

# CAMPFIRE SOCIAL CAPITAL, Inc.



## The Project of PoC on financial DX through application for visualization among mobility after-sales service providers and member drivers in the Kingdom of Cambodia

### Object of the project

In Cambodia, with the rapid spread of private cars, the traffic environment has deteriorated remarkably. One of the reasons is that the car is poorly maintained in the situation where it is difficult to access appropriate services due to extremely limited information.

Against this background, we will build a series of systems that connect after-sales service providers, drivers, and financial institutions for the purpose of promoting DX in the mobility and financial fields in Cambodia.

### Cooperation with local companies/governments

Global Mobility Service Co., Ltd., a local partner company, installs IoT devices in cars and manages them on a platform to improve the creditworthiness of people who could not pass the loan examination to purchase a vehicle. They aim to enhance the creditworthiness of our customers and realize a prosperous life through the creation of financial opportunities.

We outsourced the local needs survey and survey reports preparation, which are indispensable for developing applications for drivers. We investigated the actual conditions of car and towing services.

Based on this research report, by strengthening cooperation with the company, verification of this demonstration project led to success.

### Targeted economic/social issues

#### Background :

In Cambodia, there is a licensing system for automobile repair, but practically anyone can open a business, and most of the businesses are privately run with less than 10 employees, and are subdivided into specialties for each model.

Information on reliable car repair shops is very limited for drivers, making it difficult to access timely and appropriate services.

There is an urgent need to create a system that motivates both after-sales service providers and drivers responsible for automobile repair and maintenance.

In Cambodia, motorization has accelerated along with economic growth, and the deterioration of the traffic environment has become noticeable, with serious traffic congestion and frequent traffic accidents. According to the Cambodian government, the economic loss due to traffic accidents is as high as 6% of GDP as of 2016, making it a social issue.

#### Overview of Business Fields and Target Country Needs :

Through the demonstration project, we will visualize the evaluation of business operators responsible for automobile repair and maintenance, provide services for member drivers through smartphone apps, and build a system linked to credit information in financial institutions to motivate safety in collaboration with finance. We realize financial inclusion that supports economic activity and the creation of a mobility system.

# CAMPFIRE SOCIAL CAPITAL, Inc.



## Project of PoC on financial DX through application for visualization among mobility after-sales service providers and member drivers in the Kingdom of Cambodia

### Details of demonstration

Garage loan demand was never high, because the standards demanded by financial institutions are high. But in terms of attracting customers to the garage, 76% of garages are relying on word-of-mouth/referrals to attract customers. Therefore, there is great demand for customer attraction consulting. Also, excellent garage mapping services have been studied for those who think “I can't find a reliable garage,” in which more than 90% of drivers are interested. The road service market in Cambodia, where vehicle demand is expected to grow, is expected to continue expanding in the future. Although there are competitors already providing road services, GMS has potentials to win the market.

### Conducting needs survey for drivers and garages

Road Service



Road service market  
Competitor analysis  
Survey of services provided by other companies

Garage introduction



Garage usage survey for drivers

Attraction service



Garage customer referral needs survey

Providing financial service



Investigation of SME Loan Utilization and Financing Needs for Garages

### Project outcome / Future plans

#### Results and discussions :

In this survey, we have proceeded with the purpose of grasping the demand for services that we plan to provide to "garages" and "drivers" through mobile apps. Mobile apps are used for “auto repair shops” and “drivers” respectively. We have been proceeding with this as a way to grasp the demand for services that we are planning to provide. Our impression is that the demand for loans is by no means large. Although as many as 30% of auto repair shops responded that they would like to borrow money, the number of auto repair shops that meet the lending standards required by financial institutions seems to be quite limited. However, by working with financial institutions to design standards for loan execution that emphasizes service evaluation criteria, it is possible to reconsider the demand for loans. It is clear that the execution of the loan will have a positive impact on the expansion of the automobile repair shop market due to the invigoration of domestic motorization. We will consider expanding the range of auto repair shops to which financing is provided, by proceeding with discussions with GMS partner financing institutions in parallel.

#### Future plans :

Plans to sign NDA, partnership agreements with vehicle insurance companies and conclude a road service provision contract with a vehicle insurance company. While conducting surveys and interviews separately, we will reflect it in the application requirements definition of Financial DX.