



Breakthrough: Four New Technologies to Solve, Change, & Disrupt Off-Lease Marketing as Increasing Volume of Lease Vehicles Reach Maturity & Move to the Auctions

Situation: The combined technology and vehicle remarketing platforms of KAR Auction Services, OPENLANE, Drivin, & TradeRev are delivering “reimagined” & new integrated auction services.

How Being Accomplished: By the integration of data science, machine learning, artificial intelligence and advanced cloud technology

Here is how Peter Kelly, CTO and president of Digital Services Group at KAR Auction Services amplifies on the impact of this new technology:

1. How will these 4 technologies solve, change, & disrupt Off Lease Remarketing?

OPENLANE investments ensure that the platform scales to meet the increased volumes, while at the same time ensuring that the core technologies are current and provide an excellent foundation for the next decade of online remarketing.

- Integrating data and analytics, machine learning etc. (through our acquisition of DRIVIN), will make the process more intelligent – ensuring vehicles are priced more accurately and enabling intelligent vehicle recommendations. This is making the process easier for dealers.
- The fast growing TradeRev marketplace will provide a new remarketing channel for sellers, enabling them to sell more vehicles upstream and providing greater selection for TradeRev dealers.

2. What is the operational & financial Impact on How off lease vehicles are remarketed?

Ultimately, KAR Auction Services customers are seeking to remarket their vehicles at the best possible price, for the least amount of cost, time and risk. All of these solutions help enable that.

- Sellers sell increased volumes of vehicles in the upstream marketplace.
- Buyers find an even greater selection of well-priced vehicles to acquire for their dealerships.

3. What preparatory action by dealer and industry strategic & operational management is needed to adopt this deployment?

The work is well underway at this point.

- New Wave program started in the second half of 2016.
- DRIVIN was acquired in Q2 2017. Since that time, we have invested considerably in the core technologies and built the integrations between the DRIVIN and OPENLANE platforms. We have also executed pilot programs to prove out these models. We continue to move forward more aggressively.
- TradeRev has been rolled out coast to coast in Canada and more broadly in the U.S. We have built technology linkages between OPENLANE and TradeRev to enable our sellers to post vehicles to that channel.

Peter Kelly, CTO and president of Digital Services Group at KAR Auction Services, Inc.:

