BMW decides heated seat subscriptions are a bust

Enlarge / A BMW worker installs a seat in an i4. The company will no longer install hardware in its cars and then ask for a fee to unlock it at a later date.

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BMW's experiment with offering in-car subscriptions for hardware features installed at the factory is over. Earlier this week, a BMW board member told Autocar that while it will still pursue some subscription features in the future, those will only be software-based services.

The last decade or so has seen the auto industry get tech fever. Wide-eyed executives and shareholders looked at the profit margins and market value of software companies and their "recurring revenue streams" and decided they wanted a slice of that, particularly since a modern car is just so many computers on wheels now. But it turns out—surprise, surprise—that consumers don't really want any more monthly payments attached to their vehicles.

Indeed, in 2019 BMW earned a degree of consumer distrust after making Apple CarPlay a subscription-only feature for a while before backtracking.

Perhaps more egregious than charging a monthly fee for an in-car data service has been the practice of installing equipment at the factory and then later charging an owner a fee to unlock its use. It's a practice that Tesla has used both in

the past and now, once again, artificially restricting the useable storage capacity in some of its electric vehicle batteries.

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Again, BMW became far better known for this practice than Tesla when, in 2020, it started offering subscriptions for factory-installed hardware features like heated seats or adaptive cruise control in markets like Korea and the UK.

For example, a British BMW owner could opt to specify their car with adaptive cruise control and lane keeping (Driving Assistant Plus in BMW-speak) for $937 (£750) when ordering it or not tick that option but later decide to try the feature as a free three-month trial, then either buy it outright for that same price or for a month ($43/£35), a year ($437/£350), or three years ($628/£550).

“We actually are now focusing with those ‘functions on demand’ on software and service-related products, like driving assistance and parking assistance, which you can add later after purchasing the car, or for certain functions that require data transmission that customers are used to paying for in other areas,” BMW board member Pieter Nota told Autocar.

“What we don’t do anymore—and that is a very well-known example—is offer seat heating by this way. It’s either in or out. We offer it by the factory and you either have it or you don’t have it,” Nota said. The reason? Low uptake as a result of unhappy customers. “People feel that they paid double—which was actually not true, but perception is reality, I always say. So that was the reason we stopped that,” he said.

The corporate change of mind is unlikely to have any effect here in the US as BMW North America chose not to offer subscriptions for hardware features in this market.

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