on-demand service and demand speed, convenience, transparency, and predictability. The study also highlights the challenges luxury automakers face in emulating the exclusive treatment luxury customers expect in a traditional franchised dealership channel. In addition, potential conflicts in data ownership and challenges in building a seamless omnichannel experience complicate ensuring a consistent, personalized customer experience. The authors suggest that luxury brands must keep pace with changing customer expectations, which are being shaped by luxury brands outside the automotive industry (Guan et al. 2022).

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In summary, consumer behavior in the luxury car industry is rapidly evolving. This is driven by factors such as generational shifts, sustainability concerns, and the changing sociocultural landscape. Luxury car manufacturers and marketers must adapt to these trends to effectively address and serve the changing needs and preferences of their affluent clientele.

2 Company Overview: Porsche and Porsche Drive

This chapter serves as a brief introduction to the cooperation partner of this work project and the proposed service, Porsche Drive. First, the history of Porsche, its current position within the Volkswagen Group, and the strategic direction of the company will be discussed. This is followed by an overview of Porsche Drive. The chapter ends with a presentation of the dealerships relevant to the product launch in Portugal.

2.1 History

On April 25, 1931, Ferdinand Porsche officially founded Dr. Ing. h.c. F. Porsche GmbH. At the time of its founding, Porsche's first creations did not involve the design of complete automobiles, but rather the development and implementation of technical projects for many different customers. At that time, the company's main source of revenue was licensing fees and patent royalties from automobile manufacturers (Landenberger 2023). After World War II, during which Porsche was primarily involved in the production of military equipment, the company completed the development of its first "sports car" - the Porsche 356 - in 1948 (Porsche Newsroom 2018). After the war, Porsche continued to specialize in the development and production of (luxury) sports cars (e.g. introduction of the Porsche 911 in 1963). In 1972, the legal form of Porsche was changed to an AG (Porsche AG 2023).

2.2 Status Quo

Since 2012 Porsche has been a majority-owned subsidiary of Volkswagen AG (75.4% of shares as of 2022) (Bryant 2012; Porsche AG 2022), Germany's largest automobile manufacturer

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measured by revenue (~ €279 billion) and sold units (~ €8.5 million). In 2022, Porsche AG employed 39,162 people worldwide. In the same year, Porsche conducted a successful initial public offering for 12.5% of the company's non-voting shares to outside investors, raising ~ €19.5 billion (White and Campbell 2022; Volkswagen AG 2022). The listing's cash inflow is intended to fund future investments of Volkswagen AG into electric vehicle technology as well as software development (Waldersee and Farr 2022).

Porsche AG itself sold 313,721 vehicles in 2022 and generated a revenue of ~ €37 billion. That corresponds to a share of 3.7% of all sold cars of Volkswagen Group and ~12.4% of total sales (see Figure 2). Compared to previous years, Porsche has increased both sales revenue and profitability and, together with the Audi brand group, is the most profitable brand in the Volkswagen Group in terms of operating profit (Volkswagen AG 2022).

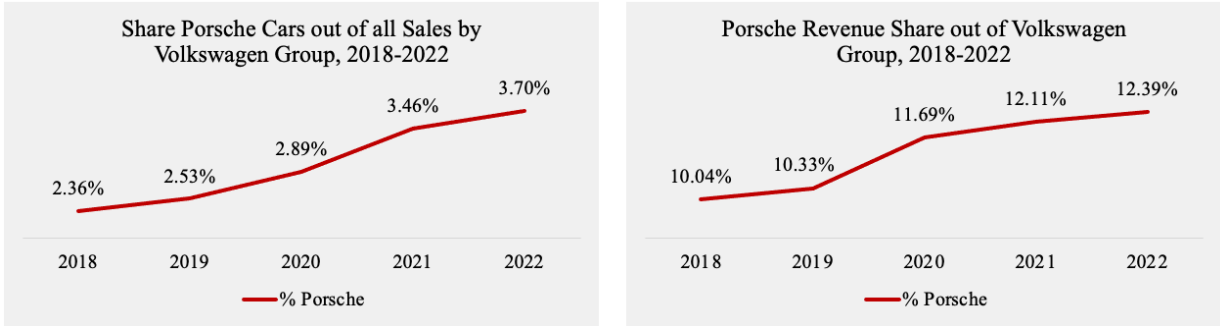


Figure 2: Porsche Share of Vehicles and Revenue out of Volkswagen Group (Source: Volkswagen AG 2022)

The Porsche AG Group consists of two separate segments: automotive and financial services. The automotive segment covers activities in the vehicle business field (consisting of production, development, and sale of vehicles), as well as the fields of services and design. As a second segment, activities in financial services contain customer and dealer financing, the leasing business, mobility services (including Porsche Drive), and further related financial services (Porsche AG 2022). Of Porsche AG's total revenue, 91.3% (€34,591 million) was generated by the automotive segment and 8.7% (€3,292 million) by financial services (Porsche AG 2022). The Spanish-Portuguese Peninsula is managed by Porsche Ibérica (PIB), a subsidiary of Porsche

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AG. PIB is therefore responsible for both countries. Approximately 850 cars are sold annually in Portugal (Porsche Ibérica S.A. 2022).

2.3 Strategy and Mobility

CEO Oliver Blume describes the company as follows: “Porsche is a global and iconic luxury brand. We are 100% sports car and 100% luxury” (Porsche Newsroom 2022b).

The product portfolio of Porsche currently contains models in four different segments: purely battery-powered BEVs (Taycan), coupés (911, 718 incl. convertibles), SUVs (Cayenne, Macan), and sports turismo / station wagons (Panamera) (Porsche AG 2023c).

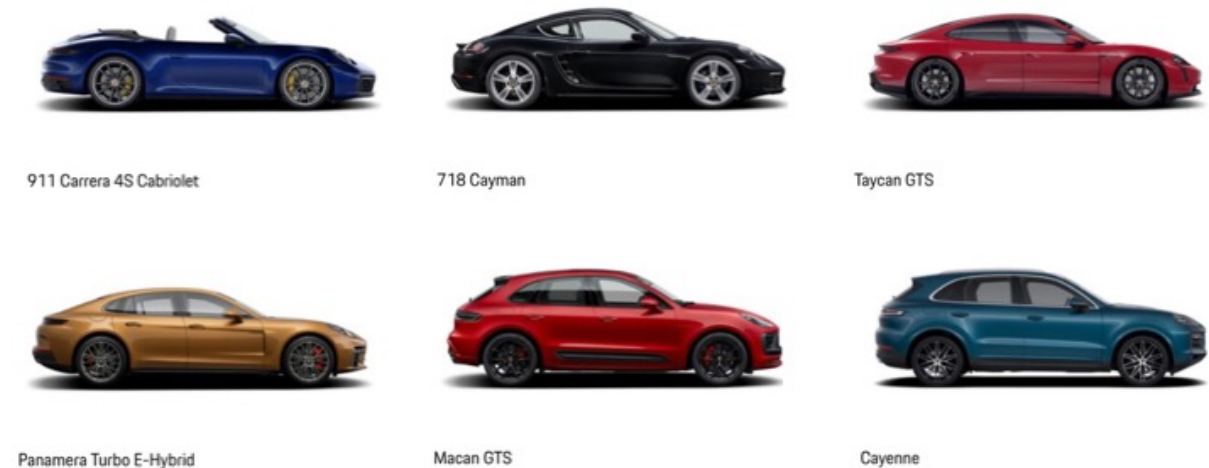


Figure 3: Overview of Porsche Models (Source: Porsche AG 2023)

Since its introduction in 2020, Porsche AG has been executing the program “Strategy 2030” to strengthen its market position and profitability. The strategy consists of six “cross-cutting” elements: customer, sustainability, digitalization, organization, and transformation & products. The latter focuses on future customer requirements and aligning the product strategy with digital, connected, and innovative services. The future of individual mobility solutions and financial services is highly taken into consideration here (Porsche AG 2022; Porsche Newsroom 2022c).

Marketing Strategy

Since 2021, Porsche has embarked on a significant transformation in its marketing strategy. This change is rooted in the belief that the essence of the brand itself, rather than just the performance or design of its products, is a key driving force behind customer purchases. Adopting the brand purpose “Driven by Dreams”, Porsche is actively moving away from conventional product-based advertising to a more brand-centric approach. Instead, the company is embracing storytelling and content marketing to forge stronger connections with a younger and more diverse audience. This strategy includes collaborations with prominent personalities and the organization of digital events, all aimed at deepening engagement with potential customers. A critical aspect of Porsche's new marketing direction is its focus on creating a coherent brand message that is sensitive to cultural and market-specific nuances. This global yet localized approach ensures that their campaigns are not only consistent in their core messaging but also customized to appeal to the unique sensibilities of different regional markets. In a bid to challenge and move beyond the traditional image of the Porsche customer, the company is now targeting new groups. This includes a focus on “Driven Youth”, “Driven Females”, and “New Creative Leaders”, aiming to elevate the relevance of the Porsche brand among these groups. The new target groups are defined not only by traditional demographics but also by their mindset, aspirations, and lifestyle preferences (Pfannenmüller 2021).

“Driven Youth” encompasses a younger demographic, aged 18 to 35, who are also economically well-off, being in the top 30-40% income bracket. This group is marked by an adventurous spirit, openness to keeping all life options available, and a strong engagement with technology, particularly being always online. They display progressive attitudes toward social norms and gender roles. “Driven Females” are aged 25 to 49, and similarly positioned in the upper income brackets. The attributes associated with this group include a propensity to reinvent themselves, a preference for exclusive brands, and a tendency to save money. There is an emphasis on the

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importance of social and political representation and the desire for a respected position in society. The “New Creative Leaders” segment is characterized by individuals aged 30 to 54 who are in the top income quartiles, demonstrating a high economic status. Their defining characteristics include a desire for continuous self-improvement, a preference for lifelong learning, and a pursuit of brands that reflect their values. This segment seems to value knowledge and technological innovation and is less constrained by traditional gender roles (Porsche Ibérica 2022).



Figure 4: Porsche Strategic Target Groups (Source: PIB 2023)

2.4 Product

In this chapter, the Porsche Drive service is introduced. Detailed insights are provided on the product umbrella, the process flows, and specific product requirements for Porsche Drive in Iberia.

2.4.1 Product Umbrella

The Porsche Drive product range acts as an umbrella for Porsche’s mobility offering responding to changed customer desires and trends. It focuses primarily on aligning needs for flexibility and electromobility (Porsche AG 2022). The product range of Porsche Drive varies by geographical area. In Germany and the United States of America, three different products are

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offered: The “Porsche Drive Rental” – a flexible rental with lengths between 1 to 28 days, “Porsche Drive Abo” – a monthly paid rental of Porsche models with a minimum rental period of six months. The latter is also available with the option of changing the vehicle model during the rental period with a minimum of three days’ notice, called “Porsche Drive Flex” (Porsche AG 2023b).

2.4.2 Porsche Drive Rental Ibérica

For the Iberian Peninsula, the Porsche Drive offering currently includes the Porsche Drive Rental service. The service was introduced in 2022 in Spain and will be complemented by the subscription model in the future. In the following, the product, and requirements of the rental service for Porsche Ibérica will be described. It is intended to introduce the same service, with similar requirements in Portugal.

The rental offering includes a comprehensive and digital customer process that encompasses vehicle booking, selection, and billing. It provides a flexible rental duration with rates available for periods ranging from one day and up to three months, in contrast with the rental offering in the US and Germany, ranging from 1 to 28 days. Customers are entitled to drive up to 300 kilometers per day and can benefit from the free inclusion of a second driver. The rental package also includes insurance coverage, with the option for customers to select additional insurance tailored to their preferences. Porsche Drive customers must meet specific eligibility criteria. The minimum age requirement for renters is set at 25 years, although it is elevated to 35 years for Porsche Turbo/GT models. Additionally, renters must possess a valid driver's license with a minimum of five years of driving experience. A refundable deposit retained on a credit card is required at the time of booking amounting to €2,500 for standard models and €5,000 for Turbo/GT models. Porsche Centers maintain full ownership of the rental vehicles during the period. Porsche Centers are mandated to maintain a minimum fleet size of three vehicles, with

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the option to configure fleets to accommodate a higher number of vehicles. Each vehicle, once allocated to the rental program, is committed for a minimum rental period of six months. The vehicles offered through this program must meet specific age and mileage criteria, with a maximum age of 10 to 24 months and a mileage limit ranging from over 6,000 to 25,000 kilometers. This ensures that customers have access to vehicles that are both relatively new and well-maintained throughout their rental experience (Porsche Ibérica S.A. 2022).

2.4.3 Transaction Process

There are several steps involved in the process of operating the Porsche Drive Rental. The process is illustrated in Figure 5. On the one hand, the local and independent dealerships are involved (Porsche Centers). On the other hand, the entities of Porsche Financial Services (PFS), Volkswagen Financial Services (VWFS), and Porsche Ibérica (PIB). The Porsche Center initially purchased the vehicle for the Porsche Drive fleet from Porsche Ibérica at a discount of 19% on the list price of the vehicle. Customers of the rental service complete the booking of the car rental online via the front end of a booking tool, where they choose the model, the rental period, and the location. A contract is then drawn up between the customer and the Porsche Center. The customer pays the Porsche Center the rental price, the Porsche Center provides the car to the customer subsequently. The mentioned tool is provided by VWFS, and in addition to booking management, it also provides Porsche Centers with other necessary functions such as fleet management, customer invoicing, insurance claims management, and more. In return for the provision of the tool, the Porsche Center pays a fee for each rental operation they perform to VWFS (12.5% of revenue). This fee is then shared by VWFS with PFS via a separate contract. The contract between PFS and the dealership contains arrangements for the use of the Porsche Drive brand as well as program requirements. At the end of the predefined rental period of the purchased vehicle, it is up to the Porsche Center to sell the car to customers as a used vehicle (Porsche Ibérica S.A. 2022).

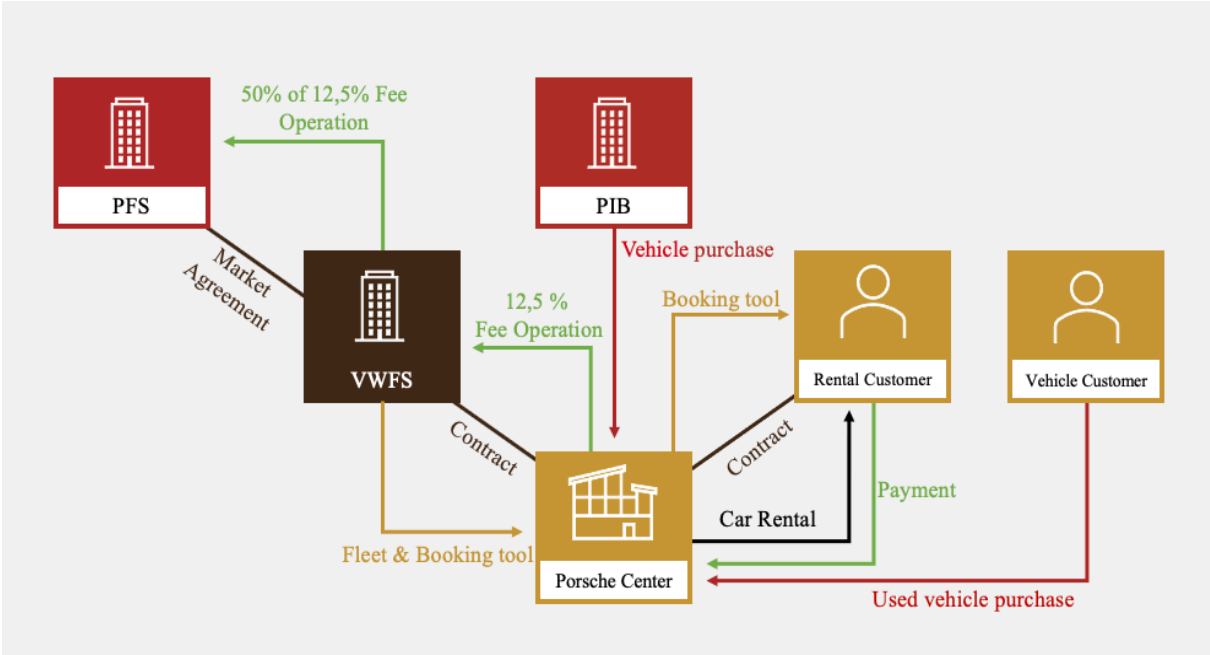


Figure 5: Transaction Processes Porsche Drive (Source: Porsche Ibérica, 2022)

2.5 Porsche Dealership Structure

In general, the distribution of passenger automobiles is traditionally conducted via indirect sales by selected partners. These independent partners are mostly physical “brick and mortar stores” (Hasenberg 2021).

As far as Porsche is concerned, in addition to direct (online) sales launched in 2019, more than 900 dealers worldwide are members of its distribution network. In the following, these are referred to as Porsche Centers (PCs). Porsche Centers are following a strategy introduced by Porsche in 2019 called "Destination Porsche". This includes specific goals for worldwide Partners. (Porsche AG 2022; Porsche China Motors Ltd. 2023). In Portugal, five Porsche Centers are currently part of the sales network. They are located in Lisbon, Porto, Braga, Faro and Leiria. The following Table 1 gives an overview of the legal entities and vehicle sales of each location.

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Table 1: Dealership Structure

Location	PC Lisbon	PC Porto	PC Braga	PC Leiria	PC Faro
Company Name	Grupo JAP	XRS Motor, S.A.	XRS Motor, S.A.	Vimoter - Comercio de veiculos de turismo, Lda	RSKalgarr Lda.
New cars sold	~370	~270	~130	~115	~150
Used cars sold	~120	~170	~80	~50	

3 Market Analysis in Portugal

It is crucial to conduct a market analysis on a national level for luxury cars and luxury car rentals. The following thorough market analysis will enhance the comprehension regarding market trends and help in identifying feasible opportunities, threats, and possible trends to introduce Porsche Drive in Portugal.

3.1 Market Characteristics

Portugal is the 12th largest country in Europe in terms of population, with approximately 10.5 million inhabitants, and a median age of 45 in 2022. The population is divided into 52% females and 48% males, as reported by Instituto Nacional De Estatística (2022) and UN DESA (2022). However, the Portuguese population is expected to follow the general trend of declining western populations, with a Compound Annual Growth Rate (CAGR) of -0.2% between 2023 and 2028 (Instituto Nacional De Estatística 2022). Figure 6 illustrates the age distribution of Portugal in 2022. Most of the Portuguese population, approximately 64%, are between 15 and 64 years old, as stated by the World Bank (2023).

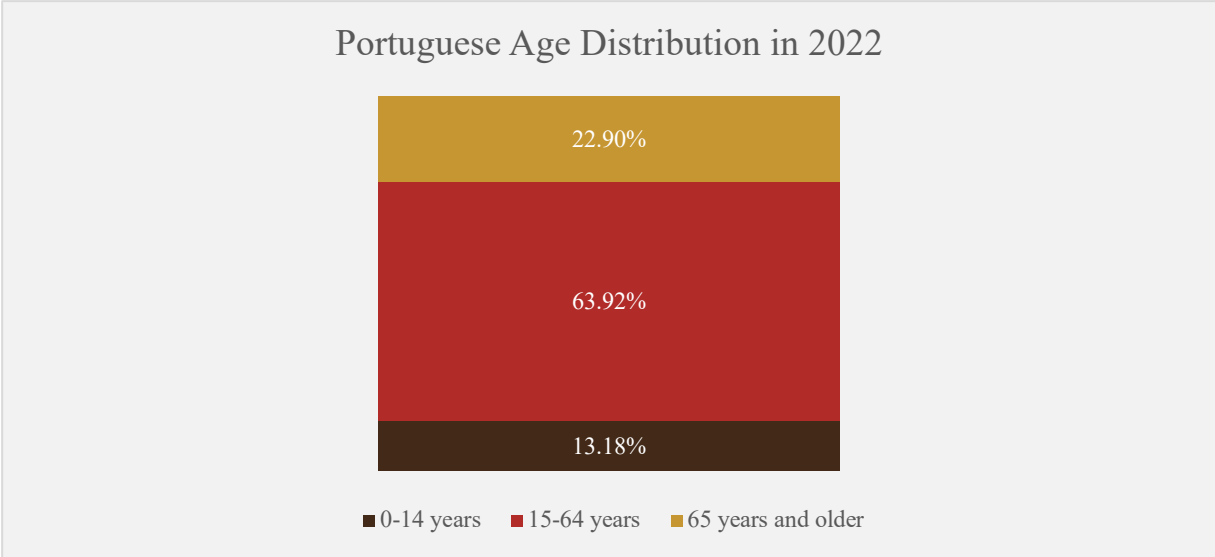


Figure 6: Portuguese Age Distribution in 2022 (Source: World Bank 2023)

By GDP, which measures the value of goods and services produced by a country, Portugal ranks only 19th in Europe with a GDP of approximately €239 billion in 2022 (Statista 2023b; OECD 2010). The disposable income per household is the remaining amount of money that a household has at its disposal after paying taxes (Kenton 2023). In Portugal, the projected disposable income per household is estimated to be approximately €23,100 by 2023 and is forecasted to increase to approximately €29,090 by 2028, with a CAGR of 4.7%. When compared to other chosen European countries, Portugal's figures remain comparatively low (Table 2) (Statista n.d.).

Table 2: Disposable Income Development in Selected Countries (Source: Statista 2023b)

Country	Disposable Income per Household 2023	Disposable Income per Household 2028	CAGR (2023-2028)
Germany	€38,920	€50,750	5.5%
Portugal	€23,100	€29,090	4.7%
Spain	€30,550	€36,980	3.9%

Per capita, consumers in Portugal spent approximately €150 on transportation services in 2022. The number is expected to rise by a CAGR of 7% to approximately €255 in 2030. By contrast,

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transportation services spending in 2022 was around €450 for German consumers (Statista 2023b).

3.2 Vehicle Data

As this thesis primarily addresses the luxury car rental market, the scope of the vehicle data analysis is catered to this purpose. The size of the rental car fleet in Portugal amounted to 93,871 vehicles in 2022 and is projected to grow with a CAGR of 6% to 114,211 vehicles by 2026. The market value of the car rental industry in Portugal accounts for approximately €844 million in 2022 and is expected to grow to 1.2 billion with a CAGR of 9% by 2026 (MarketLine 2023).

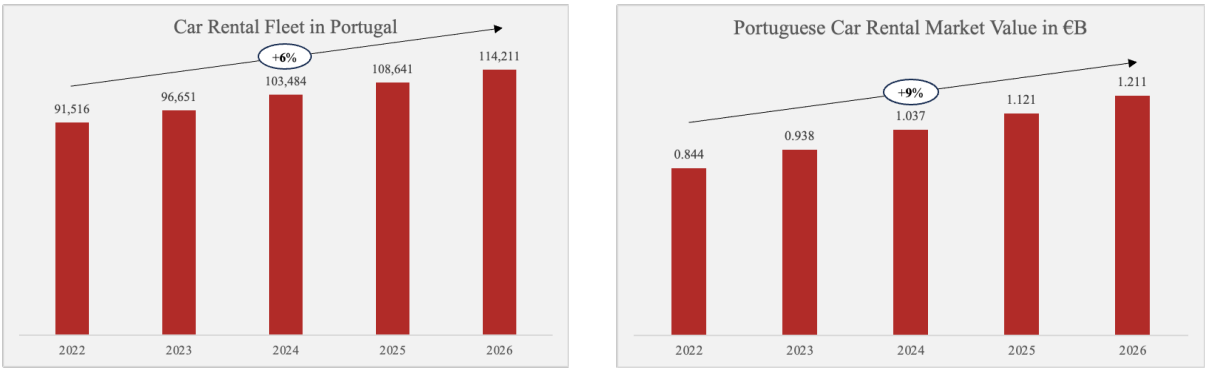


Figure 7: Car Rental Fleet & Car Rental Market Value in Portugal (Source: MarketLine 2023)

The market itself is categorized into three major segments: leisure renting, insurance replacement renting, and business renting. Figure 8 displays the distribution of the market shares across the segments, depicting leisure and business renting as the largest business segments (ibid).

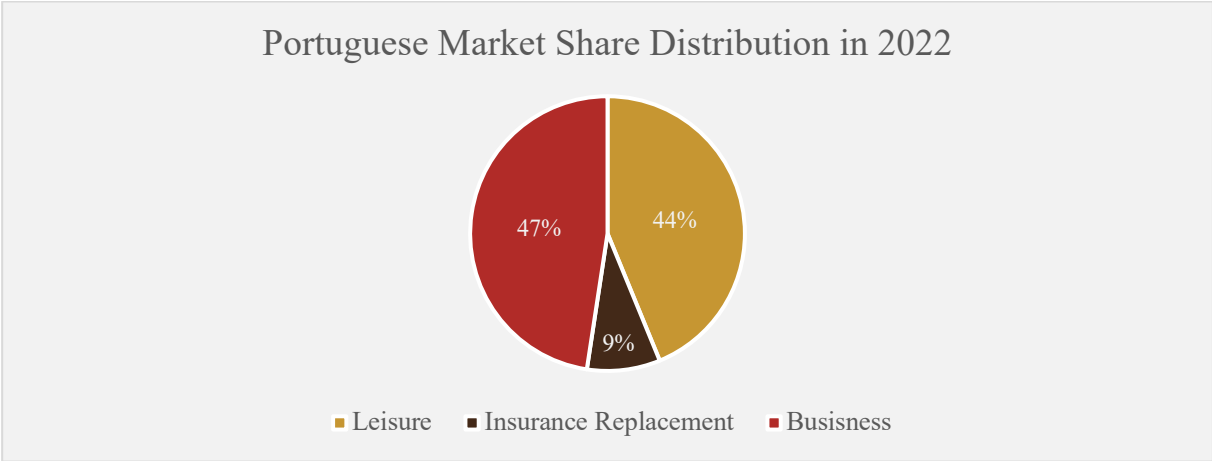


Figure 8: Luxury Car Rental Market Share Distribution by Usage, 2022 (Source: MarketLine 2023)

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Unfortunately, there is no available data on the overall size of the luxury car rental fleet in Portugal. Thus, the unit sales of luxury cars have been used to demonstrate the development of luxury cars in Portugal. In 2022, 337 luxury cars were sold in Portugal. This number is forecasted to increase at a CAGR of 6% to 449 vehicles by 2027. Figure 9 displays the distribution of vehicle brands sold in 2022. Porsche emerged as the top-selling brand with a total of 133 vehicles sold, followed by Mercedes-Benz and BMW, ranked 2nd and 3rd (Statista 2023c).

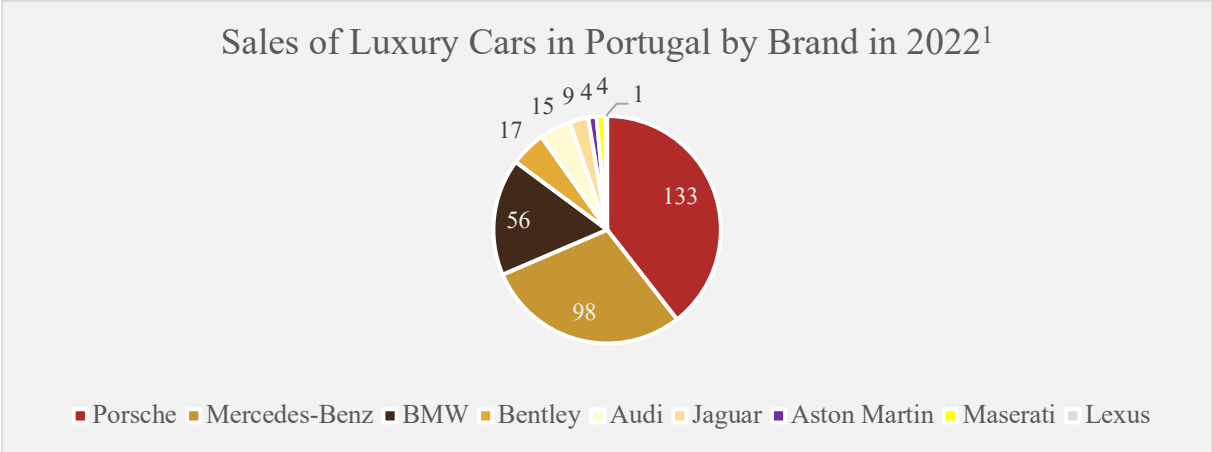


Figure 9: Vehicle Sales of Luxury Vehicles in Portugal by Brand, 2022 (Source: Statista 2023c)

¹ The sales figures for Porsche in Portugal's luxury vehicle market are incomplete, as they don't include all Porsche models. To be classified as a luxury car, a vehicle must be about 5m² in size, weigh around 2200kg, and have a cargo or passenger capacity over 3.4m³. By these standards, the Porsche Panamera and Taycan Cross Turismo qualify as luxury cars, while the Porsche 911 and Cayman 718 do not, due to their smaller size and weight.

3.3 Competitive Analysis

In this chapter, Porter's Five Forces framework is conducted to undertake an extensive competitive analysis of the industry. Developed by Porter (2008), this framework offers a comprehensive approach to understanding the various forces that shape the competitive landscape and influence profit potential. This includes evaluating the threat of new entrants, the risk of substitutes, supplier and buyer power, and existing rivalry (Porter 2008). Significant forces can impede profit generation, while weaker forces may be countered through strategic management. Applying this framework provides a structured analysis of the sector's competitive dynamics and market challenges.

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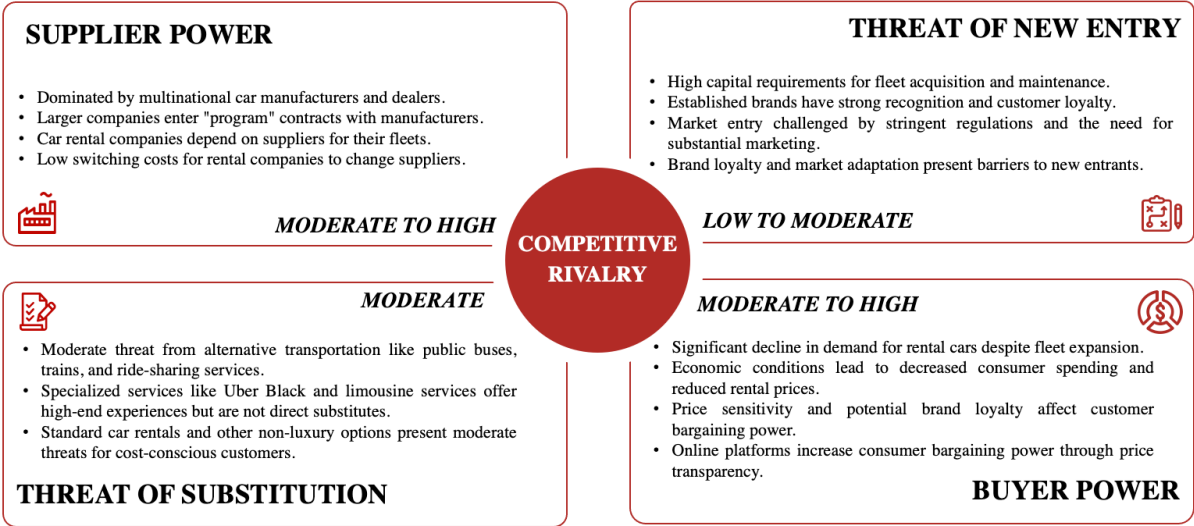


Figure 10: Porter's 5 Forces for the Luxury Car Rental Market in Portugal

Competitive Rivalry

The degree of rivalry within the luxury car rental market in Portugal is characterized by its high intensity. The car rental market is dominated by two major players, Hertz (29%) and Europcar (25%), who together hold over half of the market share. Beyond these leaders, there are smaller competitors, including Movida (6%), Avis (5%), SIXT (3%), and others, collectively accounting for the remainder of the market, but each with a significantly smaller presence compared to the dominant duo (Statista Market Insights n.d.).

Delving into the niche of premium and luxury car rentals in Portugal reveals a market characterized by exclusivity and distinguished offerings. This segment caters to a clientele seeking high-end transportation options, and it is serviced by established global players as well as specialized local providers. Notably, Hertz, Avis, Sixt, and Europcar have extended their operations to include a variety of premium and luxury vehicles, thereby addressing the upscale needs of discerning customers. Hertz, as a well-known global brand, lists luxury models from BMW and Mercedes but does not specify Porsche models. Their geographic coverage includes multiple locations across Portugal, which might position them as accessible yet not necessarily the most exclusive (Hertz n.d.). Sixt Luxury offers a range of Porsche models, including 911 and

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Taycan, while providing a comprehensive service package including delivery, damage waiver, and premium location fee. Their services cover major cities such as Lisbon, Porto, and Faro (Sixt n.d.a). In addition to these market players, smaller players such as Max Car Travel, Portugal Top Cars, and Europe Luxury Services specialize exclusively in luxury car rental. Max Car Travel provides a mix of luxury brands including BMW, Mercedes Benz, and Porsche. They emphasize flexible payment methods and potentially free delivery for monthly rentals, suggesting competitive service delivery in the market (MaxCarTravel n.d.).

Generally, luxury car rental companies provide a range of services, with a focus on delivering top-notch customer service and high-quality vehicles. Examples of this exceptional customer service include door-to-door service, guaranteed vehicle models, online booking, and real-time availability (Oliveira 2018). Competition in the Portuguese luxury car rental market is fierce, leading to intense price competition as companies seek to attract customers through price reductions (Costa 2019). To gain a competitive edge, luxury car rental companies place substantial emphasis on differentiating themselves by providing superior service quality. This necessitates a continuous pursuit of excellence to outperform rivals. Attracting and retaining customers in this industry is highly competitive, compelling companies to invest in marketing, branding, and customer relationship management. The market is subject to dynamics influenced by factors like seasonal fluctuations in demand, economic conditions, and tourism trends, which can exacerbate rivalry as companies for market share during peak seasons (MarketLine, 2021a).

Supplier Power

The bargaining power of suppliers in the car rental market is considered to be moderate to high. The main suppliers are primarily car manufacturers and car dealers, often representing large multinational corporations such as Volkswagen or Mercedes-Benz. Larger rental companies make substantial vehicle purchases through "program" contracts, where vehicles must be

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purchased at specific times and prices in the future under predefined conditions (Oliveira 2018). Some car manufacturers are known to rent their vehicles directly, which further strengthens supplier power. In cases where a car manufacturer decides to cut out middlemen altogether, the capacity to do so exists. Car rental companies generally refrain from backward integration and are dependent on suppliers for vehicle procurement. This dependency significantly strengthens the power of suppliers, as vehicle production requires a high level of expertise and capital. On the other hand, the switching costs for car rental companies are low, which makes it easier to change suppliers. Suppliers also include providers of satellite navigation systems or global positioning systems (GPS), with car rental companies offering GPS as an additional service to increase their profit margin. The presence of numerous potential suppliers allows larger car rental companies to negotiate more favorable terms by buying in bulk from a single manufacturer. (MarketLine 2021a).

Threat of Substitution

The threat from substitutes in the Portuguese luxury car rental market is assessed as moderate. Customers seeking a luxury car experience have alternative options, including traditional public transportation such as buses and trains, though not direct substitutes for luxury car rentals. These modes of transportation can be more cost-effective for customers who do not prioritize luxury. The availability of public transportation poses a moderate threat, particularly to customers interested in exploring the city (Hurd 2022). Ride-sharing services like Uber Black, which offer high-end vehicles, can serve as a substitute for luxury car rentals, albeit with a chauffeur. While this can provide a luxurious experience, it is not a direct substitute for renting luxury cars with a personal driver. Uber Black poses a lesser threat, especially to customers seeking a luxury chauffeured experience, but it may not cater to those desiring self-driving. Standard car rentals, which do not focus on luxury, offer an alternative for customers who prioritize affordability over luxury. This poses a moderate threat, particularly to cost-conscious

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customers willing to forgo luxury for cost savings (MarketLine 2021a). For special occasions or a high-end experience, limousine services can offer luxury transportation with a professional chauffeur. Established rental providers such as Sixt also offer limousine services in Lisbon through Sixt Ride (Sixt n.d.b.). While these services provide a luxurious experience, they may not be suitable for customers who prefer to drive themselves. Consequently, that poses a moderate threat, especially to those seeking chauffeured luxury.

Threat of New Entry

The threat from new entrants in the luxury car rental segment is relatively low to moderate, influenced by several factors. High capital requirements for the acquisition and maintenance of a fleet of high-end vehicles constitute a significant barrier to entry. Established luxury car rental providers may already possess strong brand recognition and a loyal customer base, particularly among luxury car enthusiasts and those seeking premium driving experiences who tend to be brand-conscious. Building brand loyalty in the luxury segment is a time-consuming process requiring substantial marketing efforts, rendering it challenging for new entrants to gain a foothold and compete with established players. Operating a car rental business in Portugal necessitates adherence to complex local and international regulations, and navigating the legal and regulatory landscape can be intricate and costly. New entrants would need to invest in understanding and complying with these regulations, serving as an additional barrier to entry. Furthermore, successful entry into the Portuguese market would require local adaptation, considering local regulations, legal requirements, and market dynamics. This adaptation may present challenges to new entrants who may lack the knowledge and experience of the market (MarketLine 2021b).

Moderate to high demand for rental cars witnessed a significant decline in the first seven months of 2023, despite a year-on-year fleet expansion of 19%. During this period, car rental companies generated €368 million in revenue, one million euros less than in the same period in 2022. This

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decline is largely due to the prevailing economic headwinds, including inflation and increased interest rates, which have led to a decrease in consumer spending on non-essential services such as vacation rentals. In response, rental prices have been reduced, particularly in high-demand areas such as Lisbon and the Algarve. Conversely, northern regions and island areas such as Porto, Madeira and the Azores have seen more robust occupancy rates, likely boosted by the incoming tourist influx from North America and the UK (The Portugal News 2023). The sector is characterized by pronounced price sensitivity, with leisure renters particularly attentive to cost fluctuations and putting pressure on rental companies through their propensity to switch providers. The elasticity of demand for luxury car rentals differs from that for standard car rentals and attracts a different customer base that favors luxury over cost. Despite the potential for brand loyalty in the luxury segment, the market is characterized by low customer loyalty and a lack of product differentiation, leading to a perception of the interchangeability of luxury rental options (Costa 2019). This dynamic is exacerbated by the proliferation of online platforms that facilitate price comparison and increase consumer bargaining power (MarketLine 2021a).

In conclusion, the luxury car rental industry in Portugal experiences fierce competition among existing players, contributing to a high degree of rivalry. Suppliers exhibit moderate power, with factors such as supplier dependence and negotiation capabilities playing a role. The existence of substitutes poses a moderate threat to the industry, influencing specific segments of the luxury car rental market to varying degrees. The threat from new market entrants is relatively low to moderate due to high capital requirements and regulatory complexities. Lastly, buyer power varies from moderate to high, shaped by price sensitivity, low customer loyalty, and limited product differentiation within the luxury car rental market.

4 Research Method and Data Collection

4.1 Mixed Method Approach: Qualitative and Quantitative Research

Given the practical orientation of this thesis, the pragmatic decision has been made to adopt a combined approach consisting of qualitative and quantitative research methods, commonly referred to as a mixed methods approach, as advocated by Döring (2023). Figure 11 summarizes these two research methods. Combining the two approaches provides a comprehensive and multifaceted perspective on the research topic and allows this thesis to achieve a more holistic understanding of the research problem, enhancing the depth and breadth of insights while bolstering the overall rigor and credibility of the findings.

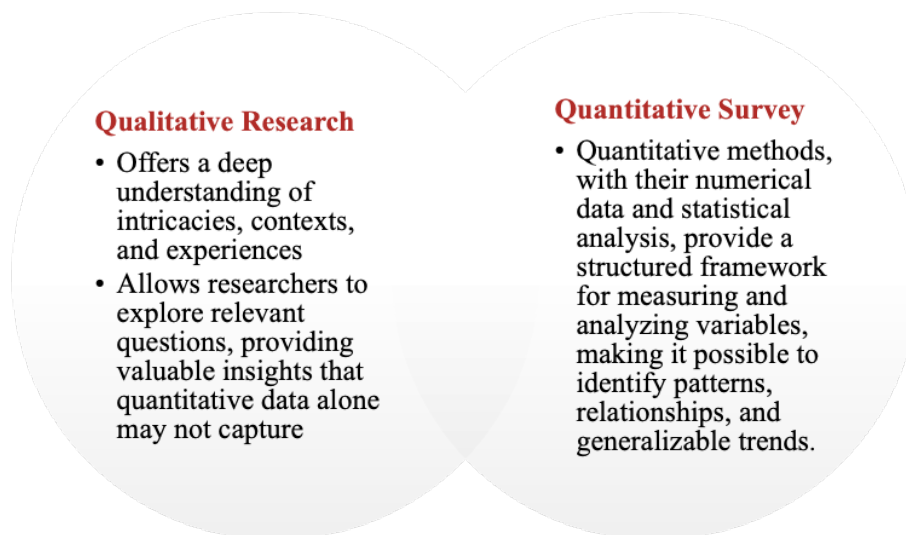


Figure 11: Mixed Method Approach (Source: Döring 2023)

4.1.1 Interview Design and Sample Characterization

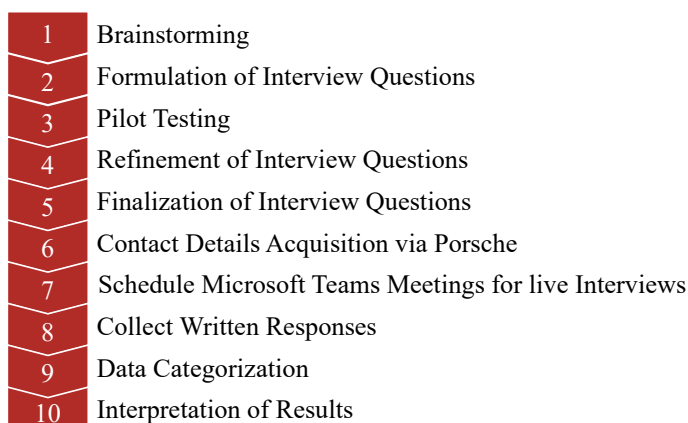


Figure 12: Interview Design

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The database of this thesis consists of eight interviews which have been conducted over three months (see Table 3). As outlined in Figure 12, the interview design consisted of various steps, starting with identifying the types of interviews to conduct among two sample groups - interviews with Porsche Centers in Portugal and Spain. As Porsche Drive was already implemented in Spain in 2022, and the two markets are being covered together by Porsche Iberi a, interviewing managers from the Spanish Porsche Centers delivered feedback on possible improvements during the implementation process and customer insights. The interviews with the Portuguese Porsche Centers (excluding Leiria) and with the Porsche Center in Madrid were conducted via Microsoft Teams. The remaining Spanish Porsche Centers and Leiria delivered written answers to the survey questions. The respective questionnaires can be found in Appendix 1 and 7.

Table 3: Interviewee Information

Porsche Center	ID	Country	Position	Transcripts
Madrid Norte	IP1	Spain	General Manager	Appendix 2
Baleares	IP2	Spain	General Manager	Appendix 3
Sevilla	IP3	Spain	General Manager	Appendix 4
Zaragoza	IP4	Spain	General Manager	Appendix 5
Lisbon	IP5	Portugal	General Director	Appendix 8
Faro	IP6	Portugal	General Manager	Appendix 9
Porto / Braga / Mallorca	IP7	Portugal	CEO	Appendix 10
Leiria	IP8	Portugal	General Manager	Appendix 11

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4.1.2 Survey Design and Sample Characterization

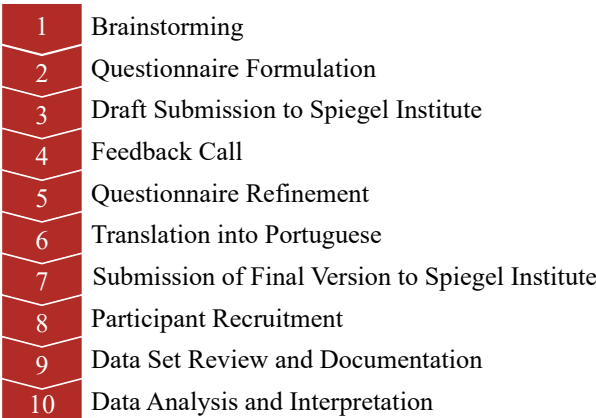


Figure 13: Survey Design

Figure 13 illustrates the research progression, including the generation of multiple research design concepts and the subsequent development of research questions. Given the central focus of the thesis on the implementation strategy for a luxury car rental service the survey needed to target participants in a mid to high-income bracket (top 40% in Portugal). Therefore, the survey was collaboratively conducted in partnership with the Spiegel Institut.

Following the revision of the questionnaire draft, a translation into Portuguese was undertaken, allowing participants to choose between English and Portuguese. The finalized questionnaire was then submitted to Spiegel Institut and published online via Qualtrics for one week. An example of the questionnaire can be found in Appendix 13. This approach aimed to eliminate potential biases associated with one-on-one interviews, providing participants with anonymity and confidentiality. Still, miscommunication may occur due to an incorrect understanding of the questions. The survey comprised 20 questions, offering both single and multiple-choice options. Participant requirements included a minimum age of 22 years and possession of a valid driver’s license. Additionally, efforts were made to achieve an even distribution of gender and representation across the age groups 22-36, 37-51, and 52+. Once the survey was concluded, the Spiegel Institut delivered the dataset with 305 respondents in SPSS formats.

4.2 Method of Data Analysis

4.2.1 Interviews Analysis

The following steps have been implemented to process the data retrieved from the interviews. Firstly, with the consent of the interviewees, the face-to-face interviews were recorded, and a full transcript was written afterward. This paper uses the transcription method of intelligent verbatim. It is defined as the procedure of transcribing recorded speech into written text while eliminating superfluous phrases and words. This method allows for the exclusion of pauses, repetitions, filler words, and other extraneous content (Kong 2022). These transcripts were then analyzed following the thematic, deductive approach by Braun and Clarke (2021). The complete coding tables are attached in Appendix 6 and 12. This procedure creates the possibility to compare the answers, find patterns, and group answers to the questions discussed in Chapter 5.1.

4.2.2 Survey Analysis

As indicated in the preceding chapter, transcribing, and anonymizing present significant challenges in preparing qualitative data, whereas coding, cleansing, and transforming numerical data are essential tasks for quantitative data. These procedures necessitate the use of software for electronic data processing, which was performed using SPSS in this thesis. The Spiegel Institut ensured that responses with contaminated, incomplete, or implausible values were not included. Therefore, high data quality is ensured. It was standardized, plausible, complete, and without duplication of values. It was first structured and prepared for the assessment and finally analyzed in SPSS.

Data Cleansing

During the first examination of the data in SPSS, it was discovered that certain variables were tagged with extremely lengthy formulations. It was consequently imperative to find appropriate

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abbreviations. As a result, the names of all variables were shortened (e.g., Q1 “How old are you?” was shortened and designated as “Age”). The full list of changed variables can be found in Appendix 19.

Furthermore, to enhance clarity and ease of analysis, questions were separated that presented multiple possible answers and assigned a binary 1 = “applies” or 0 = “does not apply” to each answer. This allowed for more precise statistical analysis of the questions as demonstrated in Q12, Q13, Q14, and Q15. These have been divided into sub-questions to represent the different responses (e.g., Q12_1, Q12_2, ..., Q12_X).

Anonymization of the data was not needed since no attributes were queried that could enable inferences about a person. Additionally, no response would have allowed clear conclusions to be made about a person, such as age combined with residency and salary. Afterwards, frequency distributions and plausibility checks were performed, but no entry was found that would have significantly impacted and falsified the calculation of correlations and averages.

Q1 (Age) and Q17 (Willingness to pay) were scale variables with the possibility to enter the variables freely. To improve the statistical analysis of the entries made, the former scale variables have been divided into the categorial variables AgeGroups and WTPGroups. Conclusions regarding the demographics of the respondents, their perception and preferences towards luxury car renting are discussed in Chapter 5.2.

4.2.3 Cluster Analysis

Additionally, the survey dataset was used to develop the customer segmentation for the marketing strategy and form so-called customer segments or personas (Chapter 6.1). The methodology used for customer segmentation follows the process of an SPSS two-step cluster analysis (Song 2018) to understand the behavior of luxury car rental users. The cluster analysis is enhanced by identifying a group of variables from the survey data, which are linked to the specific question about the main reasons for renting luxury cars (Question 15). Understanding the

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primary uses of luxury rental cars (Q15) allows services to be tailored to the specific needs of consumers, whether for leisure or work, and ensures that offerings are consistent with different types of use.

Table 4: Cluster Definition

Cluster Analysis	Variables
Q15: Primary uses of Luxury Rental Cars	(9 Variables): Weekend Getaway, Special Occasion, Vacation, Extended stay, Business trip, Daily Commute, Leisure Activities, Experiencing a luxury vehicle, None of these apply

In a two-stage cluster analysis, the first stage involves calculating log-likelihood distances for all cases, serving as a probability measure to evaluate the likelihood of observations grouping together in a statistical model, especially for categorical data. These log-likelihood distances are pivotal in assessing how observations are likely grouped based on their characteristics. In the second phase, an agglomerative hierarchical clustering algorithm is applied. This algorithm progressively groups individual cases into clusters based on their similarity. To determine the optimal number of clusters and ensure a robust model, the Bayesian Information Criterion (BIC) is employed. BIC is crucial in this context as it helps to avoid overfitting by penalizing models that exhibit inappropriate complexity (Zheng, Wang and Hu 2007).

After determining the initial clusters, a partitioning algorithm similar to K-means is used to refine these clusters. In this iterative process, cases are reassigned to clusters to minimize the variance within the clusters and thus increase their homogeneity. The quality of the resulting clusters is then assessed to ensure meaningful differentiation and internal consistency, indicating the capture of significant patterns within the data. These clusters formed the basis for the development of customer personas from which tailored marketing strategies can be derived to address the differentiated needs and preferences of the various customer segments.

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In conclusion, the research methodology combines qualitative and quantitative approaches to provide a comprehensive understanding of the implementation strategy for Porsche Drive. The mixed methods approach, encompassing detailed interviews and a well-designed survey, allows for a holistic examination of the topic. The methodical interview design and the survey with a robust sample size of 305 respondents contribute significantly to the reliability and depth of the research findings. Furthermore, the meticulous data analysis, including thematic interview analysis and advanced statistical techniques in survey analysis, such as cluster analysis, enhances the credibility of the results.

5 Research Findings

5.1 Expert Interviews

In this sub-chapter, the results of the expert interviews with the Porsche Centers in Portugal and Spain will be used to gather insights on the different parts of the market entry strategy of Porsche Drive in Portugal.

5.1.1 Porsche Spain

Firstly this paper focuses on the questionnaire results of the Spanish Porsche Centers giving insights into success factors that have already been prevalent in the Porsche Drive implementation in Spain in the area of marketing & promotion, legal, and sales & distribution. The following interview references refer to Appendixes 2 – 5.

5.1.1.1 Marketing & Promotion

Figure 14 shows the distribution of mentions of different marketing strategies to promote Porsche Drive in Spain. With 3 out of 4 mentions, e-mail marketing seems the most effective among the Spanish Porsche Centers (IP1, IP2, IP4). Physical marketing with flyers and roll-ups, collaborations, and personal marketing in the form of direct meetings or calls seem to be the second most effective strategy (IP1, IP2, IP3, IP4). Especially collaborations with event

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planners (e.g., for weddings) have been successful as they match special occasions with special vehicles (Sevilla).

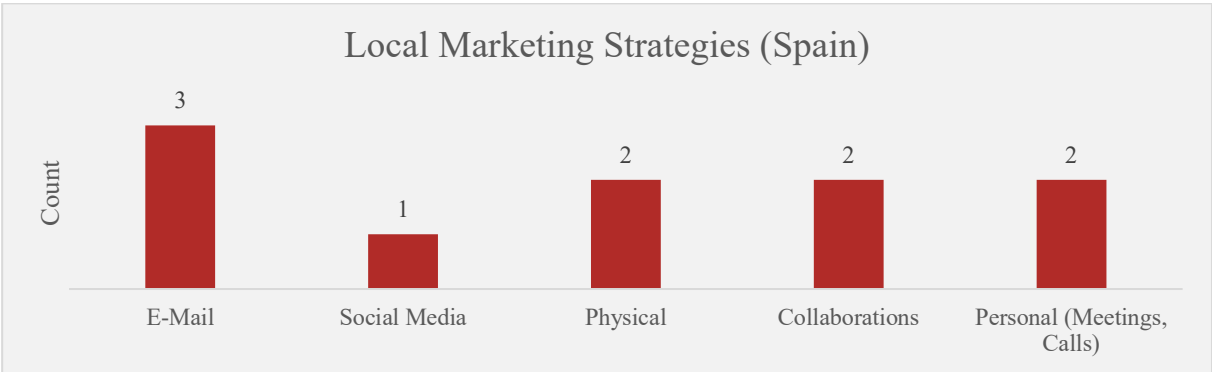


Figure 14: Local Marketing Strategies (Spanish Porsche Centers)

Table 5 shows the specifics of Porsche Drive customers in Spain, divided by customers that already are Porsche customers before using the Porsche Drive service and potential Porsche customers (IP1, IP2, IP3). To serve the different customer groups, two of the respondents plan to incentivize existing customers with discounts on the renting fees while new customers must pay the regular fee (IP1, IP4).

Table 5: Customer Groups

Customer group:	Existing customer:	Potential customer:
Gender:	Male	Male and Female
Age:	25-50	-
Nationality:	Spanish	Foreign and Spanish
Job:	Businessman, Manager	Businessman, Event Manager
Use:	Leisure and events	Replacement, holiday, and events

Customer perception of Porsche Drive among Spanish customers is mainly positive. All respondents mention the luxurious, comfortable, and personalized service of the Porsche Drive offering as highly appreciated by customers. This includes booking the service via WhatsApp messenger or e-mail, a thorough explanation of the whole process by Porsche Center

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employees, and the possibility to book the Porsche Drive service while customers wait for their new vehicle to arrive or while their vehicle is in the workshop.

In Spain, Porsche Drive competes directly with other local car rental companies. Nevertheless, the local Porsche Centers do not see the other rental companies as a big threat due to differing customer segments and product offerings. 3 out of 4 respondents particularly see the luxury experience, the variety of Porsche cars, and being an official Porsche Center as a huge differentiating factor compared to other rental companies (IP1, IP2, IP4).

5.1.1.2 Legal Insights

Concerning the legal structure of the Porsche Drive service, none of the respondents had problems with the implementation process (IP1, IP2, IP3, IP4). 3 out of 4 respondents had external support from the importer or the legal department while implementing the service (IP1, IP2, IP3).

5.1.1.3 Sales & Distribution

Figure 15 shows the number of mentions about mechanisms to receive feedback about the Porsche Drive service. None of the respondents maintain a structured and compliant process to process customer feedback. Only one respondent has bi-weekly meetings to discuss customer feedback and is planning to implement a satisfaction survey (IP1). All other respondents only have mechanisms in place to receive feedback whether it is face-to-face or via e-mail (IP2, IP3, IP4).

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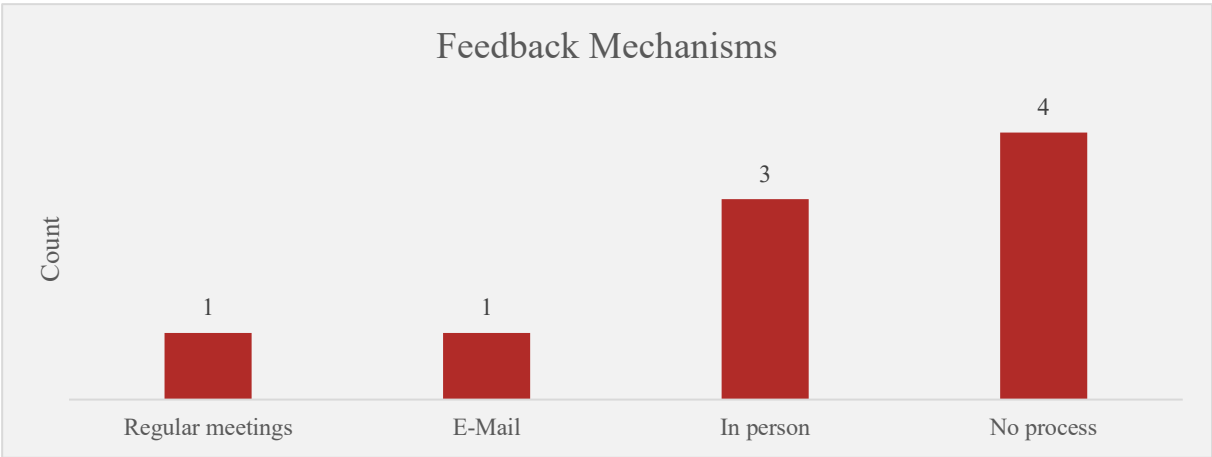


Figure 15: Feedback Mechanisms (Spanish Porsche Centers)

All respondents mentioned that there haven't been any major internal operational challenges with implementing Porsche Drive in Spain (IP1, IP2, IP3, IP4). Nevertheless, three out of four respondents discovered some external issues with car damages including insurance issues, and customer delays (IP1, IP2, IP3).

In addition, all respondents confirmed that Porsche Drive integrated well within the Porsche Centers. Specifically, having a distinct person or team handling the new rental business has proven as a huge differentiating factor (IP1, IP2, IP3, IP4). Furthermore, Porsche Drive serves as a new profit opportunity since the increased vehicle volume at the Porsche Centers enables new used vehicle sales (IP2, IP3, IP4).

5.1.1.4 Success Factors

In conclusion, all respondents mention the Porsche brand as the biggest success factor for the implementation of Porsche Drive in Spain (IP1, IP2, IP3, IP4). Subsequently, two of the respondents mention the flexibility that comes with the Porsche Drive service as a huge success factor for several reasons: employees can try new Porsche models, customers can use a different Porsche vehicle as a replacement when their car is in the workshop, and users can adapt their vehicle to their current needs (vacation, event, fun).

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Further success factors emerge from the recommendations of the Spanish Porsche Centers for the Porsche Drive implementation in Portugal. Once more, all respondents mention having a distinct responsible employee for the whole service as well as the service being considered as an independent and organized business unit as a success factor for the Porsche Drive implementation. Furthermore, two respondents mention having a marketing budget for Porsche Drive as a further success factor to take advantage of the strong Porsche brand.

5.1.2 Porsche Portugal

The Portuguese Porsche Centers' results indicate what requirements are needed to successfully implement a luxury car rental system in Portugal. The following interview references refer to Appendixes 7 – 10 and give insights into marketing & promotion, legal, sales & distribution, and possible success factors of Porsche Drive in Portugal.

5.1.2.1 Marketing & Promotion

Figure 16 shows the proposed local marketing strategies to promote Porsche Drive in Portugal. Whilst there is a huge overlap between the mentions of the Spanish and the Portuguese Porsche Centers (New: Database; Out of scope: Personal meetings, and physical marketing), there is no clear trend detectable, since every category is only mentioned once or twice.

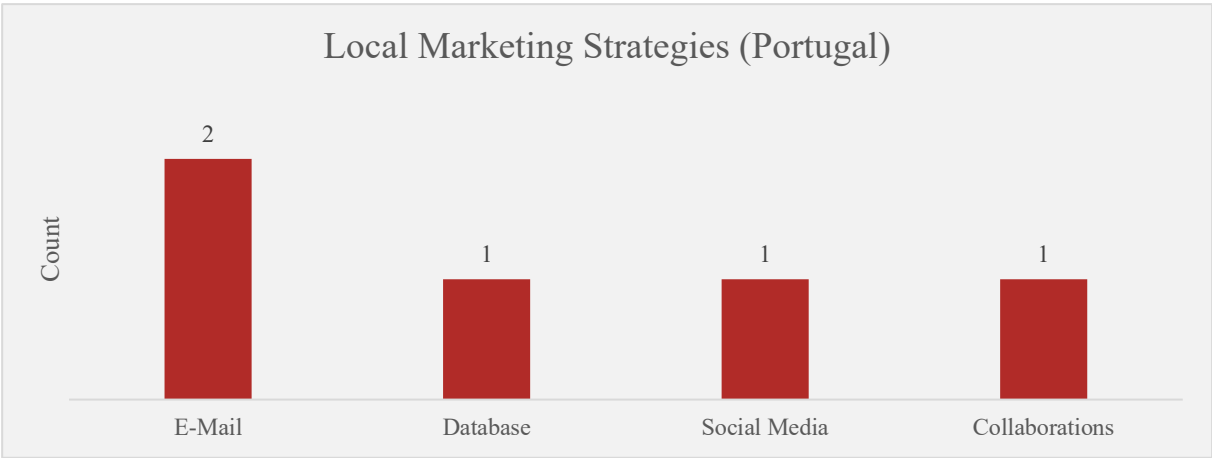


Figure 16: Local Marketing Strategies (Portuguese Porsche Centers)

Group Part

Three out of four respondents mention that already-existing customers might be interested in Porsche Drive (IP5, IP6, IP7), with tourists visiting Portugal being another interesting potential customer group (IP5, IP7).

Furthermore, three of the respondents see the Porsche Drive service complementing the existing services within the Portuguese Porsche Centers as they enable new used car sales after the renting period (IP5, IP7, IP8). The customer needs that accompany the service are clear for all respondents: introduce potential customers into the Porsche universe by offering them luxurious vehicles for short-term periods (IP5, IP6, IP7, IP8).

5.1.2.2 Legal Insights

To legally operate Porsche Drive as a rental business in Portugal, it is indispensable to obtain a specific license: Code of Economic Activities or Alvará (IP5, IP6, IP7). Obtaining the license comes with requirements that a Porsche Center needs to admit to, e.g., having a certain number of cars registered under the Porsche Center's legal name for car-renting and adhering to usage limits (IP6, IP7). Nevertheless, the process of obtaining the license is straightforward and should not raise any problems (IP6).

5.1.2.3 Sales & Distribution

Figure 17 focuses on the feedback mechanisms for Porsche Drive according to the Portuguese Porsche Centers. While there are some loose ideas on how to collect customer feedback, neither of the respondents has a clear process in mind on how to deliver the feedback up the command chain (IP5, IP6, IP7, IP8).

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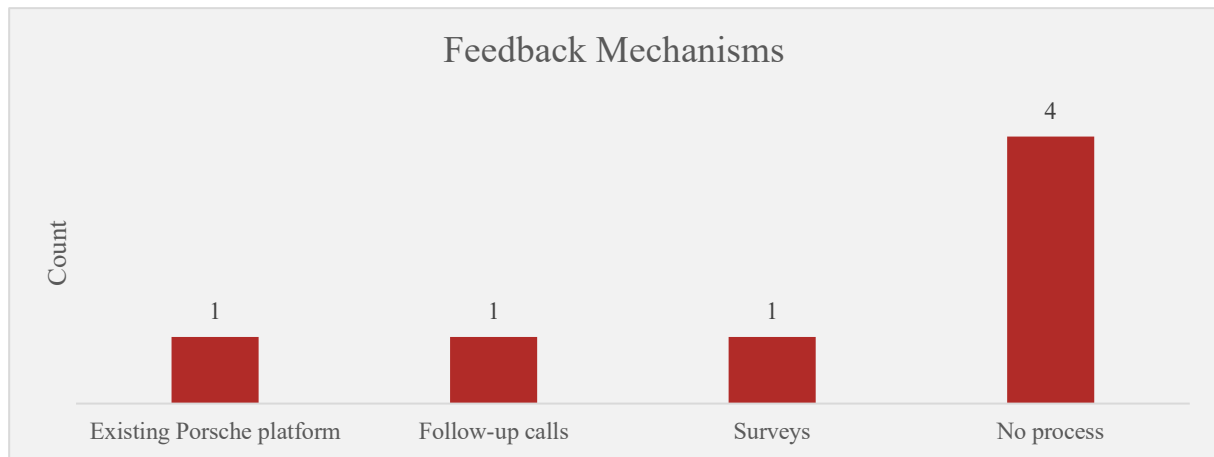


Figure 17: Feedback Mechanisms (Portuguese Porsche Centers)

Two of the respondents see Porsche Drive as an extension of their existing dealership services with a focus on serving their existing workshop customers (IP6, IP7). Furthermore, with the integration of Porsche Drive in Portugal, the Portuguese Porsche Centers see the following opportunities (O) and challenges (C) (IP5, IP6):

- O1: Providing unique Porsche models that may not be available from other rental companies.
- O2: Creating a specialized niche for car rentals.
- O3: Partnerships with charging stations and promotions at airports.
- C1: Requirement of a specialized team dedicated to managing Porsche Drive.
- C2: Specific age and deposit requirements for the renter e.g., GT models.

Figure 18 shows the approximate yearly sales figures of the Porsche Centers in Portugal, with Porto also including Braga and Majorca in Spain. The sales figures play an imminent role in the decision if a Porsche Center is admitted to providing the Porsche Drive service (see Chapter 6.3.4).

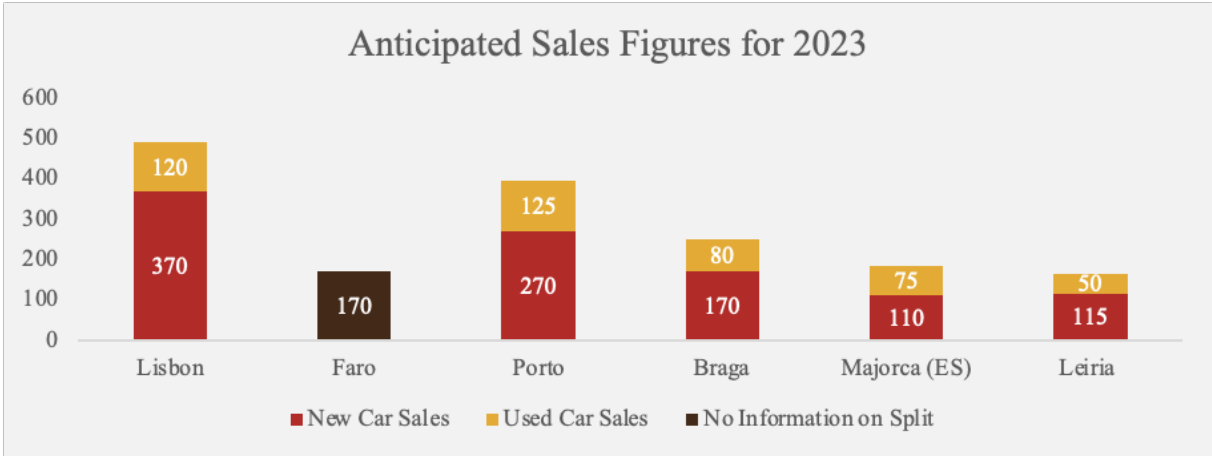


Figure 18: Anticipated Vehicle Sales Figures per Porsche Center, 2023

Three respondents see the demand for Porsche rentals in Portugal as relatively low due to the presence of other premium brands like Mercedes-Benz, Audi, or BMW (IP5, IP6, IP8). Nevertheless, all respondents see the opportunity of experiencing a Porsche before buying one and renting a Porsche as a tourist or corporate client as a main factor for using the Porsche Drive service (IP5, IP6, IP7, IP8).

5.1.2.4 Success Factors

Since certain Porsche Centers in Portugal are already working with partners on renting Porsche vehicles, the learnings can be used as success factors for the Porsche Drive implementation in Portugal (IP5, IP7). While one Porsche Center (IP5) is cooperating with an external rental company to provide customers with Porsche vehicles, one Porsche Center has built its own rental company (IP7). The Porsche vehicles of the latter that are already in use for rental could be implemented into the new Porsche Drive service (IP7). Furthermore, the Porsche Centers should focus on offering specific Porsche models (e.g., 911 Convertible) for the Porsche Drive service to attract customers who desire a premium brand experience (IP5).

In summary, the Porsche Centers in Spain and Portugal are generally positive about the implementation of Porsche Drive. They don't see Porsche Drive as a burden imposed by the head office, since it provides them with a new source of income (Rental fees + additional used car

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sales). Nevertheless, all Porsche Centers overemphasize the Porsche brand during the implementation of Porsche Drive. As a rental system, Porsche Drive attracts different customers than standard car owners. Therefore, in addition to the euphoria about the strong Porsche brand, other criteria (E.g. price and other services) and new competitors shouldn't be neglected.

5.2 Customer Demand Analysis

5.2.1 Survey Findings

This subchapter analyzes the results of the conducted survey among Portuguese high-income individuals. First, the demographics of the survey and the frequencies of the remaining questions will be determined. Subsequently, hypotheses will be tested to find statistical dependencies in the data set.

5.2.1.1 Demographics

The survey was filled out by a total of 305 respondents, with 49.8% being male and 50.2% being female, and 98% possessing a Portuguese nationality. The age of the respondents ranges from 23 to 76, with a median of 45 years. Most of the respondents live in the Greater Lisbon area (45.3%), in the Norte area (33.1%), and in the Centro area (15.4%). 68.5% of the respondents are married, with 22.6% of the respondents being single and 8.9% being in a relationship status defined as “Other”. The income bracket between €50,000 and €69,999 is the most frequent income bracket among respondents (41%). Table 6 sums up the demographics of the survey, answering questions Q1 to Q9.

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Table 6: Survey Demographics

Variable	<i>n</i>	%
Gender		
Male	152	49.84
Female	153	50.16
Missing	0	0.00
Nationality		
Belgian	1	0.33
Brazilian	4	1.31
Spanish	1	0.33
Portuguese	299	98.03
Missing	0	0.00
Residence		
Norte	101	33.11
Centro	47	15.41
Lisboa	138	45.25
Alentejo	8	2.62
Algarve	9	2.95
Azores	1	0.33
Madeira	1	0.33
Missing	0	0.00
Driver's License		
Yes	305	100.00
No	0	0.00

Variable	<i>n</i>	%
Income		
€30,000 - €49,999	73	23.93
€50,000 - €69,999	124	40.66
€70,000 - €89,999	65	21.31
From €90,000	43	14.10
Missing	0	0.00
Marital Status		
Single	69	22.62
Married	209	68.52
Other	27	8.85
Highest Education		
No diploma	2	0.66
High school or equivalent	40	13.11
Bachelor's Degree	48	15.74
Master's Degree / PhD	199	65.25
Other	16	5.25
Employment Status		
Student	3	0.97
Full-time	246	80.66
Part-time	5	1.64
Self-employed	28	9.18
Unemployed	10	3.28
Retired	13	4.26

Q10: Do you currently own a vehicle?



Figure 19: Vehicle Ownership

Most of the survey respondents (95.1%) own a private vehicle, with only 1.3% using leasing services, and 3.6% not owning a private vehicle.

Q11: Have you ever owned a Porsche?



Figure 20: Porsche Ownership

Only 12 of the respondents have ever owned a Porsche, which is approximately 4% of the whole dataset.

Q12: Have you ever rented a luxury car (E.g., Porsche, Bentley, Rolls Royce, BMW, or Mercedes-Benz)?



Figure 21: Rental Experience

79% of the respondents have never experienced a luxury car rental. The number of respondents that have is divided into two categories, with 15.1% of the respondents having already rented luxury vehicles within Portugal and 8.9% of the respondents having already rented luxury vehicles outside of Portugal.

Q13: What would be your reasons for using a luxury rental offer?



Figure 22: Reasons for Using Luxury Rentals

The reasons for using a luxury rental are distributed across different attributes. With 36.7%, the access to luxury cars is valued the highest among respondents. The excitement that arises from

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renting luxury vehicles, is the second most important attribute with 30.4% and cost convenience ranks third with 19.3%.

Q14: What factors would be important to you when choosing a luxury car rental provider?

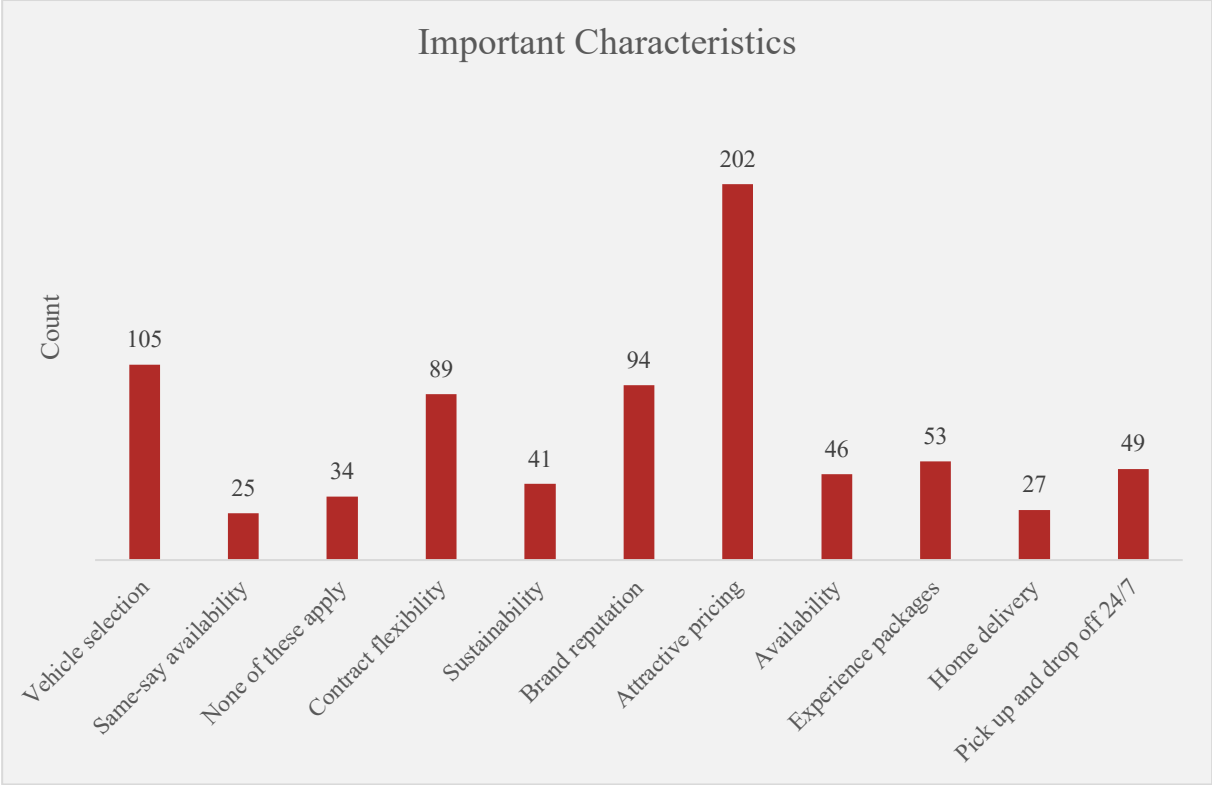


Figure 23: Important Characteristics of the Rental Model

66.2% of the respondents rank the attractive pricing as the most important characteristics of luxury car rental services, with the vehicle selection (34.4%) and the reputation and trustworthiness of the vehicle brand (30.8%) following in second and third place.

Q15: What would be your primary use for a luxury rental car?

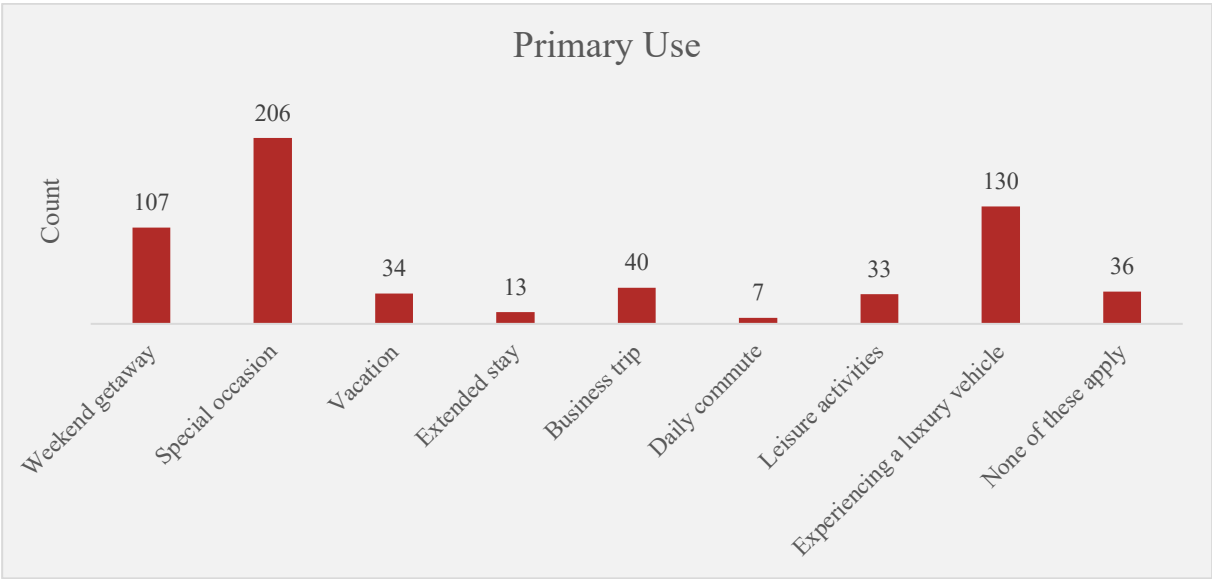


Figure 24: Primary Use of the Rental Service

The usage of a luxury rental is divided into different occasions. With 33.9%, respondents rank special occasions (e.g., weddings) as the most relevant reason to use a luxury rental. Subsequently, experiencing a luxury vehicle (21.5%) and using the luxury rental as a weekend getaway (17.7%) follow with descending relevance.

Q16: How long would you typically rent a luxury vehicle?

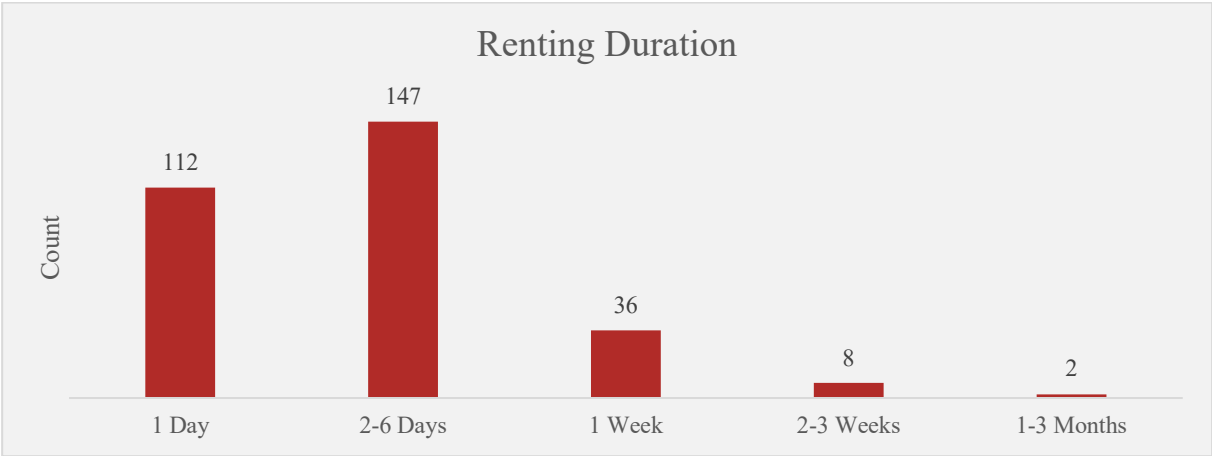


Figure 25: Rental Duration

Rental duration categories range from 1 day to 1-3 months, with approximately 84.9% of respondents prefer rentals of less than 1 week. With 48.2%, rental periods between 2 and 6 days

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were the most relevant to respondents. In descending order of importance to respondents, day rentals (36.7%) and 1-week rentals (11.8%) follow.

Q17: How much would you be willing to pay for renting a luxury vehicle per day?

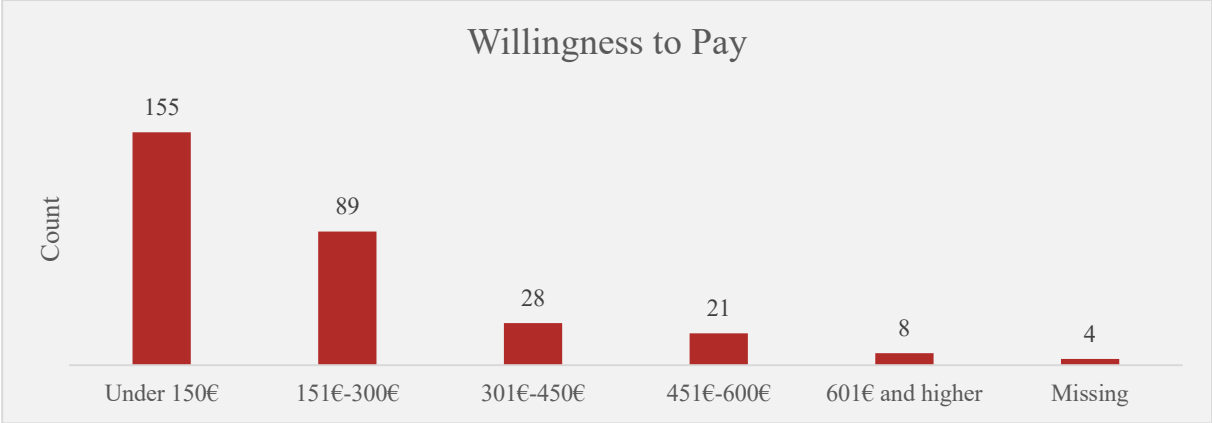


Figure 26: Willingness to Pay

Most of the respondents are willing to pay under €150 (50.8%), 29.2% are willing to pay between €151 and €300, followed by 9.2% who are willing to pay between €301 and €450 for a luxury vehicle per day. Four data sets were missing or couldn't be analyzed properly. The median willingness to pay per day accounts for €150, with values ranging from €0 to €900.

Q18: How would you prefer to book the luxury rental car?

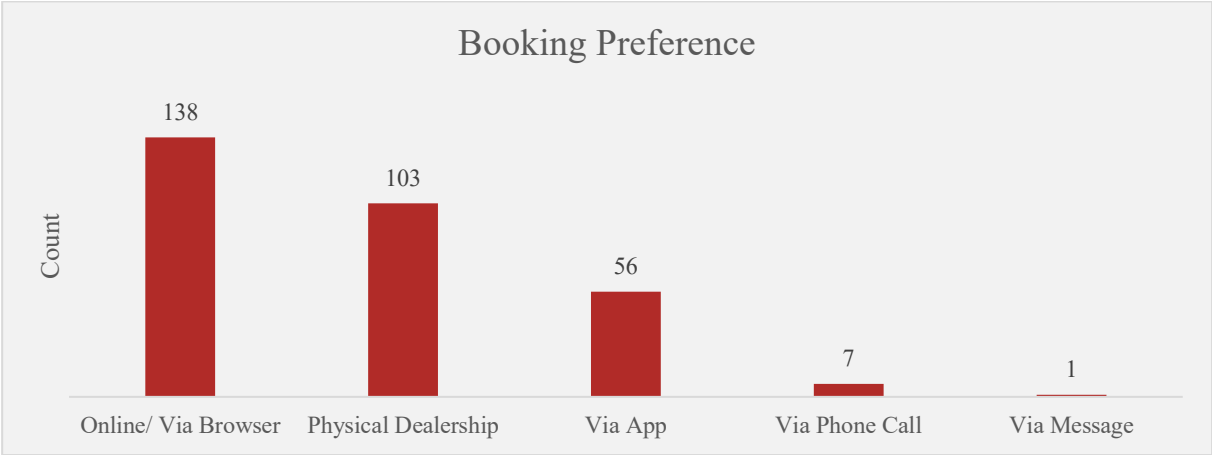


Figure 27: Booking Preference

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The booking preference for luxury rentals among respondents is distributed among three major categories. With 45.3%, online bookings were the most important booking preference, followed by physical booking within the dealership (33.2%) and booking via an app (18.4%).

Q19: Which type of fuel preference do you have when renting a luxury vehicle?

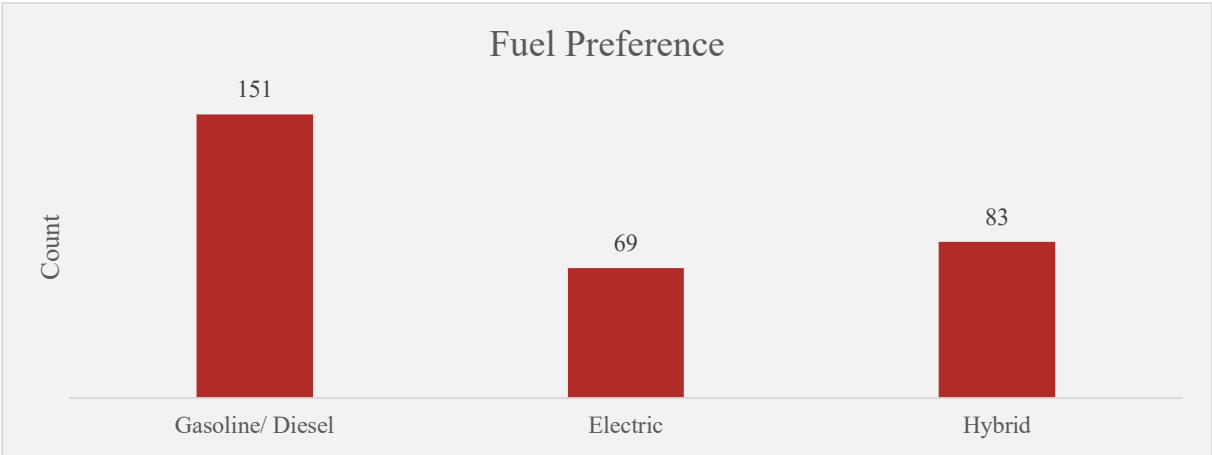


Figure 28: Fuel Preference

With 49.5%, traditional gasoline and diesel vehicles are the most preferred among respondents, followed by hybrid vehicles (27.2%) and battery-electric vehicles (22.6%).

Q20: If you have a specific type of car in mind that you'd like to rent, please select it from the list below:

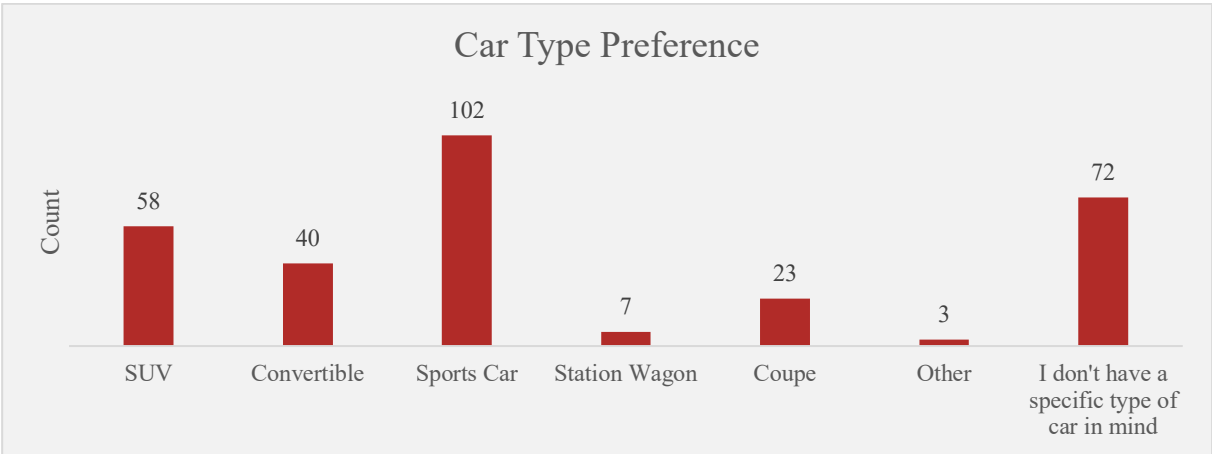


Figure 29: Car Type Preference

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Among respondents, sports cars are the most popular vehicle type within the luxury rental spectrum (33.4%). Subsequently, excluding respondents without a specific vehicle in mind (23.6%), SUVs (19%), and convertibles (13.1%) follow.

5.2.1.2 Statistical Analysis

Due to the received data from Porsche and the conducted interviews with different Porsche Centers in Portugal and Spain, three major hypotheses were identified and will be tested.

Hypothesis 1 - Gender and the Willingness to Rent a Luxury Vehicle:

H0: Gender and the willingness to rent a luxury vehicle are independent

H1: Gender and the willingness to rent a luxury vehicle are dependent

Table 7: Pearson Chi-Square Test Hypothesis 1

Pearson Chi-Square Tests		
		Rental experience
Gender	Chi-square	21.025
	df	3
	Sig.	<.001 ^{*,b}

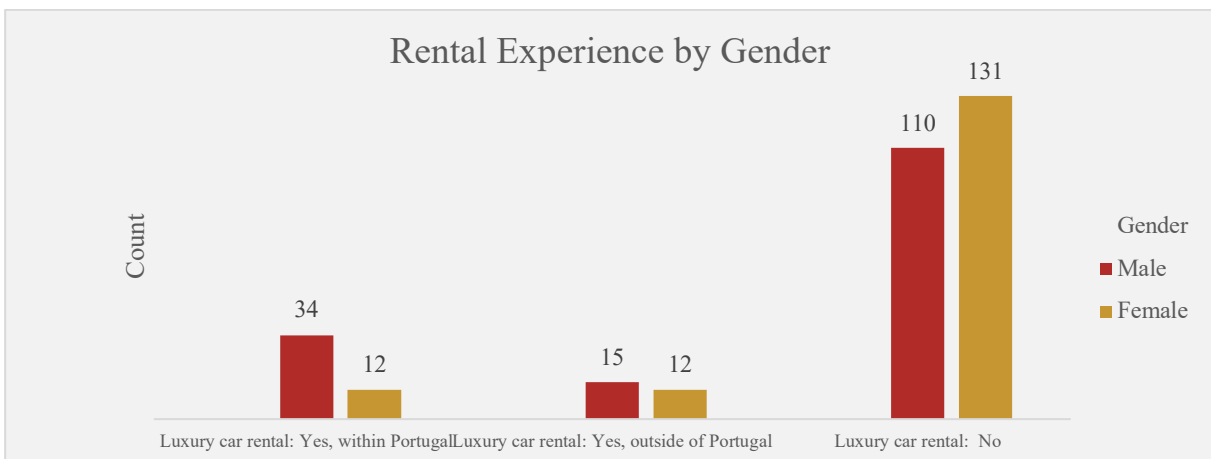


Figure 30: Rental Experience by Gender

Given that the p-value of the Chi-square test ($X^2 = 21.025$, $df = 3$) is less than the significance level of 0.05 ($p < .001$), the null hypothesis of independence is rejected. It is concluded that

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there is a statistically significant association between the nominal variables gender and the willingness to rent a luxury vehicle. This confirms the initial hypothesis that men are more prone to use the Porsche Drive offering. Only 24 female respondents have ever rented a luxury car (Compared to 49 men). 131 female respondents have never rented a luxury car (Compared to 110 men).

Hypothesis 2 - Age and the Willingness to Rent a Luxury Vehicle:

H0: Age and the willingness to rent a luxury vehicle are independent

H1: Age and the willingness to rent a luxury vehicle are dependent

Table 8: Pearson Chi-Square Test Hypothesis 2

Pearson Chi-Square Tests		
		Rental experience
AgeGroups	Chi-square	13.638
	df	12
	Sig.	.324 ^a

Given that the p-value of the Chi-square test ($X^2 = 13.638$, $df = 12$) is greater than the significance level of 0.05 ($p > 0.324$), the null hypothesis of independence is confirmed which leads to the conclusion that there is no statistically significant association between the ordinal variable age group and the willingness to rent a luxury vehicle. This refutes the initial hypothesis that older respondents are more prone to use the Porsche Drive offering.

Hypothesis 3 - Porsche Ownership and Willingness to Rent a Luxury Vehicle:

H0: Porsche ownership and the willingness to rent a luxury vehicle are independent

H1: Porsche Ownership and the willingness to rent a luxury vehicle are dependent

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Table 9: Pearson Chi-Square Test Hypothesis 3

Pearson Chi-Square Tests		
		Porsche Owner-ship
Rental experience	Chi-square	38.005
	df	3
	Sig.	<.001 ^{*,b}

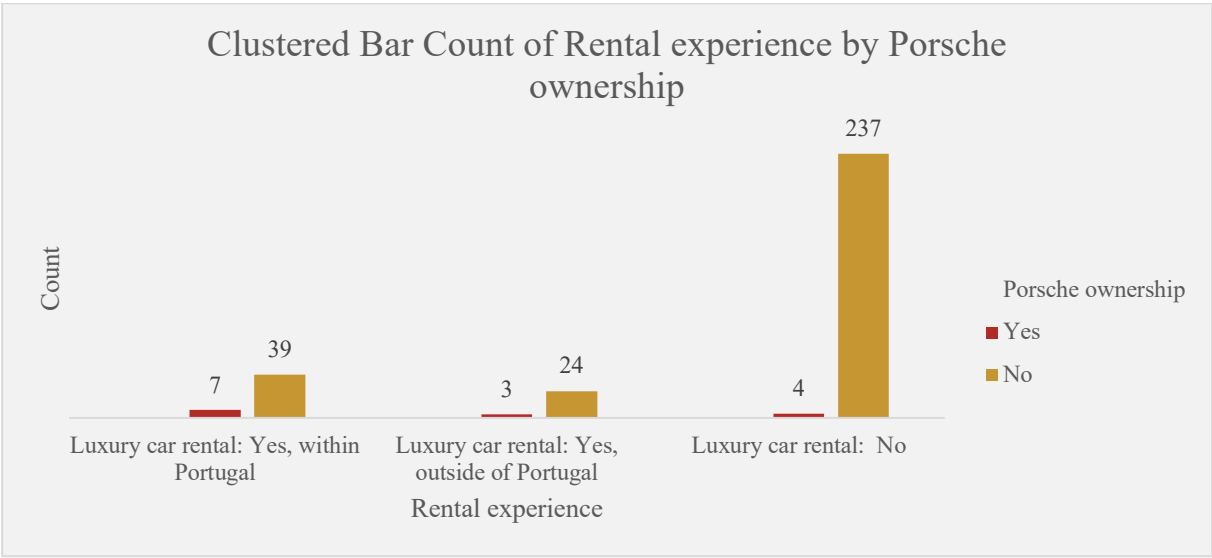


Figure 31: Rental Experience by Porsche Ownership

The p-value of the Chi-square test ($X^2 = 38.005$, $df = 3$) is less than the significance level of 0.05 ($p < .001$). This leads to the rejection of the null hypothesis of independence and concludes that there is a statistically significant association between the nominal variables Porsche ownership and the willingness to rent a luxury vehicle. Nevertheless, the total number of Porsche owners in the data set is relatively low and the statistical relevance of the Chi-square could be questioned. This confirms the initial hypothesis that Porsche owners are more prone to use the Porsche Drive offering. Only approximately 27% of non-Porsche owners have ever rented a luxury vehicle. In contrast, approximately 71% of Porsche owners have already rented a luxury car.

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5.2.2 Cluster Analysis Findings

The two-step cluster analysis was conducted to examine the primary uses of rental cars (Q15), based on nine input variables, following the process outlined in chapter 4.2.3, which resulted in the formation of four distinct clusters.

Cluster 1 (11.8%, n = 36): This cluster's predominant choice of "none of these apply" as the key variable suggests that their reasons for renting cars do not align with the common purposes outlined in the survey. This indicates a niche segment within the rental car market with unique needs or preferences that are not adequately captured by the standard options provided in the survey answers.

Cluster 2 (39.7%, n = 121): The preference for "weekend getaways" in this cluster implies a significant consumer segment using rental cars primarily for short recreational trips. This insight is valuable for rental car companies focusing on leisure travel, suggesting a demand for services catered to weekend travel.

Cluster 3 (18%, n = 55): The emphasis on "special occasion" usage in this cluster highlights a market segment that views rental cars as a part of celebrating significant events. This information is particularly useful for marketing strategies aimed at positioning rental cars as a component of special life events.

Cluster 4 (30.5%, n = 93): The co-importance of "experiencing a luxury car" and "special occasions" in this cluster indicates a consumer group interested in the premium segment of the rental car market, often linked with special events. This suggests an opportunity to target consumers seeking to enhance special occasions with luxury car experiences.

6 Porsche Drive Implementation Strategy

6.1 Segmentation, Targeting, and Proposition Process

Before assessing the best strategy for Porsche Drive to successfully enter the Portuguese market, it is essential to thoroughly analyze the consumer's behavior, needs, and characteristics, as this is usually translated into different reactions to products, brands, and marketing efforts. Only after this assessment, a market segmentation will be proceeded to indicate the most suitable target group for the rental model. Then, a positioning strategy must be defined, to highlight Porsche Drive's differential advantage in comparison to other rental providers that are present in the Portuguese market. Therefore, the process to complete the segmentation, targeting, and positioning according to George (2021; Figure 32) will be followed.



Figure 32: STP Process (Source: George 2021)

6.1.1 Definition of Segmentation Criteria

Segmentation involves dividing the market into consumer groups with similar needs, wants, characteristics, and behavioral patterns (George 2021). Based on a sample of 305 survey respondents, the entire Portuguese market was inferred, and four segments were identified and validated that differ significantly based on behavioral, geographic, and demographic variables.

Firstly, a two-step cluster analysis (Chapter 5.2.2) was utilized to form clusters through a behavioral segmentation approach (Q15 Primary Use). This analysis helps in identifying distinct groups within the data, each representing a different customer segment. Secondly, a descriptive

analysis was performed (Appendix 14), analyzing the clusters (1,2,3,4) against the frequencies and percentages of other demographic variables (Gender, Age, Income, and Residence). This will give an initial understanding of the distribution and characteristics of each segment.

6.1.2 Definition of Segment Profiles

Four customer segments can be identified in the sample of the top 40% of income individuals living in Portugal. Table 10 illustrates the distribution of gender, age, income, and area of residence within each cluster determined by the primary use of luxury rental cars (Q15), providing a comprehensive view of the potential customer base for Porsche Drive. It shows how the different customer segments might be targeted based on preferences for specific uses of rental cars.

Table 10: Customer Segments Cluster Analysis

	Unconventional Renter (None of these apply) (11.8%, n = 36)	Experience Seekers (Weekend getaway) (39.7%, n = 121)	Celebratory Renter (Special Occasion) (18%, n = 55)	Luxury Explorer (Luxury vehicle & Special Occasion) (30.5%, n = 93):
Gender	Majority female (58.33%).	Majority male (58.68%).	Majority female (63.64%).	Almost equal, with female (50.54%) and male (49.46%).
Age	Equal split between "Less than 50 years" and "50+ years" (50% each).	Predominantly "Less than 50 years" (67.77%).	"Less than 50 years" forms a majority (58.18%).	Dominated by "Less than 50 years" (65.59%).
Residence	Dominated by residents of Lisboa e Vale do Tejo (47.22%).	Majority from Lisboa e Vale do Tejo (43.80%).	Mostly from Norte (43.64%).	Lisboa e Vale do Tejo forms the largest group (50.54%).
Income	Most common bracket €50,000 - €69,999 (38.89%).	Dominant bracket €50,000 - €69,999 (43.80%).	Most frequent bracket €50,000 - €69,999 (29.09%).	Highest in €50,000 - €69,999 bracket (44.09%).

The “Unconventional Renter” segment is classified by a balanced age distribution and a predominant geographical concentration in the Lisboa e Vale do Tejo region. The demographic diversity of this group suggests the presence of a broad spectrum of unmet needs within the

rental car market, highlighting an array of potential opportunities for service diversification and market expansion. This segment's distinct characteristics underscore the necessity for Porsche Drive to address more niche and varied customer preferences.

The “Experience Seeker” archetype is predominantly characterized by a younger demographic, primarily those under the age of 50. This group largely hails from the Lisboa e Vale do Tejo area and describes a customer base with a preference for short, recreational trips, placing high value on convenience and leisure-oriented service offerings. This group's preferences suggest a market segment with a keen interest in user-friendly, flexible rental options that cater to spontaneous and leisure travel needs.

The segment “Celebratory Renter” is distinguished by a slightly younger demographic profile and a substantial representation from the Norte region. The “Celebratory Renter” views rental cars as an integral component of celebrating significant life events. This implies a market segment with expectations for reliable and high-quality rental services. The prominence of this segment within the rental car market indicates a strong demand for services that are not only functional but also contribute to the enhancement of special occasions, thus offering rental companies an opportunity to position their services as part of memorable experiences.

The customer segment “Luxury Explorer” is primarily composed of individuals under the age of 50, predominantly residing in the Lisboa e Vale do Tejo region. The “Luxury Explorer’s” inclination toward luxury vehicles and special occasion rentals suggests a lucrative market segment interested in premium, high-end rental services. This group’s preference underscores the potential for rental car companies to develop and offer luxury-focused rental options, catering to a clientele seeking to augment their special events with high-quality, luxury vehicle experiences.

6.1.3 Assessment of Segment Profiles

Following George's (2021) STP (Segmentation, Targeting, Positioning) framework, this analysis looks at the characteristics, opportunities, and potential challenges of the four identified customer segments for Porsche Drive in Portugal. This evaluation aims to identify the most viable and attractive targets for market entry and expansion, considering the unique dynamics of each segment.

The primary advantage of targeting the segment "Unconventional Renter" lies in the opportunity to explore untapped market niches, offering Porsche Drive a chance to differentiate itself in the competitive landscape. Additionally, successfully addressing the diverse needs of this group could extend Porsche Drive's market reach and enhance brand appeal. However, the segment presents challenges, including the uncertainty of its broad range of unaddressed needs, which may necessitate extensive market research and bespoke service offerings. Moreover, its limited size, constituting only 11.8% of the sample, might imply lower revenue potential compared to larger segments. The "Experience Seeker's" inclination towards leisure trips aligns well with Porsche's brand image of luxury and adventure, presenting a substantial opportunity for market penetration. The segment's size indicates a significant volume opportunity, yet it also brings potential challenges. The younger demographic might exhibit more price sensitivity, potentially impacting profitability. Furthermore, their preference for short trips could necessitate a dynamic and flexible approach to fleet management. The expectation of "Celebratory Renter" for high-quality service dovetails with Porsche's luxury positioning. Targeting this segment offers the potential to create an emotional connection with the brand, fostering long-term brand loyalty. However, the demand linked to special occasions might result in fluctuating and seasonal rental patterns. Additionally, effectively reaching this segment could require more targeted and potentially costlier marketing strategies. The "Luxury Explorer" segment's willingness to pay premium prices suggests a high revenue potential per customer, perfectly aligning

with Porsche Drive's luxury brand image. However, the segment's smaller size (30.5%) might limit the overall market scale. Moreover, meeting this segment's high expectations for luxury could require significant investments in a high-end fleet and exceptional service offerings.

The comprehensive analysis of these segments underscores the multifaceted nature of the Portuguese luxury car rental market and the varied opportunities it presents for Porsche Drive. While the "Unconventional Renter" and "Experience Seeker" segments offer prospects for market expansion and volume sales, they come with challenges in terms of customization and price sensitivity. Conversely, the "Celebratory Renter" and "Luxury Explorer" segments, though more niche, promise higher returns per customer and a closer alignment with Porsche's luxury image requiring focused marketing and high-caliber service delivery. Porsche Drive's strategic approach to the Portuguese market will thus hinge on balancing these diverse segment attributes against its own brand positioning and operational capabilities.

6.1.4 Selection of Target Groups

After analyzing the potential of each segment, and for all the reasons stated above, the target that seems to better suit Porsche Drive's proposition and offer greater prospects is the "Luxury Explorer" segment. Targeting the "Luxury Explorer" segment aligns seamlessly with the brand's high-end positioning, leveraging the allure of driving premium Porsche vehicles. This segment, which seeks out luxury experiences and values the prestige associated with high-end products, offers significant revenue potential. By focusing primarily on this segment, Porsche Drive can capitalize on its strengths - offering an elite, luxurious driving experience that epitomizes status and sophistication.

Further, targeting all segments indiscriminately might dilute the unique positioning of Porsche Drive as a provider of luxury automotive experiences. Therefore, while the "Luxury Explorer" segment remains the primary focus due to its direct alignment with Porsche Drive's brand and

value proposition, the "Experience Seekers" segment represents a strategic secondary target. This segment, characterized by a desire for adventure and leisure travel, presents an opportunity for Porsche Drive to expand its market reach. By offering tailored packages and experiences that align with the lifestyle and aspirations of this segment, Porsche Drive can tap into a broader customer base. This approach not only allows for market expansion but also introduces the brand to potential future luxury clients, fostering long-term customer relationships. This targeted approach lets the brand maintain its distinctive image while exploring growth opportunities in the broader market.

Further, the identification of distinct customer personas plays a pivotal role in tapping into the market. These personas represent key segments within the broader market, each with unique preferences for Porsche Drive's service offerings.



Figure 33: Porsche Drive Target Personas

João - The Innovator: At 38 years old, João, a CTO at a Lisbon-based tech startup, exemplifies a tech-savvy and performance-driven individual. His life revolves around cutting-edge technology and high efficiency. João's preference for a seamless digital experience in car rental, from booking to drop-off, mirrors his professional ethos. His choice of high-performance vehicles reflects his status in the tech world. João's lifestyle, which blends work with comfort and

includes extending business trips for leisure, makes him a prime candidate for Porsche Drive's efficient and high-status offerings.

Ricardo and Sofia's Anniversary: The couple from Coimbra, in their mid-30s, symbolizes the segment that celebrates life's milestones with luxury and uniqueness. Their pursuit of memorable experiences for their anniversaries makes them ideal for Porsche Drive's luxurious and exclusive services. They seek a car rental experience that is not just about transportation but is an integral part of their celebration, adding glamour and excitement.

Miguel - The Connoisseur: Miguel, a 50-year-old luxury real estate mogul from Lisbon, represents the sophisticated clientele who appreciate exclusivity and craftsmanship. His involvement in elite social events and his discerning taste for rare and luxury items positions him perfectly for Porsche Drive's exclusive and high-end vehicle offerings. Miguel seeks car rentals that provide the latest and most exclusive Porsche models, aligning with his lifestyle and status.

Helena - The Jet-Setter: In her early 50s, Helena from Porto is a seasoned traveler with a taste for luxury. Her frequent weekend getaways to upscale destinations such as the Algarve demand a car rental service that matches her sophisticated lifestyle. Her preference for exclusive treatment and additional concierge services aligns well with Porsche Drive's luxurious offerings.

6.1.5 Definition of the desired unique position in the mind of targeted consumers

For an effective positioning, after clearly identifying the target market in which it will compete, a brand should seek a differential advantage by selecting the benefits that will make it stand out and decide in which way to use that against the competition (Larry and Elliott 2021). The positioning decision emerges from an analytical process designed to determine the target audience of a specific brand, its competitors, the benefits it offers, and the reasons supporting these claimed benefits (Kapferer 2012). To successfully position Porsche Drive, an answer will be given to each of these questions.

The essence of positioning, as elucidated by George (2021), lies in creating a distinct perception of a product in the minds of the target audience based on key attributes. Porsche's positioning strategy in the Portuguese market, thus, revolves around crafting a unique image, focusing on differentiated benefits and competitive positioning to appeal effectively to the identified segments.

Porsche Drive competes in the luxury car rental market in Portugal. Therefore, the brand needs to establish itself against seasoned players, both national and international. Given the "Luxury Seeker" segment's strong tendency towards high-end, quality experiences, Porsche Drive's frame of reference is positioned among luxury vehicle rental services. A perceptual map is used to illustrate Porsche Drive's market positioning in comparison to its competitors based on attributes such as luxury level and exclusivity (see Figure 34). This map demonstrates Porsche Drive's positioning as a high-luxury, exclusive service provider in the Portuguese market. The placement of Sixt Luxury is predicated on its provision of an extensive selection of Porsche models and comprehensive services, which elevates its status and justifies its premium pricing structure. Diverso's positioning is similarly elevated, attributed to its unique online portal that offers an exclusive fleet, thereby enhancing its status. Nevertheless, its expense positioning may be slightly attenuated in comparison to Sixt Luxury, contingent upon its competitive pricing strategy. Max Car Travel's placement is characterized by moderation in both expense and status, which is reflective of its assortment of luxury brands that cater to a diverse consumer base. Hertz's global recognition confers its moderate expense rating, yet the lack of Porsche offerings and its widespread accessibility may influence its perceived status, positioning it lower on the status scale.

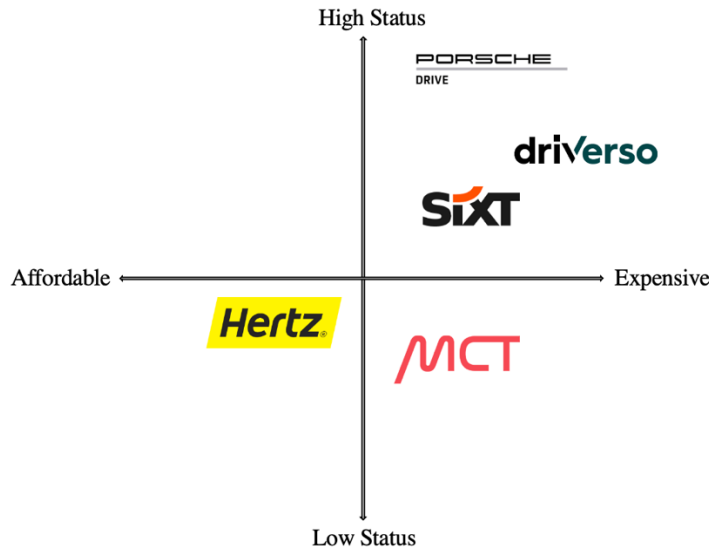


Figure 34: Perceptual Map of Porsche Drive's Competitors in the Luxury Car Rental Market

Porsche Drive's competitiveness lies in its brand legacy of delivering high-quality, performance-driven luxury vehicles. The differentiator for Porsche Drive is the synthesis of luxury, performance, and exclusivity. The primary benefit Porsche Drive offers is access to an exclusive fleet of high-performance luxury cars, delivering a unique driving experience that goes beyond mere transportation. This aligns well with the desires of the primary target segment, who seek more than just a car rental – they seek an experience that resonates with their lifestyle and status. The support for these benefits is rooted in Porsche's global reputation for excellence in automotive engineering, design, and performance. The brand's history of crafting vehicles that blend luxury with performance underpins its promise to deliver an unmatched driving experience (Figure 35).



Figure 35: Mood Board Porsche Drive for the "Luxury Explorer"

Porsche Drive's positioning is strategically aimed at defining its market position (Figure 36). By implementing this approach, Porsche Drive aims to position itself above its competitors in the perception of consumers and thereby achieve a higher prestige status. This strategic positioning is crucial for increasing Porsche Drive's brand awareness and positioning it as the market leader in its segment.

"For the discerning "Luxury Seekers" in Portugal, Porsche Drive offers an unparalleled blend of luxury and performance, encapsulating a unique driving experience that transcends traditional car rental services. It's not just about renting a luxury car; it's about owning the road with a Porsche."

Figure 36: Porsche Drive's Positioning Statement

6.2 Marketing and Promotion Strategy

The final phase in the marketing strategy development process involves its actual implementation. This requires employing a marketing mix that aligns with the positioning in Chapter 6.1.4. The marketing mix, a fundamental model in marketing, comprises the four key elements known as the four P's: Product, Price, Place, and Promotion (George 2021). This sub-chapter will specifically delve into product, price, and promotion, while the remaining P, place, will be comprehensively addressed in Chapter 6.3.

6.2.1 Product

The "Luxury Explorer" persona, characterized by a desire for high-end experiences, sets specific requirements for a rental service like Porsche Drive. These requirements encompass exclusivity, convenience, and flexibility. While the detailed exposition of the Porsche Drive service is provided in Chapter 2.4, the following paragraphs will draw from Kotler's (2003) Five Product Levels model which aims to underscore distinct approaches through which Porsche can enhance and augment the value proposition of their new service (Figure 37). Kotler's model categorizes a product into five layers, including the core benefit, basic product, expected product, augmented product, and potential product (Kotler 2003). The product levels are supported by key performance indicators (KPIs) and marketing matrices. For instance, the customer lifetime value (CLV), a metric measuring a customer's value to a company, guides a marketing strategy focused on building long-term relationships through comprehensive customer relations (Qualtrics 2023). Simultaneously, the churn rate, referring to the percentage of customers or subscribers discontinuing transactions with a business, emphasizes the importance of customer retention for increasing their lifetime value over time (Danao 2023).

Core Benefit - Experience and Status

At its core, Porsche Drive provides customers with the essential benefit of experiencing luxury and performance. Beyond the physical act of renting a car, customers seek the elevated status and unique driving experience associated with a Porsche.

Basic Product - Luxury Car Rental Service

The basic product level involves the fundamental offering of luxury car rentals. Customers gain access to a fleet of high-end Porsche vehicles for a specified rental period. It is recommended to have a curated fleet of the latest and most prestigious Porsche models, as this feature addresses the exclusivity aspect, catering to the “Luxury Explorer's” taste for uniqueness and quality.

The following three levels present potential avenues for advancing and enriching the Porsche Drive service after the successful implementation. It is crucial to recognize that these additional benefits not only contribute value but also incur costs for Porsche Drive. Consequently, a comprehensive customer demand and cost/benefit analysis should be undertaken before the potential implementation of these additional services in the future.

Expected Product - Concierge Services

Beyond the car itself, Porsche could offer concierge services to meet the expectations of luxury consumers. This can include features such as personalized customer support, doorstep delivery, airport pick-up and drop-off, and assistance with trip planning. By adding this service, Porsche Drive can differentiate itself from competitors and enhance the overall experience of luxury car rental for their customers. Additionally, exceptional concierge services are likely to boost customer satisfaction, leading to positive referrals and higher retention rates. Enhanced satisfaction and consequent loyalty positively influence the CLV by increasing the likelihood of repeat business.

Augmented Product - Exclusive Member Benefits

It is suggested that Porsche creates a membership program for frequent users, offering augmented benefits such as priority booking, access to special events or Porsche-related experiences, and loyalty rewards. This not only adds value but also fosters a sense of exclusivity and customer loyalty.

Potential Product (1) - Luxury Travel Packages

By collaborating with high-end hotels, resorts, and other travel partners, Porsche provides comprehensive luxury travel packages. This creation of all-inclusive experiences potentially allows the brand to integrate the Porsche Drive service into a broader luxury lifestyle package.

Potential Product (2) - Subscription-Based Model

Once successfully established in the Portuguese market, Porsche will introduce the "Porsche Drive Abo" as a supplementary offering, mirroring the abonnement model already available in Germany and the United States. While Porsche Drive Rental primarily caters to short-term rentals, "Porsche Drive Abo" differentiates itself by requiring a minimum commitment of six months. Flexibility is vital for the "Luxury Explorer" persona. This feature includes the option to swap vehicles according to the customer's changing preferences or desire to experience different car models. Potentially, this will reduce the churn rate as it aligns with the customer's desire for customization (Danao 2023). A lower churn rate indicates sustained customer relationships, thereby increasing the CLV through continuous revenue streams from loyal customers. Moreover, considering the increasing trend toward shared ownership, this presents an interesting business opportunity for the future in Portugal.

By strategically addressing each level of the Five Product Levels framework, Porsche can foster a long-term, value-driven relationship with the "Luxury Explorer" customer segment, enhancing their experience while simultaneously driving the business's success.

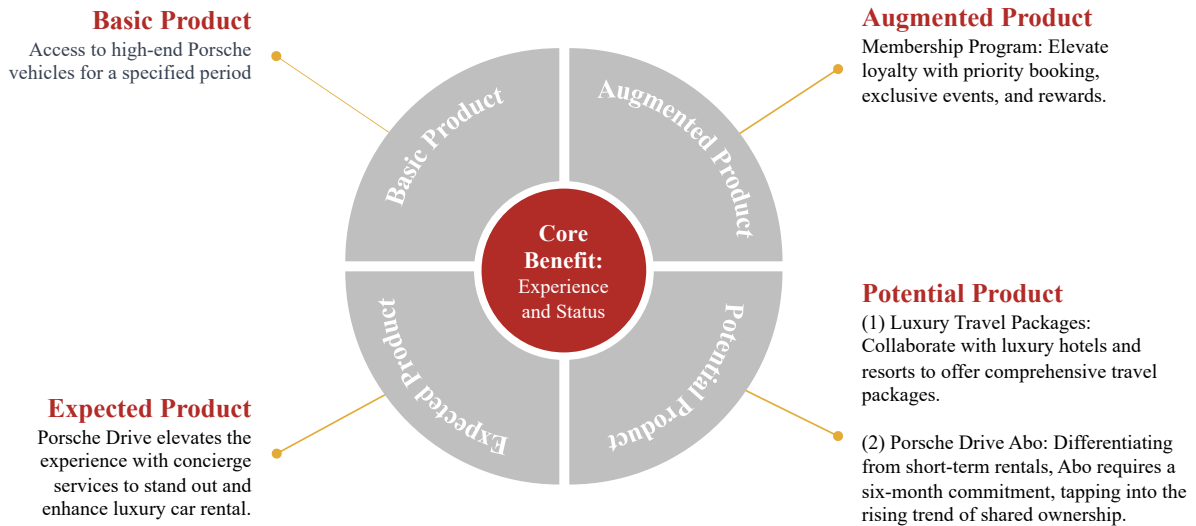


Figure 37: Five Product Levels (Source: Kotler 2003)

6.2.2 Price

As a crucial component of the marketing mix, the price of a product must be acceptable to target customers. Ultimately, price is the amount that customers will be willing to pay for a product or service (Twin 2023). A successful pricing strategy must link the price to the product's real and perceived value while considering costs and competitors' prices (ibid).

In the case of Porsche as a luxury automotive manufacturer, a value-based pricing strategy is recommended. Value-based pricing involves setting prices based on the perceived value of the product or service to the customer (Twin 2023). This in turn means that companies base their pricing on how much the customer believes a product or service is worth. The Porsche brand is globally recognized as a symbol of automotive excellence, luxury, and performance and therefore creates a distinct set of customer perceptions. Value-based pricing for Porsche Drive allows the brand to maintain its prestigious image and signals to customers that they invest in a product and experience that aligns with the highest standards. Therefore, the price is set beyond the tangible features of the product and encompasses the intangible elements that contribute to the overall luxury and prestige of the Porsche brand.

As Porsche Drive is already implemented in Spain, Porsche Ibérica has developed an overview of maximum prices per rental and vehicle type. This overview is based on an analysis of competitors’ prices (Porsche Ibérica S.A. 2022). As the thesis at hand did not have the resources to conduct such an extensive analysis specifically for the Portuguese market, the prices as displayed in Figure 38 will be used as a base for the pricing.

Model Period	911		718		Cayenne		Macan		Panamera		Taycan	
	Summer	Winter	Summer	Winter	Summer	Winter	Summer	Winter	Summer	Winter	Summer	Winter
1 day	€ 838	€ 629	€ 638	€ 479	€ 638	€ 479	€ 598	€ 449	€ 738	€ 554	€ 798	€ 599
2 days	€ 754	€ 566	€ 574	€ 431	€ 574	€ 431	€ 538	€ 404	€ 664	€ 498	€ 749	€ 562
3 days	€ 671	€ 503	€ 511	€ 383	€ 511	€ 383	€ 479	€ 359	€ 591	€ 443	€ 666	€ 500
weekend	€ 838	€ 629	€ 638	€ 479	€ 638	€ 479	€ 598	€ 449	€ 738	€ 554	€ 798	€ 599
4 days	€ 587	€ 440	€ 447	€ 335	€ 447	€ 335	€ 419	€ 314	€ 517	€ 387	€ 580	€ 435
5 days	€ 586	€ 440	€ 447	€ 335	€ 447	€ 335	€ 419	€ 314	€ 517	€ 388	€ 568	€ 426
6 days	€ 587	€ 440	€ 447	€ 335	€ 447	€ 335	€ 419	€ 314	€ 517	€ 388	€ 566	€ 425
1 week	€ 545	€ 408	€ 415	€ 311	€ 415	€ 311	€ 389	€ 291	€ 480	€ 360	€ 520	€ 390
2 weeks	€ 545	€ 408	€ 383	€ 287	€ 383	€ 287	€ 349	€ 262	€ 443	€ 332	€ 480	€ 360
3 weeks	€ 545	€ 408	€ 351	€ 263	€ 351	€ 263	€ 329	€ 247	€ 406	€ 304	€ 444	€ 333
1 month	€ 545	€ 408	€ 351	€ 263	€ 351	€ 263	€ 329	€ 247	€ 406	€ 304	€ 444	€ 333
2 months	€ 545	€ 408	€ 351	€ 263	€ 351	€ 263	€ 329	€ 247	€ 406	€ 304	€ 444	€ 333
3 months	€ 545	€ 408	€ 351	€ 263	€ 351	€ 263	€ 329	€ 247	€ 406	€ 304	€ 444	€ 333

Figure 38: Porsche Ibérica Rental Prices Overview

As Figure 38 shows, prices differ between vehicle models, renting durations, and seasons. The demand is expected to be significantly higher during the summer months due to the combination of seasonal tourism, favorable weather, special occasions, and the increased appeal of luxury experiences during summer. In chapter 6.4 the price adjustments for the implementation in Portugal are explained in detail.

6.2.3 Promotion and Advertising

The final component of the marketing mix is promotion. It is employed to communicate information about products or services to target markets. Additionally, it holds a crucial role in educating, persuading, and reminding consumers, with the overarching goal of stimulating demand and generating customers (George 2021). Promotional activities encompass a range of

tools, including but not limited to digital marketing, public relations, social media, sponsorship, influencer marketing, personal marketing, and marketing communications. In this thesis, the promotion for Porsche Drive primarily involves Porsche Ibérica, but also the Porsche Centers that offer this service. Insights from Porsche Center interviews indicate that email marketing, promotional materials such as flyers and roll-ups, collaborations, and personalized marketing through direct meetings or calls are considered the most effective strategies among Spanish Porsche Centers. Particularly successful outcomes have been observed in collaborations with event planners. This goes hand in hand with the survey findings and the identified target group “Experience Seekers” and that the primary use for Porsche Drive “weekend getaway” had the most responses.

Omnichannel marketing is being used in the recommended promotion strategy and therefore various communication channels are being suggested to create a cohesive and unified brand experience for the target audience (George 2021).

Offline Marketing

Firstly, there are requirements by Porsche Ibérica for every dealership that offers Porsche Drive to have a service desk and a certain number of flyers and other print advertisements available in each participating Porsche Center. This will support informing existing and potential Porsche customers while they are at the Porsche Center. According to a survey on the demographics of digital and print magazine readers, the median age of print magazine readers is 50, with a gender distribution of 55% women and 45% men (MRI-Simmons 2019). Considering the chosen target group, Porsche Drive holds significant potential for advertising in upscale lifestyle magazines such as Essential Lisboa or Essential Algarve.

Email Marketing

To maximize the impact of the Porsche Drive service introduction, a strategic recommendation is to leverage the existing customer database through targeted email marketing initiatives. The primary objective is to educate and inform current customers about the new service offering. Moreover, incorporating email campaigns presents an opportunity to deliver personalized offers to both existing customers and potential prospects. These campaigns should be seamlessly integrated with other communication channels to ensure a cohesive and unified brand message.

Partnerships and Events

This thesis proposes a strategic elevation for Porsche Drive by targeted partnerships and exclusive events. The objective is to tap into the growing customer demand for renting Porsches for special occasions by fostering collaborations with luxury hotels, high-end restaurants, and other selected partners. These places attract a clientele that is likely to be interested in luxury experiences, including premium car rental services. They are typically located in prime areas frequented by affluent individuals. This strategic geographic alignment ensures that Porsche Drive and the overall brand are promoted in locations where it is more likely to attract the attention of its target audience that values and can afford luxury services. A selection of possible cooperation partners for selected Porsche Center locations can be found in Figure 39. Promotional materials should be made available at hotel concierge desks. The Porsche Center in Porto should especially consider promoting Porsche Drive at wine estates in the close by Douro Valley, as wine tourism is seen as a premium leisure activity that attracts the demographics of Luxury seekers (Bruwer and Lesschaeve 2012). Wine farms are typically situated in picturesque and scenic locations, making it even more appealing to customers to rent a prestige Porsche sports car and explore the scenic routes. Additionally, it is recommended to utilize the Five Product Levels model to create exclusive packages or offers that combine Porsche Drive experiences

with luxury hotel stays and gourmet dining. These packages will attract customers looking for unique and curated experiences.



Figure 39: Possible Cooperation Partners

Cross-promotional activities with golf or tennis clubs, such as joint marketing campaigns or exclusive offers for club members, will be mutually beneficial (Sharma 2023). These clubs typically attract Porsche Drive’s target demographic and those with a higher likelihood of interest in luxury experiences. Such individuals often have disposable income and a taste for premium services, making them match Porsche’s target group. Moreover, clubs host various events, tournaments, and social gatherings. Sponsoring or participating in these events provides Porsche with exposure to their new service to a captive audience interested in high-end experiences.

Recognizing "special occasions" as a primary motivator for Porsche rentals, the thesis suggests that collaborations with wedding planners and event organizers could amplify Porsche Drive's presence in the special events space. In partnership with wedding planners, special packages could be offered to couples looking for a luxurious and memorable experience.

Lastly, the strategy advocates for promotional displays in VIP lounges at major airports. This would target business travelers and individuals looking for a premium transportation experience upon arrival in Portugal. This strategic framework seeks to position Porsche Drive as a

distinctive player in the luxury car rental market, intertwining the brand with premium lifestyle experiences and exceeding customer expectations.

Online Presence

Moving on from offline to online promotion approaches, ensuring a consistent brand presence on various online platforms is highly important. This includes the official Porsche Ibérica website, the Porsche Center websites, and social media channels. The strategic approach starts with the optimization of the existing website through Search Engine Optimization (SEO). This entails tailoring the website's content and structure to align with keywords associated with luxury car rental services and special occasions in Portugal. Simultaneously, a robust content marketing strategy should be implemented by featuring engaging blog posts that explore topics such as “Top Luxury Drives in Portugal” and “How to Make Special Occasions Memorable with Porsche Drive”. This will offer valuable insights and information to the target demographic.

Additionally, online advertising campaigns will be launched on platforms such as Google Ads, strategically targeting users aged between 35 and 50 in Portugal who express an interest in luxury cars, luxury experiences and special occasions.

Social Media Marketing

Moreover, by implementing promotion on platforms such as Facebook, Instagram, LinkedIn and YouTube, Porsche directly engages with the target audience and fosters social interaction. While the target demographic falls within the age range of 35 and 50, which traditionally may not be the most engaged on social media, a recent study from Forbes brings attention to the fact that a substantial 73% of individuals aged between 50 and 64 and an impressive 81% of those aged 30 to 49 actively use at least one social media platform (Wong 2023). Considering the primary age demographic, in this specific case, opting for Facebook and Instagram proves to be slightly more suitable than LinkedIn (Koch 2023). Themed posts, such as "Celebrate with

Porsche", "Seaside Sophistication: Porsche Drive in Coastal Bliss" and "Escape the Ordinary: Porsche Adventures Await" as well as images and short videos of Porsche cars in scenic Portuguese locations leverage these visually driven platforms to create an emotional connection with the audience. This emphasizes the brand's suitability for memorable getaways and events and can also attract a community feeling. Furthermore, LinkedIn serves as a professional hub where articles and posts highlight executive experiences with Porsche Drive, positioning the service as an ideal choice for corporate events or business-related occasions. YouTube has the potential to serve as an authentic platform and capitalize on the impact of video testimonials from customers who enthusiastically recount their unforgettable Porsche Drive experiences in Portugal.

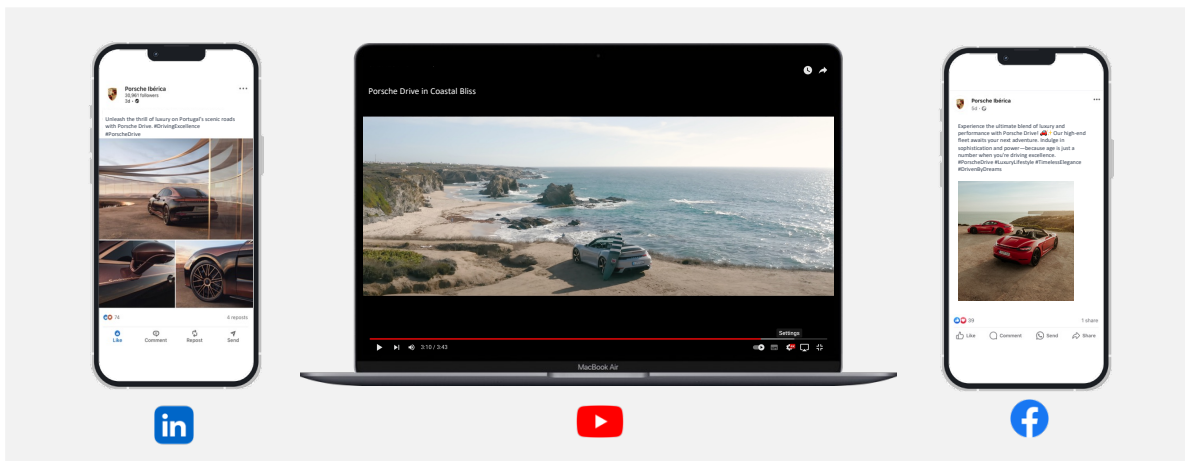


Figure 40: Social Media Post Ideas

Being active on social media platforms will simultaneously attract a younger demographic which can be beneficial for expanding the current target group in the following years after the implementation.

Exclusive Launch Event in Comporta

To introduce Porsche Drive to the Portuguese market, an exclusive launch event was conceptualized. The following paragraphs explore the details of the event and how luxury, performance, and strategic promotion collectively position Porsche Drive as the quintessence of

automotive excellence. Comporta, a small beach town located an hour's drive from Lisbon, has been selected as the venue for an exclusive launch event. Renowned for its upscale amenities, luxurious resorts, and natural surroundings, Comporta serves as an ideal setting to captivate the demographic interested in Porsche Drive (Vernon 2023). Key Porsche customers, heads of the Porsche Centers, PR representatives from luxury hotels, lifestyle, travel, and sportscar magazines, event planners, and influencers will be invited to the launch event. On the one hand, key Porsche customers are likely to be brand enthusiasts and potential advocates, amplifying positive word-of-mouth and brand visibility for this new service. On the other hand, while PR representatives can provide valuable media coverage by reaching a wider audience interested in luxury experiences and high-end automotive services, influencers bring a contemporary and relatable perspective and enhance the brand's social media presence. The event provides a unique networking platform and fosters connections between Porsche enthusiasts, industry leaders, and influencers. This can lead to potential future promotional opportunities. However, to make the launch exclusive and intimate, the number of guests is set to 25. The launch event will take place in the Sublime Comporta Resort. A small number of brand ambassadors will be carefully picked by Porsche Ibérica to explore the entire customer journey. This means, that the ambassadors collect their Porsche at one of the Porsche Centers and drive to the resort hosting the launch event. This will allow the ambassadors to gain a comprehensive understanding of Porsche Drive which therefore means more insightful and authentic content can be created. Compelling influencers to consider for this event include André Chaíça (@andrechaica), a prominent Portuguese influencer renowned for his expertise in travel, food, and lifestyle, and Fernando Guerra (@fernandoguerra), a distinguished photographer with previous collaborations on Porsche campaigns and an established role as a brand ambassador. Once the brand ambassadors and remaining guests have arrived in Comporta, the launch event starts. Figure 41 gives an overview of the events' schedule.

Day 1: Arrival and Welcome
16:00 – Refreshing Drinks and Canapés at the beach
20:30 – Gala Dinner and official Porsche Drive Launch @Sublime

Day 2: Breakfast and Networking
10:00 – Leisurely Breakfast and Networking
12:00 – Porsche Fleet Showcase

Figure 41: Launch Event Agenda

A strategic promotional campaign is integral to the success of the event. Before the event, personalized invitations need to be designed and sent to key individuals and influencers within the luxury automotive and lifestyle spheres and target demographic. PR members and influencers will receive a personalized approach with clear information about the event and the benefits of participating. Moreover, arrangements for collaborations in magazine articles and social media posts will be made before the event. A videographer will be present at the event to create content for social media and blog posts for after the event and for use in magazine articles. Through a selection of images, colors, and design elements, the mood board in Figure 42 provides an impression of the potential visual representation of the event.

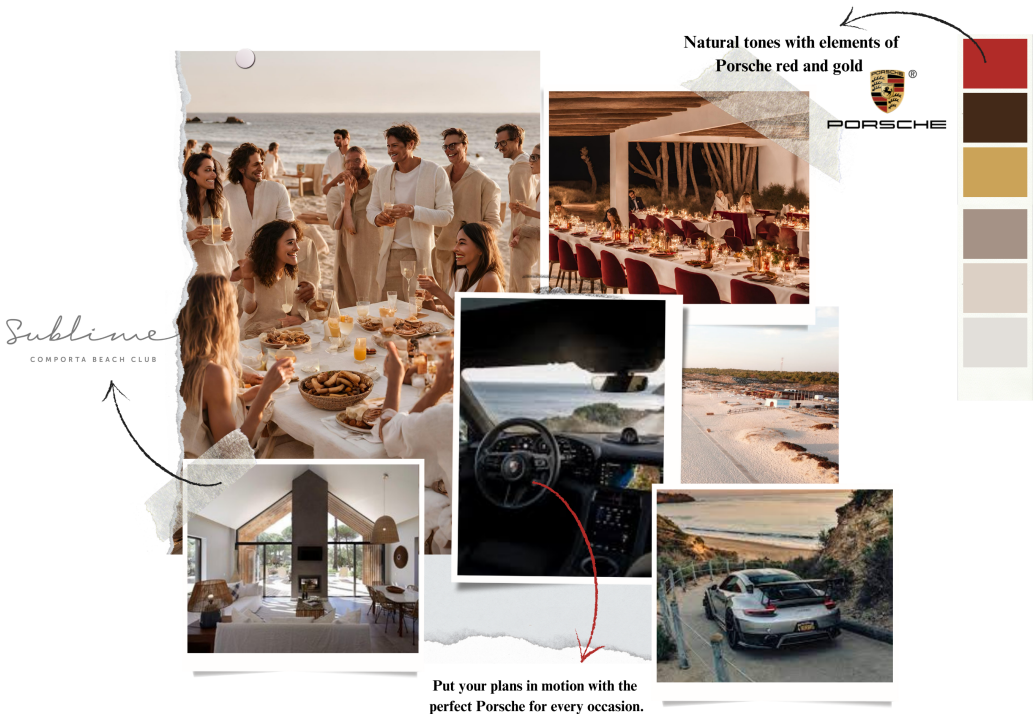


Figure 42: Mood Board Launch Event

The implementation of such an event requires a detailed budgetary plan. The breakdown includes expenditures for the resort, catering, the Porsche Drive experience, invitations, marketing materials, shuttle service for guests that are not arriving with Porsche Drive, and influencer collaborations. A detailed cost composition can be found in Table 11. The total budget of ~€30,000 reflects the investment in creating an unparalleled experience that aligns with the exclusivity of the Porsche brand.

Table 11: Launch Event Costs

Cost Categories	Amount
Hotel Rent for two Days	€7,500
Catering	€2,500
Five Porsche Drive Vehicles for two Days	€5,917
Print Invites	€300
Videographer	€1,200
Shuttle service	€800
Influencer Cooperation Budget	€12,000
Sum	€30,217

6.3 Sales and Distribution Strategy

A sales and distribution strategy includes all activities that deliver a value package intending to satisfy customers (Darmawan and Grenier 2021). In the case of the Porsche Drive service, the sales and distribution strategy includes decisions on the distribution channels, the workforce, the feedback system, the distribution of participating Porsche Centers, and the vehicle types per Porsche Center.

6.3.1 Distribution Channels

Distribution channels determine the pathway on how customers are being connected with the Porsche Drive service. Direct distribution channels are classified by direct sales between a company and its customers, having the benefit of a strong customer relationship. Indirect distribution channels, on the other hand, include one or more intermediaries in the sales process. Since the distribution is outsourced in this case, the service-providing company benefits from lower set-up costs compared to direct distribution channels (Ross 2022). As the official rental system of Porsche, direct distribution is proposed for the Porsche Drive service to take full advantage of the high awareness of the Porsche brand. Since the interviews with the Porsche Centers in Spain and Portugal showed that the customers of Porsche Drive in Spain and the normal Porsche rental customers in Portugal are mainly male and existing customers (dependency confirmed through hypothesis 1 and 3), the distribution strategy is focused on reaching this audience. Figure 43 and 44 show the booking preference of the survey respondents divided by gender and Porsche ownership.

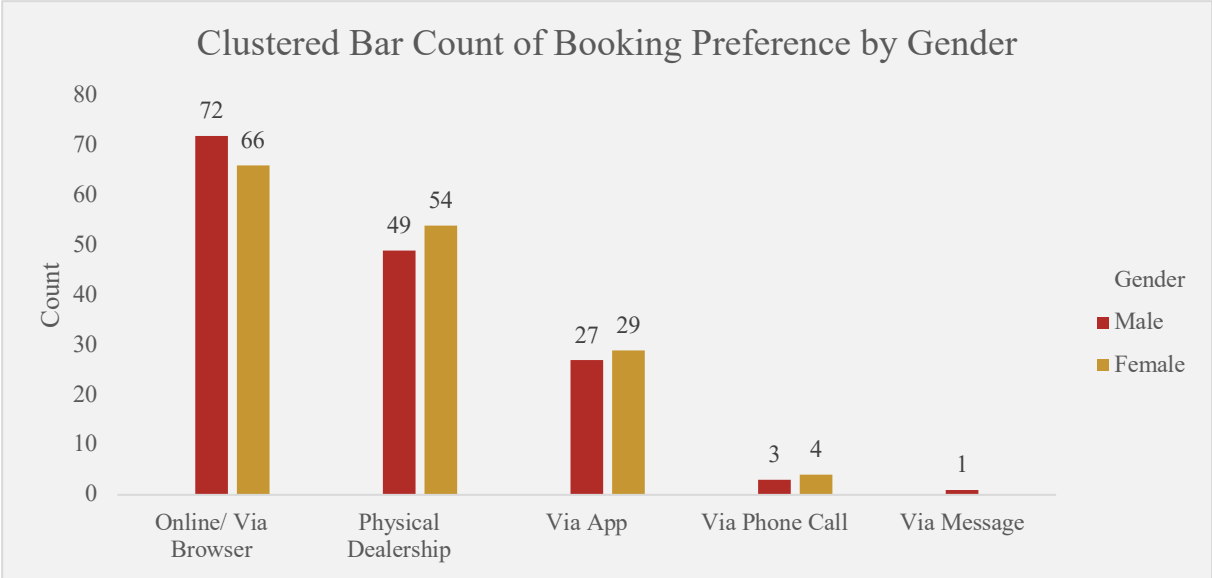


Figure 43: Booking Preference by Gender

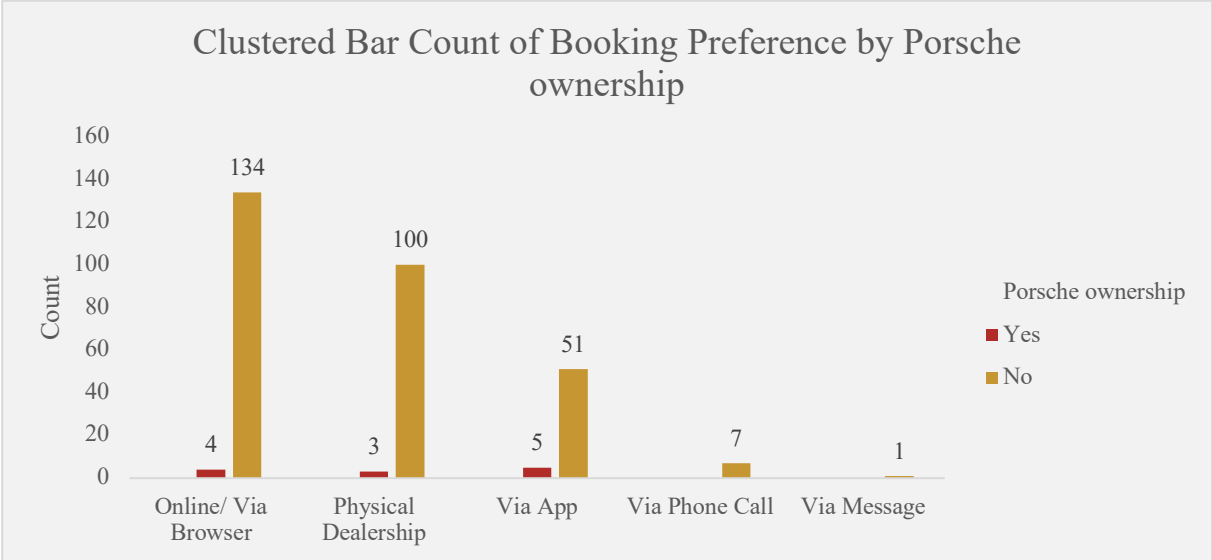


Figure 44: Booking Preference by Porsche Ownership

Both figures show three favored booking preferences among the underrepresented groups. Hence, Porsche will focus on offering Porsche Drive in Portugal as follows (Figure 45):

1. Physically within the Portuguese Porsche Centers to serve the existing workshop customers and walk-in customers.
2. Online via a separate website to cater to the needs of new customers and to be a real alternative to existing car rentals like Sixt or Hertz.
3. Via the Porsche Drive App.

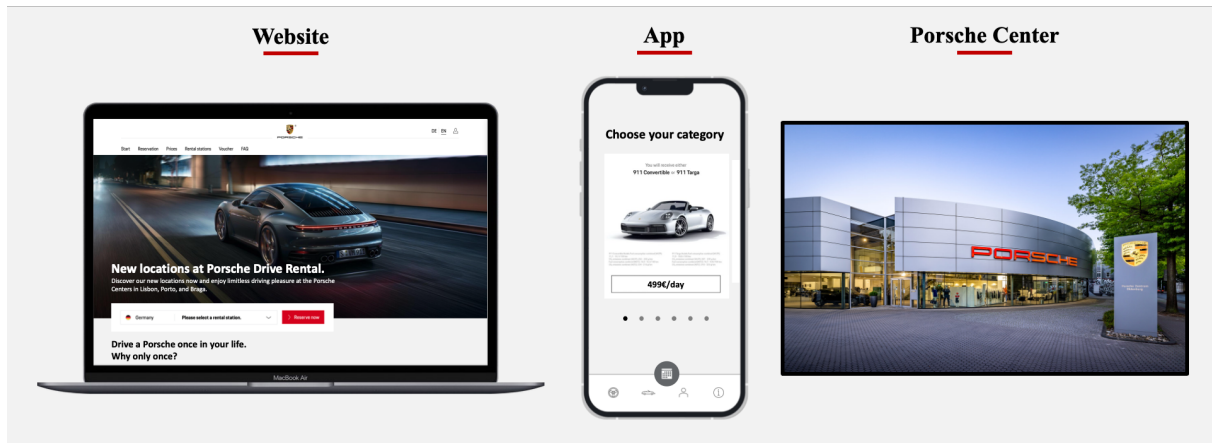


Figure 45: Porsche Drive Distribution Channels

6.3.2 Workforce

The interviews with the Spanish Porsche Centers showed that having a distinct responsible employee for the Porsche Drive service was one of the biggest success factors of the Porsche Drive implementation in Spain. Hence, the same is proposed for the implementation in Portugal to ensure the smooth operation of the new service. The responsibilities of the Porsche Drive manager include (Figure 46):

1. Booking of Porsche Drive Rentals for workshop customers or walk-in customers within the Porsche Center.
2. Preparing the vehicles for the rental customers, which includes checking for damages, fuel, or charging level, as well as if the required documentation is within the vehicle.
3. Checking in the customer on the day of the rental, whilst explaining the features of the car as well as the renting obligations.
4. Checking out the customer on the day of returning the vehicle.
5. Collect customer feedback if brought up during checkout.
6. Preparing the vehicle for future rentals, which includes the same steps as in number two as well as handing over the vehicle to the cleaning service.



Figure 46: Porsche Drive Manager Responsibilities

Rising demand or future product developments (see Chapter 6.2.1) of Porsche Drive can have implications on the workforce. With rising demand, the required minimum number of Porsche Drive managers could increase. In the case that Porsche Drive will provide an additional concierge service in the future, the Porsche Drive manager must be complemented by one or more Porsche Drive concierges. The area of service delivery of the Porsche Drive concierge mainly consists of dropping off and picking up the rental vehicles of the customers. Hence, a prerequisite of the Porsche Drive concierge is owning a valid driver’s license.

6.3.3 Feedback System

Although every Porsche Center has a system in place on how to collect feedback from customers, no Porsche Center has a structured plan on how to follow through on the feedback. Therefore, the three-step approach of Vojtek and Smuda (2019) is used to provide an effective approach to handling feedback.

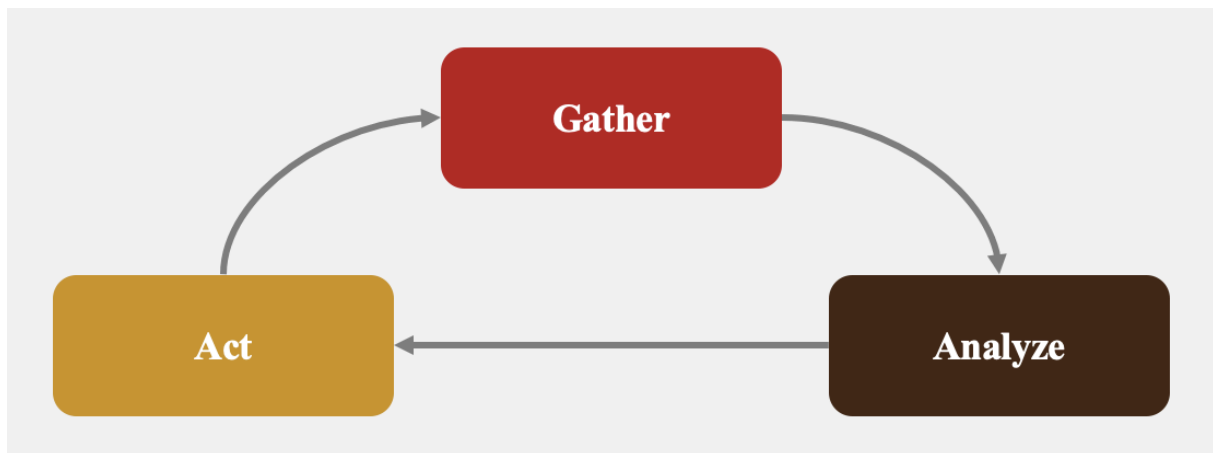


Figure 47: Feedback Cycle (Source: Vojtek and Smuda 2019)

Within the “gather” phase, a satisfaction survey is sent to the customer via mail after returning the vehicle and is triggered through the internal customer relationship management system of Porsche (C@P). After receiving the satisfaction survey from the customers, the “analyze” phase starts. In the “analyze” phase each category of the survey is tested on a pre-defined threshold score. If the score is below the threshold, a “to-do” is opened within C@P and sent to the responsible Porsche Drive manager. At this point, the “act” phase starts. During the “act” phase, the responsibility of the Porsche Drive manager is then to decide if the feedback is Porsche Center specific or affects the whole Porsche Drive service. If the feedback only affects the specific Porsche Center, the Porsche Drive manager can take measures and start implementing the changes. If the feedback is relevant for all Porsche Centers, the Porsche Drive manager escalates the feedback through C@P to Porsche Ibérica. Furthermore, a bi-weekly meeting with all the Porsche Drive managers will be held online, to exchange success stories and to talk about the status of feedback implementation.

6.3.4 Distribution of Participating Porsche Centers

Table 12 shows the Porsche internal calculation basis for declaring the number of required vehicles for the Porsche Drive service. Hence, the eligibility of Portuguese Porsche Centers for the Porsche Drive service results from calculating the required number of vehicles for Porsche Drive based on the vehicle transactions per year of each Porsche Center as a first step. Table 13 shows the distribution of new and used sold vehicles among the five Portuguese Porsche Centers derived from the conducted interviews and received internal data.

Table 12: Porsche Drive Transaction Calculations

Transac- tions ≤ per year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Φ
of 200	2	2	2	3	3	3	4	4	3	3	2	2	3
= 300	2	2	3	4	5	5	5	5	5	4	2	2	4
= 400	2	3	4	5	6	6	7	6	6	5	3	3	5
= 500	2	3	4	6	7	7	8	8	7	6	4	3	5
= 600	3	4	5	7	8	9	10	9	8	7	5	4	7
= 700	3	4	6	8	10	10	11	11	10	8	5	4	8
= 800	4	5	6	9	11	11	11	11	11	9	6	5	8
= 900	4	5	7	10	11	12	13	13	11	10	6	5	9

Table 13: Vehicle Sales Porsche Centers Portugal

	Lisbon	Porto	Braga	Faro	Leiria
Sold vehicles (new)	370	270	130	102	115
Sold vehicles (used)	120	170	80	28	50
SUM sold vehicles	490	440	210	130	165
Porsche Drive minimum Vehicles	5	5	3	0	0

Due to the internal Porsche requirements, the Porsche Centers in Lisbon, Porto, and Braga are all eligible to offer the Porsche Drive service. Since the yearly vehicle transactions of the Porsche Centers in Lisbon and Porto exceed 400 (490, and 440 respectively) and 200 in Braga, 5 vehicles (Lisbon, Porto) and 3 vehicles (Braga) per Porsche Center need to be withheld for the rental service. Furthermore, since the yearly vehicle transactions in the Porsche Centers in Faro and Leiria fall below 200, Porsche Drive is not eligible in the respective Porsche Centers. Additionally, approximately 78% of the surveyed target individuals live in the Lisbon and Norte areas, which further supports the strategy of offering Porsche Drive in the proposed Porsche Centers.

Nevertheless, to run a car rental business in Portugal without any conditions, a minimum number of 7 vehicles is required per Porsche Center (Chapter 6.4.2). Hence, all eligible Porsche Centers will start the Porsche Drive service with 7 vehicles to reduce friction and enable a smooth implementation of the service in Portugal. Further vehicles can be implemented into the service if the demand shows significant growth in the first months of the implementation.

6.3.5 Vehicle types per Porsche Center

The distribution of vehicle types is based on two survey questions. Q19 gives insights into the fuel preference and Q20 insights into the vehicle preference of the respondents. To gather unbiased data, the survey was conducted independently of the Porsche brand. Hence, the survey respondents were not able to select distinct Porsche models but rather standardized vehicle categories. Therefore, Q19 is important to derive the distribution of the full electric Porsche Taycan. Tables 14 and 15 show the distribution of fuel preferences and the vehicle preferences of the survey respondents adjusted by fuel type.

Table 14: Survey Fuel Type Distribution

Fuel type	Survey Distribution
Electric	23%
ICE	77%

Table 15: Survey Vehicle Preferences Adjusted by Fuel Type

Vehicle Type	Survey Distribution	Adjusted distribution ¹	Assigned Porsche vehicle
SUV	25%	20%	Cayenne, Macan
Convertible	17%	13%	911 Convertible / Targa, 718 Boxster
Sports Car and Coupe	54%	42%	911 / 718 Cayman
Station Wagon	3%	2%	Panamera

¹Results from multiplying vehicle type distribution with fuel type distribution

The adjusted vehicle distribution of the internal combustion vehicles was calculated by multiplying the distribution of the respective vehicle types with the percentage rate of the respondent's preference for internal combustion vehicles.

Calculation example:

$$\text{Adjusted distribution}_{\text{SUV}} = \text{Distribution}_{\text{SUV}} * \text{Distribution}_{\text{ICE}} = 25\% * 77\% \approx 20\%$$

Subsequently, each vehicle type was assigned to fitting Porsche models, e.g., SUV was assigned to the Porsche models Cayenne and Macan. Since the vehicle preferences of the respondents by region are insignificant, the calculated distribution from Table 15 is used for all three eligible Porsche Centers. Table 16 shows the distribution of the different Porsche vehicles per eligible Porsche Center that need to be withheld for the Porsche Drive service.

Table 16: Porsche Vehicle Distribution per Porsche Center

Models	Distribution Porsche Models	Absolute Number of cars per dealership		
		Lisbon	Porto	Braga
Cayenne	10%	0.7	0.7	0.7
Macan	10%	0.7	0.7	0.7
911 Convertible / Targa	7%	0.5	0.5	0.5
718 Cayman Convertible	7%	0.5	0.5	0.5
911	21%	1.5	1.5	1.5
718 Cayman	21%	1.5	1.5	1.5
Panamera	2%	0.2	0.2	0.2
Taycan	23%	1.6	1.6	1.6
Sum	100%	7	7	7

To derive the vehicle distribution of the eligible Porsche Centers, the number of vehicles per Porsche Center is multiplied by the adjusted vehicle type distribution from Table 16. Due to multiple Porsche models within the vehicle categories, the following adjustments were made to the model:

- SUV distribution of 20% was divided equally between the Porsche models Macan (10%) and Cayenne (10%).
- Convertible distribution of 14% was divided equally between the Porsche models 911 Convertible/ Targa (7%) and 718 Boxster (7%).
- Sports Car and Coupe distribution (42%) was divided equally between the Porsche models 911 (21%) and 718 Cayman (21%)
- Survey respondents’ distribution preference for electric vehicles was assigned to the full electric Porsche Taycan (23%)

Calculation example:

$$\text{Cayenne}_{\text{Lisbon}} = \text{Vehicle Number}_{\text{Lisbon}} * \text{Distribution}_{\text{Cayenne}} = 7 * 10\% = 0.7$$

Lastly, the vehicle distribution for the Porsche Centers in Lisbon, Porto, and Braga is rounded manually to derive an even vehicle number for the respective Porsche Centers. Table 17 shows the final distribution of vehicles in the Porsche Centers.

Table 17: Rounded Porsche Vehicle Distribution per Porsche Center

Models	Distribution Porsche Models	Absolute number of cars per dealership		
		Lisbon	Porto	Braga
Cayenne	10%	1	1	1
Macan	10%	1	1	1
911 Convertible	7%	1	1	1
718 Boxster	7%	0	0	0
911	21%	1	1	1
718 Cayman	21%	1	1	1
Panamera	2%	1	1	1
Taycan	23%	2	2	2
Sum	100%	8	8	8

The following decisions have been made while rounding the vehicle numbers:

- Since both convertibles accounted for 0.5 vehicles, only the 911 convertible will be offered for the Porsche Drive service due to its higher popularity.
- Since the survey only asked for station wagons as a vehicle type and the respondents did not necessarily associate the Porsche Panamera with this vehicle type directly, the Panamera was rounded from 0.2 vehicles to 1 vehicle per Porsche Center.

Individual Part – Luca Franz Angelo Hunger

Due to the rounding decisions, Porsche Drive will start with 8 vehicles in the Porsche Centers Lisbon, Porto, and Braga. Since every eligible Porsche Center will start offering two of the full-electric Porsche Taycan, the Porsche Centers in Lisbon, Porto, and Braga will install two new fast charging stations next to already existing ones to ensure full charging levels for each new rental. The new charging stations are intended solely for Porsche Drive.

6.4 Legal Requirements

This sub-chapter aims to demonstrate the necessity of a legal strategy and to provide a framework for the legal implementation of a car rental business model in Portugal. The framework is based on the Amendments by Decree-Law no. 47/2018, the Second Amendment of Decree-Law no. 181/2012, and the information provided by Associação Nacional dos Locadores de Veículos (ARAC) (Diário da República 2018). It is being noted that this is a simplified overview and additional legal advice should be considered to ensure compliance with all legal requirements.

6.4.1 Necessity for a legal strategy

Public law, which encompasses the formal regulations anchored in the constitutions, statutes passed by legislative bodies, legal decisions made by courts, and regulations issued by administrative agencies, establishes the fundamental guidelines for managers who strive to create value and capture some or all of it for the firm (Bagley 2006). The legal framework influences every aspect of Porter's "Five Forces" model that shapes the competitiveness of an industry and its companies. The law can be used strategically to establish a barrier to market entries (Mata, Fuerst and Barney 1995). Particularly within the car rental industry, companies may utilize the law to their advantage by leveraging resources. If regional authorities elect to impose higher vehicle requirements for the operation of a car rental business, it could impede potential competitors due to the increased financial resources needed to meet regulations. Furthermore, as CASE continues to be a trend within the automotive industry, the car rental sector may face new regulations that necessitate adaptation and adjustment to comply with the updated protocols. That's how governmental regulations can significantly impact the conditions in which companies operate, so it becomes crucial for business executives to formulate a corporate strategy for legal action (Bagley 2006).

Examining Porsche Drive's value chain, the law is particularly relevant to activities of Operation, Marketing and Sales, and Service. Environmental compliance is especially important within Operations, whilst the Marketing and Sales department must adhere to consumer protection laws, general contract law, a uniform commercial code, and bans on deceptive or misleading advertising or sales practices. Warranties and strict product liability must be considered when servicing the car in the workshop (Bagley 2006). On the other hand, failure to implement adequate legal measures may prevent Porsche Drive from fully realizing the advantages of other resources available to them within the Porsche brand. Unlawful conduct can place a company at a competitive disadvantage, with convicted firms earning considerably lower returns or facing operational closure for a period or permanently (Bagley 2006; Baucus and Baucus 1997). Not only are direct costs linked with penalties or sanctions a troubling outcome of an incomplete legal approach, but legal expenses connected to lawsuits and appeals can also damage a company's reputation with clients and other stakeholders, and therefore diminish potential sales (Baucus and Baucus 1997). All these aspects necessitate a comprehensive legal strategy.

6.4.2 Requirements for a Car Rental Business

To establish and operate a car rental business for light passenger vehicles in Portugal, certain prerequisites must be met as per the statutory framework. These requisites encompass a range of aspects, including the requirement for the business to be a legal entity, the necessity for the CAE (Portuguese Classification of Economic Activities) to be classified under the rent-a-car category with the code: 77110, and the crucial requirement of maintaining a reputable standing by prevailing legal provisions. According to Article 5 of the Second Amendment of Decree Law no. 181/2012, good repute includes refraining from legal prohibitions on conducting business and avoiding convictions related to certain infringements. Additionally, per Article 4 of the Second Amendment of Decree Law no. 181/2012, the prospective car rental company must ensure a certain level of operational capacity by maintaining a fleet of at least seven vehicles.

Furthermore, the business must maintain at least one fixed establishment that is accessible to the public during the establishment's working hours. Moreover, the company is also obligated to provide tangible evidence attesting to its tax and social security compliance, which is vital for its legality and long-term viability within the jurisdiction. Additionally, interested parties must also have an electronic reservation system, provide access to a permanent customer service hotline, and provide general contractual clauses to potential customers in advance on the electronic platform. If the applicant fulfills all the necessary criteria except possessing seven vehicles, the Instituto da Mobilidade e dos Transportes (IMT) can grant a temporary permit, for nine months. During this time, the applicant must obtain the remaining vehicles required to fulfill the minimum amount and inform the IMT accordingly. Failure to comply will result in the immediate revocation of the temporary permit at the end of the nine-month period.

6.4.3 Access to Rent-a-Car Activity

In Article 3 of the Second Amendment of Decree Law no. 181/2012, the procedure for gaining access to the activity of renting passenger vehicles without drivers, colloquially known as “rent-a-car” is outlined. It requires a specific set of procedures and interactions with the pertinent regulatory authority IMT. Prospective entrepreneurs need to initiate the process by contacting IMT through the online platform “Balcão do Empreendedor” and simultaneously submit the requisite documentation to demonstrate compliance with the established requirements. Subsequent to this initial communication, IMT will review the documents to ascertain the extent to which the applicant's business aligns with the regulatory standards stipulated in Articles 4 and 5 of the Second Amendment of Decree Law no. 181/2012 of the framework. This evaluation phase is limited to a maximum duration of 20 working days. A positive assessment is indicative of compliance, whereas IMT holds the authority to raise objections if any shortcomings are identified within the documentation submitted.

6.4.4 Vehicle Criteria

To ensure the integrity of the car rental operations, specific criteria are mandated in Article 6 of the Second Amendment of Decree Law no. 181/2012 concerning the vehicles used. Firstly, these vehicles must be legitimately registered in Portugal, affirming their legal status and conformity with local regulatory standards. Moreover, the vehicles employed in the business must either be in the ownership of the lessor or secured under a financial lease agreement, therefore ensuring a degree of financial commitment and responsibility. Additionally, vehicles should be no older than five years from their initial date of registration. According to the Second Amendment of Decree-Law no. 181/2012, the maximum time of usage per car may be exceptionally extended for periods of one year, up to a maximum of two years after inspection of the respective vehicles by the IMT. To further underscore environmental concerns, at least 10% of the vehicles utilized in the rent-a-car business are required to adhere to the Euro V emission standard.

6.4.5 Form and Contract

In Article 9 of the Second Amendment of Decree Law no. 181/2012 the rent-a-car activity stipulates the requisite elements for rental contracts to promote transparency and uniformity among the industry. Contracts are mandated to be documented in written or digital form and must be endorsed by all parties involved. Furthermore, a fundamental prerequisite is the inclusion of an identical copy or version of the contract in the Portuguese language. These contracts must be serially numbered and issued in duplicate, with the original copy retained by the lessor whilst the other copy is handed out to the lessee. The contract must incorporate essential details, such as the identification of the contracting parties, a detailed description of the rented vehicle, a comprehensive breakdown of the total price and its components, and disclosure of the fuel level upon vehicle pickup. Information concerning sums received as security deposits and any supplementary services offered notably insurance coverage, should be specified as well.

Furthermore, the rental agreement must delineate the rental period and the associated conditions for returning the vehicle. The name, address, and contact number need to be provided to the assistance service. These legal prerequisites aim to ensure equitable, transparent, and consistent business practices within the rent-a-car industry. Article 9 of the Second Amendment of Decree Law no. 181/2012 mandates that if the lessee fails to provide adequate guarantees for contract fulfillment, the lessor retains the prerogative to refuse the rental. The lessor also has the right to repossess the rented vehicle before the contractual term's conclusion, as well as to terminate the contract under specified conditions. In the event of any deviations from the initially agreed-upon conditions, such as additional services, the alterations must be documented in a separate agreement that is mutually agreed upon and signed by both parties involved. Moreover, in cases where the lessee returns the vehicle with a lower amount of fuel compared to the initial pickup, the lessor may impose a proportional fee for refueling, as long as this is done by established pricing standards.

The contract must include:

- Identification of the parties;
- Identification of the vehicle;
- The total price to be paid, with a description of all its fixed and variable components, including the amount due, or how it is calculated, in the event of the vehicle being returned with a lower fuel level than the one it had on the date of collection, as well as the applicable tax, without prejudice to the provisions of paragraph 4;
- Indication of the fuel level in the tank on the date the vehicle was picked up;
- The sums received by the lessor as security deposit;
- The complementary services agreed upon, their price and conditions, and, in the case of insurance, their coverage and exclusions;
- The date, time and place of the start and end of the rent, as well as the conditions to be observed by the hirer when handing over the vehicle at the end of the contract;
- The name, address and telephone number of the assistance service.

Figure 48: Contract Requirements

The following clauses are forbidden:

1. The acceptance by the lessee of non-apparent or non-recognisable defects in the vehicle.
2. The waiver by the lessee of the right to object to amounts relating to expenses submitted by the lessor.
3. Obligations for the lessee to pay expenses that are not duly itemised and provided for in the contract, with the exception of toll fees.
4. That the conclusion of the contract is conditional on the hirer authorising the use, in any form, of personal data provided by the hirer in the context of the contract in databases of defaulting customers and its communication to companies in the sector.
5. That the conclusion of the contract is dependent on the conclusion of other contracts, namely non-compulsory insurance.
6. The cancellation of the security deposit for damage to the vehicle, whether or not caused by the hirer, without prior information and proof of the damage in question.

Figure 49: Forbidden Contract Clauses

6.4.5.1 Booking

Article 11 of the Second Amendment of Decree Law no. 181/2012 requires lessors to provide lessees with comprehensive information in advance. This information is to be offered in written form or through an alternative durable medium prior to finalizing the reservation. The provided information should encompass the lessor's identification, location and contact details, the essential characteristics of the vehicle, a breakdown of the service price, including all associated fees and taxes, particulars regarding the deposit requirement and the associated amount, details regarding available insurance types, accepted payment methods, the offer's expiration date, guidelines for cancelling the reservation, and any applicable penalty conditions. In cases where the lessor is unable to fulfill a reservation, they are legally required to refund the lessee the

amount paid during the reservation process (typically within 15 days), unless the failure is attributed to non-negligent reasons on the lessor's part. This legal framework serves to ensure transparency and fairness in the booking process, safeguarding the interests of both lessors and lessees.

6.4.5.2 Lessor's Duties

The lessor is obligated to provide a 24-hour assistance service, accessible at no cost and throughout the contract's duration (Article 12 of the Second Amendment of Decree Law no. 181/2012). The purpose of this service is to enable prompt reporting of any unusual situations or circumstances that may arise during the rental period. In cases where the vehicle initially rented or reserved is unavailable, the lessor is obliged to provide a comparable or superior vehicle to the lessee without incurring any additional costs. Additionally, the lessor must provide the lessee with a document confirming the handover of the vehicle. This document may also be transmitted electronically, which facilitates a modern and efficient method of record-keeping.

6.4.5.3 Additional Contract and Registration of Contracts

Furthermore, Article 13 of the Second Amendment of Decree Law no. 181/2012 permits the signing of an additional contract that exclusively pertains to the act of driving the rented vehicle. This contract is limited to individuals hired by the lessor and is legally deemed an integral component of the lessor's overall service. Moreover, the lessor is mandated to maintain a complete record of all rental contracts, chronologically arranged based on their execution date and for a minimum duration of two years following the expiration of each contract. IMT holds the prerogative to request copies of rental contracts concluded within the previous two years to enable oversight of compliance with legislative requirements. Any instances of contract falsification and failure to maintain these records are subject to legal penalties.

6.4.5.4 *Documentation Accompanying the Vehicle*

To ensure that the rented vehicle operates in accordance with legal standards, specific documents must accompany the vehicle during its operation. The following documents are listed in Article 15 of the Second Amendment of Decree Law no. 181/2012: the single-vehicle document, proof of the vehicle liability insurance policy, the inspection form, where applicable, and a copy of the rental agreement, which may be submitted electronically. All these documents must be given to the hirer so that they can present them to the authorities upon request. Additionally, whenever the rented vehicle is driven on public roads beyond the scope of the rental contract, the driver must carry a declaration issued by the lessor.

6.4.6 Termination of the contract

After the vehicle has been returned by the lessee to the lessor, it is necessary to inspect the car for any damages that might have occurred during the rental period. A form must be completed, which contains any pre-existing damages and identifies the cars. In addition, the fuel level of a combustion engine car or the battery level of a BEV must be checked. If these are not comparable to its condition before the start of the rental period, a service fee will be imposed according to the terms agreed upon in the contract. If keys can be returned outside of the facility's working hours, then a 24/7 secured key drop-box facility must be provided. The status form can be completed in cooperation with the customer or without their assistance. The deposit will be refunded if there occurred no damages during the rental period. This will happen within a maximum of 10 working days unless stated otherwise in the contract. Upon transferring the deposit, all contractual obligations between the customer and the lessor have been terminated with due consideration to all legal aspects.

If any damage occurs, an independent expert appointed by the lessor will assess the damage before sending an invoice to the lessee. The insurance, which was included in the contract, specifies a deductible that varies according to the type of vehicle and the value of the car rented.

The deposit will cover the damage, offset with the deductible. If the damage exceeds the deductible, the remaining amount will be covered by the insurance. Once this process is completed, the contract will end, and the rental process will be terminated.

For documentation purposes, the contract will be stored for two years and presented to the IMT if required. Figure 50 illustrates a simplified version of the above-described process from license application to contract termination.

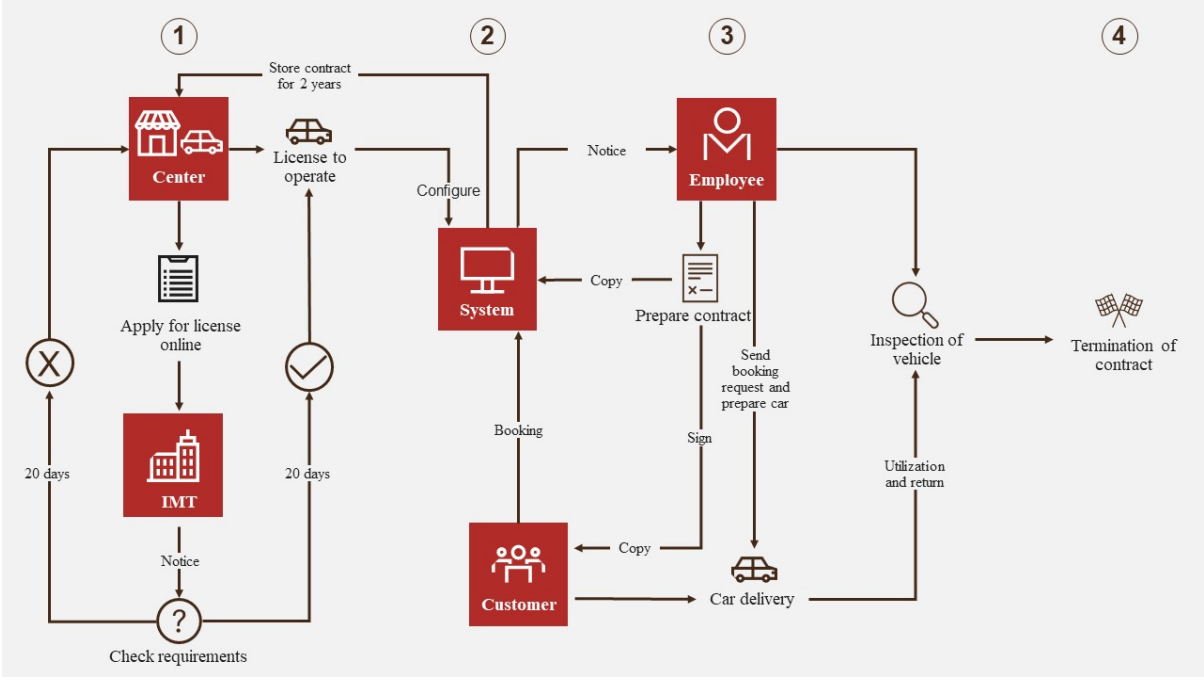


Figure 50: Simplified Legal Process of Porsche Drive

6.4.7 Associação Nacional dos Locadores de Veículos (ARAC)

This thesis suggests that PIB should collaborate with ARAC because of their expertise, experience, and network of partners. ARAC emerged from the former “Grémio dos Industriais de Transporte em Automóveis” and is a non-profit association that represents all sectors of mobility in Portugal. These include e.g. rent-a-car, car sharing, or rent-a-car for logistic activities. ARAC represents 160 companies, including multinational enterprises and small businesses alike. ARAC-associated companies account for 24% of the yearly sold automobiles in Portugal (ARAC 2023a).

The association offers supplementary services, including statistics on the car rental sector, and the latest updates on law cases, and highlights its stature as a significant partner in the fields of tourism and mobility. Moreover, ARAC has a presence in all regions of Portugal and collaborates with every regional tourism entity from the Algarve to the northern border shared with Spain. These resources may assist in customer acquisition.

As described in chapter 6.5.1 it is in the interest of companies to be at the forefront of regulatory changes. Therefore, ARAC represents the interests and rights of its allied companies and collaborates with local authorities and the government in the fields of tourism, mobility, and transport. As outlined in Chapter 1.1, the development of connected, autonomous, shared, and electric (CASE) vehicles is a major trend in the automotive industry and necessitates new legislative guidelines, where ARAC can assist and work in close cooperation with the government, ensuring that its members remain at the forefront of innovation and compliance.

To evenly divide the costs, the authors propose a partnership between PIB and ARAC, where they pay as a single entity. In 2023, around 1,050 new cars are expected to be sold, resulting in a cost of €1,100 per quarter, totaling to €4,400 for a year's membership (ARAC 2023b).

Based on the analysis and findings of this thesis, it is evident that a successful introduction of Porsche Drive in Portugal can be achieved without facing any significant obstacles, if the proposed framework is implemented accordingly. However, it is recommended to seek legal advice for legal certainty and security, as previously mentioned in this chapter's introduction.

6.5 Financial Analysis

To find out whether and how profitable the Porsche Drive Rental offering is in Portugal, a comprehensive financial analysis was conducted. This includes a financial plan for the next five years and a sensitivity assessment. Since the service must be lucrative for the independent Porsche Centers (PCs) on the one hand and for Porsche Ibérica / Porsche Financial Services on the other hand, two separate calculations were carried out resulting in one financial plan for each respective party involved. The financial plan for the Porsche Centers (Figure 51) includes the numbers for the sum of the three participating Porsche Centers. Figure 56 shows the relevant financials from the point of view of Porsche Ibérica.

In the following two chapters (6.5.1, 6.5.2) general compositions of revenues, expenses, and profitability of each five-year financial plan are explained. For this purpose, additional figures are shown. An overview of all figures related to revenue, cost breakdown and profitability for the Porsche Centers can be found in Appendix 15, while Appendix 16 shows the same breakdowns for Porsche Ibérica. All figures related to the sensitivity analysis (6.5.3) can be found in Appendix 17-18.

6.5.1 Financial Projections Porsche Centers

The below figures display the forecasted financial plan for the participating Porsche Centers. In the following, the individual key components are explained. All detailed calculations can be found in Appendix 15.

Projected Financials for the 3 participating Porsche Centers in Portugal

	2023 Year 0	2024 Year 1	2025 Year 2	2026 Year 3	2027 Year 4	2028 Year 5
1. Revenue PCs		2,582,121 €	2,702,190 €	2,827,842 €	2,959,336 €	3,096,946 €
1.1 Rental Business		2,582,121 €	2,702,190 €	2,827,842 €	2,959,336 €	3,096,946 €
2. COGS		409,931 €	428,458 €	447,847 €	468,138 €	489,374 €
2.1 VWFS Fee 12.5%		322,765 €	337,774 €	353,480 €	369,917 €	387,118 €
2.2 Fleet Expenses		87,166 €	90,684 €	94,366 €	98,221 €	102,256 €
2.3.1 Maintenance		12,000 €	12,000 €	12,000 €	12,000 €	12,000 €
2.3.2 Repairs		6,000 €	6,281 €	6,575 €	6,882 €	7,205 €
2.3.3 Reconditioning		69,166 €	72,403 €	75,792 €	79,339 €	83,052 €
2. Gross Profit		2,172,190 €	2,273,732 €	2,379,995 €	2,491,198 €	2,607,571 €
3. Other Operating Income			725,081 €		725,081 €	
4. Operating Expenses	28,400 €	207,820 €	207,820 €	207,820 €	207,820 €	207,820 €
4.1 Vehicle Insurance		69,120 €	69,120 €	69,120 €	69,120 €	69,120 €
4.2 PC Marketing	900 €	10,900 €	10,900 €	10,900 €	10,900 €	10,900 €
4.2.1 Retail Promotions	900 €	8,900 €	8,900 €	8,900 €	8,900 €	8,900 €
4.2.2 Individual Initiatives		2,000 €	2,000 €	2,000 €	2,000 €	2,000 €
4.3 Legal	500 €	1,500 €	1,500 €	1,500 €	1,500 €	1,500 €
4.4 Salaries		126,000 €	126,000 €	126,000 €	126,000 €	126,000 €
4.5 Information Technology	6,000 €	300 €	300 €	300 €	300 €	300 €
4.6 Other Expenses	21,000 €					
5. EBITDA	-28,400 €	1,964,370 €	2,790,993 €	2,172,175 €	3,008,459 €	2,399,751 €
5.1 Interest		143,535 €	71,768 €	143,535 €	71,768 €	143,535 €
5.2 Vehicle Depreciation		548,893 €	548,893 €	548,893 €	548,893 €	548,893 €
6. EBT	-28,400 €	1,271,942 €	2,170,332 €	1,479,747 €	2,387,798 €	1,707,323 €
7. Tax Payable		267,108 €	455,770 €	310,747 €	501,438 €	358,538 €
8. Net Income	-28,400 €	1,004,834 €	1,714,563 €	1,169,000 €	1,886,361 €	1,348,785 €
9. OCF	-28,400 €	1,553,727 €	2,263,455 €	1,717,893 €	2,435,253 €	1,897,678 €
10. CAPEX	2,744,464 €		2,744,464 €		2,744,464 €	
11. FCF	-2,772,864 €	1,553,727 €	-481,009 €	1,717,893 €	-309,210 €	1,897,678 €
12. DF		1.04	1.04	1.04	1.04	1.04
13. Present Value	-2,772,864 €	1,492,079 €	-443,595 €	1,521,413 €	-262,980 €	1,549,914 €
NPV	1,083,967 €					
IRR	16.64%					

Figure 51: Projected Financials of Porsche Drive for the Three Participating Porsche Centers

Revenue Composition Porsche Centers

Porsche Drive will generate two revenue streams for the Porsche Centers: revenue from the car rental business (Figure 51, 1.1 Rental Business) and revenue from the sale of used rental cars (Figure 51, 3. Other operating income).

Regarding rental income, various customer segments have been defined in Chapter 6.1. These segments were evaluated based on their attractiveness for the Porsche Drive offering and a target segment was identified. The conventional approach would involve assuming a penetration rate from this segment and using it as a target for revenue calculation. In the model proposed, the calculation of revenues is conducted based on the target utilization of the vehicles

specified by Porsche Ibérica. The reason for this is the assumption that a more realistic result is calculated by using this key figure. The target utilization considers the data already collected by Porsche on capacity utilization in other countries, in particular Spain (Porsche Ibérica S.A. 2023).

Porsche Ibérica specifies a vehicle occupancy rate of 60% in the summer months (April to the end of October) and 40% in the winter months (November to the end of March) (Porsche Ibérica S.A. 2023). Thus, an average annual occupancy rate of ~52% is assumed, which corresponds to an absolute occupancy rate of about 190 days a year.

As explained in Chapter 6.3, three of the five Porsche Centers in Portugal were chosen for the initial launch: Lisbon, Porto, and Braga. To calculate the sum of the revenues of the Porsche Centers, several steps are taken.

First, weighted average values for the entire year are calculated from the daily rental prices for the summer and winter months of the respective models already determined by Porsche Ibérica. In addition, daily prices for the "911 Convertible" and "718 Boxster Convertible" models are added. These added prices result from a surcharge on the prices per day of the standard models (911 / 718), which results from the difference in the respective model list price (Porsche Ibérica S.A. 2023; see Figure 52).

Price Overview PIB, incl convertibles													
Price per day	1 day	2 days	3 days	weekend	4 days	5 days	6 days	1 week	2 week	3 week	1 month	2 months	3 months
Cayenne	572 €	514 €	458 €	572 €	400 €	400 €	400 €	372 €	343 €	314 €	314 €	314 €	314 €
Macan	536 €	482 €	429 €	536 €	375 €	375 €	375 €	348 €	313 €	295 €	295 €	295 €	295 €
911 Convertible	837 €	753 €	670 €	837 €	586 €	586 €	586 €	544 €	544 €	544 €	544 €	544 €	544 €
718 Boxster Converti	586 €	528 €	469 €	586 €	411 €	411 €	411 €	381 €	352 €	322 €	322 €	322 €	322 €
911	751 €	676 €	601 €	751 €	526 €	525 €	526 €	488 €	488 €	488 €	488 €	488 €	488 €
718 Cayman	572 €	514 €	458 €	572 €	400 €	400 €	400 €	372 €	343 €	314 €	314 €	314 €	314 €
Panamera	661 €	595 €	529 €	661 €	463 €	463 €	463 €	430 €	397 €	364 €	364 €	364 €	364 €
Taycan	715 €	671 €	597 €	715 €	520 €	509 €	507 €	466 €	430 €	398 €	398 €	398 €	398 €

Figure 52: Price Overview Porsche Ibérica Including Convertibles

Subsequently, the daily prices for the rental periods set by Porsche, encompassing convertible prices, are converted into average daily prices for the available response categories from the survey conducted (see Figure 53).

Price averages for survey categories					
Price per day	1 day	2-6 days	1 week	2-3 weeks	1-3 months
Cayenne	572 €	457 €	372 €	329 €	314 €
Macan	536 €	429 €	348 €	304 €	295 €
911 Convertible	837 €	670 €	544 €	544 €	544 €
718 Cayman Conver	586 €	469 €	381 €	337 €	322 €
911	751 €	601 €	488 €	488 €	488 €
718 Cayman	572 €	457 €	372 €	329 €	314 €
Panamera	661 €	529 €	430 €	380 €	364 €
Taycan	715 €	586 €	466 €	414 €	398 €

Figure 53: Price Averages for Survey Categories

The distribution of survey responses is then multiplied by these average prices. The sum of the resulting pro-rata prices ultimately results in an average daily price for each model (see Figure 54).

Contribution of average daily prices						
	1 day	2-6 days	1 week	2-3 weeks	1-3 months	Average day price
<i>Survey Distribution</i>	37%	48%	12%	3%	1%	
Cayenne	210 €	220 €	44 €	9 €	2 €	485 €
Macan	197 €	207 €	41 €	8 €	2 €	454 €
911 Convertible	307 €	323 €	64 €	14 €	4 €	712 €
718 Cayman Conver	215 €	226 €	45 €	9 €	2 €	497 €
911	276 €	290 €	58 €	13 €	3 €	639 €
718 Cayman	210 €	220 €	44 €	9 €	2 €	485 €
Panamera	243 €	255 €	51 €	10 €	2 €	561 €
Taycan	263 €	283 €	55 €	11 €	3 €	614 €

Figure 54: Contribution of Average Daily Model Prices

Multiplied by the respective number of models (8 models per PC, 3 PCs) and the number of days in a year (365), the revenue per year is determined at the given utilization rate of 52% (Figure 55).

Projected Revenue for the 3 participating Porsche Centers in Portugal

<u>Assumptions:</u>		<u>Base Scenario</u>					
Grow Rate Car rental market		9%					
Utilisation rate of vehicles		52%					
		2023	2024	2025	2026	2027	2028
		Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Revenues PC	Models						
	Cayenne	2,582,121 €	2,702,190 €	2,827,842 €	2,959,336 €	3,096,946 €	
	Macan	274,384 €	299,079 €	325,996 €	355,335 €	387,315 €	
	911 Convertible	257,112 €	280,252 €	305,475 €	332,968 €	362,935 €	
	718 Boxter Convertible	403,049 €	439,323 €	478,863 €	521,960 €	568,937 €	
	911	0 €	0 €	0 €	0 €	0 €	
	718 Cayman	361,433 €	393,961 €	429,418 €	468,066 €	510,192 €	
	Panamera	274,384 €	299,079 €	325,996 €	355,335 €	387,315 €	
	Taycan	317,378 €	345,942 €	377,077 €	411,014 €	448,005 €	
	694,382 €	756,876 €	824,995 €	899,245 €	980,177 €		

Figure 55: Porsche Centers Revenue Contribution by Model

Over the following years, the above-named utilization rate is expected to grow 9% p.a. This assumption is based on the expected market growth (CAGR) of the car rental industry in Portugal (Market Line 2023). Correspondingly, the rental business revenue of participating Porsche Centers will grow at ~4,65% p.a. over the next five years. It is therefore assumed that the number of vehicles and thus the distribution of models will not change for the time being and that demand growth will be covered by the available capacity of the current vehicles. This is also supported by the fact that the specified number of vehicles per Porsche Centers exceeds Porsche's calculated benchmark at the outset.

The composition of the fleet will change with demand growth. However, this is not considered in the five-year forecast, since the value of eight vehicles is set above Porsche's indicator, as explained in Chapter 6.3.

In the model, it is assumed that the vehicles will be replaced every two years regarding to Porsche Ibérica's binding specifications. Accordingly, in year two and year four, revenue from the sale of the used cars is calculated (Figure 51, 3. Other Operating Income). For this sales revenue, the selling price is assumed to be 70% of the original list price. This price is based on the average value of a sports car after two years (Allianz SE 2023). The revenue is ultimately

calculated after deducting the book value from the sales value. For the book value, a linear depreciation over five years on the initial purchasing price (19% discount on list price with options accounted for as 10. CAPEX in Figure 51,) of the vehicles was assumed (for further calculations see Appendix 15h).

Cost Composition Porsche Centers

The costs of the Porsche Centers result from the sum of the costs of goods sold (Figure 51, 2. COGS) and operating expenses.

The COGS essentially include the fee which must be paid to Volkswagen Financial Services, amounting to 12.5% of the income of the rental business (Figure 51, 2.1 VWFS Fee). In addition, fleet expenses are recorded as COGS. These result from the sum of maintenance, repairs, and reconditioning costs (Figure 51, 2.2 Fleet Expenses). For the calculation of the maintenance costs, an average cost of €500 per maintenance service is assumed. That includes personnel and material costs (Huber 2020). Furthermore, one service execution per car and year is taken as given. As repair costs, only the costs of a major repair are considered. Minor repairs fall under either maintenance or reconditioning. The average cost of a major repair is set at €5,000. Multiplied by the probability of occurrence (5%) in the first two years after the purchase of the vehicle and the number of cars, the average annual repair costs of the vehicle fleet are obtained (Caredge 2023). The last and largest share of fleet expenses consists of reconditioning costs. For these, the average rental period is being used. The latter is calculated from the given survey categories of the survey participants (median in days of answerability, for example in category 2-6 days, average rental time = 4 days). Subsequently, the average rental time is multiplied by the utilization rate of 52% and the number of days per year to calculate the number of transactions of the respective rental option. The sum of all transactions, in turn, is multiplied by the average cost of reconditioning, set at €30, and the number of cars for the annual value of €69,166. Since reconditioning costs depend on the utilization of the vehicles, the sum over the

next few years also calculated using the same growth factor (4.65%), as used to calculate revenues.

The fixed costs of Porsche Centers initially include insurance expenses (Figure 51, 4.1 Vehicle Insurance). These are based on the annual costs of insuring an average Porsche car. A surcharge of 20% is calculated on top of this, as it is assumed that insuring a car for rental purposes is more expensive than for normal users (HDI AG 2023; Porsche Ibérica S.A. 2023).

Another part of the fixed costs for Porsche Centers is used for marketing efforts (Figure 51, 4.2 PC Marketing). In the financial plan, all necessary and recommended marketing materials and budgets are recorded. This includes mainly the costs for leaflets and installation signs, but also the physical counters. Furthermore, it is planned that Porsche Centers can advertise through individual initiatives. Budgets for both are also reflected in the sum of the marketing costs (Figure 51, 4.2.1 Retail Promotions; 4.2.2 Individual Initiatives). Legal costs (Figure 51, 4.3 Legal) are forecasted by calculating the demand of legal advisory in hours and multiplied by researched hourly costs of legal counseling in Portugal. Initially, four hours of consultation are expected for registration and discussion of the processes. After starting the rental business, one hour per month is expected to be sufficient to clarify any legal issues that may arise. As already stated in Chapter 6.3, each Porsche Center is advised to designate one full-time equivalent (FTE) position as Porsche Drive manager, whether through new recruitment or reallocation of existing personnel. The salary for these positions (Figure 51, 4.4 Salaries) are estimated by benchmarking at €42,000 annually per Porsche Center (Glassdoor 2023). Also, one of the additional IT outlays caused by Porsche Drive is the cost of establishment of an interface to the VWFS booking system. Additionally, a fixed sum per year in maintenance fees is expected in the further course. There are also hardware costs for customer processing within the Porsche Center, e.g. for tablets and smartphones encompassed. These costs are assumed as a lump sum, with an acquisition cost of €3,000 and an annual maintenance cost of €100. Furthermore, the

expenses for the digital feedback system are also included in this context (Figure 51, 4.5 Information Technology). Ultimately, the acquisition costs for additional charging stations for the Taycan models are to be considered as other expenses (Figure 51, 4.6 Other Expenses). In this calculation one additional fast charger per Porsche Center is considered.

Profitability Calculation Porsche Centers

The (Figure 51, 5.) is derived from the difference between gross profit and operating expenses. After deducting the annual vehicle depreciation, and interest expenses the resulting EBT (Figure 51, 6.) has the tax burden subtracted, which complies with Portugal's current corporate income tax rate of 21% (ePortugal, 2023). Depreciation is then added back to this net income figure to compound at the annual operating cash flow (Figure 51, 9. OCF). The free cash flow (Figure 51, 11. FCF) ultimately results from incorporating the capital expenditures (Figure 51, 10. CAPEX) from the purchase of vehicles, repeating every two years. For simplification purposes, no price increases are assumed for the next five years, both in the revenue calculation and in the acquisition costs of the vehicles.

To ultimately determine whether the project should be carried out, two profitability ratios were examined. On the one hand, the net present value (Figure 51, NPV), and on the other hand, the internal rate of return (Figure 51, IRR). To determine the NPV, the cash flows for each year must be discounted with the weighted average cost of capital:

$$WACC = \frac{D}{D + E} r_D \times (1 - t) + \left(\frac{E}{D + E} \right) r_E$$

In this thesis, it is assumed that the vehicles are solely financed by debt through the Porsche Centers. In the context of car dealerships, it is common practice for the lender to loan the sum for the vehicles to be purchased and use these vehicles as collateral until their sale. This principle is referred to as floor planning (Hayes 2020).

Therefore, in the calculation of the WACC, $E = 0$ is assumed, indicating zero equity. To obtain the cost of debt (D), the average interest rate for corporate loans of 5.23% is utilized (EZB, 2023). By incorporating the tax shield, a WACC of 4.13% is derived.

$$\text{WACC} = 5.23 \times (1 - 0.21)$$

The resulting, NPV is positive (€1,083,967), recommending the implementation of the project from a Porsche Center point of view. The IRR is defined as the interest rate (r) at which the NPV is set to zero. In the project under consideration, the IRR is 16.64%, signifying that it exceeds the WACC and suggests that the project is expected to generate returns higher than the cost of capital.

6.5.2 Financial Projections Porsche Ibérica

Figure 56 shows the prognosed financial plan for Porsche Ibérica. In the following, the individual components are explained. All detailed calculations can be found in Appendix 16.

Projected Financials for Porsche Financial Services / Porsche Iberica						
	2023 Year 0	2024 Year 1	2025 Year 2	2026 Year 3	2027 Year 4	2028 Year 5
1. Revenue PFS / PIB 6.25%		161,383 €	175,907 €	191,739 €	208,995 €	227,805 €
2. Operating Expenses	0 €	79,617 €	49,400 €	49,400 €	49,400 €	49,400 €
2.1 Marketing		50,217 €	20,000 €	20,000 €	20,000 €	20,000 €
2.1.2 Online Advertisements		20,000 €	20,000 €	20,000 €	20,000 €	20,000 €
2.1.3 Promotional Events		30,217 €	0 €	0 €	0 €	0 €
2.2 Salaries		25,000 €	25,000 €	25,000 €	25,000 €	25,000 €
2.3 Other Expenses		4,400 €	4,400 €	4,400 €	4,400 €	4,400 €
3. EBT	0 €	81,765 €	126,507 €	142,339 €	159,595 €	178,405 €
4. Tax Payable	0 €	17,171 €	26,566 €	29,891 €	33,515 €	37,465 €
5. Net Income	0 €	64,595 €	99,941 €	112,448 €	126,080 €	140,940 €
6. OCF/ FCF	0 €	64,595 €	99,941 €	112,448 €	126,080 €	140,940 €
7. DF		1.04	1.04	1.04	1.04	1.04
8. Present Value	0 €	62,032 €	92,167 €	99,587 €	107,230 €	115,111 €
NPV	476,127 €					

Figure 56: Projected Financials for Porsche Ibérica / Porsche Financial Services

Revenue Composition Porsche Ibérica

Given that both, revenues and costs are consolidated at the German parent company Porsche AG, the fee originating from the revenue share paid by the Porsche Centers to Porsche Financial

Services serves as a representative revenue metric for financial analysis from the vantage point of Porsche Ibérica. This approach is substantiated by Porsche Ibérica's responsibility for covering associated costs. The objective is to meticulously reconcile the costs and revenues of Porsche Drive in Portugal, providing an evaluation of profitability for Porsche Ibérica.

As explicated in Chapter 2.4.3, the fee entails 6.25% of the Porsche Center's generated revenue, constituting 50% of the 12.5% fee remitted to VWFS. Therefore, revenue for Porsche Ibérica amounts to €161,383 in the first year of the project (Figure 56, 1. Revenue).

Cost Composition Porsche Ibérica

The costs for Porsche Ibérica predominantly come from marketing efforts elucidated in chapter 6.2. Marketing costs encompass online advertisements and the promotional PR event outlined (Figure 56, 2.1 Marketing). A budget of €20,000 is designated for online marketing, also covering social media advertisements. The planned event in Comporta is budgeted at a total of €30,217 including expenses for the hotel, catering, rental of Porsche Drive vehicles from different Porsche Centers, print invites, a shuttle service, and a modest cooperation budget for potential influencers.

In addition to marketing costs, an annual personnel expense is calculated for the management of all Porsche Drive matters at the Porsche Ibérica level, amounting to 0.5 FTE with annual salary expenses of €25,000 from Year 1 on (Figure 56, 2.2 Salaries).

The final cost component for Porsche Ibérica comprises the annual membership fees to ARAC, totaling €4,400 (ARAC 2023b; Figure 56, 2.3 Other Expenses).

Profitability Calculation Porsche Ibérica

Subtracting the costs from the revenues, a consistently positive net income over the years is obtained (Figure 56, 5. Net Income). The net income corresponds to the free cash flow since Porsche Ibérica does not incur any loans, and consequently, no interest expenses or

depreciations arise on its plan. By computing the NPV under the same assumptions as previously outlined, €476,127 are obtained. This signifies that the Porsche Drive service is also attractive from the perspective of Porsche Ibérica and should be conducted.

6.5.3 Sensitivity Analysis

In a world of ever-changing risks, Porsche Ibérica and the Porsche Centers need to conduct contingency planning with predictive models to analyze how results may respond to evolving circumstances. This is essential to manage risk effectively and ensure the continuity of business operations (Kenton 2021). Subsequently, a sensitivity analysis was conducted, and a different scenario than above was considered for this purpose. In the event of a general deterioration of the economic situation in the EU and Portugal, overall consumer demand would decrease. Although it is demonstrated that generally the demand for luxury goods does not decrease to the same extent as the demand for other goods (D'Arpizio et. al. 2023), the following analysis assumes a significant decline in vehicle utilization.

Appendix 18-19 show the respective financial plans and calculations for this kind of scenario. Assuming a 30% lower utilization at the start of the project, reaching approximately 36% instead of the targeted average of ~52% per year, and an annual utilization growth of only +4.5%, as well as a risen interest rates to 10%, both the Porsche Centers as well as Porsche Ibérica need to take actions to mitigate the consequences.

For the Porsche Centers, a challenge arises as due to the legal regulations they cannot reduce the number of Porsche Drive cars below seven to align fixed costs with demand. In the scenario, Porsche Centers would each purchase one less vehicle, specifically a Porsche Taycan (since two of these are planned in the fleet, maintaining a complete coverage of all models). Since price reductions would not trigger a significant surge in demand and are more likely to diminish the value of a luxury good, this approach is not recommended. Only cost reduction could partially

offset the impact of low utilization. Consequently, by reducing the workforce to only 0.5 FTE of Porsche Drive Managers per Porsche Center, eliminating 80% of retail and individual promotions, and forgoing the acquisition of additional charging stations (since budgeting for only one Taycan), the NPV for the 5-year project of the Porsche Centers would still result in negative €-1,851,465. The project would therefore not be considered attractive (see Figure 57).

Projected Financials for the 3 participating Porsche Centros in Portugal						Scenario 2
	2023 Year 0	2024 Year 1	2025 Year 2	2026 Year 3	2027 Year 4	2028 Year 5
1. Revenue PCs		1,564,451 €	1,589,913 €	1,615,789 €	1,642,086 €	1,668,810 €
1.1 Rental Business		1,564,451 €	1,589,913 €	1,615,789 €	1,642,086 €	1,668,810 €
2. COGS		271,827 €	276,075 €	280,392 €	284,780 €	289,238 €
2.1 VWFS Fee 12.5%		195,556 €	198,739 €	201,974 €	205,261 €	208,601 €
2.2 Fleet Expenses		76,270 €	77,336 €	78,419 €	79,519 €	80,637 €
2.3.1 Maintenance		10,500 €	10,500 €	10,500 €	10,500 €	10,500 €
2.3.2 Repairs		5,250 €	5,335 €	5,421 €	5,509 €	5,599 €
2.3.3 Reconditioning		60,520 €	61,501 €	62,497 €	63,510 €	64,538 €
2. Gross Profit		1,292,625 €	1,313,838 €	1,335,396 €	1,357,306 €	1,379,572 €
3. Other Operating Income			694,214 €		694,214 €	
4. Operating Expenses	7,400 €	127,460 €	127,460 €	127,460 €	127,460 €	127,460 €
4.1 Vehicle Insurance		60,480 €	60,480 €	60,480 €	60,480 €	60,480 €
4.2 Marketing	900 €	2,180 €	2,180 €	2,180 €	2,180 €	2,180 €
4.2.1 Retail Promotions	900 €	1,780 €	1,780 €	1,780 €	1,780 €	1,780 €
4.2.2 Individual Initiatives	0 €	400 €	400 €	400 €	400 €	400 €
4.3 Legal	500 €	1,500 €	1,500 €	1,500 €	1,500 €	1,500 €
4.4 Salaries	0 €	63,000 €	63,000 €	63,000 €	63,000 €	63,000 €
4.5 Information Technology	6,000 €	300 €	300 €	300 €	300 €	300 €
4.6 Other Expenses	0 €					
5. EBITDA	-7,400 €	1,165,165 €	1,880,591 €	1,207,936 €	1,924,059 €	1,252,112 €
5.1 Interest		243,579 €	121,790 €	243,579 €	121,790 €	243,579 €
5.1.1 Interest CAPEX 1		243,579 €	121,790 €			
5.1.2 Interest CAPEX 2				243,579 €	121,790 €	
5.1.3 Interest CAPEX 3						243,579 €
5.2 Vehicle Depreciation		487,159 €	487,159 €	487,159 €	487,159 €	487,159 €
6. EBT	-7,400 €	434,427 €	1,271,643 €	477,198 €	1,315,111 €	521,374 €
7. Tax Payable	-1,554 €	91,230 €	267,045 €	100,212 €	276,173 €	109,489 €
8. Net Income	-5,846 €	343,197 €	1,004,598 €	376,987 €	1,038,938 €	411,886 €
9. OCF	-5,846 €	830,356 €	1,491,757 €	864,145 €	1,526,096 €	899,044 €
10. CAPEX	2,435,793 €		2,435,793 €		2,435,793 €	
11. FCF	-2,441,639 €	830,356 €	-944,037 €	864,145 €	-909,697 €	899,044 €
12. DF		1.08	1.08	1.08	1.08	1.08
13. Present Value	-2,441,639 €	769,560 €	-810,860 €	687,896 €	-671,136 €	614,715 €
NPV	-1,851,465 €					
IRR	-25.33%					

Figure 57: Projected Financials for the Three Participating Porsche Centers Scenario

For Porsche Ibérica, in this scenario, the marketing expenses would be cut. Specifically, the promotional event and online marketing expenses would be either eliminated or reduced to 20%. Considering the lower fee-revenues, this would still result in an NPV of €230,458. From Porsche Ibérica's point of view, there is therefore no justification for not proceeding with the project even in the event of lower demand (see Figure 58).

Projected Financials for Porsche Financial Services / Porsche Iberica		Scenario 2				
	2023	2024	2025	2026	2027	2028
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
1. Revenue PFS / PIB	6.25%	97,778 €	102,178 €	106,776 €	111,581 €	116,602 €
2. Operating Expenses	0 €	33,400 €	33,400 €	33,400 €	33,400 €	33,400 €
2.1 Marketing		4,000 €	4,000 €	4,000 €	4,000 €	4,000 €
2.1.2 Online Advertisements		4,000 €	4,000 €	4,000 €	4,000 €	4,000 €
2.1.3 Promotional Event		0 €	0 €	0 €	0 €	0 €
2.2 Salaries		25,000 €	25,000 €	25,000 €	25,000 €	25,000 €
2.3 Other Expenses		4,400 €	4,400 €	4,400 €	4,400 €	4,400 €
3. EBT	0 €	64,378 €	68,778 €	73,376 €	78,181 €	83,202 €
4. Tax Payable	0 €	13,519 €	14,443 €	15,409 €	16,418 €	17,472 €
5. Net Income	0 €	50,859 €	54,335 €	57,967 €	61,763 €	65,730 €
6. OCF/ FCF	0 €	50,859 €	54,335 €	57,967 €	61,763 €	65,730 €
7. DF		1.08	1.08	1.08	1.08	1.08
8. Present Value	0 €	47,135 €	46,670 €	46,144 €	45,566 €	44,942 €
NPV	230,458 €					

Figure 58: Projected Financials for Porsche Ibérica / Porsche Financial Services Scenario

The results of the sensitivity analysis indicate that due to the high capital expenditures of the Porsche Centers, they also bear the project risk compared to Porsche Ibérica. Consequently, in the event of an economic downturn, the Porsche Centers would face an unprofitable project. The analysis further revealed that efforts should be undertaken to ensure that utilization in the scenario does not fall below 51% to maintain the project's profitability for the Porsche Centers. If one considers interest rate changes as the sole changing variable, the project is relatively insensitive. With a projected vehicle utilization rate of 56% and all other initial data remaining constant without budget cuts, the loan interest rate could increase up to 12% and still result in an economically viable project (see Appendix 15i, Interest Sensitivity).

Even if changes in utilization pose a risk to Porsche Centers, certain factors that could positively impact the results for both partners have not been considered in the calculations. It should be noted that the considered plans are simplified five-year plans in which no terminal value of future revenue streams has been accounted for. This omission is due to the complexity of future fleet configurations and pricing structures. The financial model also does not showcase any cross-selling opportunities. Porsche Drive has the potential to convert rental customers into vehicle buyers, thereby increasing the sales for individual Porsche Centers as well as Porsche Ibérica.

In conclusion, Porsche Drive represents a financially attractive project overall. Both, Porsche Centers and Porsche Ibérica have the opportunity to establish a new revenue stream with Porsche Drive, enhancing their competitive position and building a foundation for future mobility offerings of the Porsche brand.

7 Limitations

The thesis on hand, while comprehensive, is subject to certain limitations that impact the depth of its analysis. A significant limitation arises from the interview process, particularly for answers provided by the Spanish Porsche Centres, as most responses were received by email and through Porsche Ibérica. This makes them less robust in terms of insights about criticism. Moreover, due to the limited number of interviews conducted, it proved challenging to discern a distinct and robust trend. The language barrier encountered during the interviews is an additional obstacle that may hinder the full expression of perspectives by both the interviewer and interviewees.

It is crucial to note that the authors of this thesis lack proficiency in Portuguese. Consequently, they utilized translation programs for Portuguese translations, which may result in inaccuracies. Given the potential consequences, particularly in the realm of the legal strategy, it is advisable to seek legal advice to ensure accuracy and mitigate any potential pitfalls.

Furthermore, the financial analysis segment depends on benchmarking and assumptions, necessitated by the competitiveness among Porsche Centers. This limitation restricts access to precise, concrete numbers that would otherwise have contributed to an even more accurate portrayal of Porsche's financial landscape. Also, the financial projections assume a 5-year project and therefore only take projected cashflows of these years into account, no terminal value is considered.

Additionally, the thesis encounters constraints related to the availability of sources for the Portuguese luxury car market. The market's niche and specific nature limited the breadth of sources, potentially impacting the comprehensiveness of the analysis. Therefore, it is essential to

recognize and address these limitations to present a well-rounded evaluation of the work and guide future research in refining its findings.

8 Conclusion

The successful implementation of Porsche Drive in Portugal depends on a series of well-defined strategies, which are based on a thorough market analysis, interviews, and a survey. Central to the implementation is the targeting of the "Luxury Explorer" segment, which corresponds to Porsche's positioning in the high-end market and the potential to increase sales. Porsche Drive can occupy a unique niche in the market by offering a service that goes beyond traditional car rental and focuses on luxury, performance, and exclusivity, thus meeting the lifestyle and status demands of its customers.

To specifically target the "Luxury Explorer" audience, the introduction of a number of enhancement strategies including personalized concierge services, exclusive membership benefits, luxury travel packages, and a subscription model is recommended. The pricing strategy for Porsche Drive will take a value-based approach, reflecting the brand's global recognition for automotive excellence and based on a competitive analysis of the Spanish market. This strategy will be complemented by an omnichannel marketing approach that includes both online and offline channels to create a consistent and engaging brand experience for the target audience. The key objective behind the exclusive launch event is to position the new service as the pinnacle of automotive excellence through an intimate gathering in the upscale surroundings of Comporta, targeting key Porsche customers, influencers, and industry figures to generate positive word of mouth, media coverage, and authentic content creation.

The distribution strategy for Porsche Drive includes direct channels, a user-friendly app, an interactive website, and a physical presence in Porsche Centers. Operational excellence will be a priority, managed by dedicated Porsche Drive Managers at each Porsche Center to ensure

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seamless customer service from check-in to check-out. In addition, a robust feedback system will be implemented to facilitate the continuous improvement of the Porsche Drive experience in Portugal. The initial roll-out is suggested for Porsche Centers in Lisbon, Porto, and Braga, with eight vehicles each (one Cayenne, one Macan, one 911 convertible, one 911, one 718 Cayman, one Panamera, and two Taycans) as this number additionally exceeds the minimum legislative requirement of seven cars.

A key component of this strategy is compliance with legal requirements. This includes obtaining the required CAE (Code 77110), securing a rental license from IMT and maintaining a fleet that meets age and emissions standards. Additionally, all vehicles must be no older than five years, and a minimum of 10% must meet the Euro V emission standard. It is recommended to work proactively with ARAC to stay abreast of legislative changes and ensure ongoing compliance.

From a financial perspective, the Porsche Drive Business model is an attractive prospect for all participating Porsche Centers and Porsche Iberica. However, it should be noted that the investment risks are borne by the Porsche Centers. Although the profitability of the project is promising, it depends on the efficient utilization of the vehicle fleet. The initiative is also expected to bring indirect benefits, such as increased vehicle sales and brand awareness, which, although not quantified, will add value to the overall offering.

In summary, if these strategies are implemented effectively, Porsche Drive's entry into the Portuguese market is expected to be very successful and significantly increase the brand's prestige and financial results.

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10 Appendix

Appendix 1. Interview Questions Spain

Success Factors:

1. What have been the key factors contributing to the success of Porsche Drive in Spain? Are there any specific insights or strategies that have worked well?

Customer Segmentation:

2. Can you share insights into the different customers that have shown interest in Porsche Drive (existing or prospects)? How have you tailored your offerings to meet the specific needs and preferences of these segments?

Customer Feedback:

3. Can you share some customer feedback about the Porsche Drive service in Spain? What do customers appreciate the most about it? What could be improved?

Feedback Mechanisms:

4. How do you manage and address customer feedback in Spain to continually improve the Porsche Drive service? Are there any best practices in this area?

Legal Compliance:

5. How did you navigate the legal requirements and compliance when implementing Porsche Drive in Spain? Were there any unexpected challenges in this regard?

Operational Challenges:

6. Were there any operational challenges in maintaining and servicing Porsche vehicles for short-term rentals? How were these challenges overcome?

Local Marketing Strategies:

7. What local marketing strategies have been effective in promoting Porsche Drive in Spain? Are there any specific campaigns that were successful?

Integration with Dealerships:

8. How has Porsche Drive integrated with the overall operations of your Porsche dealerships? What impact has it had on the business?

Competitive Landscape:

9. Can you provide insights into how Porsche Drive competes with other car rental companies in Spain? What sets it apart from the competition?

Key Takeaways for Portugal:

10. Based on your experience in Spain, what are the key lessons or recommendations you would provide to Porsche dealerships in Portugal as they prepare to implement Porsche Drive?

Appendix 2. Video interview with Porsche Ibérica Dealership Madrid North (IP1), conducted on 04.10.2023 by Franziska Reiss (Interviewer 1) and Luca Hunger (Interviewer 2).

1 **Interviewer 1:** Thank you for the opportunity to interview you today. Starting off with the
2 success factors, what have been the key factors contributing to the success of Porsche Drive in
3 Spain? And are there any specific insights or strategy that really worked well for you?

4 **IP1:** Okay. I have to say, in Spain, a Porsche is a luxurious object that's very important for our
5 customers. So it's a pleasure for them to have a test with Porsche in the weekend some days.
6 Another key factor, I think, is in Spain due to the weather and other things, people like to love
7 to travel. It's lovely, I think, to travel in a Porsche. It's different. Also from the importer side, as
8 you are asking here the specific insights or strategies, I have to say that we are working with
9 different companies to facilitate the dealers. Some agreements, just to have discounts, for ex-
10 ample, or just to have the agreement to facilitate it to the customers. So this is one of our strat-
11 egies to find luxury companies for winning contracts and to offer the Porsche Drive, for exam-
12 ple. We are now talking with wedding website, and that is called „Bodas dot net“ and there are
13 already dealership links for Porsche Drive appearing on their website. So our customers can
14 select a Porsche for the wedding day. We're working also with luxurious hotels. They're offering
15 bundles with our cars. A room package, for example. A night in the hotel, or a weekend in the
16 hotel or a with a Porsche and you can have dinner, for example, in an inexpensive another
17 luxury restaurant.

18 **Interviewer 1:** Okay, that's very nice. Where did these collaborations come from? Where there
19 customers asking for it? Or is it strategically from the Porsche side to actually find these com-
20 panies that you can collaborate with?

21 **IP1:** Yeah, more from the Porsche side. We are trying to find these companies that can fit with
22 our product or service. So we are managing it from America, but then locally, the dealers also
23 can find these companies. And they are indeed.

24 **Interviewer 1:** Okay, very nice. Could you maybe share some more insights into the different
25 customers that have shown interest in Porsche Drive? Are there more existing customers or
26 more prospects? And how have you tailored your offering to meet the specific needs and pref-
27 erences of these different customers?

28 **IP1:** Yeah, we have different types of customers who use Porsche Drive. For example, we have
29 the ones who have an old Porsche, let's say, and they want to have a test with a new one, a new
30 model. Or, for example, customers who are thinking to change their cars and have a new electric
31 one, for example. Or as a and as Luisa said, we have a special discount for our customers and
32 no discount for people outside the, let's say, that prospect. Yeah, for instance. Internal custom-
33 ers? Yeah. If I'm not wrong, most of the customers you have with the Porsche Drive are exter-
34 nal. Actually, yeah, the most are external. Yeah, because they want to feel the experience.

35 **Interviewer 1:** And are they usually Spanish? Or is it more tourism and foreign international
36 people already living in Madrid? What is your feeling or experience about the nationality and
37 also their age?

38 **IP1:** Here in Madrid, in North Madrid, the most are Spanish. Okay. Spanish from all different
39 parts of the country. Not only from Madrid.

40 **Interviewer 1:** Okay. And usually younger?

41 **IP1:** Yeah, I have to say yeah. The average is about 40. From 40 to 50, more or less.

42 **Interviewer 1:** Okay and Gender wise?

43 **IP1:** It's male mostly.

44 **Interviewer 1:** Okay. Have you received some customer feedback about the Porsche Drive
45 service in your dealership? What do customers appreciate most about Porsche Drive? And what
46 could be improved? Do you get any positive or also maybe negative feedback?

47 **IP1:** Yeah, for us, customer feedback is very important. We receive very good feedback from
48 our Porsche Drive customers. There is a reason we call our centers in Spain „experience cen-
49 ters”. For us in the luxury sector, customer treatment is very important. From the moment the
50 customer is coming to the dealership until the moment he is going out with the car. And there
51 was another thing I want to tell here. Maybe about the feedback. We are preparing a satisfaction
52 survey, and we will launch it in the next weeks. So I hope to have this feedback by the customers
53 because now, they only have the feedback if they tell us anything during the delivery. But we
54 will have this satisfaction service. So we hope to have the feedback by the customer. But at the
55 moment, its in planning.

56 **Interviewer 1:** Okay. And usually when this feedback is received at the dealership, is there any
57 mechanism or process how to manage this feedback to continually improve also the Porsche
58 Drive service in Spain?

59 **IP1:** Well we are improving day by day. Yeah, we are learning each day from the customer's
60 feedbacks.

61 **Interviewer 1:** Understanding the process, is it just that each dealership is working with their
62 own feedback? Or are there also meetings and communication from the Porsche Ibérica side to
63 integrate the feedback on to all the dealerships? Just to understand how the communication
64 process works.

65 **IP1:** Yeah, we have biweekly meetings that are organized by Porsche Ibérica. Martin, my col-
66 league, and I are the organizers. And we created these meetings just for that reason because we
67 want everyone responsible from every dealership to share all the business practices to put it in
68 common. And just to also to share ideas. For example, we have an example about the payment
69 platform in process. They have implemented a payment platform at one dealership because we
70 don't have it at the moment. They can share these ideas, these best business practices, and they
71 can copy it in their dealer because they can need this information or they didn't think about it.
72 But if someone put the idea on the table, they can also implement it.

73 **Interviewer 1:** Okay, that's really nice. Very helpful.

74 **IP1:** Yeah, that helps us a lot at meetings.

75 **Interviewer 1:** When it comes to the legal aspect, how did you navigate the legal requirements
76 and the compliance when implementing a Porsche drive in Spain? And were there any unex-
77 pected challenges you faced?

78 **IP1:** Yeah, we asked our legal department to study everything related to the rentals. Well, these
79 rentals, that is a short-term rental. So they studied everything. They prepared the contracts in
80 the legal department.

81 **Interviewer 1:** Okay, so everything went smooth and there were no after launching the Porsche
82 Drive business model in Spain, there was no complications, regard the legal parts?

83 **IP1:** There were not complications. That's true. We just studied it and we saw the way to do the
84 process, the requirements, and everything. But it was not very complicated.

85 **Interviewer 1:** Okay, that's good.

86 **IP1:** For example, in Portugal, it's different. We have some legal requirements that we have to
87 accomplish, and it's different.

88 **Interviewer 1:** Yeah, we're working on that.

89 **Interviewer 2:** Maybe switching to the operational side, we know renting cars is a little bit
90 different to just selling cars. Were there any operational challenges you face in maintaining and
91 servicing the Porsche vehicles for the short-term rentals? Maybe how did you overcome these
92 challenges?

93 **IP1:** Yeah, we there have been challenges, for example, with the customers and the time of
94 returning the cars. Sometimes we have delays, and that's a problem because we usually have
95 another rental after that, the car returned. Another challenge are the customers who don't treat
96 the cars well. You have to fix them. Between it's rental, we are taking all the time the cars.

97 **Interviewer 2:** Okay. Have you maybe solved the challenge already that you can make the
98 customer bring the vehicle back more early?

99 **IP1:** Yeah, we do that. We have some penalizations if they don't return the car on time. They
100 have to pay an extra fee.

101 **Interviewer 2:** Okay. Is it always the case that the customer has to pick up the car by them-
102 selves? Or is it also possible that you are delivering the vehicle to the customer?

103 **IP1:** Not at that time. We are started with a standard process, and then for sure we will do it
104 because it is very interesting to deliver the car, for example, at the airport or maybe at a cus-
105 tomer's home, for example. But yeah, it's a different process, and we prefer to start with a stand-
106 ard one and then the more complicated additions. But for the first two months, as we are learn-
107 ing, we prefer not to complicate it so much.

108 **Interviewer 2:** Talking about the marketing of Porsche Drive, have there been any local mar-
109 keting strategies that have been effective in promoting Porsche Drive in Spain?

110 **IP1:** Yeah for example, we are sending emails to the customers. We also have several posters
111 in the city, and Porsche Drive at work assessments. We also have flyers with photos and infor-
112 mation about the program at the dealerships.

113 **Interviewer 2:** Okay. Do you also have some way to track if the one campaign led to the book-
114 ing of Porsche Drive? Was it just one big funnel that you know there are a lot of people coming
115 in after the campaign?

116 **IP1:** I don't know, because that task is for marketing department. I'm not sure about that. Maybe
117 not at this time. In general on our website. We are also making some communications and some
118 marketing actions. For example, we have implemented some dealers on the global page from
119 PAG, also Germany. And for example, we have different tags on the URLs, so we can see how
120 many customers are clicking on the URLs, for example. And every time we do these actions,
121 we try to put a different tag in order to know where the customers are coming from. We have
122 some information, not everything because it's very complicated. We have also, for example,
123 social media campaigns with huge impact. Different marketings and activities that we know
124 that are working very well. In the app, my project, we also have.

125 **Interviewer 2:** So would you say the most effective campaigns are from social media?

126 **IP1:** The most affective campaigns are from social media

127 **Interviewer 2:** And how would you say has the Porsche Drive integrated with the overall op-
128 erations of your dealerships in Madrid?

129 **IP1:** For example, we have integrated this program with our workshop customers (service cus-
130 tomers). If their cars are in the workshop, we can offer them Porsche Drive during this time,
131 especially if they don't have another car or warranty which includes a spare car for those occa-
132 sions, and is paid by Porsche warranty.

133 **Interviewer 2:** Ok. And do you have a separate counter in your dealership that is only for
134 Porsche Drive.

135 **IP1:** Not at this time. We have two employees from sales department working on this program.
136 And as I said, we have another two people working with workshop customers with the warranty
137 cars, warranty rentals. This is the best way to manage the program because with us and other
138 dealers we have a specific person for this program. So it's very important to have one person or
139 two people full-time dedicated or not full-time, but most of the time dedicated to the program,
140 because at the end, you have to contact a lot of customers. You have to have a lot of time to
141 deliver the cars, to make sure the cars are okay with no damages. So it is a hard work and to
142 assure a good service for the customers, it is always the best option to have a specific person
143 for the problem.

144 **Interviewer 2:** Would you say this hard work has already paid off and there's a positive impact
145 on the business after the first few months of operation?

146 **IP1:** I think, yeah. We are earning money with this product.

147 **Interviewer 2:** The next question would be about the competitive landscape. Can you maybe
148 provide some insights how Porsche Drive competes with other car rental companies in Spain
149 and what sets it apart from those competitors? I mean, yeah, for sure, having a Porsche car
150 rental is better than having a Seat, for example. But are there any other insights on that?

151 **IP1:** Well, there are luxury rent-a-cars that are offering Porsche. But to be honest, our prices
152 are very competitive. So maybe one thing that is better on the competitive companies is that
153 they offer the deliveries in airports or they can offer the rentals at the weekends. The dealers
154 are not opening on the weekends, we can't offer it. But on the other hand, we offer this luxury
155 experience at the dealer. So yeah. The treatment of the customer is not the same.

156 **Interviewer 1:** I have one last question regarding, for example, when a customer comes from
157 the airport, is there a way that he can come to the dealership in order to pick the car up? Or he
158 has to manage that by himself?

159 **IP1:** He has to manage that by himself. So he has to come to the dealership.
160 It depends on the customer. If the customer asks it, it is not a big problem to organize it, I think,
161 but always on demand.

162 **Interviewer 2:** All right, and coming to the last question of today, based on what you have
163 experienced now with the implementation in Spain, what key lessons or learnings would you
164 recommend your colleagues in Portugal to prepare the implementation for Porsche Drive?

165 **IP1:** We think marketing is very important and this is going to help you so much. To know
166 your customers and what they want. For example here in Madrid, we have different types of
167 cars, sports cars, GT models, and family models. These are helping us a lot. And maybe internal
168 coordination at the dealer is very important because there are a lot of departments, and that have
169 something to do on the process like invoicing, customers, communication, marketing. So they
170 need to have all the information. For example, a customer comes in the dealer, they need to
171 know everything about the rental or for sure, the contact person for this person or these people.
172 So they need to be very, very coordinated inside the dealer.

173 **Interviewer 2:** Have there maybe been also some trainings to get the staff to know everything
174 about Porsche Drive and how they have to differentiate with speaking to the customer in that
175 case?

176 **IP1:** Well, we did trainings when we were launching the program, but then I know there are
177 some dealers that are doing it, like internal meetings to create processes to give ideas.

178 **Interviewer 2:** Franziska do you have any additional questions?

179 **Interviewer 1:** No, I think everything was clear. Thank you so much for the insights. That
180 really helped, Thank you for your time.

181 **IP1:** Of course, if you need anything else, just call me you have my mobile. Thank you, bye.

Appendix 3. Questionnaire Porsche Ibérica Dealership Baleares (IP2), received through mail by 17.10.2023.

1 **Q1 – Success Factors:**

2 What have been the key factors contributing to the success of Porsche Drive in Spain? Are there
3 any specific insights or strategies that have worked well?
4

5 **Answer:**

6 The main factors I believe have been the vision that Porsche has had to cover a need in the
7 luxury sector. Mainly in the Balearic Islands we have a lot of quality tourism, and renting cars
8 from the official dealership generates credibility, elegance and good service. The commitment
9 of our management has been a key factor in developing and investing in a new and emerging
10 department. And flexibility in the face of change.
11

12 **Q2 – Customer Segmentation:**

13 Can you share insights into the different customers that have shown interest in Porsche Drive
14 (existing or prospects)? How have you tailored your offerings to meet the specific needs and
15 preferences of these segments?
16

17 **Answer:**

18 Current client:

19 - Male 45 years old. Spanish nationality. Businessman. Manager (average rental period 5/7
20 days).

21 - Male 27 years old. Spanish nationality. Sports lover. Enjoyment, leisure or events (1 to 3 days
22 rental).

23 Potential client:

24 - Foreign man, on holiday. Businessman. Executives (long term rental 7 to 10 days).

25 - Foreign man travelling on business. Manager (short term rental 3 to 5 days).

26 - Female. Spanish. Organizing an event/wedding (short term rental 1 day).
27

28 **Q3 – Customer Feedback:**

29 Can you share some customer feedback about the Porsche Drive service in Spain? What do
30 customers appreciate the most about it? What could be improved?
31

32 **Answer:**

33 The comments that some customers have repeated to us is the easy and close way they have to
34 rent the vehicle. Almost everything can be done by WhatsApp or mail. Sending and tracking
35 reservations via email or what's up generates peace of mind and confidence.
36

37 **Q4 – Feedback Mechanisms:**

38 How do you manage and address customer feedback in Spain to continually improve the Por-
39 sche Drive service? Are there any best practices in this area?
40

41 **Answer:**

42 At the moment the opinions are in person, we send an email when we enclose the invoice to the
43 client leaving open the possibility of leaving a comment for our improvement, but the reserva-
44 tions we have had are only answered with "thank you very much".

45

46 **Q5 – Legal Compliance:**

47 How did you navigate the legal requirements and compliance when implementing Porsche
48 Drive in Spain? Were there any unexpected challenges in this regard?

49

50 **Answer:**

51 Done by the Importer

52

53 **Q6 – Operational Challenges:**

54 Were there any operational challenges in maintaining and servicing Porsche vehicles for short-
55 term rentals? How were these challenges overcome?

56

57 **Answer:**

58 Where we have encountered some problems is with the insurance. And the management of
59 excess reductions and claims. But they have been solved by sending emails and following up
60 closely on each specific case.

61

62 **Q7 – Local Marketing Strategies:**

63 What local marketing strategies have been effective in promoting Porsche Drive in Spain? Are
64 there any specific campaigns that were successful?

65

66 **Answer:**

67 The main strategy we have used in the Balearic Islands has been email marketing. We have
68 approached internal customers, as we have their data and consent to use them. On the other
69 hand, we have looked for possible collaborators in different sectors that could be of interest to
70 us and we have sent them e-mails.

71

72 **Q8 – Integration with Dealerships:**

73 How has Porsche Drive integrated with the overall operations of your Porsche dealerships?
74 What impact has it had on the business?

75

76 **Answer:**

77 Due to the volume of work involved in Porsche Drive, it was decided to bring in an external
78 developer. Porsche Drive has also provided an alternative for closing sales deals. It is a good
79 opportunity to bring Porsche closer to important events. On the other hand, the increase from 6
80 to 10 cars for Drive increases the sales quota for used vehicles. The volume of work that Porsche
81 drive requires in its entire process involves departments such as administration, workshop or
82 CRM. Thus, departments that do not yet have the IT infrastructure to efficiently handle the
83 entire process.

84

85 **Q9 – Competitive Landscape:**

86 Can you provide insights into how Porsche Drive competes with other car rental companies in
87 Spain? What sets it apart from the competition?

88

89 **Answer:**

90 We compete directly with other local car rental companies. In principle, we did not want to
91 attack the same customers as them, but rather we have decided to collaborate with some of them
92 by means of special offers. Our main differentiating factor is that we are the Official Porsche
93 Centre and the variety of sports cars we have available for rental.

94

95 **Q10 – Key Takeaways for Portugal:**

96 Based on your experience in Spain, what are the key lessons or recommendations you would
97 provide to Porsche dealerships in Portugal as they prepare to implement Porsche Drive?

98

99 **Answer:**

100 To have an specific person who manages the program

Appendix 4. Questionnaire Porsche Ibérica Dealership Sevilla (IP3), received through mail by 18.10.2023.

1 **Q1 – Success Factors:**

2 What have been the key factors contributing to the success of Porsche Drive in Spain? Are there
3 any specific insights or strategies that have worked well?
4

5 **Answer:**

6 The world is changing and with it, rent-a-car is changing, so the option for the future with any
7 car brand that want flow with this change is become to be a pioneer with people requirements.
8 The strategy is simple, people who need a car, even though they have not a Porsche property,
9 could drive a car with all this characteristics. Also people from Porsche could try another model
10 which could be interested in. And finally Porsche assistance could help us when the car property
11 should be in the workshop more than expected. Nowadays, from Sevilla, we are trying to extend
12 all those ideas. The option we give to our future customer are about a car rental for events,
13 weddings or for a simple birthday.
14

15 **Q2 – Customer Segmentation:**

16 Can you share insights into the different customers that have shown interest in Porsche Drive
17 (existing or prospects)? How have you tailored your offerings to meet the specific needs and
18 preferences of these segments?
19

20 **Answer:**

21 Right now, we have had only young people on this new service for customers. Young people
22 as 25 – 40 years old. In a potential structure, we can find other customer from 50 years old
23 because our workshop started to inform these customers about the option to get a rental from
24 our Porsche Drive System
25

26 **Q3 – Customer Feedback:**

27 Can you share some customer feedback about the Porsche Drive service in Spain? What do
28 customers appreciate the most about it? What could be improved?
29

30 **Answer:**

31 There are not many comments from customers, but most of them assure this option is very
32 comfortable for everybody. The most important thing is to be kind and explain every step we
33 are giving then check out and check in. We could improve the station where check in the cars.
34

35 **Q4 – Feedback Mechanisms:**

36 How do you manage and address customer feedback in Spain to continually improve the Por-
37 sche Drive service? Are there any best practices in this area?
38

39 **Answer:**

40

41 There is not any feedback now where people could give us. In any case when customer check
42 out the car, they give any feedback face to face.

43

44 **Q5 – Legal Compliance:**

45 How did you navigate the legal requirements and compliance when implementing Porsche
46 Drive in Spain? Were there any unexpected challenges in this regard?

47

48 **Answer:**

49 Done by the Importer

50

51 **Q6 – Operational Challenges:**

52 Were there any operational challenges in maintaining and servicing Porsche vehicles for short-
53 term rentals? How were these challenges overcome?

54

55 **Answer:**

56 Nowadays there are not any challenges with the cars, we clean and assure all damages are noted
57 in the system and we rent the car. If there is any damage we explain to the customer and note
58 in his contract before they go.

59

60 **Q7 – Local Marketing Strategies:**

61 What local marketing strategies have been effective in promoting Porsche Drive in Spain? Are
62 there any specific campaigns that were successful?

63

64 **Answer:**

65 We started a marketing campaign with weddings, but the best option is calling and having direct
66 meetings with events planners and explaining the benefits of working with us.

67

68 **Q8 – Integration with Dealerships:**

69 How has Porsche Drive integrated with the overall operations of your Porsche dealerships?
70 What impact has it had on the business?

71

72 **Answer:**

73 Right now, at Porsche Sevilla we are still working as always, the thing is to have a responsible
74 employee who is in charge to solve all the customers questions day by day. We found a real
75 impact because we can use cars in order to have any progressive business with cars.

76

77 **Q9 – Competitive Landscape:**

78 Can you provide insights into how Porsche Drive competes with other car rental companies in
79 Spain? What sets it apart from the competition?

80

81 **Answer:**

82 The difference with the competitors right now is really big. We are starting with a simple local
83 business which impact is relative, because of the situation of the office, because of the price we
84 offer respect to the big companies. We can not compare this business with the rest of the

85 companies and if we do so, we will have problems because something went wrong when mak-
86 ing the study competitors.

87

88 **Q10 – Key Takeaways for Portugal:**

89 Based on your experience in Spain, what are the key lessons or recommendations you would
90 provide to Porsche dealerships in Portugal as they prepare to implement Porsche Drive?

91

92 **Answer:**

93 I will highly recommend to start getting this such as an option to optimize the benefit having
94 some cars using as rental car. But do not think that this is going to be easy, because there are
95 many troubles in the middle. Also take into account the responsible person should be on it
96 continuously. And for sure making a specific marketing with a company, save some budget for
97 marketing activities because in otherwise it will be a really rough way

Appendix 5. Questionnaire Porsche Ibérica Dealership Zaragoza (IP4), received through mail by 19.10.2023.

1 **Q1 – Success Factors:**

2 What have been the key factors contributing to the success of Porsche Drive in Spain? Are there
3 any specific insights or strategies that have worked well?

4
5 **Answer:**

6 1. Communicate and transmit to everyone that you have the possibility to drive and enjoy a
7 Porsche in the rental mode.

8 2. To make our customers and teams understand that mobility comes at a price. This allows
9 Porsche Drive to be sustainable and long-lasting.

10

11 **Q2 – Customer Segmentation:**

12 Can you share insights into the different customers that have shown interest in Porsche Drive
13 (existing or prospects)? How have you tailored your offerings to meet the specific needs and
14 preferences of these segments?

15

16 **Answer:**

17 1. At the moment our focus has been on our dealership, sales and workshop customers.

18 2. With regard to the offers, we have been guided by the rates provided by Porsche Centre and
19 we have adjusted them according to the needs of our regular customers by applying some dis-
20 counts.

21

22 **Q3 – Customer Feedback:**

23 Can you share some customer feedback about the Porsche Drive service in Spain? What do
24 customers appreciate the most about it? What could be improved?

25

26 **Answer:**

27 1.The driving experience of the cars.

28 2.The implementation of the mobility service for when they leave their vehicles in the work-
29 shop.

30 3.The alternative of having mobility when they have to wait for their new vehicle to arrive.

31

32 **Q4 – Feedback Mechanisms:**

33 How do you manage and address customer feedback in Spain to continually improve the Por-
34 sche Drive service? Are there any best practices in this area?

35

36 **Answer:**

37 As soon as a negative aspect is brought to our attention, it is communicated to the head of the
38 department so that measures can be taken to prevent it from happening again. And with every
39 return, we always ask how the experience with the vehicle was, and they usually give good
40 reviews.

41

42 **Q5 – Legal Compliance:**

43 How did you navigate the legal requirements and compliance when implementing Porsche
44 Drive in Spain? Were there any unexpected challenges in this regard?

45

46 **Answer:**

47 At the time the vehicle is delivered, all conditions are explained before signing the contract and
48 are underlined as they are explained, so far we have not had any problems or complaints.

49

50 **Q6 – Operational Challenges:**

51 Were there any operational challenges in maintaining and servicing Porsche vehicles for short-
52 term rentals? How were these challenges overcome?

53

54 **Answer:**

55 None, except the process of making the contract in FS-Tools (Financial Services-Tools) is a bit
56 lengthy.

57

58 **Q7 – Local Marketing Strategies:**

59 What local marketing strategies have been effective in promoting Porsche Drive in Spain? Are
60 there any specific campaigns that were successful?

61

62 **Answer:**

63 At our dealership we have sent out a mailing and placed a roll-up in the reception area promot-
64 ing the Taycan in order to give more visibility to Electric Mobility.

65

66 **Q8 – Integration with Dealerships:**

67 How has Porsche Drive integrated with the overall operations of your Porsche dealerships?
68 What impact has it had on the business?

69

70 **Answer:**

71 Our integration has been good, as there is already a rent-a-car manager. The impact on the
72 business has been good in terms of fleet management and logistics, and we are making progress
73 in terms of profitability.

74

75 **Q9 – Competitive Landscape:**

76 Can you provide insights into how Porsche Drive competes with other car rental companies in
77 Spain? What sets it apart from the competition?

78

79 **Answer:**

80 We have no major competitors, thanks to our product.

81

82 **Q10 – Key Takeaways for Portugal:**

83 Based on your experience in Spain, what are the key lessons or recommendations you would
84 provide to Porsche dealerships in Portugal as they prepare to implement Porsche Drive?

85

86 **Answer:**

- 87 1. To be considered as a new and independent business unit with specialized management.
- 88 2. That the contract is explained with full transparency and making the conditions and require-
89 ments clear from the moment of booking.
- 90 3. Try to create a sense of ease and comfort for the customer with the mobility service.

Appendix 6. Coding Overview Spain

Categories	Subcategories	Questions	Madrid Nord (IP1)	Balears (IP2)	Sevilla (IP3)	Zaragoza (IP4)
Marketing & Promotion	Local Marketing Strategies:	What local marketing strategies have been effective in promoting Porsche Drive in Spain?	- E-Mail marketing (110 et seq.) - Flyers (110 et seq.) - Advertisements in parking lots (110 et seq.) - Social media campaigns for local marketing (126)	- E-Mail marketing (67 et seq.) - Approached internal customers (67 et seq.) - Looked for possible collaborators in different sectors that could be of interest via mail (67 et seq.)	- Marketing campaign with weddings (64 et seq.)	- mailing - roll-up in the reception area promoting the Taycan in order to give more visibility to Electric Mobility (63 et seq.)
		Are there any specific campaigns that were successful?			- Calling and having direct meetings with events planners (64 et seq.)	
	Customer Segmentation	Can you share insights into the different customers that have shown interest in Porsche Drive (existing or prospects)?	- Diverse range of customers: Those with older Porsches looking to test new models and those interested in electric vehicles (28 et seq.) - Mostly Spanish, mainly from Madrid, and typically between the ages of 40 to 50 (38)	- Current clients: M45, Spanish, Businessman, Manager (avg. rental period 5/7 days); M27, Spanish, Sports lover, Enjoyment, leisure or events (1 to 3 days rental) - Potential client: Foreign man, holiday, businessman, executives (long term rental 7 to 10 days); Foreign man travelling on business, Manager (short term rental 3 to 5 days); Female, Spanish, organising an event/wedding (short term rental 1 day) (18 et seq.)	- Young people on this new service for customers - Young people as 25 – 40 years old - Potential structure: Customers > 50 years old because our workshop started to inform these customers about the option to get a carhire from our Porsche Drive System. (21 et seq.)	- Focus on our dealership, sales and workshop customers (17 et seq.)
		How have you tailored your offerings to meet the specific needs and preferences of these segments?	- Existing customers receive special discounts (28 et seq.) - Prospects pay regular rates (28 et seq.)			- Regard to the offers, we have been guided by the rates provided by Porsche Centre and we have adjusted them according to the needs of our regular customers by applying some discounts (17 et seq.)
	Customer Feedback:	Can you share some customer feedback about the Porsche Drive service in Spain?	- Satisfaction survey is planned to gather more customer feedback --> mention in Feedback Mechanisms (47 et seq.)	- Easy and close way they have to rent the vehicle (WhatsApp or E-Mail) - Sending and tracking reservations via email or what's up generates peace of mind and confidence (33 et seq.)	- Not many comments from customers, - Most of them assure this option is very comfortable for everybody (31 et seq.)	- Driving experience of the cars (27 et seq.)
	What do customers appreciate the most about it? What could be improved?	- Luxury treatment provided by Porsche Drive, including personalized service, has received positive feedback (103 et seq.)		- be kind and explain every step from check-in to check-out - could improve the station where check in the cars. (31 et seq.)	- The implementation of the mobility service for when they leave their vehicles in the workshop. - Alternative of having mobility when they have to wait for their new vehicle to arrive (27 et seq.)	
Competitive Landscape:	Can you provide insights into how Porsche Drive competes with other car rental companies in Spain?	- Competes through competitive pricing (151 et seq.) - Luxury experience (151 et seq.) - Close coordination with dealerships (165 et seq.)	- Compete directly with other local car rental companies - We did not want to attack the same customers as them, but rather we have decided to collaborate with some of them by means of special offers. (87 et seq.)	- Big difference to competitors - We are starting with a simple local business with relative impact (Situation of the office, price compared to the big companies) - Not comparable with rest of the companies and if we do so, we will have problems because something went wrong when making the study competitors (81 et seq.)	- No major competitors (80)	
	What sets it apart from the competition?		- Being the Official Porsche Centre - Variety of sports cars (90 et seq.)		- Porsche cars as product (80)	
Legal	Legal Compliance:	How did you navigate the legal requirements and compliance when implementing Porsche Drive in Spain? Were there any unexpected challenges in this regard?	- Working with the legal department (86 et seq.)	- Done by the Importer (51)	- Done by the Importer (48)	- at time of delivery, all conditions are explained before signing the contract and are underlined as they are explained, so so far we have not had any problems or complaints (47 et seq.)

Categories	Subcategories	Questions	Madrid Nord (IP1)	Balears (IP2)	Sevilla (IP3)	Zaragoza (IP4)
Sales & Distribution	Feedback Mechanisms:	How do you manage and address customer feedback in Spain to continually improve the Porsche Drive service?	- Biweekly meetings: Share best practices and coordinate efforts among dealers (65)	- Opinions are in person - E-Mail when we enclose the invoice to the client leaving open the possibility of leaving a comment for our improvement, but the reservations we have had are only answered with "thank you very much". (42 et seq.)	- no process - happens 12f when checking out the car (44 et seq.)	- Communicated to the head of the department so that measures can be taken to prevent it from happening again - With every return, we always ask how the experience with the vehicle was - Usually give good reviews (37 et seq.)
		Are there any best practices in this area?	- Internal communication and coordination within the dealership are essential for the program's success (165 et seq.)			
	Operational Challenges:	Were there any operational challenges in maintaining and servicing Porsche vehicles for short-term rentals?	- Operational: Dealing with customer delays, ensuring cars are treated well (93 et seq.)	- Some problems with the insurance - Management of excess reductions and claims (58 et seq.)	- No challenges with the cars - We clean and assure all damages are noted in the system - If there is any damage we explain to the customer and note in his contract before they go (55 et seq.)	- None - Process of making the contract in FS Tools is a bit lengthy. (55 et seq.)
		How were these challenges overcome?	- Penalties are in place for late returns (99 et seq.)	- Solved by sending emails and following up closely on each specific case (58 et seq.)		
Integration with Dealerships:	How has Porsche Drive integrated with the overall operations of your Team dedicated to managing the program (135 et seq.) Porsche dealerships?		- Brought in an external developer (77 et seq.)	- Still working as always - Thing is to have a responsible who is in charge to solve all the customers questions day by day (72 et seq.)	- Integration has been good, as there is already a rent-a-car manager (71 et seq.)	
	What impact has it had on the business?		- Alternative for closing sales deals - Increase from 6 to 10 cars for Drive increases the sales quota for used vehicles - Good opportunity to bring Porsche closer to important events - Volume of work requires involves departments such as administration, workshop or CRM. Thus, departments that do not yet have the IT infrastructure to efficiently handle the entire process. (77 et seq.)	- Real impact because we can use cars in order to have any progressive bussines with cars (72 et seq.)	- Impact on the business has been good in terms of fleet management and logistics, and we are making progress in terms of profitability (71 et seq.)	
Success Factors	Key Takeaways for Portugal	Based on your experience in Spain, what are the key lessons or recommendations you would provide to Porsche dealerships in Portugal as they prepare to implement Porsche Drive?	- Marketing (165 et seq.) - Customer segmentation (165 et seq.) - Internal coordination (165 et seq.)	- Have a specific person who manages the program (100)	- Optimize the benefit having some cars using as rental car - Do not think that this is gonna be easy, because there are many troubles in the middle - Take into account the responsible person should be on it continuously - Making a specific marketing with a company, save some Budget for marketing activities because in otherwise it will be a really rough way. (91 et seq.)	- To be considered as a new and independent business unit with specialised management - Contract is explained with full transparency and making the conditions and requirements clear from the moment of booking. - Create a sense of ease and comfort for the customer (87 et seq.)
		What have been the key factors contributing to the success of Porsche Drive in Spain?	- Appeal of Porsche as a luxury brand (1351 et seq.) - Love for travel - Desire for a unique experience	- Vision that Porsche had to cover a need in the luxury sector - Commitment of our management - Flexibility in the face of change (6 et seq.)	- Be a pioneer with people requirements - Drive a Porsche without owning one - Employees could try another model - Porsche assistance could help us when the car should be in the workshop more than expected - Car rental for events, weddings or for a simple birthday. (6 et seq.)	- Communicate and transmit to everyone that you have the possibility to drive and enjoy a Porsche in the rental mode - To make our customers and teams understand that mobility comes at a price, allows Porsche Drive to be sustainable and long-lasting. (6 et seq.)
	Success Factors	Are there any specific insights or strategies that have worked well?	- Collaboration with luxury companies, e.g., wedding websites and luxurious hotels (4 et seq.)	- Renting cars from the official dealership generates credibility, elegance and good service (6 et seq.)		

Appendix 7 Interview Questions Portugal

Understanding Market Demand:

1. How many new and used cars do you sell a year in? (approx.)
2. Can you provide insights into the local demand for Porsche rentals in Portugal? How often are customers asking for rentals? (approx.)
3. What are the primary reasons customers might want to rent a Porsche for short-term periods?

Customer Segmentation:

4. Which customers might be interested in Porsche Drive in Portugal (existing or new)?

Customer Needs and Preferences:

5. How do you think Porsche Drive can complement the existing services offered by Porsche dealerships in Portugal?
6. What are the key customer preferences and needs you foresee in this market?"

Partner Analysis:

7. Do you have any rental partners you are currently working with?
8. What could we learn from them in terms of customer acquisition and service quality?

Legal Requirements:

9. From your perspective, what do you believe are the legal requirements that a Porsche dealership needs to fulfill in Portugal to offer the Porsche Drive service? Are there any specific regulatory challenges you would see?

Marketing Strategies:

10. How do you propose effectively marketing and promoting Porsche Drive in your region?
Do you have any ideas on how to attract customers to this service?

Feedback Mechanisms:

11. How could you establish efficient feedback mechanisms between your dealership and Porsche Ibérica to address customer concerns and enhance service quality?

Integration with Current Operations:

12. How do you see Porsche Drive integrating with the existing operations in your dealership?
Are there any potential challenges or opportunities you see?

Appendix 8.

Video interview with Porsche Ibérica Dealership Lisbon (IP5), conducted on 11.10.2023 by Adrian Klein (Interviewer 1) and Jonas Baumgartner (Interviewer 2).

- 1 **Interviewer 1:** Thank for taking the time.
- 2 **IP5:** No worries. That's no problem. I hope that all the information I sent you was helpful.
- 3 **Interviewer 1:** Yeah. Very helpful and promising.
- 4 **IP5:** Be aware, please, that is confidential, all that information. Make sure that not to go to
5 wrong ends or whatever.
- 6 **Interviewer 1:** I think maybe we will use data in the work itself, but I think also the master
7 thesis will be confidential. We'll have to talk to the professor again about that, but I don't think
8 that it's going to be published, I think. It's only in the Nova database, but no one has access to
9 it.
- 10 **IP5:** Okay, thank you very much. So How can I help you?
- 11 **Interviewer 1:** We have a few questions ready for you. I'm just going to share my screen and I
12 will also read it. Maybe it's a little small, but I will read it again.
- 13 **Interviewer 2:** Before we start, can we record this interview?
- 14 **IP5:** Yeah, of course.
- 15 **Interviewer 1:** Okay, perfect. Thank you. It's just for us also just so we can transcribe it a little
16 bit better and formulate it into text, then it's going to be much easier than by our head. The first
17 question we wanted to ask you was a general question about the structure. We talked about it
18 already at the dealership. Maybe you could talk a little bit about how the JAP group is structured
19 in Portugal or your dealership, and especially how many Porsche dealerships are part of the
20 group in Portugal. Because we were wondering and we were not quite sure if every dealership
21 or every Porsche dealership is part of the or only Lisbon, only you. How does it work?
- 22 **IP5:** I was trying to explain you. There are five dealerships in Portugal. In Porto and Braga are
23 from the same owner. There's one in Lisbon, that is ours. There's another one in Leiria, and
24 there's another one in Faro. Totally, there are five dealerships. In respect to Lisboa, we make
25 part of a group. I think we are the only dealership that makes part from a group of Automotive.
26 The other dealers, are small companies and independent. But Lisbon, we are part of Groupo
27 JAP. JAP is a big group in Portugal, and we are located from the north of Portugal to the south
28 of Portugal, including the Highlands, a source in Madeira. In the Highlands, we only have the
29 Sixt (franchise) for "rent a car". We don't have dealerships there. We are located as well in
30 Africa. And here in Portugal, we have several brands. We represent Volkswagen, Audi, Por-
31 sche, BMW, VW, Fiat, Nissan, Hyundai, Mitsubishi, Opel, Peugeot.
- 32 **Interviewer 1:** It's quite big. You also said that the Sixt rental also is a part of JAP group. Is it
33 all Sixt in Portugal or only a few locations?
- 34 **IP5:** We are the master franchising in Portugal. All the Sixt are ours. We are located every-
35 where.
- 36 **Interviewer 1:** That's very interesting. Okay, perfect. Then I think we have the answers to the
37 first question. Secondly, it was about market demand. It's just an approximation. You already
38 told us that, I think, also last time. How many cars or Porsche cars do you sell a year, approxi-
39 mately? If you could divide it into new and used ones, it would be perfect for us? Yeah.

40 **IP5:** Well, probably in the end of 2023, probably we sold 370 new cars. And used cars around
41 120 cars. Also- I'm talking just Porsche's, because on used with cars, we sell other brands as
42 well

43 **Interviewer 1:** Okay, perfect. Next question. Can you provide us info of the local demand for
44 the Porsche rents in Portugal? You told us that sometimes customers call you at the Porsche
45 dealership and then ask if they could rent also Porsche for sure then. Then you tell us you will
46 forward them to Hugo or to somebody else at Sixt. Do you also have a number in mind how
47 many customers in Lisbon are calling you a year?

48 **IP5:** Well, my experience tell me that it's so little. The number is so low. If you ask me a
49 number, I can tell you during a year, 10 persons, 10 customers. Why 10 customers? Because
50 they don't identify Porsche as a rental car, so they don't call us, they don't ask us that.

51 **Interviewer 1:** They go normally strictly to Sixt, I think. Maybe you don't know that, but if
52 somebody calls you, is it normally a Porsche customer or a new customer? I reckon it's a Por-
53 sche customer that asks for a model?

54 **IP5:** I think it's a mix. It's a Porsche customer, but sometimes it's a new customer because they
55 want to. It's just not to rent. It's more to have experience with the Porsche cars and it's a way to
56 do it. They prefer to rent a car to experience the car, I think is important, mainly customers are
57 foreign, not Portuguese.

58 **Interviewer 1:** Just imagine that a current Porsche customer comes to you and asks for and
59 asks for a test drive of a car. Is it a whole new thing? Do you provide that?

60 **IP5:** Yeah, we provide that. That is normal.

61 **Interviewer 1:** But that's only then half an hour or an hour with the car and you don't charge
62 the customer.

63 **IP5:** Yeah, half an hour an hour and sometimes if we know the customer, we give the car during
64 a weekend or something, one day or two days.

65 **Interviewer 1:** Okay, perfect. Then from your experience, you also told us a little bit about it.
66 If you could imagine Porsche Drive starting at your dealership, what customers, might be in-
67 terested? Would it be existing Porsche customers? Would it be new customers or would they
68 be tourists? Would it be Portuguese people? What would you think? Just from your experience.

69 **IP5:** Maybe a mix of customers and new customers. And probably some customers that has
70 imagine if I have a 911 and I would prefer to do a test drive with a Cayenne or something like
71 that with the family. Probably the customer with the Taycan that is the electric car, there's some
72 limitations with the electric cars and I need to go to weekend with my family, probably I will
73 rent a Taycan, a Cayenne or something like that.

74 **Interviewer 1:** I think that's okay for this question. The next one would be, from your experi-
75 ence also, if you would offer Porsche Drive, would you say, how would it complement your
76 offering? Would you say it would make sense from your perspective? Or would you say if you
77 were asked would you do it or would you not and what would you do?

78 **IP5:** Yeah, it makes sense. For example, the only rent-a-car in Portugal that I know that rents
79 luxury cars at the moment is Sixt, and it's our rent-a-car. Because I think we are looking to the
80 rent to this business, luxury cars, as a business. I think there's space on the market to have a
81 rental car dedicated to luxury cars. If we, Center Porsche Lisboa, we have a rent-a-car dedicated
82 with all our cars, it makes sense. It probably will be a good business for us, not just for renting,
83 but there's another business on this kind of rent-a-car that is the reselling the car, the buyback.

84 Do you know the expression buyback? I sell the car and after that I came back and I can sell it
85 as a used car. Because what we are doing with Sixt is a little bit about this. We sell the car to
86 the Sixt, they rent a car, they earn their money. After six months, nine months, one year, we
87 can buy back the car again and we can sell it again by the used cars. It's a way to have used
88 cars. It's not all in the business to rent or no. There's another business on the rent-a-car.

89 **Interviewer 1:** If you would buy the car for Porsche Drive and not for Sixt, you buy the car, I
90 think Hugo also talked to us about that, you buy the car in general from Porsche Ibérica, right?
91 And you buy it whole, then you would rent it out, and then you would sell it again, right?

92 **IP5:** Exactly. When you are renting the car, you are depreciating the value of the car. That's
93 why the car can be nice to sell it again as a used car.

94 **Interviewer 1:** The process would be similar as we do it right now with Sixt?

95 **IP5:** Exactly, only difference, that is the value when we rent the car, it's earned by us, not by
96 Sixt. At the moment, the money is Sixt because it's renting the car. If that margin is profit for
97 them, not for me.

98 **Interviewer 1:** Okay, you don't have to answer that question, but would you think that there
99 would be any possible conflict with Sixt after if you would implement Porsche Drive?

100 **IP5:** Probably we would create a small conflict, yes. But there is a big difference. I think there's
101 room for everybody because Sixt is all over Portugal and we are only in Lisbon. So the facility
102 from a customer that rents a car on north of Portugal and he wants to go to Algarve and can
103 drive the car to Algarve and leave the car on Sixt to Algarve and catch the plane to go again to
104 Germany, it's easy for them. Here for us in Lisbon, that's difficult to leave the car in... It's a
105 problem. If our car in Faro, for example.

106 **Interviewer 1:** But do you think it would be an advantage if a customer rents the car from
107 Porsche directly because you have a brand advantage and as a customer, you come to Porsche
108 and buy it directly or rent it directly from Porsche and not from Sixt. Do you think you could
109 maybe charge a customer more because you have the Porsche brand?

110 **IP5:** I don't think so. I don't think you can charge more than them because they are profession-
111 als. They only rent a car. They know how to do it because there are some tricks, and you can
112 call them like that, because there's the high season, low season, during the summer, probably
113 you can rent a Porsche easily with a high rate. But in the winter, there's a problem with the car.
114 Probably you can't rent a car. They (Sixt) are professional. They do that for a living. For us,
115 rent a car is another small business in our dealership. So probably you can't charge more for
116 being worse in leasing.

117 **Interviewer 2:** What Do you think makes or make Sixt well in order to get customers? And
118 what do you think needs to be the service quality you have in comparison to Sixt that you give
119 the customers a plus and a service?

120 **IP5:** Well, as I explained that before, it's going to be very difficult to give a better service than
121 the Sixt. Because first of all, they are located everywhere. And we are only located in Lisbon.
122 The customer can catch the car in Lisbon and go to Faro and leave the car in Faro for us. It is
123 possible if all the dealerships are on the same ship. You can tell that like that. We have a part-
124 nership between all the dealerships and my colleague in Faro can catch the car from Lisbon and
125 find a way to bring it back again, probably is a solution. But really, the main advantage that we
126 have from another organization like Sixt or EuropeCar or whatever, is the brand that we have.
127 We are the brand. Otherwise, to give a premium service, I don't think we can give to the

128 customers the service that the rental cars give to them. It's going to be very difficult to beat
129 them on service. I think the Sixt and all the rent-a-cars, there's a gap in the business, they don't
130 work. Imagine, if my customer buys me a Taycan and we can do some contract with them to
131 give them 3, 4, 5, 6, 7, 10 days per year with another car because Taycan - there's some limita-
132 tions with electric cars, as you know. My customer wants to go on holidays to Spain and to go
133 with his family in an electric car can be complicated. We can sell the electric car with the
134 voucher, imagine, with the conversion car for 10 days a year or whatever, or we can set another
135 way to see the things. You can sell a Cayenne to a customer and we can give him opportunity
136 to two weekends during a year to test a 911, for example. We can arrange some way with our
137 rent-a-car to make it part of this business. If you go for the rental, pure rental, probably will not
138 be so competitive as the rent-a-car. Yeah. We have to find another way to complete the package
139 when you are selling a car.

140 **Interviewer 2:** Okay sounds interesting. For the legal requirements, you already told us about
141 the „code“ and also Google told us more about it. But are there any other requirements you can
142 think of that need to be fulfilled, except of the code that you need to have for a rental car busi-
143 ness?

144 **IP5:** I really don't know. I don't think we don't need anything else besides the code. Probably
145 you have to have a software dedicated to this kind of business, because at the moment we don't
146 have something to control the fines, the “multas fines”, if the customer exceed the speed limits
147 on the autobahn. We don't have some software to control all of these things.

148 **Interviewer 2:** Could you provide us the name of the code into the chat?

149 **IP5:** Have to check it. I have to try to find it, but I don't know the codes for that. But I can give
150 you the codes. I can search and make you... I can send you the old information if you want.
151 The name in Portugal is CAE, C-A-E. Okay. C-A-E is the code number. It's CAE rent-a-car,
152 CAE, or something like that. I can do some quick research and searching - It's 77.110.

153 **Interviewer 2:** Now, as you know, feedback always important. How could you manage the
154 feedback mechanism between the dealership that offers the portal drive? You and Porsche Por-
155 tugal to get to increase service or to get better. Do you think about any IT program? Do you
156 think of email back and forth or what could you have in mind for this?

157 **Interviewer 1:** Maybe before that, how does it work in general? If you have any feedback on
158 Porsche initiatives or something that comes from Porsche Ibérica or Porsche Portugal, how does
159 it work? How do you communicate? Do you have a tool for feedback or is it just with your
160 contact?

161 **IP5:** No, we have a platform that we can communicate with the Porsche Ibérica, in this case.
162 There's various surveys and queries. There's a lot of information that we can change with Por-
163 sche Ibérica there. We already have a platform that we can change information and satisfying
164 of the feedback from the customers, everything. I think we have that kind of tools to do it.

165 **Interviewer 2:** Ok last question. The advantage of Porsche Drive integrating in your operation
166 of the dealership would be not that you only can rent a car, but the combination that you talked
167 about. If some customer has a Porsche Taycan or a Cayenne and wants a 911 because they have
168 issues with they have, I think, fear of the battery running out if they're going on a long trip.
169 That's a possible integration, I'd say. Can you think of anything else? Would you come to mind
170 other than that? What could be advantages of the leasing business or of the short-term rental?

171 **IP5:** Well, what comes to my mind is that we have to have a team specialized for this, a team
172 dedicated to Porsche Drive. I can't share the team that I have with this business. We have to
173 have something additionally. Probably I will have to contract someone from the rent-a-car busi-
174 ness with experience.

175 We can have small advantages against Sixt or EuropeCar because of the mix of Porsche cars
176 that we can offer. We can get the customer cars that Sixt doesn't have. If my customer wants a
177 cabrio, a 911 cabrio, probably I could easily find one to rent my customer. But if they (Sixt)
178 don't have the cabrio, it's very difficult for them to rent the car. Probably we can have a niche
179 business, that other rent-a-car doesn't have.

180 **Interviewer 1:** Okay, perfect. It's two minutes past our time. Jonas has a lecture he has to attend
181 to. Cristiano, thank you so much for your time and for your answers.

182 **IP5:** Thank you very much. If you need anything else, just give me a call or email or whatever
183 you want.

Appendix 9.

Video interview with Porsche Ibérica Dealership Faro (IP6), conducted on 10.10.2023 by Adrian Klein (Interviewer 1) and Franziska Reiss (Interviewer 2).

1 **Interviewer 2** Thank you so much for taking time today. Maybe a little bit as a background.
2 My name is Franziska.

3 **Interviewer 1:** I am Adrian.

4 **Interviewer 2:** We are five students that are working on our master thesis at Nova School of
5 Business and Economics in Carcavelos. We are doing a project with Porsche Ibérica about the
6 Porsche drive rental business model that is going to be implemented in Portugal. And in order
7 to really have a nice process and really also integrate the dealerships in this implementation
8 process, we thought it would be nice to get some insights from you and some already feedback.
9 So we actually can implement a nice process and also include all the different dealerships.

10 **IP6:** Yeah. Just curiosity. Are you dealing with the other dealers also to get additional infor-
11 mation?

12 **Interviewer 2:** Yes

13 **IP6:** Okay. Because as far as I know, you know that each case is a different case. So in the
14 north, they have their own rental business. Lisbon is integrated in the group that have already a
15 rental company.

16 **IP6:** Yeah. We and Leiria are the only guys that should start the process from the very begin-
17 ning. So you have different point of start for each dealer in Portugal.

18 **Interviewer 2:** Yeah. So it's actually good to talk to everyone to get different insights and also
19 see the differences. But we are actually doing interviews with every dealership here in Portugal
20 and also talking to the Spanish dealerships to also get insights from them.

21 **IP6:** Okay. So do you have any questions?

22 **Interviewer 2:** Yes. So how many new and used cars do you sell approximately in one year?

23 **IP6:** So, first of all, we should define the concept of sell. Let me clarify what's going on in
24 Portugal. We have goals or targets for new cars delivery to customers to final ending customers.
25 Actually, our goal is to sell around 130 cars. One trio besides that, we have an additional goal
26 to hire near Porsche Ibérica, a number of demo cars and courtesy drive cars which have their
27 special purpose as the name tells us, to make test drives towards the prospects and to give the
28 cars in a special condition for the workshop customers. Sorry, but these cars also has to be sell
29 to a final customer. So we consider the sum of these two groups as our main goal. And for Faro
30 we are talking about more or less 150 cars per year. Okay. Divided in 130 for new directly sell
31 to end users and more 20 around 20, that first they have to fulfill the premises of the role that
32 they have in the context of the business and then we should sell to the end users also. I'm sorry,
33 I have a problem with my throat today.

34 **Interviewer 1:** No worries. So the 20 cars are, you can say used already, they have driven
35 already.

36 **IP6:** When you sell, definitely they are used cars. Okay, but we have to get the license plate for
37 them. And in Portugal the concept of a sale is to get a license plate towards the customs.

38 **Interviewer 1:** Okay.

39 **IP6:** So in fact, for the market itself, these cars appeared as new ones. Okay. You go to the stats
40 of the A Cap, the Susie of Mobile, the demo cars and the courtesy cars appears like new. Okay?

41 **Interviewer 1:** Okay, thank you.

42 **Interviewer 2:** And when it comes to rental demand, can you maybe provide some insights
43 into the local demand for Porsche rentals in Faro?

44 **IP6:** Well, you know, that Faro, it's a very touristic place, so there are a lot of rental business
45 and rental companies but in fact, as far as I know, they don't have Porsches in their package,
46 especially because Mercedes, BMW and Audi faces this market properly. I mean, with the dis-
47 count that gets the price per month for the rental business small and we don't have enough
48 discount to get this price as low as they want. Sometimes there are some pressure on demand
49 because there are some German or Austrian customers that are demanding a Porsche, but nor-
50 mally they don't have Porsche to fulfill the desires of these customers. Sometimes a big com-
51 pany like Hertz asks for one Porsche 911 in single year of business. So imagine that. The prob-
52 lem is that I don't know actually the name, but let's call the exploitation cost of Porsche in the
53 rental business it's still very high compared with another premium brand. Okay, so that's the
54 main problem that we are not getting to this market. On the other side, for instance, once that
55 SIXT belongs to the group of Porsche Centre Lisbon, it's almost a political issue that they should
56 have Porsches to rent because there's no problem if the exploitation cost is a little bigger or.

57 **Interviewer 1:** Yeah, yeah, that's true. In terms of demand, speaking about your Porsche deal-
58 ership, do sometimes customers, not only business customers, but also maybe tourists come to
59 the dealership and ask for a rental Porsche or does that never happen?

60 **IP6:** Yeah, that's true, but it's once in two or three years.

61 **Interviewer 1:** Okay.

62 **Interviewer 2:** Foreigner customers are usually tourists.

63 **IP6:** Yes, tourists. But they have some connections with Porsche organization. So it's a guy that
64 belongs to a dealer in Germany or in Holland, and they ask, okay, I'm going to vacation on I'm
65 going to holiday to have holidays in Algarve. Do you have a car that you could rent to me? In
66 these occasions, what happens? So since he is a guy from a dealer or even from the importer
67 organization of Porsche, we deliver the car without charging it's a free loan. But we think and
68 the question it's interesting, we think that this is a problem of demand and not offer. If the guys
69 know that we have these cars for renting, maybe the demand will increase substantially. Okay,
70 so the pressure we should not evaluate the business through the fact that we have not such a
71 huge demand. But I think it will be, as long as we have the proper cars to be managed, I think
72 the customers will come.

73 **Interviewer 1:** Yeah, okay, that makes sense.

74 **Interviewer 2:** And which customers might be interested in Porsche drive in Faro? And mean,
75 you already mentioned it a little bit, but maybe from your experience?

76 **IP6:** This Porsche drive is mainly designed for the customers. There we have some pressure
77 because theoretically, if we have ten throughput you know what throughput is? It's ten custom-
78 ers per day. One customer means one throughput. So you open an invoice, a budget and then
79 close with invoice. So theoretically, we should be able to deliver ten cars per day to each cus-
80 tomer that goes to the workshop. But that's not the fact, because it's not realistic. And in fact,
81 not all the customers are demanding a car because they will go with their wife or with some
82 relative, or they have an alternative because they will go through taxi to another place. But
83 there's a potential market to deliver. And once again, that's a problem of our offer and not a

84 problem of the demand itself. So if we have the cars, we will be able to get some business on
85 this demand.

86 **Interviewer 2:** And how do you think Porsche Drive could complement the existing services
87 offered by Porsche dealerships in Portugal?

88 **IP6:** No, the idea is perfect for us as a small dealer compared with the other dealers, like Lisboa
89 or Porto. We have a working capital problem because you know that the Portuguese law de-
90 mands that to open a rent-a-car business, you should have at least seven cars. So to have seven
91 cars, the break even of this business increases a lot, because if you have only two or three cars,
92 you could raise the business according to the demand and then you could just outfit the park to
93 the demand. So if we start already with seven cars, the things will be a little more complicated
94 and should be properly managed in order to start well and not in the red part of the business.

95 **Interviewer 2:** And do you think what kind of key customer preferences do you see in Faro?

96 **IP6:** There are no tricky things about this. If we start the business, we will start properly with
97 seven or eight cars, according to the law, and we have our own market, which is, in our opinion,
98 demanding for this kind of service. So it's more a question of marketing in the very beginning.
99 So with some what do I mean? If we started in the D-day, we should start the marketing just
100 some months before. So pay attention that in three or four or six months we will have this
101 service for you at the very competitive prices, or only with Porsche cars in our circulating park.
102 So the marketing will be a key issue in this business because once that the people knows about
103 this, it will be spreaded and it will be easy to start the business in the proper way.

104 **Interviewer 1:** So it's more about awareness, you say, right?

105 **IP6:** Yeah.

106 **Interviewer 1:** Okay, thank you.

107 **Interviewer 2:** So when it comes to partners that you are currently working with, are there any
108 rental partners you're currently working with? I know you mentioned like one, I think, already.
109 And what can you learn in terms of customer acquisition and service quality that they provide
110 to their customers?

111 **IP6:** Well, we are not so familiar with rental business in Faro, as I told you, just for your
112 knowledge. Usually we rent Audis because they have in park, and Porsche allows us to deliver
113 Audi cars to our customers. So it's more or less a bureaucratic process that we would like also
114 to optimize in our premises, should I say, yes. When we start our business, we will study also
115 the possibility to optimize the bureaucratic issues regarding the fulfillment of the contract and
116 the signatures and so on and so on, because we have all the data with us. So the customer is we
117 know him, we know perfectly where he lives, what's their email and the phone. So it should be
118 only regarding the way to ease the process. It's just to pull the trigger. And we have in a sheet
119 all the information, just the guy, in order that the guy could sign the contract immediately. So
120 he will not oblige him to fulfill its own name, his own name, his address and so on and so on.
121 Do you understand? So we have some advantages regarding the classic business of rental.

122 **Interviewer 2:** Okay, but just to understand, from which company do you rent the Audis?

123 **IP6:** Hertz.

124 **IP6:** Thank you.

125 **Interviewer 1:** Okay.

126 **IP6:** Sorry.

127 **Interviewer 1:** Bless you.

128 **Interviewer 2:** And from your perspective, do you believe, what are the legal requirements that
129 you as a Porsche dealership need to fulfill in Faro to offer the Porsche drive?

130 **Interviewer 1:** I mean, there's always the seven cars, right?

131 **IP6:** That's the one thing, yes, that's the main issue is to have. Sorry.

132 **Interviewer 1:** I think another dealership also told us about the car policy and they talked about,
133 I don't know which one it was. I think it was Lisbon, but I don't know. And they told us that at
134 least you need to have five cars. But now you say seven. I think we will have a look at the law
135 again and make sure what number it is. But yeah, that's one problem. But did you hear of any
136 other? I think you need a license, is that correct? For renting?

137 **IP6:** You know that the Portuguese laws sometimes are complicated, but this one, it's very easy.
138 So we will prove that we have five or seven cars in the name of the company that we want to
139 specialize on the rental business. And we asked for a form and the Portuguese authorities gave
140 it right away. So it's not a big question.

141 **Interviewer 1:** Okay, perfect.

142 **Interviewer 2:** And when it comes to marketing, do you have any idea or propose any efficient
143 marketing or promoting strategy for Porsche Drive in your region? From your experience, what
144 can you tell us about that?

145 **IP6:** Yeah, as I told you, we consider this business mainly as an instrument and not a goal to
146 get much more money. So it fits towards the satisfaction customer instead of getting money to
147 the organization.

148 **Interviewer 2:** But for example, when it comes to do you also work at the Gap with luxury
149 resorts or hotels for events?

150 **IP6:** No, that's not the idea because as I told you, Franziska, we have 1000 workshop customers.
151 We have at least eight to ten customers every day in our workshop. If we design the operation,
152 let's say with eight cars, if this runs well with our customers, you don't have cars enough to
153 propose these cars to any other guys out of our organization, out of our data sheet already. So
154 until we can fulfill all the requirements and all the expectations of our customers, we should
155 focus, in my opinion, just in our list of customers, which is big enough to produce the results
156 that we want. So the marketing will be essentially via email. Okay. And we don't have to pro-
157 mote, we just have to promote in terms of rebound of prices or whatever. We just have to give
158 the information correctly that we are offering a Panamera for €100 per day without extra cost
159 or a Macan for €80 a day or whatever. That's exactly what the kind of service they want us to
160 provide.

161 **Interviewer 2:** Okay, but in general, not talking about Porsche Drive when it comes to new
162 customer acquisition, for example, how do you usually navigate that in your region? What kind
163 of strategy?

164 **IP6:** We have what we call new customers, so let's call it the prospect. Yeah, that's why we
165 have the demo cars. So normally we have older range available for new customers for these
166 prospects to get the feeling of the car that they want to buy, because we are not charging the
167 guys to have test drives. It's a different mission.

168 **Interviewer 2:** And the campaigns for the demo cars is usually also by email or social media
169 or how do you get the people to the dealership?

170 **IP6:** We do it through the normal marketing tools that we have on our disposal. So once again,
171 we use a lot the email, for instance, saying that, listen, between the day X and the day Y, we

172 will have the 911 GTS Targa for test drive. So book now your test to the phone number X. So
173 we'll do it normally, this kind of action and with success, because we have also a goal to achieve
174 a number of test drives both in combustion cars and electric cars. And I'm telling you that, for
175 instance, for this year, we are targeting tests for combustion car, it's more or less 300 test drives,
176 and for electric cars, it's 200 tests. So it's heavy request.

177 **Interviewer 2:** And when it comes to feedback, when implementing also the Porsche drive
178 business model and the communication between your dealership and Porsche Portugal, how do
179 you think you could establish an efficient feedback mechanism between Porsche dealership in
180 Faro and Porsche, Portugal, in order to really excel the customer concerns and enhance service
181 quality?

182 **IP6:** Well, Porsche is very keen to a lot of KPIs regarding a lot of things of the business. So we
183 have a very high and demanding control about service. And it's definitely because we don't have
184 Porsche drive in Portugal. But I'm figuring that Porsche will establish three or four KPIs just to
185 know if the customer were well attended, if the service was well provided, if the car was clean,
186 if the car was with yeah, I don't remember. Well, it's the it's the it's not the luggage, it's the
187 gasoline, it's full or empty, all kinds of this

188 **Interviewer 1:** Okay, yeah.

189 **IP6:** Or if the charge in the electric cars are full or empty also. So all these kind of things, if the
190 car was provided at fixed hour and so on and so on. So they will have quality issues, which they
191 will measure the service towards the importer. And that's something that they will establish,
192 definitely.

193 **Interviewer 1:** Okay, but if you would establish a key performance indicator like that not Por-
194 sche, but you because we need to have a feeling of what you think is important, would you
195 think of one or would you just say like similar to the ones Porsche already uses for general
196 customer feedback?

197 **IP6:** Yeah, I suppose. Well, the metric, it's similar, but this KPI that I told you the car was
198 properly managed, clean, serviced and so on, it will be definitely some topics that will increase
199 the satisfaction of the user of the end user. So the metric is there. I think that will be the KPI
200 indicated for this.

201 **Interviewer 1:** Okay, thank you. Okay, I think last question now, right? Yes, I can do that, if
202 you will let me. I think you talked about that already. In terms of integration of Porsche drive
203 and your current operations, how do you see Porsche drive integrating with the existing opera-
204 tions? And are there potential challenges. You see, you talked about that the main thing is to
205 get the workshop customers served. But do you have any challenges or other opportunities or
206 is that still the main thing for you?

207 **IP6:** Yeah, well, I used to say that the sky is the limit. So we have a pillow in our business,
208 which are the workshop customers, which provide us more or less a certain trust in the business.
209 So I think we are more or less confident that if we start the business just exploring the workshop
210 customers, we are in the comfortable side of the business, so we won't lose money. And even
211 so, we are able to earn some money. But there are potential if things run well. So if we have a
212 business properly managed that we can explore. For instance, let me give you an example. The
213 guy of Tesla goes to our park in order to charge the car, because we have chargers that are
214 universal, so it fits on a Tesla. And during the charging time, we will give you, without price a
215 car from the Porsche Drive. A Taycan. Definitely. And also an electric car in order that he can

216 use it, he can test it. So we can go to a shopping mall or whatever, just to spend the time, two
217 or 3 hours, the time that we'll have to for charge. So it's a marketing opportunity also for the
218 customers of other brands that are coming to our premises and could have tests with our cars.
219 **IP6:** And also in that period also to have a strong communication policy in order to once that
220 Porsche is a Scars product in the rental business in Algarve to promote the Porsche product, the
221 Porsche cars in the airports and so on just to give the opportunity for finance healthy tourists to
222 have the possibility to rent Porsches from our organization. So we have some levels of devel-
223 opment of the business that we could face once the things are done.
224 **Interviewer 1:** Okay, that sounds very nice. I'm thinking about I don't think we have any more
225 specific questions. Yeah, then thank you very much for your time.
226 **Interviewer 2:** We will take that much for the insights.
227 **Interviewer 1:** Yes, thank you very much.
228 **IP6:** You're welcome. If you need some additional information or something that you will re-
229 mind later on so you have already my mobile. It will be much more easier, but you do it as long
230 as you wish. So I'm available for you whenever it's necessary. Okay.
231 **Interviewer 2:** Okay, thank you.
232 **IP6:** Perfect.
233 **Interviewer 1:** That sounds amazing. Then get well soon. I hope you get healthy again. And
234 then yes, maybe we will hear again from each other.
235 **IP6:** Okay, give me your feedback.
236 **Interviewer 1:** Thank you.
237 **IP6:** Bye bye. Thank you very much. Bye.

Appendix 10.

Video interview with Porsche Ibérica Dealership Porto, Braga & Majorca (IP7), conducted on 17.10.2023 by Adrian Klein (Interviewer 1) and Isabell Joedecke (Interviewer 2).

1 **Interviewer 1:** Okay, we have some questions ready, and I will just start to ask you some
2 questions. And if you have any other questions, just interrupt me, okay?

3 **IP7:** Okay, perfect.

4 **Interviewer 1:** The first part is about market demand. You're based in Porto, right? How many
5 cars do you sell approximately a year in your dealership?

6 **IP7:** Okay. In fact, we have three dealerships. We have this one in Braga, and this year we are
7 going to sell 170 new cars. We expect to sell around 80 used cars. In Porto, we are going to sell
8 270, more 100 cars than here. We expect to sell around 120/130 used cars. I can say 0.5 used
9 cars. When we sell 100 cars, usually new cars, we sell 50 used cars. In Mallorca, we are going
10 to sell this year on 110, but the ratio is different because the used market is better and we are
11 going to sell 75 used cars.

12 **Interviewer 1:** Okay interesting.

13 **IP7:** That's our performance. That's what we expect. I think now we have 98% so we are going
14 to do it.

15 **Interviewer 1:** Okay, perfect. Sounds good. Okay, then coming more to the rental part. Could
16 you provide us with some insights on the demand for rentals in your region? Do customers
17 come to you and ask sometimes for renting a Porsche or does that never happen?

18 **IP7:** Yes. When we talked about leasing, we need to know exactly what we are talking about.
19 Why? Because I think your question is, rent-a-car, like imagine the same process if you go to
20 the airport to rent a car at the Europcar. If the question is this, my answer is yes and no. Also,
21 what I want to say is no, because it's not usual. The people doesn't know we have cars for rent.
22 Why? Because we don't promote that. We don't do advertising this business. Not only because...
23 I think you are going to understand that. We created a rent-a-car company internally to provide
24 cars to the workshop. Why? When you have a problem inside the warranty of the car, it's man-
25 datory to have to lend a car to the customer. And this car needs to be a Porsche. And if you are
26 inside the warranty program, usually two years or three years, or if you want to extend your
27 warranty, you pay every year an amount and you can stay with it in the warranty. If your prob-
28 lem with the car is inside the warranty, the Porsche Germany pay us 100 euros per day to rent
29 a Porsche to lend to the customer. It's the service package. Regarding this this niche, we created
30 an internal rent-a-car company. Today, we have around 12 cars. Our first intention is to provide
31 the workshops to have cars to lend to the customers.

32 **Interviewer 1:** Do the customers pay for these cars?

33 **IP7:** In this case, regarding the warranty, they don't pay. This service is part of the warranty
34 conditions. That's why, for example, but if you can check in the other dealerships, I think maybe
35 only 10 or 20% can have a rental car inside the company. It's not normal. But we have because
36 of this, because we need to have cars to provide the workshop, to have cars to lend to the cus-
37 tomers. When we started this rent-a-car two years ago, I think, some people came to us, Okay,
38 I'm going to holidays. And if you have a car for a land, I'd like to try a Porsche. Then we had a
39 meeting, I remember very well, to decide can we open this to the tourists? Can we open this to
40 different people? And also, can we open this to someone who want to take the car to the normal

41 service, out of the warranty, and want to have a courtesy car? In this case, and this happened
42 not so often like we wanted, but usually some people ask us when they organize the visit to the
43 workshop, they ask us if we have cars for rent and we have a special price for the customer who
44 have the car inside the workshop in the normal service out of the warranty. This is the second
45 option and we are working in this option. The third option is the normal rent-a-car with Porsche
46 cars like Porsche Drive. The Porsche Drive is different, and I'm going to tell you why it's dif-
47 ferent. We don't want to do it -why. Because first, we need to have a big fleet of cars. And the
48 cars are very expensive. Imagine, 10 cars, 1.5 million. Twenty cars, three million. And it's very
49 expensive to have those cars. And also it's very dangerous. Why? Because in Europe we have
50 some people and they are specialists in stealing cars. And then when you rent the car to some-
51 one, of course, we have localizers in the car. We know every time where they are. But they can
52 go to Germany, to Italy, to to Netherlands, to Belgium. They can put the car in a boat and then
53 you don't know where the car is. Then the insurance company to fix the problem. And this is
54 not our business. Our business is, Okay, we need to have good Porsche cars for the warranty
55 service, and we need to have good cars to rent to our customers. This is safe. Why? Because if
56 you leave your car in our workshop and you take one car, it's safe for us. We know you since
57 long time and you bought three or four cars in our company and we have a relation together.
58 It's easy to know. But if it is someone we don't know who can hear, Oh, I want to rent a Porsche
59 Panamera. Usually, our answer is, Sorry, but we don't have free cars for you. The other thing is
60 Porsche Drive. Porsche Drive is something inside this dangerous program, in my point of view.
61 Of course, let me tell you that's the truth. If you are in Italy, it's more dangerous than here. Now
62 I'm going to explain why. The Porsche Drive is a program from Germany. It's a program where
63 you can get in the site, the page of Porsche Drive, and you can see where Porsche Drive is
64 working. And in Mallorca, we have Porsche Drive. But in Mallorca, it's safe for us. Why? Be-
65 cause the people rent the car to use inside the island. And it's not so easy to go out because if
66 you go on a ferry, you need to buy a ticket. It's not so easy. We have cameras on the ferries.
67 And if you stole the car, it's not so easy to go out. But also it's dangerous. And what I said to
68 the girl who is in charge of the problems, please, when you rent the car to someone, you don't
69 have data from that person, please check one or two times per day where the car is because it's
70 very dangerous. But we are going to do this in Portugal next year. Of course, I need to do the
71 things like the factory like to do. We need to be inside of Porsche Drive. It's okay. The business
72 is easy to start because we already have rent-a-car, we have the cars. I just need to add to the
73 fleet more cars, have more offer for the market. I hope it will work. I believe in the program.
74 The rate is very high, but the fact is the people pay for that. The idea is good, but the other side
75 is the worst sign, is when you have a business and when someone wants to take, or can I say,
76 want to do the wrong things, but it's okay. We need to be with all the lights on.

77 **Interviewer 1:** Yes. Okay. So coming back a little bit to the customers, you told us that there
78 are three ways you rent cars. Another question is, you said that I think it's very rare, but do
79 customers sometimes, or new customers, it doesn't matter if old and new, come to your work-
80 shop and ask for a car for rental for short term? Does that ever happen?

81 **IP7:** Not so often, but sometimes a customer came and said, Okay, do you have cars for rent?
82 Usually they ask, Do you have free courtesy cars? And the answer is, Unfortunately not. But if
83 you want to rent them, we have cars.

84 **Interviewer 1:** Do they also tell you why they would want to rent the car or what would be
85 reasons for them? To go to Porsche and not to Sixt?

86 **IP7:** Because if you go, okay, today at Sixt you have Porsche cars, but at the same time, the
87 cars you have there are more expensive than in our company. They don't want to rent there
88 because it's very expensive and at the same time is not comfortable. For example, today I'm in
89 Braga. You don't have Sixt in Braga. You don't have Porsche cars here close to us. If the cus-
90 tomer would like to rent the car to us, the car is here. You can leave your car and pick up the
91 new, the rent car, and go. In the end of the day, you can swap in the easiest way.

92 **Interviewer 1:** You talked about that you already know that Porsche wants to implement Por-
93 sche Drive next year. In your opinion, what customer segments or what customers of you or
94 new customers would be interested in Porsche Drive? What do you think?

95 **IP7:** The question is... I think our colleagues in Germany, they think, Okay, the better way to
96 sell a Porsche is to put the potential customer driving the car. Why? Because the cars are dif-
97 ferent. Because when you compare with the other brands, you can feel the difference. And the
98 emotion can come and you can have the chance to promote a new sale. And when you have
99 cars like us at Porsche, if you can have more people driving, you can have more sales, you can
100 push the value of the brand up, I think this is the intention in Germany, in fact. But the second
101 point is, usually, and I'm going to talk to you about ourselves, is usually we have today we have
102 a Boxster, Demo Car, our fleet of Demo cars. We have a Boxster, we have a 911 GTS, we have
103 all the versions of Porsche Taycan. We have two Porsche Macan, the GTS and the normal, the
104 four cylinders. And we have two Porsche Panamera in the fleet. If you want to try, if you want
105 to do a test drive, if you want to do whatever you want in a Porsche car because you want to
106 feel the car, to start a sale process, we have cars for you. But if you want to go in holidays, if
107 you want to go for a weekend with your wife or with your girlfriend or with your husband or
108 boyfriend, and you want to do something different and you don't have money to buy a Porsche
109 911, a cabrio, and you want to do a different weekend, a different moment, we are here with
110 Porsche Drive to rent the car. Because usual in our fleet, the cars we have are not 911s. Because
111 our strategy is we have courtesy cars, cars to swap with your car, cars to go holidays, not cars
112 to have fun. And Porsche Drive is more to have fun, to have a different... Because if you want
113 the car to go to the point A to the point B, do. I travel a lot everywhere and usually I rent cars.
114 I don't need to rent a Porsche, depending on if I'm going alone or not. If I'm going to Italy, it's
115 easy to rent a Fiat 500. Why? Because it's not expensive and you can park everywhere, you
116 don't care about the car and you don't want to complicate your life. And the car is good to go to
117 the point, to the hotel, to the airport, and then to go to wherever I want, I need to go. But if I
118 want to go, for example, to spend with my wife a weekend in Italy and I said, Okay, I'm going
119 to rent a Ferrari to feel the Italy ambience. And we are going to Lake Como or if we are in
120 Toscana or if you go to Amalfi coast. Can you imagine having a weekend there on that road
121 driving a Ferrari Spyder? It could be a problem. When we have problems like this, Porsche
122 Drive is the right partner. That's it. Also the tourists is a second market, is someone who want
123 to come to Porto with the family and want to do a tour in the north to go to the Douro to see the
124 vineyards and want to rent a Porsche Cayenne. Why? Because they are five passengers, they
125 have luggage, and they are going to change the hotels and they need to have a big car, a good
126 car, they prefer to rent a Porsche Cayenne than Mercedes GLE or BMW X5, for example. They
127 prefer, No, I want to take a Porsche. Okay, if you have money, you pay.

128 **Interviewer 1:** Yes. Okay, perfect. Next question would be, let me see. If you would now
129 implement Porsche Drive, how do you think it would complement your existing services?

130 **IP7:** I think sometimes - I'm in this business since 1990, 34 years. But I need to accept the new
131 tools, new ideas, because we don't know everything. Some things you underestimate, then they
132 are very interesting. I think this could add value to our service. And also can promote some
133 sales. Because if you want to pay €500 to drive a Porsche 911 during one day and if you have
134 money to buy one, maybe you will be crazy and tomorrow you come to us to buy a car. Another
135 perspective is, imagine you have €500 to spend in one day or €1,000 during one weekend, but
136 you don't have money to buy the car. But next week you are going to have a dinner with friends.
137 And of course you are going to tell them your experience. And if you are going to tell them the
138 experience with all the emotion like you cannot imagine the car is crazy, if I'm in your shoes,
139 if I have your money, I get one. I think that way we can create more promoters, more ambassa-
140 dors, people who are going to speak about our brand, about our car, I think this is another part
141 of the positive perspective of this too.

142 **Interviewer 1:** Perfect. Do you have a follow-up meeting at 10:30? Because we only have five
143 minutes left and we have six questions. So if we take a little longer, I hope it's not a problem.

144 **IP7:** I have time for you.

145 **Interviewer 1:** Okay, thank you.

146 **Interviewer 2:** I think we will move on to the next question. As we talked about how Porsche
147 drive is only going to be implemented next year, we're wondering, do you have any rental part-
148 ners you're currently working with whenever customers are coming in and asking for a rental
149 car currently?

150 **IP7:** No, we have our own company. Okay. It's XRS Rents, and in that company we have 11
151 or 12 Porsche cars and two Bentleys. And if we are going to create the Porsche drive in our
152 dealerships, we are going to add more cars to the fleet.

153 **Interviewer 1:** Okay we didn't know that.

154 **IP7:** It's already working, our rent-a-car. I can start tomorrow with the Porsche Drive.

155 **Interviewer 1:** Where is it located? Is it located in Braga also?

156 **IP7:** Porto.

157 **Interviewer 1:** The company of yours is the dealership in Porto?

158 **IP7:** Right.

159 **Interviewer 1:** In Braga?

160 **IP7:** Yes.

161 **Interviewer 1:** And you said Mallorca also?

162 **IP7:** Yeah, Mallorca.

163 **Interviewer 1:** Okay, so you have two dealerships in Portugal and one in Spain?

164 **IP7:** One in Spain. I have two dealerships in Portugal from Porsche. One Porsche service we
165 are going to open next week. One dealership of Bentley in Braga, and we are going to open in
166 Porto in December. And we also own the Porsche Baleares. Baleares is Majorca, Ibiza, Me-
167 norca, and Formentera. Belongs to us.

168 **Interviewer 1:** Okay, now we get it.

169 **IP7:** There, we started three months ago with Porsche Drive.

170 **Interviewer 1:** Yes, because we already talked to the Spanish guys. I don't know if you know,
171 Luisa Palma, I think.

172 **IP7:** Of course, I know.

173 **Interviewer 1:** Okay, perfect.

174 **Interviewer 2:** Okay, next question. Maybe then you could also give us some more insights
175 about this part because it's about the legal requirements. From your perspective, what do you
176 believe are the legal requirements that a Porsche dealership needs to fulfill in Portugal to offer
177 a Porsche Drive? And because you already have the rental company, maybe there are a few
178 insights that you could share with us.

179 **IP7:** I think you need to have an interesting fleet because Porsche Drive for me is not a company
180 to provide service to the customers. This is what we have today. Today, we have the cars not
181 only to do test drives because we cannot do test drives with the rental cars. It's a completely
182 different company. The company belongs to us, but the company exists to provide service to
183 dealerships of our car. Porsche Drive is different. Porsche Drive is to provide potential custom-
184 ers, tourists, people like to drive a car for one day, two days, maximum three months, as you
185 said, and is a different tool for us. It's a tool to promote the brand. It's a tool to add value to the
186 organization. It's a tool to reach more different potential customers. And that's it. And in the
187 other side, if you want to try to rent Lamborghini, Aston Martin, Ferrari, or McLaren, it's not
188 easy to do it. And at Porsche, you can do it. If you want to rent a sports car, we have. That's
189 why I think Porsche with this tool can do something different, who can help the value of the
190 brand because the cars are better than ever.

191 **Interviewer 1:** But do you know also if you want to open, because we are always talking about
192 implementing it in whole Portugal, and there are also dealerships who do not have yet a rental
193 service. Do you know what requirements you have to open this rental business? I think I heard
194 something about you need at least five cars or something.

195 **IP7:** Yeah, the requirements we already have. I can start tomorrow. The only thing I need is to
196 have two 911s in the fleet and one Boxster, for example. Because the Taycans, the Cayenne,
197 the Panameras, and the Macans, we already have in the fleet. The requirements we already have,
198 you need to rent-a-car, it's not easy to have. In Portugal, the name is Alvara. Alvara is the license
199 because you cannot start tomorrow renting cars. You need to buy, create a company, and that
200 company needs to buy to the authorities. You need to respect a lot of rules, because if it is easy,
201 you can start tomorrow with the rental car. No, you need to have a minimum of cars. You need
202 to do the cars. You cannot rent the cars for more than one year. In our case, not in the Porsche
203 Drive, okay? Porsche Drive is a rent-a-car with different rules. I know, for example, Porsche
204 Leira doesn't have a rent-a-car and Porsche Algarve doesn't have a rent-a-car. Or they are going
205 to create a rent-a-car and put inside the rent-a-car the minimum number of cars to operate. I
206 don't know the minimum number of cars. Or if they don't have volume, size enough to do it,
207 they can ask us or they can do an agreement with us. It's Not easy because we have some
208 distance. But I think if they want to be inside of the program of Porsche Drive, they need to do
209 it. They need to do it. If not, they cannot operate.

210 **Interviewer 2:** Thank you. I think that answered our question. Next one, how do you propose
211 effectively marketing and promoting course drive in your region?

212 **IP7:** This is a good question, and I'm going to explain why it is a good question, because we
213 can promote directly to our customers. We have a database with 4,000 customers. First, we
214 need to tell them we have this. But if you have a Porsche at home, if you already tried the
215 different models, you are not the customer we would like to find. Second, at our Social Media

216 pages, we can promote and we can do some agreements with the 5 Stars Hotels. Very important.
217 5 Stars Hotels is good for us because it's safe. Because today, if you want to go to any hotel,
218 you need to have a credit card, you need to do a deposit, or you need to have your edited car.
219 Usually, you stay there for one or more nights. And if the concierge of the hotel called us, We
220 have a customer who would like to rent a Porsche 911 for the weekend. Okay, the customer
221 will stay here until next week. And usually you can... What can I say? It's easy to know what
222 person we are doing this. If someone came to you and said, Good morning, I want to rent a car.
223 We don't know. That's why I think we can promote and we can do agreements with the Five
224 Stars Hotels in our region. Of course, if they can call us 24 hours before they need the car, we
225 can put the car there by truck, by road, whatever, and to collect the car after the service. And
226 other kinds of promotions, I don't know, I think we need to do it in the same level where we
227 can find customers. And of course, our customers can help us. But the ideas will come to pro-
228 mote the better.

229 **Interviewer 2:** But those are some great ideas already.

230 **IP7:** We have a marketing department. They need to think about it.

231 **Interviewer 2:** Okay, great. Next question is about feedback mechanisms. How could you es-
232 tablish efficient feedback mechanisms between your dealership and Porsche Portugal to address
233 customer concerns and enhance service quality? Because service and a happy customer are very
234 important. Are there any ideas you have already?

235 **IP7:** Every customer who do a service for... After two, three days, we called him, we call to the
236 customer. And also, customer will receive a survey from the us to answer their opinion about
237 service treatment and everything. What we need to know more? Also in our pages, some of
238 them, they have the chance to write their opinions. And that's it. Of course, the feedback for us
239 is very important. And when we have the opportunity to speak with, for example, if we sell a
240 car, the salesman have the obligation to call to the customer in 24 hours. If you have any doubts,
241 if you are happy, if you want to know something more about cars. Another thing, important is
242 when we deliver the car, we have a Porsche pro. Porsche pro is someone, is a expert, Porsche
243 expert who explains the car when you are going to pick up the car. But for some customers, for
244 example, for the Porsche Taycan, the electric car, the high tech machine. Sometimes you cannot
245 get all the information in the first moment. Why? Because you want to drive the car, you are
246 inside an emotion. And usually we organize a second delivery to explain again or more things
247 about the car. That way we have the opportunity to be the customer again and to hear from him
248 or from her about the opinion if he or she are happy if the car is better than they expected, this
249 things.

250 **Interviewer 2:** Okay. Final question, I think this might be not that relevant to your dealerships
251 because you already have also the rental car company, but I can still say it. It's how do you see
252 Porsche Drive integrating with the existing operations in your dealership?

253 **IP7:** For now, it's something not new, but something different. Usually, I said, Okay, we are
254 going to try because it could be interesting for us. Let's try. Let's do it. Maybe we have here a
255 different business to promote, to improve. For example, three years ago we created an Insurance
256 company. Because if you want to insurance a rental car, it's not easy. We have a partnership
257 with them, a insurance company. 50 % belongs to us, the other 50 % belongs to them. We
258 started selling insurance cars. Then today we have insurances for houses, for companies, for
259 people, for kids, for whatever you want to buy insurance for. And today is a good business. And

260 I think in 10 years could be the better business we have. Incredible. And we started only not
261 because it could be an interesting business, but we started because it was something we need in
262 that time. Okay, Porsche Drive, we don't know. We are going to start not from scratch because
263 we already have our rent-a-car. We have the process, we know how it works, and how we can
264 sell the cars after the rental period. We know how it works. For us, it's easy to start. I told you,
265 I can start tomorrow. And imagine if we have a market bigger than we can imagine. Tomorrow,
266 it's another business, different business. The only thing is, I need to tell you, it's a very danger-
267 ous business. You need to know exactly where the cars are. We had a problem two years ago.
268 Someone stole a car from us, went to Germany to change the documents, to change the plates.
269 But we localized it and we asked our lawyer in Germany and we went there with the local
270 authorities and got the car.

271 **Interviewer 2:** Okay, so you got the car back in the end?

272 **IP7:** Yes. But it was a lot of work. It was good for another site because now we have more tools
273 to check if, for example, imagine you come here to rent the car. Okay, nice. I think you are
274 going to enjoy it. Let me know what trip you are going to do. All this week and I'm going to
275 my family to Doro, to Algarve. We want to meet in Lid. We want to meet in Lisbon. I think the
276 city is good. Okay, nice. Have a good trip. Sip and then you take the car and you go to Spain.
277 Hey, be careful. If you go to Doro, if you go to Lisbon, if you go to Algarve, okay. If you change
278 the trajectory because we know, be careful. This guy is lying. During the conversation, during
279 the process, you can ask, Oh, enjoy. I hope you're enjoying. Where you would like to go with
280 the car? With the family? Okay. Good holidays. Good trip. If you need something, we have
281 people in Lisbon who can help you or in Algarve. Let me know. And then you can get some
282 information who can help you tomorrow checking if they are doing what they said.

283 **Interviewer 2:** I think we got some very interesting insights there. Thank you very much.

284 **IP7:** Bye-bye.

285 **Interviewer 1:** Bye-bye.

Appendix 11.

Questionnaire Porsche Ibérica Dealership Leiria (IP8), received through mail by 20.11.2023

Q1 – Market Demand:

How many new and used cars do you sell per year in Portugal approximately?

Answer:

Porsche Center Leiria sells about 115 new cars and around 50 Approved cars, average.

Q2 – Market Demand:

Can you provide information on local demand for Porsche rentals in Portugal? How often do customers request rentals approximately?

Answer:

When it comes to rentals, here at Porsche Center Leiria there is not much demand in that regard. It does happen but it is very punctual situation.

Q3 – Market Demand:

What are the main reasons why customers might want to rent a Porsche for short periods?

Answer:

The main reasons clients want to rent out a Porsche is due to our efficiency when it comes to the process of the rental. Then main clients to rent our Porsches are foreigners, that come to the country for a short period of time, but because they are used to driving a Porsche back home, they feel the need to rent one out when they come abroad. Even if it is for a short period of time, such as a holiday. Others just want to try a specific model, having no strings attached.

Q4 – Customer Segmentation:

Which customers might be interested in Porsche Drive in Portugal (existing or new)?

Answer:

I am confident there is a new branch of customers about to emerge that have a different philosophy compared to gen X and Millennials that favor achievement over possession.

Q5 – Customer Needs and Preferences:

How do you think Porsche Drive can complement the current services offered by Porsche dealerships in Portugal?

Answer:

I find it to be an interesting complement, but also the value it can offer. It might be able to accomplish immediate needs when it comes to mobility, but also streamline the rental sector, that is still in need of exploring. This will not only increase sales on new cars but as well as increase sales on Approved ones too.

Q6 – Customer Needs and Preferences:

43 What are the main preferences and needs of the customers you foresee in this market?

44

45 **Answer:**

46 I am certain it will pass a lot by the Macan BEV, but also the sports cars will have a highlighted
47 spot since many clients come to buy 911. Not only for the investment that comes with it, as well
48 as the availability to rent a car for a specific period of time, even if it is smaller. With it might
49 come the need for a sports car due to all that one stand for and offers.

50

51 **Q7 – Partner Analysis:**

52 Do you have a rental partner you're currently working with?

53

54 **Answer:**

55 For the moment we do not a rental partner working with us.

56

57 **Q8 – Partner Analysis:**

58 what can we learn from them in terms of customer acquisition and quality of service?

59

60 **Answer:**

61 No answer since we do not have a partner.

62

63 **Q9 – Legal Requirements:**

64 From your point of view, what do you think are the legal requirements that a Porsche dealer has
65 to fulfil in Portugal in order to offer the Porsche Drive service? Are there any specific regulatory
66 challenges that you would see?

67

68 **Answer:**

69 In Portugal, only rent-a-cars may rent cars due to a legislation that is imposed, which ends up
70 restricting us. We are however, analyzing the constitution of a rent-a-car company.

71

72 **Q10 – Marketing Strategies:**

73 How do you propose to effectively market and promote Porsche Drive in your region? Do you
74 have any ideas on how to attract customers to this service?

75

76 **Answer:**

77 A way to attract costumers is, accordingly to the company constitution, send out a company
78 statement to potential customers, explaining this service and its benefits. While also taking ad-
79 vantage of the after sales department to expand and boost this new service. I am confident this
80 service has a lot of potential.

81

82 **Q11 – Feedback Mechanisms:**

83 How could you establish efficient feedback mechanisms between your dealership and Porsche
84 Ibérica to respond to customer concerns and improve the quality of service?

85

86 **Answer:**

87 There are already mechanisms in place, but since this is a new service and we do not have much
88 experience in it, it is still really early and difficult to understand the difficulties that might come
89 with it.

90 Therefore, PIB will have a fundamental part when it comes to the successful implementation
91 of it. I believe it must start with the creation of the necessary conditions for the dealerships, as
92 well as an initial support with conditions that allow the project to start. With the monitorization
93 and accompaniment of the needs will one be able to create exceptional conditions to acquire a
94 car.

95

96 **Q12 – Integration with current Operations:**

97 How do you see the integration of Porsche Drive with your dealership's existing operations?
98 Are there any potential challenges or opportunities you see?

99

100 **Answer:**

101 The Porsche Drive can only be seen has a valued asset which will make the integration process
102 a lot more pacific. Challenges may appear, but they are also a new opportunity to face and
103 explore a new business, and that is important to the challenging future that is coming.

Appendix 12: Coding Overview Portugal

Category	Sub Category	Questions	Lisbon (IP5)	Faro (IP6)	Porto / Braga / Majorca (SPAIN) (IP7)	Leiria (IP8)
Marketing & Promotion	Marketing Strategies:	How do you propose effectively marketing and promoting Porsche Drive in your region?		- E-Mail marketing to inform existing customers about the Porsche Drive service and its offerings (151 et seq.)	- Through their database of existing customers (213 et seq.)	- send out a company statement to potential customers, explaining this service and its benefits (77 et seq.)
		Do you have any ideas on how to attract customers to this service?			- Social media (213 et seq.) - Partnerships with 5-star hotels (213 et seq.)	- taking advantage of the after-sales department (77 et seq.)
	Customer Segmentation:	Which customers might be interested in Porsche Drive in Portugal (existing or new)?	- Existing and new customers (68 et seq.) - Tourists (68 et seq.)	- Existing workshop customersn (76 et seq.)	- Existing customers (96 et seq.) - Tourists.(96 et seq.)	- new branch of customers about to emerge that have a different philosophy compared to gen X and Millennials that favor achievement over possession (29 et seq.)
Marketing & Promotion	Customer Needs and Preferences:	How do you think Porsche Drive can complement the existing services offered by Porsche dealerships in Portugal?	- use existing niche of luxury rentals (170 et seq.) - complements dealers services: sell the car as used after the renting period (77 et seq.)		- Complementary service to enhance brand value and promote sales (131 et.seq)	-accomplish immediate needs when it comes to mobility, but also streamline the rental sector - not only increase sales on new cars but as well as increase sales on used vehicles (37 et seq.)
		What are the key customer preferences and needs you foresee in this market?	- perfect solution offer for customers with electric cars, looking for a short term option to travel longer trips. (68 et seq. & 119 et seq.)	- access to a Porsche car for short-term rentals (208 et seq.) - Well-maintained and clean vehicles at competitive prices (198 et seq. & 151 et seq.)	- allows potential customers to experience Porsche vehicles (131 et seq.)	- Macan BEV but also sports cars (46 et seq.)
Legal	Legal Requirements:	From your perspective, what do you believe are the legal requirements that a Porsche dealership needs to fulfill in Portugal to offer the Porsche Drive service?	- Obtaining a specific license: "CAE" (Code of Economic Activities) 77110 (148 et seq.)	- Obtaining a license is straightforward (138 et seq.)	- Obtain a license called "Alvará." (Essential to legally rent cars to customers) (196 et deq.)	- We are however, analyzing the constitution of a rent-a-car company (69 et seq.)
		Are there any specific regulatory challenges you would see ?		- Having a certain number of cars (either five or seven) registered under the company's name to initiate a rental business (88 et seq.)	- Creating a company and adhering to various regulations and requirements (Usage limitations, e.g. not rent a car for more than one year at a time) (196 et seq.)	- rent-a-cars may rent cars due to a legislation that is imposed (69 et seq.)

Category	Sub Category	Questions	Lisbon (IP5)	Faro (IP6)	Porto / Braga / Majorca (SPAIN) (IP7)	Leiria (IP8)
Sales & Distribution	Feedback Mechanisms:	How could you establish efficient feedback mechanisms between your dealership and Porsche Iberica to address customer concerns and enhance service quality?	- Already have a platform for communicating with Porsche Iberia to providing feedback and handling survey (160 et seq.) - No specific details about the feedback mechanisms for PD (160 et seq.)	- Intro of KPIs to measure the quality of the service through PAG, (183 et seq.) - Dealership is confident to meet customer expectations (198 et seq.)	- Follow-up calls (235 et seq.) - Survey (235 et seq.) - Second car deliveries (235 et seq.)	-already mechanisms in place, but since this is a new service and we do not have much experience in it (87 et seq.)
	Integration with Current Operations:	How do you see Porsche Drive integrating with the existing operations in your dealership?		- Main focus: serving existing workshop customers (76 et seq.)	- Extension of their rental car business and dealership services (250 et seq.) & (96 et seq.)	-valued asset (101 et seq.)
		Are there any potential challenges or opportunities you see?	- C1: May requires a specialized team dedicated to managing the rental service (170 et seq.) - C2: Specific age and deposit requirements for renter (GT models) - O1: Providing unique Porsche models that may not be available from other rental companies (170 et seq.)	- O1: Partnerships with charging stations and promotions at airports (190 et seq.)		-Challenges may appear, but they are also a new opportunity to face and explore a new business (101 et seq.)
	Market Demand:	How many new and used cars do you sell a year in ? (approx)	- New: 370 in 2023 (39 et seq.) - Used: 120 used Porsche in 2023 (39 et seq.)	- 150 cars per year (Both new cars directly sold to end users and demo cars that are sold to customers) (23 et seq.)	- Braga: 170 new and 80 used cars (6 et seq.) - Porto: 270 new and 120-130 used cars (6 et seq.) - Majorca: 110 new and 75 used cars (6 et seq.)	- 115 new cars and around 50 Approved cars (5)
		Can you provide insights into the local demand for Porsche rentals in Portugal? How often are customers asking for rentals? Approx	- Relatively low: 10 customers per year (43 et seq.)	- Limited: Due to the presence of other premium brands (Mercedes, BMW, and Audi) (44 et seq.) - Occasional demand: Tourists or corporate clients, but not on a large scale (63 et seq.) - Infrequent: Once every two or three years (60)		- not much demand in that regard. It does happen but it is very punctual situation (12 et seq.)
		What are the primary reasons customers might want to rent a Porsche for short-term periods?	The primary reasons customers might want to rent a Porsche for short-term periods include experiencing a Porsche car before purchasing and overcoming limitations of electric cars for long trips. (119 et seq.)	- Driven by specific connections with Porsche (Existing relationships with Porsche dealers in other countries) (63 et seq.) - Tourists (Germany or Austria): Not common due to the relatively high cost of Porsche rentals compared to other premium brands (44 et seq.)	- Holidays, or to experience a Porsche before purchasing one (33 et seq.)	-efficiency when it comes to the process of the rental - foreigners that come to Portugal short-term which feel the need to also drive a Porsche during vacation (19 et seq.)
Success Factors	Partner Analysis:	Do you have any rental partners you are currently working with?	- SIXT, since they both are part of JAP group Portugal (22 et seq.) - Porsche dealers will not be able to offer a better service than SIXT (not answering the question precisely - AK) (119 et seq.) - Conflict with sixt would not be a reason to prevent implementing PD (99 et seq.)	- Currently not working with rental partners (44 et seq.) - Focus on their existing customer base and optimize the operational process for Porsche Drive (112 et seq.)	- Own rental car company: XRS Rents, with a fleet of Porsche and Bentley cars, which could be integrated with Porsche Drive. (151 et seq.)	-we do not have a rental partner working with us (55)
		What could we learn from them in terms of customer acquisition and service quality?	- Focus on offering specific Porsche models (170 et seq.) - Attract customers who desire a premium brand experience (119 et seq.)			

Appendix 13. Survey Introduction and Questions

Dear participant, we appreciate your willingness to participate in this online survey, which will take no longer than 5-10 minutes of your time.

The survey is part of a research project for a Master's thesis on the topic of Luxury Car Rentals in Portugal. Its main goal is to find out customer preferences on this topic. Your responses will be kept confidential, and no personally identifiable information will be disclosed.

1. How old are you?

2. How do you identify your gender?

- Male
- Female
- Non-binary / third gender

3. What is your nationality?

4. Where do you currently live?

- Norte
- Centro
- Lisboa e Vale do Tejo
- Alentejo
- Algarve
- Azores
- Madeira
- Outside Portugal

5. What is your marital status?

- Single
- Married
- Other

6. Which income bracket best represents your annual gross household income (before tax)?

- Less than €30,000
- €30,000 – €49,999
- €50,000 – €69,999
- €70,000 – €89,999
- From €90,000

7. What is your highest level of education completed?
 - No Diploma
 - High school or equivalent
 - Bachelor's degree
 - Master's Degree / Phd
 - Other
8. What is your current employment status?
 - Student
 - Employed full-time
 - Employed part-time
 - Self-employed
 - Unemployed
 - Retired
9. Do you possess a valid drivers license?
 - Yes
 - No
10. Do you currently own a vehicle?
 - Yes, I own a vehicle
 - I am leasing
 - No
11. Have you ever owned a Porsche?
 - Yes
 - No

Now, let's delve into the specifics.

We invite you to share your preferences and expectations of luxury car rentals in Portugal.

It is important that the following questions are about renting (1-90 days) and not long-term leasing.

12. Have you ever rented a luxury car (E.g. Porsche, Bentley, Rolls Royce, BMW or Mercedes-Benz)?
 - Yes, within Portugal
 - No, outside of Portugal
 - No

13. What would be your reasons for using a luxury rental offer?

You can select up to 3 reasons.

- Excitement
- Vehicle flexibility
- Mobility convenience
- Duration flexibility
- Cost convenience
- Access to luxury cars
- None of these apply

14. What factors would be important to you when choosing a luxury car rental provider?

You can select up to 3 factors.

- Vehicle selection
- Contract flexibility (1 day – 3 months)
- Sustainability and eco-friendliness
- Brand reputation and trustworthiness
- Attractive Pricing
- Availability (countrywide)
- Experience packages
- Home delivery
- Pick up and drop off available 24/7
- Same-day availability
- None of these apply

15. What would be your primary use for a luxury rental car?

You can select up to 3 uses.

- Weekend Getaway
- Special Occasion
- Vacation
- Extended stay
- Business trip
- Daily Commute
- Leisure Activities
- Experiencing a luxury vehicle
- None of these apply

16. How long would you typically rent a luxury vehicle?

- 1 Day
- 2-6 Days
- 1 Week
- 2-3 Weeks
- 1-3 Months

17. How much would you be willing to pay for renting a luxury vehicle per day?

0 100 200 300 400 500 600 700 800 900
in € More than €900



18. How would you prefer to book the luxury rental car?

- Online/ Via Browser
- Physical Dealership
- Via App
- Via Phone Call
- Via Message

19. Which type of fuel preference do you have when renting a luxury vehicle?

- Gasoline/ Diesel
- Electric
- Hybrid

20. If you have a specific type of car in mind that you'd like to rent, please select it from the list below:

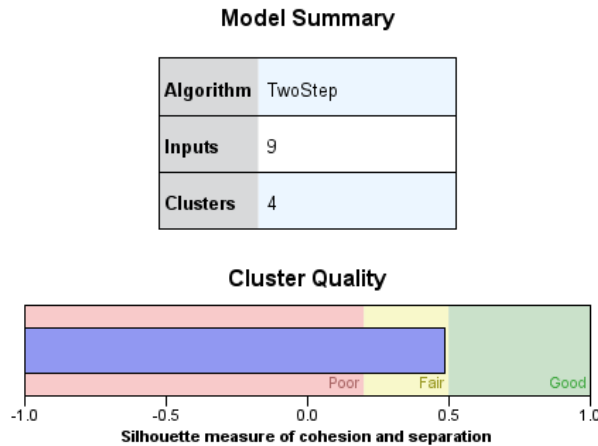
- SUV
- Cabriolet
- Sports Car
- Station Wagon
- Coupe
- Other, (please specify):
- I don't have a specific type of car in mind

Thank you for your valuable participation in this online survey!

Your input is integral to our research project. We understand that your time is precious, and we greatly appreciate your contribution.

Appendix 14. SPSS Cluster Analysis Q15 Primary Use

Appendix 14a. Cluster Quality



The cluster quality bar is a visual representation of the silhouette score, which ranges from -1.0 to 1.0. The silhouette score is a measure of how similar an object is to its own cluster (cohesion) compared to other clusters (separation). A score close to 1.0 implies that the object is well matched to its own cluster and poorly matched to neighboring clusters.

Appendix 14b. Frequency Table Residence

Variable	Q15 Primary Use			
	Cluster 1: None of these apply	Cluster 2: Weekend gateway	Cluster 3: Special Occasion	Cluster 4: Experiencing a luxury vehicle, & Special Occasion
Residence				
Norte	7 (19.44%)	45 (37.19%)	24 (43.64%)	25 (26.88%)
Centro	9 (25.00%)	14 (11.57%)	8 (14.55%)	16 (17.20%)
Lisboa e Vale do Tejo	17 (47.22%)	53 (43.80%)	21 (38.18%)	47 (50.54%)
Alentejo	1 (2.78%)	4 (3.31%)	1 (1.82%)	2 (2.15%)
Algarve	2 (5.56%)	4 (3.31%)	1 (1.82%)	2 (2.15%)
Azores	0 (0.00%)	0 (0.00%)	0 (0.00%)	1 (1.08%)
Madeira	0 (0.00%)	1 (0.83%)	0 (0.00%)	0 (0.00%)
Total	36 (100.00%)	121 (100.00%)	55 (100.00%)	93 (100.00%)

Appendix 14c. Age

	Q15 Primary Use			
Variable	Cluster 1: None of these apply	Cluster 2: Weekend gateway	Cluster 3: Special Occasion	Cluster 4: Experiencing a luxury vehicle, & Special Occasion
Age_Recoded				
Less than 50 years	18 (50.00%)	82 (67.77%)	32 (58.18%)	61 (65.59%)
50+ years	18 (50.00%)	39 (32.23%)	23 (41.82%)	32 (34.41%)
Total	36 (100.00%)	121 (100.00%)	55 (100.00%)	93 (100.00%)

Appendix 14d. Frequency Table Gender

	Q15 Primary Use			
Variable	Cluster 1: None of these apply	Cluster 2: Weekend gateway	Cluster 3: Special Occasion	Cluster 4: Experiencing a luxury vehicle, & Special Occasion
Gender				
Male	15 (41.67%)	71 (58.68%)	20 (36.36%)	46 (49.46%)
Female	21 (58.33%)	50 (41.32%)	35 (63.64%)	47 (50.54%)
Total	36 (100.00%)	121 (100.00%)	55 (100.00%)	93 (100.00%)

Appendix 14e. Frequency Table Salary

	Q15 Primary Use			
Variable	Cluster 1: None of these apply	Cluster 2: Weekend gateway	Cluster 3: Special Occasion	Cluster 4: Experiencing a luxury vehicle, & Special Occasion
Income				
€30,000 - €49,999	10 (27.78%)	22 (18.18%)	15 (27.27%)	26 (27.96%)
€50,000 - €69,999	14 (38.89%)	53 (43.80%)	16 (29.09%)	41 (44.09%)
€70,000 - €89,999	6 (16.67%)	28 (23.14%)	14 (25.45%)	17 (18.28%)
From €90,000	6 (16.67%)	18 (14.88%)	10 (18.18%)	9 (9.68%)
Total	36 (100.00%)	121 (100.00%)	55 (100.00%)	93 (100.00%)

Appendix 15. Financial Model Porsche Centers

Appendix 15a. Rounded Vehicle Distribution

Rounded vehicle Distribution								
Models	Distribution		Lisbon	Porto	Braga	Faro	Leira	Sum
Sum	100%		8	8	8	0	0	24.0
Cayenne	10%		1	1	1	0	0	3.0
Macan	10%		1	1	1	0	0	3.0
911 Convertible	7%		1	1	1	0	0	3.0
718 Boxter Converti	7%		0	0	0	0	0	0.0
911	21%		1	1	1	0	0	3.0
718 Cayman	21%		1	1	1	0	0	3.0
Panamera	2%		1	1	1	0	0	3.0
Taycan	23%		2	2	2	0	0	6.0

Appendix 15b. Price Overview PIB – Daily Rental Prices for Durations

Price Overview PIB - Daily Rental Prices for Durations													
Price per day	1 day	2 days	3 days	weekend	4 days	5 days	6 days	1 week	2 week	3 week	1 month	2 months	3 months
Cayenne	572 €	514 €	458 €	572 €	400 €	400 €	400 €	372 €	343 €	314 €	314 €	314 €	314 €
Macan	536 €	482 €	429 €	536 €	375 €	375 €	375 €	348 €	313 €	295 €	295 €	295 €	295 €
911	751 €	676 €	601 €	751 €	526 €	525 €	526 €	488 €	488 €	488 €	488 €	488 €	488 €
718 Cayman	572 €	514 €	458 €	572 €	400 €	400 €	400 €	372 €	343 €	314 €	314 €	314 €	314 €
Panamera	661 €	595 €	529 €	661 €	463 €	463 €	463 €	430 €	397 €	364 €	364 €	364 €	364 €
Taycan	715 €	671 €	597 €	715 €	520 €	509 €	507 €	466 €	430 €	398 €	398 €	398 €	398 €

Appendix 15c. Pricing Surcharge Convertibles

Pricing surcharge convertibles			
Model	Normal	Convertible	Diff. in %
Base Price 911	153,496 €	171,170 €	12%
Base Price 718	81,416 €	83,507 €	3%

Appendix 15d. Price Overview from Porsche Ibérica, incl. added Convertibles

Price Overview PIB, incl convertibles													
Price per day	1 day	2 days	3 days	weekend	4 days	5 days	6 days	1 week	2 week	3 week	1 month	2 months	3 months
Cayenne	572 €	514 €	458 €	572 €	400 €	400 €	400 €	372 €	343 €	314 €	314 €	314 €	314 €
Macan	536 €	482 €	429 €	536 €	375 €	375 €	375 €	348 €	313 €	295 €	295 €	295 €	295 €
911 Convertible	837 €	753 €	670 €	837 €	586 €	586 €	586 €	544 €	544 €	544 €	544 €	544 €	544 €
718 Boxter Converti	586 €	528 €	469 €	586 €	411 €	411 €	411 €	381 €	352 €	322 €	322 €	322 €	322 €
911	751 €	676 €	601 €	751 €	526 €	525 €	526 €	488 €	488 €	488 €	488 €	488 €	488 €
718 Cayman	572 €	514 €	458 €	572 €	400 €	400 €	400 €	372 €	343 €	314 €	314 €	314 €	314 €
Panamera	661 €	595 €	529 €	661 €	463 €	463 €	463 €	430 €	397 €	364 €	364 €	364 €	364 €
Taycan	715 €	671 €	597 €	715 €	520 €	509 €	507 €	466 €	430 €	398 €	398 €	398 €	398 €

Appendix 15e. Price Averages for Survey Categories

Price averages for survey categories					
Price per day	1 day	2-6 days	1 week	2-3 weeks	1-3 months
Cayenne	572 €	457 €	372 €	329 €	314 €
Macan	536 €	429 €	348 €	304 €	295 €
911 Convertible	837 €	670 €	544 €	544 €	544 €
718 Boxter Convertible	586 €	469 €	381 €	337 €	322 €
911	751 €	601 €	488 €	488 €	488 €
718 Cayman	572 €	457 €	372 €	329 €	314 €
Panamera	661 €	529 €	430 €	380 €	364 €
Taycan	715 €	586 €	466 €	414 €	398 €

Appendix 15f. Contribution to Average Daily Prices

Contribution of average daily prices						
	1 day	2-6 days	1 week	2-3 weeks	1-3 months	Average
<i>Survey Distribution</i>	37%	48%	12%	3%	1%	
Cayenne	210 €	220 €	44 €	9 €	2 €	485 €
Macan	197 €	207 €	41 €	8 €	2 €	454 €
911 Convertible	307 €	323 €	64 €	14 €	4 €	712 €
718 Boxter Converti	215 €	226 €	45 €	9 €	2 €	497 €
911	276 €	290 €	58 €	13 €	3 €	639 €
718 Cayman	210 €	220 €	44 €	9 €	2 €	485 €
Panamera	243 €	255 €	51 €	10 €	2 €	561 €
Taycan	263 €	283 €	55 €	11 €	3 €	614 €

Appendix 15g. Revenue Contribution of Models at 100% Utilisation (465 days)

Revenue Contribution of Models 365 Days a Year (100% Utilisation)						
Revenue (Year):	Lisbon	Porto	Braga	Faro	Leira	Sum
Cayenne	177,021.9 €	177,021.9 €	177,021.9 €	0.0 €	0.0 €	531,065.7 €
Macan	165,878.8 €	165,878.8 €	165,878.8 €	0.0 €	0.0 €	497,636.5 €
911 Convertible	260,031.6 €	260,031.6 €	260,031.6 €	0.0 €	0.0 €	780,094.9 €
718 Boxter Converti	0.0 €	0.0 €	0.0 €	0.0 €	0.0 €	0.0 €
911	233,182.3 €	233,182.3 €	233,182.3 €	0.0 €	0.0 €	699,546.9 €
718 Cayman	177,021.9 €	177,021.9 €	177,021.9 €	0.0 €	0.0 €	531,065.7 €
Panamera	204,759.9 €	204,759.9 €	204,759.9 €	0.0 €	0.0 €	614,279.7 €
Taycan	447,988.2 €	447,988.2 €	447,988.2 €	0.0 €	0.0 €	1,343,964.7 €
SUM	1,665,884.7 €	1,665,884.7 €	1,665,884.7 €	0.0 €	0.0 €	4,997,654.1 €

Appendix 15h. Projected Revenue for the three participating PCs in Portugal, 52% Utilization

Projected Revenue for the 3 participating Porsche Centers in Portugal

<u>Assumptions:</u>		<u>Base Scenario</u>					
Grow Rate Car rental market		9%					
Utilisation rate of vehicles		52%					
		2023	2024	2025	2026	2027	2028
		Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Revenues PC	Models						
		2,582,121 €	2,702,190 €	2,827,842 €	2,959,336 €	3,096,946 €	
	Cayenne	274,384 €	299,079 €	325,996 €	355,335 €	387,315 €	
	Macan	257,112 €	280,252 €	305,475 €	332,968 €	362,935 €	
	911 Convertible	403,049 €	439,323 €	478,863 €	521,960 €	568,937 €	
	718 Boxter Convertible	0 €	0 €	0 €	0 €	0 €	
	911	361,433 €	393,961 €	429,418 €	468,066 €	510,192 €	
	718 Cayman	274,384 €	299,079 €	325,996 €	355,335 €	387,315 €	
	Panamera	317,378 €	345,942 €	377,077 €	411,014 €	448,005 €	
	Taycan	694,382 €	756,876 €	824,995 €	899,245 €	980,177 €	

Appendix 15i. Projected income for the three participating PCs in Portugal, 52% Utilization

Projected Financials for the 3 participating Porsche Centers in Portugal

	2023 Year 0	2024 Year 1	2025 Year 2	2026 Year 3	2027 Year 4	2028 Year 5
1. Revenue PCs		2,582,121 €	2,702,190 €	2,827,842 €	2,959,336 €	3,096,946 €
1.1 Rental Business		2,582,121 €	2,702,190 €	2,827,842 €	2,959,336 €	3,096,946 €
2. COGS		409,931 €	428,458 €	447,847 €	468,138 €	489,374 €
2.1 VWFS Fee 12.5%		322,765 €	337,774 €	353,480 €	369,917 €	387,118 €
2.2 Fleet Expenses		87,166 €	90,684 €	94,366 €	98,221 €	102,256 €
2.3.1 Maintenance		12,000 €	12,000 €	12,000 €	12,000 €	12,000 €
2.3.2 Repairs		6,000 €	6,281 €	6,575 €	6,882 €	7,205 €
2.3.3 Reconditioning		69,166 €	72,403 €	75,792 €	79,339 €	83,052 €
2. Gross Profit		2,172,190 €	2,273,732 €	2,379,995 €	2,491,198 €	2,607,571 €
3. Other Operating Income			725,081 €		725,081 €	
4. Operating Expenses	28,400 €	207,820 €	207,820 €	207,820 €	207,820 €	207,820 €
4.1 Vehicle Insurance		69,120 €	69,120 €	69,120 €	69,120 €	69,120 €
4.2 PC Marketing	900 €	10,900 €	10,900 €	10,900 €	10,900 €	10,900 €
4.2.1 Retail Promotions	900 €	8,900 €	8,900 €	8,900 €	8,900 €	8,900 €
4.2.2 Individual Initiatives		2,000 €	2,000 €	2,000 €	2,000 €	2,000 €
4.3 Legal	500 €	1,500 €	1,500 €	1,500 €	1,500 €	1,500 €
4.4 Salaries		126,000 €	126,000 €	126,000 €	126,000 €	126,000 €
4.5 Information Technology	6,000 €	300 €	300 €	300 €	300 €	300 €
4.6 Other Expenses	21,000 €					
5. EBITDA	-28,400 €	1,964,370 €	2,790,993 €	2,172,175 €	3,008,459 €	2,399,751 €
5.1 Interest		143,535 €	71,768 €	143,535 €	71,768 €	143,535 €
5.2 Vehicle Depreciation		548,893 €	548,893 €	548,893 €	548,893 €	548,893 €
6. EBT	-28,400 €	1,271,942 €	2,170,332 €	1,479,747 €	2,387,798 €	1,707,323 €
7. Tax Payable		267,108 €	455,770 €	310,747 €	501,438 €	358,538 €
8. Net Income	-28,400 €	1,004,834 €	1,714,563 €	1,169,000 €	1,886,361 €	1,348,785 €
9. OCF	-28,400 €	1,553,727 €	2,263,455 €	1,717,893 €	2,435,253 €	1,897,678 €
10. CAPEX	2,744,464 €		2,744,464 €		2,744,464 €	
11. FCF	-2,772,864 €	1,553,727 €	-481,009 €	1,717,893 €	-309,210 €	1,897,678 €
12. DF		1.04	1.04	1.04	1.04	1.04
13. Present Value	-2,772,864 €	1,492,079 €	-443,595 €	1,521,413 €	-262,980 €	1,549,914 €
NPV	1,083,967 €					
IRR	16.64%					

Model Assumptions

Interest Ra	5.2%	Source
Tax Rate	21.0%	Source
WACC	4.13%	

Interest Sensitivity Data Table

Sensitivity Data Table	
interest	NPV
1%	1,856,149 €
2%	1,661,030 €
3%	1,473,994 €
4%	1,294,631 €
5%	1,122,553 €
6%	957,397 €
7%	798,820 €
8%	646,498 €
9%	500,126 €
10%	359,417 €
11%	224,100 €
12%	93,917 €
13%	-31,372 €
14%	-151,998 €
15%	-268,177 €
16%	-380,113 €
17%	-488,001 €
18%	-592,023 €
19%	-692,354 €
20%	-789,157 €

Appendix 15j. Cost Breakdowns for Porsche Centers

Cost of Goods Sold

COGS:					
Fleet expenses					87,166 €
Maintenance					
Average Cost of a service	500 €	<i>source:</i>			
Maintenance p.a.	1				
Number Cars	24				
SUM	12,000 €				12,000 €
Repairs					
Average major repair cost	5,000 €	<i>source</i>			
Repair prob. first 2 years	5%	<i>source</i>			
Average repair cost p.a.	250 €				
Number cars	24				
SUM	6,000 €				6,000 €
Reconditioning					
Utilisation	52%	Days	365		
Rental time variations	Average rental time	Survey distribution	Days rented specific time	Rental transactions	
1 day		1	37%	69.7	70
2-6 days		4	48%	91.5	23
1 week		7	12%	22.4	3
2-3 weeks		18	3%	5.0	0
1-3 month		60	1%	1.2	0
					96
Renatal transactions /year					96
Number cars					24
Cost per reconditioning					30
Reconditioning costs p.a.	69,166 €				69,166 €

Operating Expenses

Operating Expenses					
Vehicle Insurance					69,120 €
Insurance per vehicle p.a.	2,400 €	<i>Source: PIB</i>			
Surcharge rental purpose	20%				
Number cars	24				
Insurance cost p.a.	69,120 €				
Marketing					900 € 10,900 €
Retail Promotions					
Leaflets	6,000 €				
Counters	900 €				
Banners	2,000 €				
					8,900 €
Budget for Dealership Initiatives					
Budget	2,000 €				2,000 €
Legal (advisory)					500 € 1,500 €
		hours needed	hourly costs		
Initial Consultation t0		4	125 €	500 €	
yearly consultation from year		12	125 €	1,500 €	
Salaries					126,000 €
Fleet Manage	42,000 €	<i>source</i>			
Number FTE	3				
SUM	126,000 €				
Information Technology					6,000 € 300 €
	Cost year 0	Cost. P.a.			
Booking Tool	1,000 €	100 €			
Feedback IT	2,000 €	100 €			
Hardware	3,000 €	100 €			
SUM	6,000 €	300 €			
Other Expenses					21,000 €
Charger	7000				
Numer Stator	3 €				
SUM	21,000 €				

Appendix 15h. Acquisition Cost Breakdown

Acquisition Cost and Sell Price Basis

Vehicle Acquisition Costs and Selling Prices										
Model	List Prices (Base) PIB	Option Targets PIB	List Prices incl. Options	Wholesale Discounts	Acquisition Price	Num of Models	Sum List Price incl. Options	Acquisition		
								Costs	Selling Prices	
Cayenne	129,115 €	23,125 €	152,240 €	19%	123,314 €	3	456,720 €	369,943 €	319,704 €	
Macan	89,481 €	12,968 €	102,449 €	19%	82,984 €	3	307,347 €	248,951 €	215,143 €	
911 Convertib	171,170 €	24,375 €	195,545 €	19%	158,391 €	3	586,635 €	475,174 €	410,645 €	
718 Boxter Cc	83,507 €	16,875 €	100,382 €	19%	81,309 €	0	0 €	0 €	0 €	
911	153,496 €	24,375 €	177,871 €	19%	144,076 €	3	533,613 €	432,227 €	373,529 €	
718 Cayman	81,416 €	16,875 €	98,291 €	19%	79,616 €	3	294,873 €	238,847 €	206,411 €	
Panamera	127,088 €	21,875 €	148,963 €	19%	120,660 €	3	446,889 €	361,980 €	312,822 €	
Taycan	98,900 €	28,125 €	127,025 €	19%	102,890 €	6	762,150 €	617,342 €	533,505 €	
							3,388,227 €	2,744,464 €	2,371,759 €	

Appendix 16. Financial Model Porsche Ibérica

Appendix 16a. Projected Revenue PIB, 52% Utilization

Projected Revenue for the 3 participating Porsche Centers in Portugal

Assumptions:		Base Scenario					
Grow Rate Car rental market		9%					
Utilisation rate of vehicles		52%					
		2023	2024	2025	2026	2027	2028
		Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Models							
Revenue PIB / PFS	6.25%	161,383 €	175,907 €	191,739 €	208,995 €	227,805 €	
	Cayenne	17,149 €	18,692 €	20,375 €	22,208 €	24,207 €	
	Macan	16,070 €	17,516 €	19,092 €	20,810 €	22,683 €	
	911 Convertible	25,191 €	27,458 €	29,929 €	32,623 €	35,559 €	
	718 Boxter Convertible	0 €	0 €	0 €	0 €	0 €	
	911	22,590 €	24,623 €	26,839 €	29,254 €	31,887 €	
	718 Cayman	17,149 €	18,692 €	20,375 €	22,208 €	24,207 €	
	Panamera	19,836 €	21,621 €	23,567 €	25,688 €	28,000 €	
	Taycan	43,399 €	47,305 €	51,562 €	56,203 €	61,261 €	

Appendix 16b. Projected income for PIB, 52% Utilization

Projected Financials for Porsche Financial Services / Porsche Iberica

	2023 Year 0	2024 Year 1	2025 Year 2	2026 Year 3	2027 Year 4	2028 Year 5
1. Revenue PFS / PIB 6.25%		161,383 €	175,907 €	191,739 €	208,995 €	227,805 €
2. Operating Expenses	0 €	79,617 €	49,400 €	49,400 €	49,400 €	49,400 €
2.1 Marketing		50,217 €	20,000 €	20,000 €	20,000 €	20,000 €
2.1.2 Online Advertisements		20,000 €	20,000 €	20,000 €	20,000 €	20,000 €
2.1.3 Promotional Events		30,217 €	0 €	0 €	0 €	0 €
2.2 Salaries		25,000 €	25,000 €	25,000 €	25,000 €	25,000 €
2.3 Other Expenses		4,400 €	4,400 €	4,400 €	4,400 €	4,400 €
3. EBT	0 €	81,765 €	126,507 €	142,339 €	159,595 €	178,405 €
4. Tax Payable	0 €	17,171 €	26,566 €	29,891 €	33,515 €	37,465 €
5. Net Income	0 €	64,595 €	99,941 €	112,448 €	126,080 €	140,940 €
6. OCF/ FCF	0 €	64,595 €	99,941 €	112,448 €	126,080 €	140,940 €
7. DF		1.04	1.04	1.04	1.04	1.04
8. Present Value	0 €	62,032 €	92,167 €	99,587 €	107,230 €	115,111 €
NPV	476,127 €					

Model Assumptions

Interest Ra	5.2%	Source
Tax Rate	21.0%	Source
WACC	4.13%	

Interest Sensitivity Data Table

Sensitivity Data Table	
interest	NPV
1%	529,968 €
2%	516,459 €
3%	503,450 €
4%	490,918 €
5%	478,842 €
6%	467,200 €
7%	455,974 €
8%	445,144 €
9%	434,692 €
10%	424,603 €
11%	414,861 €
12%	405,449 €
13%	396,355 €
14%	387,565 €
15%	379,065 €
16%	370,844 €
17%	362,890 €
18%	355,193 €
19%	347,741 €
20%	340,524 €

Appendix 16d. Cost Breakdowns for PIB

Operating expenses				
Marketing			30,217 €	20,000 €
Promotional Event Comporta				
Hotel Rent for two days		7,500 €		
Catering		2,500 €		
5 Porsche Drive Vehicles for 2 D		5,917 €		
Print Invites		300 €		
Videographer		1,200 €		
Shuttle service		800 €		
Influencer Cooperation Budget		12,000 €		
SUM		30,217 €	30,217 €	
Online advertisements				
Budget		20,000 €	20,000 €	
Salaries				25,000 €
	Salary p.a.			
Project Manager	50,000 €			
Number FTE	0.5			
Allocation	25,000 €			
Other Expenses				4,400 €
	Quarterly	p.a.		
Membership	1,100 €	4,400 €		
			4,400 €	

Appendix 17. Financial Model Calculations Porsche Centers Scenario 2, 36% Utilisation

Appendix 17a Projected Revenues PCs Scenario 2, 36% Utilization

Projected Revenue for the 3 participating Porsche Centros in Portugal Scenario 2

Projected Revenue for the 3 participating Porsche Centers in Portugal							Scenario 2
Assumptions		Scenario 2					
Grow Rate Car rental market		5%					
Utilisation rate of vehicles		36%					
		2023	2024	2025	2026	2027	2028
		Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Revenues PC	Models						
	Cayenne	1,564,451 €	1,589,913 €	1,615,789 €	1,642,086 €	1,668,810 €	
	Macan	192,069 €	200,712 €	209,744 €	219,182 €	229,046 €	
	911 Convertible	179,979 €	188,078 €	196,541 €	205,385 €	214,628 €	
	718 Boxter Convertible	282,134 €	294,830 €	308,098 €	321,962 €	336,450 €	
	911	0 €	0 €	0 €	0 €	0 €	
	718 Cayman	253,003 €	264,388 €	276,285 €	288,718 €	301,711 €	
	Panamera	192,069 €	200,712 €	209,744 €	219,182 €	229,046 €	
	Taycan	222,165 €	232,162 €	242,609 €	253,527 €	264,935 €	
		243,034 €	253,970 €	265,399 €	277,342 €	289,822 €	

Appendix 17b Projected Income PCs Scenario 2, 36% Utilization

Projected Financials for the 3 participating Porsche Centros in Portugal		Scenario 2				
	2023	2024	2025	2026	2027	2028
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
1. Revenue PCs		1,564,451 €	1,589,913 €	1,615,789 €	1,642,086 €	1,668,810 €
1.1 Rental Business		1,564,451 €	1,589,913 €	1,615,789 €	1,642,086 €	1,668,810 €
2. COGS		271,827 €	276,075 €	280,392 €	284,780 €	289,238 €
2.1 VWFS Fee 12.5%		195,556 €	198,739 €	201,974 €	205,261 €	208,601 €
2.2 Fleet Expenses		76,270 €	77,336 €	78,419 €	79,519 €	80,637 €
2.3.1 Maintenance		10,500 €	10,500 €	10,500 €	10,500 €	10,500 €
2.3.2 Repairs		5,250 €	5,335 €	5,421 €	5,509 €	5,599 €
2.3.3 Reconditioning		60,520 €	61,501 €	62,497 €	63,510 €	64,538 €
2. Gross Profit		1,292,625 €	1,313,838 €	1,335,396 €	1,357,306 €	1,379,572 €
3. Other Operating Income			694,214 €		694,214 €	
4. Operating Expenses	7,400 €	127,460 €	127,460 €	127,460 €	127,460 €	127,460 €
4.1 Vehicle Insurance		60,480 €	60,480 €	60,480 €	60,480 €	60,480 €
4.2 Marketing	900 €	2,180 €	2,180 €	2,180 €	2,180 €	2,180 €
4.2.1 Retail Promotions	900 €	1,780 €	1,780 €	1,780 €	1,780 €	1,780 €
4.2.2 Individual Initiatives	0 €	400 €	400 €	400 €	400 €	400 €
4.3 Legal	500 €	1,500 €	1,500 €	1,500 €	1,500 €	1,500 €
4.4 Salaries	0 €	63,000 €	63,000 €	63,000 €	63,000 €	63,000 €
4.5 Information Technology	6,000 €	300 €	300 €	300 €	300 €	300 €
4.6 Other Expenses	0 €					
5. EBITDA	-7,400 €	1,165,165 €	1,880,591 €	1,207,936 €	1,924,059 €	1,252,112 €
5.1 Interest		243,579 €	121,790 €	243,579 €	121,790 €	243,579 €
5.1.1 Interest CAPEX 1		243,579 €	121,790 €			
5.1.2 Interest CAPEX 2				243,579 €	121,790 €	
5.1.3 Interest CAPEX 3						243,579 €
5.2 Vehicle Depreciation		487,159 €	487,159 €	487,159 €	487,159 €	487,159 €
6. EBT	-7,400 €	434,427 €	1,271,643 €	477,198 €	1,315,111 €	521,374 €
7. Tax Payable	-1,554 €	91,230 €	267,045 €	100,212 €	276,173 €	109,489 €
8. Net Income	-5,846 €	343,197 €	1,004,598 €	376,987 €	1,038,938 €	411,886 €
9. OCF	-5,846 €	830,356 €	1,491,757 €	864,145 €	1,526,096 €	899,044 €
10. CAPEX	2,435,793 €		2,435,793 €		2,435,793 €	
11. FCF	-2,441,639 €	830,356 €	-944,037 €	864,145 €	-909,697 €	899,044 €
12. DF		1.08	1.08	1.08	1.08	1.08
13. Present Value	-2,441,639 €	769,560 €	-810,860 €	687,896 €	-671,136 €	614,715 €
NPV	-1,851,465 €					
IRR	-25.33%					

Scenario Assumptions

Scenario Assumptions
 Revenue Utilisation: 36%
 Number of vehicles = 21
 Fleet expenses for 21 Cars
 Insuranced vehicles = 21
 Salaries for Fleet manager at 50%

Risen Interest Rate 10.0%
 Tax Rate 21.0% Source
 WACC 7.9%

Interest Sensivity Data Table

Sensitivity Data Table	
interest	NPV
	-1,851,465 €
1%	-1043628,932
2%	-1,150,147 €
3%	-1,251,939 €
4%	-1,349,256 €
5%	-1,442,334 €
6%	-1,531,395 €
7%	-1,616,648 €
8%	-1,698,289 €
9%	-1,776,504 €
10%	-1,851,465 €
11%	-1,923,337 €
12%	-1,992,274 €
13%	-2,058,422 €
14%	-2,121,918 €
15%	-2,182,892 €
16%	-2,241,466 €
17%	-2,297,757 €
18%	-2,351,872 €
19%	-2,403,915 €
20%	-2,453,984 €

Appendix 18. Financial Model Scenario 2 Calculations Porsche Ibérica, 36% Utilization

Appendix 18a Projected Revenue PIB Scenario 2, 36% Utilization

Projected Revenue for the 3 participating Porsche Centros in Portugal

Scenario 2

Projected Revenue for the 3 participating Porsche Centers in Portugal		Scenario 2					
Assumptions		Scenario 2					
Grow Rate Car rental market		5%					
Utilisation rate of vehicles		36%					
		2023	2024	2025	2026	2027	2028
		Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Models							
Revenue PIB / PFS	6.25%	97,778 €	102,178 €	106,776 €	111,581 €	116,602 €	
	Cayenne	12,004 €	12,544 €	13,109 €	13,699 €	14,315 €	
	Macan	11,249 €	11,755 €	12,284 €	12,837 €	13,414 €	
	911 Convertible	17,633 €	18,427 €	19,256 €	20,123 €	21,028 €	
	718 Boxter Convertible	0 €	0 €	0 €	0 €	0 €	
	911	15,813 €	16,524 €	17,268 €	18,045 €	18,857 €	
	718 Cayman	12,004 €	12,544 €	13,109 €	13,699 €	14,315 €	
	Panamera	13,885 €	14,510 €	15,163 €	15,845 €	16,558 €	
	Taycan	15,190 €	15,873 €	16,587 €	17,334 €	18,114 €	

Appendix 18b Projected Income PIB Scenario 2, 36% Utilization

Projected Financials for Porsche Financial Services / Porsche Iberica		Scenario 2				
	2023 Year 0	2024 Year 1	2025 Year 2	2026 Year 3	2027 Year 4	2028 Year 5
1. Revenue PFS / PIB	6.25%	97,778 €	102,178 €	106,776 €	111,581 €	116,602 €
2. Operating Expenses	0 €	33,400 €	33,400 €	33,400 €	33,400 €	33,400 €
2.1 Marketing		4,000 €	4,000 €	4,000 €	4,000 €	4,000 €
2.1.2 Online Advertisements		4,000 €	4,000 €	4,000 €	4,000 €	4,000 €
2.1.3 Promotional Event		0 €	0 €	0 €	0 €	0 €
2.2 Salaries		25,000 €	25,000 €	25,000 €	25,000 €	25,000 €
2.3 Other Expenses		4,400 €	4,400 €	4,400 €	4,400 €	4,400 €
3. EBT	0 €	64,378 €	68,778 €	73,376 €	78,181 €	83,202 €
4. Tax Payable	0 €	13,519 €	14,443 €	15,409 €	16,418 €	17,472 €
5. Net Income	0 €	50,859 €	54,335 €	57,967 €	61,763 €	65,730 €
6. OCF/ FCF	0 €	50,859 €	54,335 €	57,967 €	61,763 €	65,730 €
7. DF		1.08	1.08	1.08	1.08	1.08
8. Present Value	0 €	47,135 €	46,670 €	46,144 €	45,566 €	44,942 €
NPV	230,458 €					

Scenario Assumptions

Scenario Assumptions	
Revenue Utilisation: 36%	
Number of vehicles = 21	
No Promotional Event	

Risen Interest Rate	10.0%
Tax Rate	21.0% <u>Source</u>
WACC	7.9%

Interest Sensitivity Data Table

Sensitivity Data Table	
interest	NPV
1%	283,605 €
2%	276,813 €
3%	270,268 €
4%	263,957 €
5%	257,869 €
6%	251,996 €
7%	246,327 €
8%	240,853 €
9%	235,566 €
10%	230,458 €
11%	225,520 €
12%	220,746 €
13%	216,129 €
14%	211,662 €
15%	207,339 €
16%	203,153 €
17%	199,100 €
18%	195,174 €
19%	191,370 €
20%	187,682 €

Appendix 19. Variable Changes

Question:	Old Variable Name:	New Variable Name:
Q1	How old are you?	Age
Q2	How do you identify your gender?	Gender
Q3	What is your nationality?	Nationality
Q4	Where do you currently live?	Area
Q5	What is your marital status?	Marital Status
Q6	Which income bracket best represents your annual gross household income (before tax)?	Income
Q7	What is your highest level of education completed?	Education
Q8	What is your current employment status?	Employment Status
Q9	Do you possess a valid driver's license?	Driver's License
Q10	Do you currently own a vehicle?	Vehicle Ownership
Q11	Have you ever owned a Porsche?	Porsche Ownership
Q12	Have you ever rented a luxury car (E.g. Porsche, Bentley, Rolls Royce, BMW or Mercedes-Benz)?	Renting Experience
Q13	What would be your reasons for using a luxury rental offer?	Renting Reasons
Q14	What factors would be important to you when choosing a luxury car rental provider?	Important Characteristics
Q15	What would be your primary use for a luxury rental car?	Primary Use
Q16	How long would you typically rent a luxury vehicle?	Renting Duration
Q17	How much would you be willing to pay for renting a luxury vehicle per day?	Willingsness to Pay
Q18	How would you prefer to book the luxury rental car?	Booking Preference
Q19	Which type of fuel preference do you have when renting a luxury vehicle?	Fuel Preference
Q20	If you have a specific type of car in mind that you'd like to rent, please select it from the list below.	Car Preference