

# Understanding Monthly Fees Inside the Changing Car Industry



By Tony Rached

# Appraiser Blog

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In a world where cars have transformed from mere modes of transportation into interconnected, internet-powered devices on wheels, a new trend is emerging that challenges the traditional concept of car ownership. As a result of the growing prevalence of monthly fees for accessing and enjoying specific features within vehicles, we will rethink how we view and use automobiles. This transition will raise concerns, questions, and possibilities.



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## Unraveling the Story of a Tesla Hack

Christian Werling, a student at Technische Universität Berlin, recently caused a stir when he hacked into a Tesla car. He and his team of students figured out how to manipulate the car's infotainment system, unlocking premium features for free. The hack involved tinkering with the supply voltage powering the car's processor in order to inject manipulated code.

## The Dawn of Pay-as-You-Drive Features

As cars become more technologically advanced and interconnected, automakers are taking advantage of this development to research novel business models. Thanks to over-the-air software updates, transferring new features remotely has become a reality, allowing the introduction of a pay-per-use concept. For example, your future vehicle may feature climate control zones tailored for each occupant - but accessing additional controls might come at an additional fee. Already BMW and other carmakers have tested such an approach with add-ons such as heated seats being available as subscription services.

## A Radical Paradigm Shift in Car Ownership

Subscription-based features bring both advantages and challenges. They open up financial flexibility, allowing consumers to tailor their car's features according to their budget - more cash means more features; less cash equals fewer add-ons. But this could mean saying goodbye to the idea of paying off a vehicle with a single lump sum. Instead, you might be in an ongoing commitment of monthly payments for extras that are usually standard on a car.

## Navigating the Driver's Dilemma

Initially, consumers may be skeptical of subscription-based features, but if offered a free trial period, they may become more receptive. It may become commonplace to add and drop car features, just as app stores transformed smartphone ownership.

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Automakers are well-positioned to introduce this concept and gradually normalize it within the automotive industry.

## **A Future of Car "Jailbreaking"**

The similarities between car and smartphone ownership are becoming harder to ignore. Similar to tech-savvy people releasing their phones from restrictive conditions, "jailbreaking" has now crossed over into the automotive industry, inciting fears of unauthorized access and manipulation. Although Werling's team has successfully hacked a Tesla, many ponder the wider implications this could have. This wave of hacking vehicles may even spark a whole new era of innovation as experts fight to uncover advanced technological capabilities.

## **A Brave New World of Car Ownership**

The near future of car ownership looks to be a hybrid form, where customization options are modular and require regular fees. As vehicles become increasingly integrated with software, the limits of traditional operation are being redefined. No matter how one views this change - whether as a means for tailor-made features or as a finicky drain on funds - it's clear that the automotive industry is changing rapidly.