

# Cars are cruising down the monthly subscription highway

September 4 2018, by Michael Liedtke

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This 2017 photo shows Canvas' first subscriber, James O'Connor, sitting in his car from Canvas. If you already subscribe to digital services like Netflix to binge on TV shows and Spotify to groove to an endless mix of music, the auto industry

might have a deal for you: Subscribe to your next car as well. Canvas offers a variety of used, once-leased Ford and Lincoln models as subscriptions that cost anywhere from \$379 per month (for a Ford Fiesta subcompact) to \$1,125 per month (for a Lincoln Navigator luxury SUV). (Chris Wai/Canvas via AP)

If you already subscribe to digital services like Netflix to binge on TV shows and Spotify to groove to an endless mix of music, the auto industry might have a deal for you: Subscribe to your next car as well.

Make that cars, plural. Some of these packages—which charge a monthly fee for the bundled use of a car, insurance and maintenance—let you trade in your vehicle on a regular basis, sometimes almost as readily as you can skip to a new tune on Spotify.

These still-developing car subscription programs are gaining traction among motorists who don't want to be locked into the hassles of car ownership or even multiyear leasing commitments. All they want is a vehicle available whenever they want or need it.

"It feels like Christmas morning every time they bring me a new car," said Steve Barnes, a video producer who subscribes to a high-end vehicle subscription program offered through Clutch Technologies, a startup operating in the Atlanta area. (Clutch helped The Associated Press find Barnes for this story).

Although they're still in their infancy, car subscriptions are hooking more motorists as both long-established automakers and startups roll out plans.

Ford, a 115-year-old automaker with a network of more than 3,000 dealers, expanded into car subscriptions about 16 months ago through

Canvas, a subsidiary in San Francisco.

Canvas offers a variety of used, once-leased Ford and Lincoln models as subscriptions that cost anywhere from \$379 per month (for a Ford Fiesta subcompact) to \$1,125 per month (for a Lincoln Navigator luxury SUV).

Those plans, however, impose driving limits of 500 miles a month. Subscribers can pay extra for higher limits—\$35 per month for an additional 350 miles, for instance, or \$100 per month for unlimited travel. Unused miles in any given month can be rolled over to the next one. If Canvas customers exceed the monthly mileage limits under their plan, they are charged an additional 15 cents per mile for a Ford car and slightly more for a Lincoln vehicle.

So far, Canvas has limited subscriptions to the San Francisco and Los Angeles area. In its first 16 months in California, thousands of subscribers have signed up for its subscription service while collectively driving about 8.5 million miles, according to the company.

"People are generally changing the way they are working, they are changing the way they are living and they are generally changing the way they are consuming things," Canvas CEO Ned Ryan said. "Subscriptions are going to be a very large and growing share of how people consume automobiles."

About a third of Canvas customers decided to subscribe to cars after moving or some other major event that left them reluctant to make a bigger commitment to leasing or owning, Ryan said. Others just like the simplicity and convenience offered by a car subscription, he said.

Liz Dreskin of San Rafael, California, signed up for Canvas earlier this year to help her college-age kids get around at home during their summer break. Both are under the company's 21-year-old age limit, so

Dreskin got a vehicle for herself while allowing her children to drive the BMW she already owned.

After starting off with a sports utility vehicle from Canvas, she decided to pay \$99 to switch to a 2015 Mustang. Although she plans to suspend her \$500 monthly subscription at the end of September, she intends to start it up again when her kids return for the holidays. She's also recommending the service to a friend whose current car is breaking down.

"I could totally seeing myself doing this in the future so I don't have to deal with car insurance and car payments," Dreskin, 52, said. (Canvas helped the AP find Dreskin for this story).

Luxury automakers such as BMW, Mercedes-Benz, Porsche and General Motors' Cadillac brand also are offering subscription programs, but those are primarily catering to affluent drivers who want to try out a variety of expensive vehicles.

Barnes, the video producer, signed up with Clutch in 2016 for access to luxury vehicles. The divorced father will get a sports utility vehicle when he has custody of his daughters or a Tesla sports car or something else fun to drive when he's headed out on the town with his current wife.

He pays about \$1,400 per month for his Clutch subscription, substantially more than the roughly \$900 per month he used to pay for a lease on a Tahoe and his insurance policy. But he says he can't imagine ever owning or leasing a car again now that he's driven dozens of different vehicles that he estimates would have cost him more than \$1 million to own.

"I am definitely a 'tech head' who had always fantasized about being able to get whatever car you want," Barnes said.

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Citation: Cars are cruising down the monthly subscription highway (2018, September 4) retrieved 24 March 2023 from

<https://phys.org/news/2018-09-cars-cruising-monthly-subscription-highway.html>

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