



# **PERSPECTIVES |** **AUTO FINANCE**

**Cameron Krueger**  
**Managing Director – Specialty Finance**

VIDEO TRANSCRIPT

# VIDEO TRANSCRIPT

## HOW IS AUTO FINANCE UNIQUE IN THE CREDIT SERVICES INDUSTRY?

**CAMERON KRUEGER:** Well, auto finance is truly a unique market because of the number of participants in it and the sheer volume of opportunity that exists. The top 25 auto finance companies account for over \$900 billion of assets under management, and it's an industry that has enjoyed a phenomenal track record of success even through the recession of 2008/2009.

## HOW ARE DIGITAL SERVICES CHANGING AUTO FINANCING?

**CK:** Digital services impact both the acquisition of mobility—not necessarily a car but of mobility—but it also impacts the value of that service provided. So, there is the notion that there's going to be so much digital exhaust—so, digital footprint leftover—after the use of an automobile, that that digital-mobility exhaust—digital footprint—really has value.

## HOW IS AI BEING APPLIED IN AUTO FINANCE?

**CK:** It's a combination of humans and robots working together, because as soon as the robot senses that there is another opportunity, it should be handed back to a human that can work on, oh, a customer that might be interested in re-leasing a vehicle or financing the remainder term, so it's a very good synergy between those two working together.

## HOW CAN AUTO LENDERS USE DIGITAL SERVICES TO CUT OPERATING COST?

**CK:** Probably one of the more interesting components is around lease termination. It's a process people don't go through very often. It could be a confusing process, but it's a known quantity. So, using automated bots, for example, to walk people through the lease disposition process and the return of the vehicle or the acquisition of the vehicle is a place where we can cut a tremendous amount of cost out of it, because it is not typically a very large value-add—particularly if the customer's buying the vehicle.

## WILL THE FUTURE STILL INCLUDE CAR DEALERSHIPS?

**CK:** I certainly believe that the role of the dealer is going to change. We will see fewer dealers, but the dealers will offer a more comprehensive set of services. They will have their own special financing needs because the vehicles that they will be selling as one of their many products that they deliver will be more expensive, but they'll also have to evolve into an integral part of the new mobility ecosystem.

# VIDEO TRANSCRIPT

## HOW DO YOU SEE THE CUSTOMER JOURNEY CHANGING?

**CK:** The entire digital journey is a very difficult journey for auto finance, because there's three discrete components of it. You've got the dealer, you've got the customer and you've got the finance company. And making that symphony work together is very, very hard where they're all technically unrelated parties. So, the digital pathway the customer experience for acquiring mobility is something that people need to be paying attention to at a minimum but are investing in heavily.