



Auto Finance

Automotive Finance Digital Transformation Index Q2 2022



Over the past few years, consumers have evolved into tech-savvy, digital-first users. As a result, the auto industry has witnessed a surge of interest from auto finance and dealer service providers of all sizes to incorporate digital capabilities into their workflows, operations, and consumer-facing offerings.

Balancing consumer demand and competitiveness requires auto finance and dealer service providers to anticipate and readily respond to industry trends.

The Wolters Kluwer Auto Finance Digital Transformation Index helps identify and track adoption drivers and provide insights into market shifts that may impact the digitization of the automotive ecosystem.

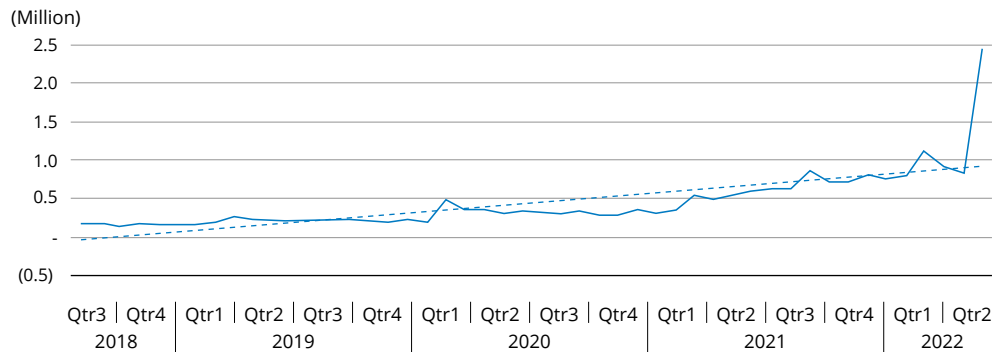
Auto Finance Digital Transformation Index

Early adaptors of automated processes have disrupted the lending ecosystem, creating new “norms.”

Retailers, tech providers, and lenders are partnering to provide many direct and indirect eContracting solutions.

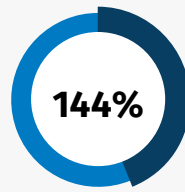
The benefits of data speed, accuracy, and security are driving automotive digitization at a steady pace.

Vehicle eContracting Volume 4/2018 - 6/2022



In 2018 and 2019, the U.S. economy was relatively strong. During that time, there was only a modest increase in digital adoption. The disruption in 2020 forced retailers and technology providers to innovate faster to meet the demand for contactless engagements. eContract volumes remained steady and elevated compared to previous years, and touchless and virtual transactions became more common. By 2021, digital adoption had begun to accelerate rapidly and was quickly becoming part of our new normal.

Even though the continued decline in auto sales and lease activity impacts the overall Index eContract volume, digital adoption remains high. The graph illustrates a jump in eContracting volumes during the first quarter and an even higher climb as volume spiked in Q2. This increase is attributed to a significant number of Wolters Kluwer clients moving their entire platform into the company’s cloud-based environment, thereby driving further digital adoption.



growth in digital transactions over the last twelve months

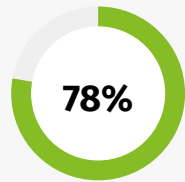


282%



growth rate in Q2 2022 compared to Q2 of 2021

Wolters Kluwer Digital Auto Finance Index reports a 144% growth in digital financing transactions over the last 12 months, including a 282% growth rate when comparing Q2 2022 with Q2 2021. Whether auto finance and dealer service providers should implement digital technologies is no longer the question. Top automotive industry partners are continuing to move their platforms into the Wolter's Kluwer cloud-based environment, thereby driving large shifts in digital adoption.



increase in digital adoption from Q1 of 2022

The year 2022 has already exceeded the 2021 YTD volume by

13%

This quarter, we see an increase in digital adoption--up 78% from Q1 of 2022. The year 2022 has already exceeded the 2021 YTD volume by 13%. It's critically important to adopt and achieve this paper-to-digital transformation to improve business processes, remain compliant, reduce risks, achieve higher efficiencies, and satisfy customers through more seamless transactions. This transformation helps automotive professionals proactively keep compliance top of mind with changing regulations and mandates, rather than leaving it on the back burner and opening up to exposure in a paper-based environment.

Summary

The demand for touchless and virtual engagements remains high, especially with a continued increase in refinancing activity and consumer lease purchases. Used vehicle prices have also risen significantly, and many large used car conglomerates rely on digital platforms to efficiently manage the transaction volume. Whether auto finance and dealer service providers should implement digital technologies is no longer the question. As the need for digitization continues to accelerate, leadership may instead focus on how quickly they can adopt the technology to avoid the risk of being left behind.

Ready to discover how digitization can transform your business?

[Schedule an appointment with our product experts here.](#)

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