



“There is a renaissance of the automobile underway”

Thilo Koslowski, the CEO of the newly formed Porsche Digital GmbH, recently talked to automotiveIT about Silicon Valley, Germany's digital infrastructure and Porsche's new digital technologies.

“Mr. Koslowski, specific assets have shaped Porsche's DNA for a long time: air cooling, rear-wheel drive and the number 911. What new gadgets can now stand up to the level of these assets?”

I have been a Porsche fan since my childhood. That is why I very much appreciate the classic values of the brand. They stand for Porsche. The digital gadgets to which you are presumably referring are only a small part of what we intend to offer. We want to take advantage of the new technologies and continuing digitization to stress the classic attributes of the Porsche brand. At the end of the day, we want to strengthen the Porsche experience “the goosebumps that you feel on the road, the tingling when you get in the car. These are exactly the emotions that we would like to expand with a digital dimension.

“Can you give us an example of how you would like to convey the Porsche feeling digitally? Porsche stands for superior driving fun. The enthusiasm of our customers is directly related to this. The brand’s unique capacity for fascination can carry over into other areas of life with a Porsche flavor. We are creating what might be called a digital lifestyle. Which restaurants do you like? What are your plans for the weekend? The vehicle offers you excellent proposals. The result is an experience that fits your attitude perfectly. We are building a complete customer journey around a particular vehicle. In a nutshell, we are taking advantage of digital opportunities to superbly support the core characteristics of the brand.

“That sounds nice, but many other internet platforms can do that as well. They offer customer-specific services”

But you don’t get a Porsche experience. Just to go from point A to B, you don't need a Porsche either. But it would be more fun. It would be safer, sportier and more comfortable. Our solutions are always Porsche-specific, and that makes the difference in the end. We don’t want to reinvent the digital world but to use it intelligently. There is something else: In the future, we’ll be able to take advantage of the synergies available in the field with our sister brands within the Volkswagen Group with regard to the basic technology.



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_Does the VW Group provide individual brands with a kind of digital tool kit from which you can build something, as it does with other technologies?

That's absolutely right. The VW Group can provide us with key technologies, the digital backbone, so to speak, and we can create the brand-specific characteristics. Let me cite an example. The issue of security is enormously important to all the brands. Here the VW Group's potential can make a difference. But each brand provides the lifestyle, its own interpretation and implementation of customer-specific issues. This is important because we have various brands with entirely different profiles. And success can be precisely traced back to the independence of the brands.

_Where does the VW Group's digital chief, Johann Jungwirth (J.J.), stand on your plans? How do you work together?

J.J. and I are brothers in spirit. We have known each other for a very long time and we were both in Silicon Valley. That ties us together. The group has our common vision. I like to put it this way: The digital transformation is likely to be the greatest revolution in which we will participate in our lifetimes. This also applies to the auto industry. We should seize the opportunity offered to us. J.J. and our other colleagues in the digital environment see this the same way. And we are creating a resource link between our brand and the group.

_On the topic of Silicon Valley: It has its own a very special culture. How difficult is it to bring its kind of thinking into harmony with the culture of a German mega company?

It's not easy. But Porsche is positioned differently than many other automakers. We benefit from our connection to the group. But we are independent in our thinking. And we are comparatively small, have flat hierarchies, and make decisions quickly. For these reasons alone, we have another mentality, another culture. And I'll even go a step further: It relates to the mentality of our country. Silicon Valley is marked by a "can-do" mentality. I would like to import this kind of thinking and combine it with the stability that is lived and breathed in Germany. In a positive sense, hype is created in Silicon Valley. You have to learn and understand this. We need to combine the speed and the agile thinking without boundaries with the steadiness that we cultivate in this country. Why? We don't have it yet, and it is the right way to succeed.

Â Why are you so sure that the automobile is going to be a component of the lifestyle of the future? Because the automobile is still unique as a device. It physically takes me from one place to another. No smartphone can do that. And then there is the brand experience and our claim to premium stature. And when we combine these factors, we have a unique selling proposition when it comes to digital lifestyle. This is an opportunity for all automakers. Technology companies like Apple and



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Google would like to get a foothold in our area and, in return, penetrate more deeply into their areas. We understand mobility better. And no brand can arguably do a better job with exclusive, sporty mobility than Porsche.

_What are your most important tasks in this regard? Is this a matter of bringing technologies into vehicles that they haven't had until now? We're talking about networking now. Is it the cultural aspect? Or is autonomous driving the long-term goal?

We are working on all these topics. Without a doubt, a consolidation of digital issues that benefit the customer is high on the agenda. We founded Porsche Digital GmbH to strengthen and accelerate Porsche's digital transformation. Porsche has naturally had activities in this area for a long time. Look at the new Panamera and its connectivity solutions. But we want to step up the pace. We're not taking a breather. We are going to keep stepping on the gas and become quicker and more agile, as is typical of Porsche. That is our standard. We have the intelligence, we have the understanding, we have the brand. We want to become a digital business creator.

_Now let's be honest: Is it really so important to a Porsche owner to cultivate a digital lifestyle? Isn't "analog" driving fun much more important to him?

The authentic and pure driving experience will still be there. A Porsche is still a Porsche, enhanced with a new dimension. We will further strengthen the traditional brand experience with digitization. Our customers, especially younger ones, do not want to do without the advantages of the digital world, even within their car. We are responding to that.

_You say you're building a Porsche digital ecosystem? What can you offer?

Think about the various areas of life, for one thing when you are at work, for another when you are at home, and then when you are out running around. In doing so, you have partners with whom you interact. Only today everything is still very analog and only slightly networked. Our goal: We want to map the customer journey in the Porsche digital experience. This opens up new dimensions. And we need the right partners to do this.

_Certainly the Porsche customer doesn't need another music streaming service such as Spotify!

That's right. We would really prefer that you not deal with apps any longer.

_You'll have to explain that to us!

Spotify is an app. Digitization 1.0, as I mentioned. But I think this won't actually be an issue for me in



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the future. Let me explain this with an analogy. Today we still browse the internet when we sit at a computer. In the future, we will prefer “internet snacking.” Small information morsels will be delivered to us and we won't have to actively search anymore. Nonetheless, the information will be relevant to us. Many things will be happening automatically in the background. To me, that is Digitization 2.0.

“So I only choose from”

Not even that because the system knows precisely what you want. It is being trained, with artificial intelligence. The system gets better and better every time.

“Many companies in the automotive sector are focusing their business models around the smartphone. It is a matter of integration. Companies want a presence as the manufacturer on the screen. Are they betting wrong?”

I am assuming that the smartphone will be one endpoint among many in the future. On the other hand, the car is the ultimate mobile device. It stands out for its combination of physical and virtual elements “something that the smartphone definitely cannot do. Even 10 years from now, the phone won't be a physical conveyance.

“On another issue: Porsche has a stake in the Evopark parking service. Is that a foretaste of the way future mobility is developing? That people tend to be more concerned with parking than driving? (Laughs) That would be a tragic way to see things. It is more of a service for the future that makes parking more convenient. Why can't the car tell me where a parking place is open and available to me? In the future, the car in the best case should park itself and take over the payment. This is exactly what I have been talking about: intelligent action on behalf of the customer. That is why we have a stake in Evopark.

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“That all sounds good, but a robust infrastructure is part of this vision. That is still a problem in Germany. Is that how you see it?”

That is certainly something that we have to take into consideration. And it is clear to us that other countries are farther along than we are. Again and again, we experience interruptions in the wireless network in Germany. That is not acceptable. It doesn't happen in Silicon Valley, not even in remote



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locations. The situation used to be different in Europe, and the US lagged. But the page has been turned. But that doesn't mean that we can't turn the page again. Å Still, you are right. We need to catch up. I hope that we'll soon have the necessary infrastructure for intelligent services in Germany as well.

_In the past, sectors such as the music industry were badly shaken by digitization. Does this worry you?

No. We are involved in the disruption. As an active shaper, not as a spectator. We are not sitting on the sidelines and waiting for something to happen. We don't have to struggle with the realities that the music industry had to tackle. We're moving the game forward. Our advantage compared with the music industry: The sound storage medium could be replaced. It did not have to be a record. First, the CD came along, then digitization. That won't happen with a car. It will always be physically present. And that's why I call the car the main mobile device. I now see a renaissance of the automobile because it will do more than it has done in the past. and it will do an even better job at its old tasks. To me, that is the decisive factor.

Interview by Hilmar Dunker and Ralf Bretting

