

# Digital lending lags despite consumer expectations

**AFN** [autofinancenews.net/allposts/innovation-technology/digital-lending-lags-despite-consumer-expectations](https://autofinancenews.net/allposts/innovation-technology/digital-lending-lags-despite-consumer-expectations)

Consumers are still concerned about visiting car dealerships, making it even more crucial for lenders to step up their online financing capabilities.

Even though COVID-19 vaccine distributions have started and businesses are reopening, 86% of consumers said they are still hesitant to visit a dealership, down from 93% in October 2020, according to a study last month by **Lightico** that surveyed 1,129 American consumers on their auto purchasing and lending preferences. Lightico is a digital document and signature platform.

The pandemic spurred the adoption of digital contract capabilities and tools such as e-sign, evidenced by a 135% increase in the use of **Dealertrack**'s Ready Sign tool from July to December 2020, along with a 233% growth in the number of eSign documents created on the platform. Digital lending capabilities, however, are still lagging, with just 28% of consumers in Lightico's report saying they could easily adjust their auto loan terms online, only a slight increase from 20% in October 2020.

A majority — 82% of respondents — said they expect lenders to interact with consumers digitally and increase their ability to serve customers remotely.

“The lending community is not yet at a place where it is really delivering on that,” Jake Levant, vice president of partnerships and marketing for Lightico, told *Auto Finance News*. “Lenders must up their digital games to meet expectations.”

In the coming months, 27% of customers in the report said they would prefer to complete as much of the vehicle purchase process online as possible, while 1% stated they would only purchase their next car online. To be fair, 39% of respondents stated they would return to physical dealerships soon, and another 32% would return with extra precautions.

“People have been more impacted than ever, but they're getting back into car purchases and taking on more debt,” Levant noted. “They're coming out into the showrooms, but they do not want to come out and deal with paper financing. There is a huge gap between what customers expect and what lenders deliver.”

Digitization may help lenders capture customers hesitant to make a purchase.

The Lightico report notes that while 57% of consumers said they are reconsidering their plans to buy a vehicle, 85% stated they are more likely to purchase one if they could complete the entire process online.

*Auto Finance Innovation Summit, the premier event for technology in auto finance, returns March 16-17, 2021, as a virtual experience. The virtual experience will offer the quality networking and education of past events, all through an online platform. To*

learn more about the 2021 event and register,  
visit [www.AutoFinanceInnovation.com](http://www.AutoFinanceInnovation.com).