



## Winning the Auto Lending Game: Building a Digital Bridge to Borrowers

26 July 2018 By: Al Pascual

All signs point to an auto lending industry that is on the mend. As the economy has improved and consumer confidence has returned, auto loans have been on the rise and financial institutions (FIs) are benefitting. With the emergence of new technology, auto purchasing and auto loans are increasingly digitally enabled, making it easier to borrow not only directly from FIs at their websites, but also through aggregators and other services that build bridges between consumers, lenders and dealers. But the easy growth won't last forever. Successfully using digital technology will be critical for FIs as they seek additional growth and a hedge against a potential downturn in borrowing and new models of mobility.

### Key questions discussed in this report:

- How is the auto loan origination market changing?
- What steps are consumers taking during the auto buying process?
- What role does digital technology play in automotive finance?
- How can financial institutions be more successful in direct auto lending?
- What are the risk factors that exist in today's auto lending market?

**Companies Mentioned:** AutoGravity, AutoFi, CUnexUS, Carvana, Book by Cadillac, Care by Volvo, Flexdrive, Fair, Porsche Passport

Consumer data in this report is based primarily on information collected in a panel of 10,768 consumers in an online survey conducted in July 2017. The margin of sampling error is  $\pm 0.94\%$  at the 95% confidence level.

In support of this research, Javelin spoke with industry executives at financial institutions, automotive finance companies, and financial technology providers in the automotive lending space.

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