

MOBILE

BMW helps young consumers “ReachNow” for on-demand mobility

April 13, 2016



BMW ReachNow app

By FORREST CARDAMENIS

German automaker BMW is extending its commitment to mobility with the new ReachNow brand.

Subscribe to **Luxury Daily**
Plus: Just released
State of Luxury 2019 **Save \$246 ▶**

ReachNow, launched in Seattle on April 12, is the American counterpart to the growing European "DriveNow" brand ([see story](#)), offering on-demand mobility to metropolitan dwellers. Supplementing its traditional model with a move into the mobility sector will help BMW remain a major player in the automotive industry among a larger group of consumers.

"We are currently witnessing an extremely exciting period in the development of the automotive industry," said Peter Schwarzenbauer, member of the Board of Management of BMW AG and responsible for Mobility Services. "Our customers rightly expect uncomplicated and fast solutions to their individual mobility needs, especially in metropolitan regions.

This is why we are supplementing our classic business model with additional services that make life on the road easier for people in big cities. I am pleased that with the establishment of the ReachNow brand, we are able to offer our customers in Seattle 'on-demand mobility' mobility when it's needed, from one single source.

"With this service, we are building up on Drive Now, our extremely successful European business model, and bringing it up to a new level in the USA. Seattle is an innovative, internationally-oriented city which makes it the perfect location to launch these services."

Ride along

ReachNow, similar to its European predecessor, allows the consumer to book via her smartphone a vehicle to be delivered directly to her. The initial fleet servicing Seattle will include 370 BMW and MINI vehicles, 74 of which are electric i3 models.

On the heels of DriveNow's partnership with Moovit, the inclusion of the i3 vehicles emphasizes BMW's commitment to environmental sustainability and positions the brand as a responsible choice for the young consumers ReachNow will skew toward.



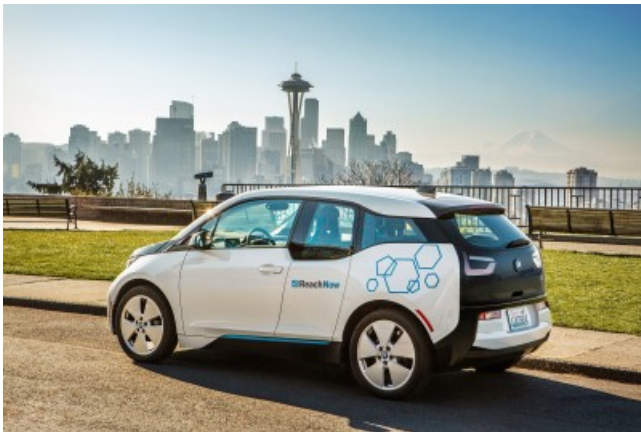
BMW ReachNow fleet

Besides access to vehicles in a way that sets BMW up to compete with Uber, ReachNow will offer a handful of other services designed with the 21st century consumer in mind.

The app will also incorporate car rental services. While driving a vehicle from the fleet, the consumer can decide in the spur of the moment to keep the car for several days without changing vehicles or going to a rental location.

For those who want to own a car in the city but also spend a lot of time out of town or only need it occasionally, ReachNow allows the consumer to rent out her car, either to anyone or only to social media contacts.

For those who would prefer not to do the driving themselves, ReachNow includes a chauffeur option.



BMW ReachNow vehicle

Lastly, ReachNow includes a vehicle-sharing component for closed groups. A business or residence can book in advance a group of vehicles in the long-term to guarantee availability and keep a fleet on its premises.

ReachNow is priced at a more accessible level, with a one-time \$29 registration fee and 49 cents per minute of driving, including insurance, fuel/electricity, parking costs and all taxes and fees. The pricing, comparable to Uber and taxi fees, will help BMW gain a foothold among aspirational consumers.



Young consumers using BMW ReachNow

The development of the automotive industry to include on-demand mobility has stunted sales among the millennial demographic, which opts for ride-sharing and alternative forms of transportation. Electric vehicles and on-demand mobility showcase BMW's attempt to reach this audience, which may develop an affinity for the brand that could

influence a purchase later in life.

The new mobility

While ReachNow consolidates many new automotive trends into one app, other automakers are also taking note of the rise of the mobility market and testing their entrance.

For example, German automaker Mercedes-Benz is also looking to the future with an on-demand ride-sharing service.

The service is being offered in conjunction with mobility service Via, and while most ride-sharing services concentrate on urban areas, Mercedes' will launch in Orange County, CA. The initiative fits in with Mercedes' ongoing strategy of staying at the forefront of technological innovation and environmental consciousness ([see story](#)).

Additionally, the closed user group component of ReachNow is also something other brands have experimented with.

Last November, German automaker Audi also expanded its boundaries with a new mobility service focusing on exclusivity rather than mass access.

"Audi At Home" allows a resident of LUMINA condominiums in San Francisco and Four Seasons Residences in Miami reserve and drive a vehicle from Audi's line at her convenience. The initiative shows that Audi is a mobility service brand in addition to an automaker and will help build a rapport with potential future clients and keep the brand relevant in emerging subsets of the auto sector ([see story](#)).

© 2020 Napean LLC. All rights reserved.

Luxury Daily is published each business day. Thank you for reading us. Your [feedback](#) is welcome.