

Auto Remarketing

Modal lands \$15M Series A financing in round led by Honda

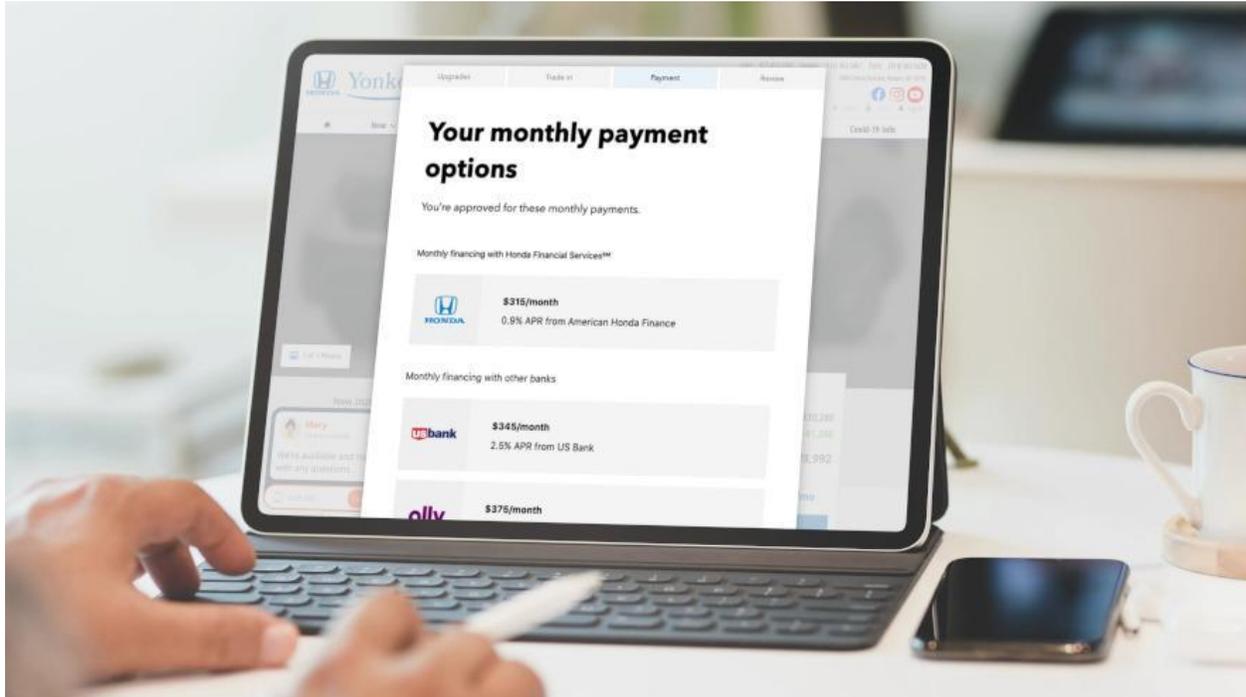


Photo courtesy of Modal.

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By Joe Overby, Senior Editor

SAN FRANCISCO - Automotive ecommerce provider Modal announced a \$15 million round of Series A financing Tuesday led by American Honda, which has been working with the company the past two years to build branded online-buying tools for its Honda and Acura brands.

Prior investors also participated in the round, Modal said.

“Our new financing will allow us to further distinguish our offerings and customer experience as an industry innovator,” Modal founder and chief executive officer Aaron Krane said in a news release.

“Working with leading brands such as Honda and Acura has been our vision since launching five years ago, and we cannot wait to show more dealers and brands the power of Modal’s e-commerce design and technology,” Krane said.

Modal, which was previously known as Drive Motors, plans to use the capital to scale its team, with its sights set on building new ecommerce capabilities and make other parts of the purchase and ownership experience — like finance, insurance and service — more efficient.

Asked in an emailed Q&A how the partnership would involve Honda and Acura dealers and how it would power their digital sales, Krane said: “Modal’s automotive e-commerce platform enables car dealers and brands to deliver contactless, optimized, and fully transacted online buying that fits inside their own webpages, while increasing sales profits.

“Since late 2018, American Honda has worked with Modal to create branded online-buying tools for Honda and Acura programs,” he said. “These tools are integrated with dealer websites and inventories, enabling customers to quickly select a vehicle and secure financing from select lenders, including Honda Financial Services and Acura Financial Services.”

Modal’s platform is available throughout the U.S., and the company plans to go international, Krane said.

The pandemic has led to a 700% gain in online-checkout customers for Modal, as demand has climbed amid COVID-19.

The company reached profitability in May.

“Unsurprisingly, COVID-19 has had grave impacts on car-dealership foot traffic; no one is eager to sit for four hours inside a showroom any time soon. Modal enables car dealers and brands to deliver contactless, optimized, and fully transacted online buying that saves time and adds safety for buyer and dealer, alike,” Krane said.