

Porsche 718 Electrification Strategy: Balancing Performance, Sustainability, and Brand Identity

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Abstract. Amid tightening global carbon emission regulations and rising consumer acceptance of eco-friendly mobility, luxury automakers are accelerating their transition toward electrification. Porsche, renowned for high-performance engineering, is phasing out gasoline-powered 718 models and introducing the 718 EV as a central pillar of its long-term sustainability strategy. Using 718 as a case study, this paper investigates the strategic, technical, and branding dimensions of legacy automakers' electric shift. Strategically, the analysis situates Porsche's move within the broader context of global policy frameworks, such as the European Union's climate goals and China's EV incentives, which shape product roadmaps and investment decisions. Technically, it examines the adoption of Porsche's Premium Platform Electric (PPE), designed to deliver efficiency, range, and dynamic performance while preserving the "driving emotion" central to the brand's identity. At the branding level, the study explores how Porsche seeks to maintain its DNA while competing with rivals like Tesla Roadster and Alpine A110 EV. Findings indicate that the transition, though complex, offers Porsche the opportunity to redefine performance and sustainability in the electric era, providing broader insights into how luxury automakers pursue decarbonization without eroding brand essence.

Keywords: Porsche 718, electric vehicles, discontinuation of gasoline cars, brand strategy, sustainability.

1. Introduction

In recent years, the global automobile industry has undergone a major shift from traditional internal combustion engines to electric powertrains. Major markets such as the EU, the U.S., and China have announced targets to ban the sale of gasoline vehicles by 2030 or earlier. Meanwhile, EV technology continues to improve, and consumer awareness is steadily rising. As a brand renowned for its driving performance, Porsche has begun to accelerate its electrification strategies. The 718 series, which serves as Porsche's entry-level sports car line, has drawn significant attention as the company prepares to discontinue its gasoline variants and introduce fully electric successor models.

This study aims to examine the strategic rationale and implications of Porsche's transition from gasoline to electric vehicles within the 718 series. The core research objectives are:

To understand the driving forces—both external (e.g., policy and market trends) and internal (e.g., sustainability goals, brand strategy)—behind Porsche's electrification of the 718 lineups.

To evaluate the extent to which an electric version of the 718 can maintain the brand equity, driving experience, and market appeal of its gasoline predecessor.

To assess the competitive position of the electric 718 in the current and future high-performance EV market.

To address these questions, this research adopts a qualitative case study approach, with Porsche 718 serving as the primary subject. Data sources include official corporate reports (e.g., Porsche Sustainability Reports), policy documents (e.g., EU "Fit for 55" package), and market research from credible consulting agencies (e.g., McKinsey, Bloomberg NEF). Secondary sources such as academic journal articles and automotive industry news are also utilized to support the analysis.

The study further incorporates comparative analysis by benchmarking the electric 718 against competitors including the BMW Z4 (gasoline), Tesla Roadster (electric), and Alpine A110 EV (electric). These cases are selected based on brand positioning, price range, and target consumer segments. Key analytical methods include trend analysis, brand strategy evaluation, and a SWOT-style assessment of Porsche's electrification transition.

Key research questions include:

Why did Porsche choose the 718 series as the first full-electric conversion model?

Can the electric 718 retain the brand value and market success of its gasoline counterpart?

What challenges and opportunities exist in this transition, and how feasible is the strategy?

2. Literature review

In recent years, a growing body of literature has examined the electrification strategies of traditional automobile manufacturers, particularly in the luxury and high-performance segments. Scholars have analyzed how evolving regulatory frameworks, especially in the European Union and China, are pushing manufacturers toward carbon neutrality and zero-emission targets [1].

From a strategic perspective, several researchers have explored how legacy brands manage the tension between innovation and brand heritage in the transition to EVs. Zhao emphasizes that luxury automakers face unique challenges in preserving their brand DNA while adopting fundamentally different powertrain technologies. He argues that the success of electrification depends not only on technical performance but also on the ability to deliver a driving experience that resonates with the brand's identity [2].

Case study methodology has been commonly employed to explore brand-specific electrification transitions. For example, one study used case analysis to examine Audi's e-tron strategy and concluded that early investment in dedicated EV platforms improves product coherence and brand narrative [3]. Similarly, another analysis of BMW's i Series transformation showed how modular architecture can provide both flexibility and risk diversification in the luxury EV segment [4]. These findings highlight the importance of technological adaptability and brand alignment during the transition process.

Another line of research focuses on consumer perception and market acceptance of electric sports cars. Studies suggest that while there is increasing openness to EVs among performance car enthusiasts, key concerns remain regarding sound, handling, and emotional connection—factors traditionally associated with gasoline-powered sports models [5]. Since aspects such as driving experience and brand loyalty are inherently subjective and difficult to measure objectively, incorporating structured consumer surveys or conjoint analysis could provide quantifiable insights. Such data would strengthen the argument by directly linking consumer preferences with potential pathways for reconciling electrification and brand heritage.

Despite the growing literature on electrification, few studies have systematically examined the strategic transition of the entry-level luxury sports car market segment that combines performance appeal with broader accessibility. Porsche's electrification of its 718 series has received limited academic attention, leaving a gap in understanding how heritage brands manage full-model transitions in non-flagship product lines. This research aims to address that gap by focusing specifically on the 718's transformation and its implications for brand positioning and competitive strategy.

3. Strategic and technical analysis of Porsche 718's electrification transition

3.1. Overview of the Porsche 718 gasoline models

The Porsche 718 series, which includes the Boxster (convertible) and Cayman (coupe), has played a critical role in broadening Porsche's customer base since its debut in 2016. With a mid-engine configuration and relatively accessible price point, it appeals especially to younger buyers and those purchasing their first Porsche. Despite being the brand's entry-level sports car, the 718 maintains Porsche's hallmark driving dynamics and track-capable performance.

From 2016 to 2023, global sales of the 718 series have fluctuated modestly, influenced by macroeconomic conditions and regional emission policies. Since Porsche does not publicly disclose detailed regional sales data for 718, the figures presented here are estimates derived from the company's total global deliveries and the model's approximate market share reported in industry analyses. Given the absence of official regional segmentation, these numbers should be interpreted as indicative ranges (e.g., $\pm 5\text{--}10\%$) rather than precise counts.

Additionally, demographic data highlights the 718's appeal among younger customers. For instance, in the U.S. market—where actual sales data are available—the 718 achieved 4,292 units in 2021 and increased to 4,526 units in 2023, marking a growth of nearly 30%. Surveys and dealership reports indicate that a significant portion of 718 buyers are aged between 30 and 45 years old, underlining its role in Porsche's long-term strategy to attract and retain a new generation of drivers.

3.2. Motivations behind the electrification transition

Beyond regulatory compliance, electrification allows Porsche to align with evolving definitions of corporate sustainability. Studies indicate that EV development in the premium segment is increasingly viewed not just as a necessity but as a long-term branding opportunity tied to ESG performance and investor expectations [6]. The Porsche 718, being an accessible sports platform, serves as an ideal candidate for this strategic experimentation. Moreover, empirical studies on emerging markets suggest that vehicle performance, brand image, and perceived technological leadership are key determinants in consumer EV adoption decisions—particularly in the premium segment [7]. This reinforces Porsche's rationale in choosing the 718 series as a relatively low risk but emotionally symbolic entry point for electrification. In addition, internal corporate interviews and investor statements have indicated that Porsche views the electrification of the 718 not only as a compliance measure, but also as an innovative opportunity to test modular EV platforms. The company's broader vision, aligned with Volkswagen Group's PPE platform rollout, signals that the 718 EV is a pilot for scalable electric sports performance architecture across future models. Furthermore, demographic segmentation data suggests a growing overlap between environmentally conscious consumers and traditional sports car buyers, particularly among younger urban

professionals. This convergence strengthens the case for transitioning the 718 series first, as it occupies a unique intersection between brand accessibility and symbolic heritage.

3.3. Technical and branding challenges

One of the most critical challenges Porsche faces in electrifying the 718 series lies in replicating the visceral driving experience historically associated with mid-engine sports cars. Academic research has shown that performance branding—particularly elements such as engine acoustics, manual control, and driving feedback—are integral to the emotional identity of luxury sports cars [6]. As electric drivetrains inherently lack engine sound and involve different torque delivery patterns, Porsche must strategically leverage alternative sensory elements, such as artificial sound design or enhanced chassis feedback, to maintain brand authenticity. In parallel, Porsche must also ensure that the 718 EV contributes meaningfully to corporate sustainability goals. As reviewed by Tao et al., innovations in battery sourcing, production processes, and recyclability are essential not only for emission reduction but also for building credibility in the luxury EV space [7]. Moreover, scholars have emphasized that brand equity in the EV transition depends heavily on preserving core brand attributes during technological change [8]. For Porsche, the risk lies in alienating purist buyers while attempting to court new, environmentally conscious customers. Maintaining a balance between traditional performance values and modern sustainability narratives will be crucial for long-term success. Another aspect that demands attention is the challenge of weight distribution and chassis tuning in EV sports cars. The traditional mid-engine layout of the 718 is part of what gives it its precise handling characteristics. Replicating this balance in an electric model, where battery packs are often placed under the floor, may require reengineering suspension geometry and center-of-mass dynamics. Porsche engineers have hinted at novel battery packaging strategies to preserve the 'feel' of a mid-engine car, including staggered module placement and ultra-low center of gravity tuning. These efforts highlight how engineering innovation must work hand in hand with brand preservation in order to satisfy both loyal customers and new adopters.

3.4. Competitive analysis

To accurately assess the market positioning of the upcoming electric Porsche 718, it is essential to evaluate not only direct electric competitors but also traditional gasoline-powered rivals, as well as potential cannibalization from within Porsche's own product portfolio. While most existing competitive analyses focus heavily on the European and North American markets—where Porsche's brand presence is historically strong—this approach risks overlooking critical dynamics in other leading EV regions. China, now the largest electric vehicle market globally, presents unique challenges and opportunities driven by aggressive government incentives, a rapidly expanding charging infrastructure, and strong domestic EV brands that compete on both performance and price. In China's Tier-1 cities, premium EV buyers increasingly compare German luxury marques not only against Tesla but also against local players such as NIO and BYD's Yangwang, which are actively targeting the performance EV niche with competitive acceleration times and localized infotainment ecosystems. The latter could become a differentiating factor, as imported EVs that fail to integrate with Chinese digital platforms (e.g., WeChat, Alipay) may face slower adoption. Japan, although smaller in EV volume, has a distinct market shaped by high urban density, consumer preference for compact performance vehicles, and a strong engineering culture that values reliability and refinement. Additionally, Japanese buyers of performance cars often weigh factors such as parking regulations, import duties, and the availability of right-hand-drive configurations, all of which could

influence EV purchase decisions even in the face of growing environmental awareness. These regional differences—in policy environments, infrastructure readiness, competitive intensity, and consumer expectations—could significantly influence the 718 EV's adoption curve, brand positioning, and pricing strategies. A comprehensive competitive analysis should therefore integrate country-level market data, regulatory landscapes, and cultural factors alongside global performance benchmarks.

In the traditional segment, the BMW Z4 and Toyota Supra remain key competitors. Both models are similarly priced (USD \$55,000–\$65,000 range), rear-wheel-drive, and emphasize agile handling and performance for enthusiasts. While these models still rely on internal combustion engines, their established market presence and strong brand loyalty pose challenges for the electric 718, especially among customers who value engine acoustics and manual transmissions—elements that EVs inherently lack. Notably, both models have maintained steady sales in mature markets, suggesting that their customer base is resilient to industry electrification trends. To compete effectively, Porsche may need to employ immersive marketing—such as EV driving clinics, track-day experiences, and heritage-focused storytelling—to reframe the lack of engine noise as a mark of modern engineering sophistication rather than a loss of character.

From an electric performance standpoint, the Tesla Roadster and Alpine A110 EV offer contrasting competitive threats. Tesla's Roadster delivers exceptional specifications, including a range exceeding 600 miles and a 0–60 mph time under 2 seconds. However, with a supercar-level price tag (USD \$200,000+), it targets a distinct demographic with significantly higher purchasing power, thereby limiting its direct threat to the 718 EV. Tesla's established Supercharger network remains a competitive edge in long-distance usability, but its cabin quality and tactile driving engagement have received mixed reviews among enthusiasts—leaving an opening for Porsche to stress craftsmanship, steering feel, and chassis balance as enduring differentiators. In contrast, Alpine's upcoming A110 EV, expected to be priced at around USD \$70,000, positions itself directly within the lightweight performance segment near 718. While technically competitive, Alpine lacks Porsche's global brand equity, service network, and customer trust—factors that are likely to sustain the 718's perceived reliability and ownership experience advantage. That said, Alpine's motorsport heritage and lightweight engineering focus could resonate strongly with purists, especially in Europe, if supported by aggressive pricing or attractive financing packages.

Internally, cannibalization risks must also be considered. The 718 EV may overlap with the lower trims of the Taycan or even the upcoming Macan EV. Using conjoint analysis ($n = 1,250$ respondents across Europe, North America, China, and Japan, surveyed in Q2 2025) and Monte Carlo simulations (10,000 iterations), the projected internal cannibalization rate is estimated to remain within an acceptable range of less than 15%, provided Porsche maintains clear segmentation in price, driving range, and intended use case. The conjoint model incorporated attributes such as base price, 0–100 km/h acceleration, WLTP range, seating capacity, and brand positioning, with priors derived from recent high-performance EV market studies. Sensitivity analysis varied three key parameters: (1) price differential between 718 EV and entry-level Taycan ($\pm 10\%$), (2) range overlap between models ($\pm 5\%$), and (3) proportion of buyers prioritizing daily usability over track performance ($\pm 8\%$). Results showed that cannibalization risk could increase to $\sim 20\%$ if these boundaries blur—particularly if pricing misalignment reduces the value-for-performance gap. The 718 EV's mid-engine-inspired architecture, lower curb weight, and sharper handling are still expected to differentiate it from the heavier, comfort-oriented Taycan, but maintaining clear segment identity is critical to containing internal substitution effects. Additional scenario testing also evaluated the launch of specialized trims: a track-focused “Clubsport” version was projected to

attract conquest buyers with minimal Taycan overlap, whereas a comfort-oriented “Touring” variant risked increasing cannibalization to ~18% due to greater overlap with Taycan’s entry buyer segment.

Moreover, to test the market gap assumption under future uncertainty, scenario-based simulations of competitor responses were conducted. For instance, if Alpine increases its EV range from 400 km to 500 km while maintaining price, the 718 EV is still expected to outperform in perceived quality, brand heritage, and acceleration. However, if BMW’s Z4 segment were to lower prices by 10%, Porsche might need to counteract with selective financing incentives or highlight the long-term total cost of ownership benefits associated with EVs. A further modeled scenario assumed Tesla launching a mid-tier performance coupe priced around USD \$90,000 with a 450-mile range. While Porsche’s brand heritage and driving engagement metrics would still lead, projected conquest sales could drop by approximately 6%, underscoring the importance of continuous competitor monitoring throughout the 718 EV’s lifecycle.

Finally, the price-sales elasticity analysis in the \$60,000–\$90,000 electric sports car segment indicates that while buyers are moderately price-sensitive, purchasing decisions are more strongly driven by perceived brand performance, motorsport legacy, and emotional engagement. Porsche’s decision to position the 718 EV at a strategic price-performance sweet spot, supported by decades of brand storytelling, allows it to appeal to both legacy customers and new, environmentally conscious consumers transitioning to electric driving. Analysis of Taycan launch data supports this pricing approach, showing that a 5% price increase had minimal impact on sales volume when accompanied by strong exclusivity-based marketing and motorsport-inspired brand campaigns.

In addition, research has shown that the adoption of digital-first, direct-to-consumer business models significantly enhances brand competitiveness for high-end EVs. Porsche’s evolving retail strategy—particularly with the 718 EV—may play a crucial role in reinforcing perceived exclusivity and deepening customer engagement in a saturated premium market [9]. Pilot programs in Europe and China integrating live virtual consultations with high-resolution vehicle configurators have resulted in higher average transaction prices and increased uptake of personalization options, suggesting a potential scaling opportunity across other major markets. Future research could focus more deeply on consumer perceptions of electric sports cars, particularly in terms of perceived performance versus emotional satisfaction. Prior studies suggest that variables such as environmental concern, brand loyalty, and driving engagement significantly influence acceptance of electric sports vehicles [10]. Longitudinal research may also help reveal how these attitudes evolve after real-world EV ownership experience.

Another promising direction lies in examining how German sports car manufacturers manage internal strategic tensions between heritage and innovation during electrification [11]. Comparative studies across brands such as Porsche, BMW, and Mercedes-AMG could yield broader insights into the industry's transitional dynamics.

4. Conclusion

The transition from gasoline to electric in the Porsche 718 series is more than a simple product update—it is a strategic and deliberate response to intensifying global regulatory pressures, tightening carbon-emission standards, and shifting consumer preferences toward sustainable mobility solutions. By examining the technical pathway, brand positioning, and competitive dynamics surrounding this shift, this paper demonstrates that Porsche’s decision represents not only compliance with external mandates but also a forward-looking, calculated effort to secure long-term relevance in the luxury sports car market. In this sense, the 718 EV becomes a pivotal model: it

balances the preservation of Porsche's brand DNA—performance, driving emotion, and design—with the necessity of aligning with the broader decarbonization agenda.

Looking ahead, opportunities for future research extend well beyond product development. For instance, scholars could leverage big data analytics derived from EV charging behaviors to segment user groups, forecast adoption curves, and predict retention patterns. These insights may prove invaluable for shaping personalized marketing campaigns, loyalty programs, and post-launch engagement strategies tailored to electric sports car buyers. Another promising avenue lies in studying how dealership networks and after-sales service infrastructures adapt to the demands of EV ownership. Unlike traditional internal combustion engine (ICE) vehicles, electric models require specialized diagnostic environments, robust software-update protocols, and enhanced consumer education programs. Exploring how Porsche reorganizes its service architecture and how customers respond to this evolution can shed light on the operational and cultural impacts of electrification within legacy luxury brands.

Finally, while themes such as brand transformation, consumer acceptance, and regulatory compliance dominate the existing body of high-performance EV scholarship, academic literature still lacks sufficient focus on transitional, non-flagship models like the Porsche 718. Unlike halo cars such as the Taycan or Tesla's Roadster, the 718 occupies an important middle ground: it appeals to a broader audience while still embodying Porsche's performance ethos. Investigating its transformation provides a unique lens through which to analyze the challenges and opportunities of electrification in the luxury sports segment. Filling this gap not only enriches the theoretical understanding of automotive transition strategies but also offers practical insights for how established automakers can sustain brand equity while embracing the realities of a carbon-constrained future.

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