

# **Automotive Finance and Leasing for Consumers in Europe**

**Report Prospectus**

*September 2016*

# Prospectus contents

	<b>Page</b>
What is the research?	3
What is the rationale?	4
How do dealerships surveyed break down?	5
Which manufacturer brands have been investigated?	6
What is the report structure?	7
What are the key features of the research?	8
How can the research be used?	9
Who can use the research?	10
How can the PartnerBASE™ be used?	11
What are some of the key findings?	12-15
What is the cost and format?	16
What other reports are available?	17
How can the research be purchased?	18

## What is the research?

*Automotive Finance and Leasing for Consumers in Europe* delivers comprehensive and in-depth research covering the EUR 222.3 billion market for private car finance in 20 countries in Europe, namely: Austria, Belgium, the Czech Republic, Denmark, France, Germany, Ireland, Italy, Norway, the Netherlands, Poland, Portugal, Romania, Russia, Slovakia, Spain, Sweden, Switzerland, Turkey and the UK.

Based on a survey of 1,155 dealers in these countries and an investigation typically covering between 30 and 50 automotive brands in each territory, the study delivers unique insights into the market for finance and leasing for new and used passenger cars bought by consumers, with fully comparable and standardised data describing market values and volumes from 2011 to 2015. Moreover, Finaccord's *Automotive Financial Services in Europe Model* splits this data for each country between point-of-sale finance through dealers and finance provided directly to consumers by lenders.

In addition to this comprehensive market data, the survey results are also used to measure the propensity of dealers to work with non-tied finance and leasing partners as well as tied entities, to identify the leading non-tied providers at the point of sale and to understand relationships between manufacturers or importers and external finance and leasing companies for branded or endorsed consumer finance propositions.

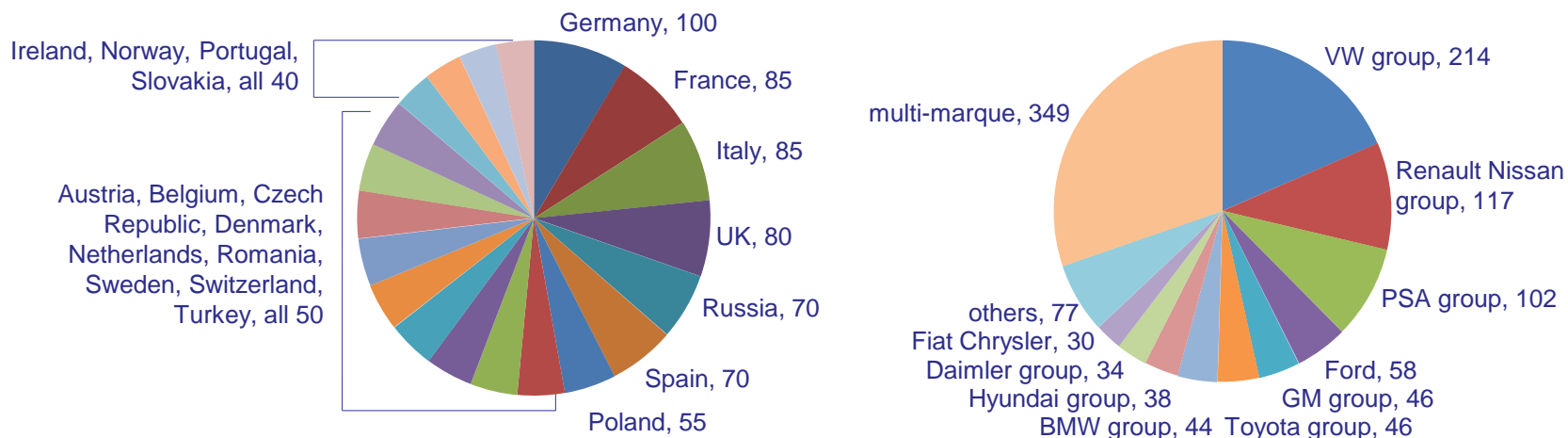
## What is the rationale?

The automotive manufacturing market, globally as well as in Europe, has long been highly cyclical and prone to low or non-existent profitability as a consequence of the tough competition that exists between manufacturers. As a result, a key issue for automotive manufacturers is to increase the value of revenues that they extract from customers through the provision of ancillary services, which include finance and leasing.

Furthermore, the thin margins that car dealerships and importers can secure on vehicle sales in isolation can be boosted by cross-selling related services, most importantly financial services.

The market for automotive finance and leasing for consumers is therefore a key battleground; this study plus the PartnerBASE™ dataset and market data file that accompany it go far beyond the scope of other published sources by providing comparable data for the whole automotive finance and leasing sector, as defined by sales of new and used private cars, including both the point-of-sale and direct lender channels, as well as casting light on the competitive dynamics in this market.

## How do dealerships surveyed break down?



Finaccord's universe of dealerships includes 1,155 respondents in total spread across 20 countries in Europe including manufacturer-owned dealerships, franchised dealerships, multi-marque dealerships and new and used car supermarkets. For a full list of the organisations contacted for the research and included in PartnerBASE™, please contact Finaccord.

## Which manufacturer brands have been investigated?

Manufacturer brands investigated through the local offices of the manufacturers themselves or those of their importers in at least one of the countries covered in this report are as follows:

AIXAM	FAW	Lada	Morgan	SsangYong
Alfa Romeo	Ferrari	Lamborghini	Nissan	Subaru
Aston Martin	Fiat	Lancia	Opel	Suzuki
Audi	Ford	Land Rover	Perodua	TagAZ
Bentley	Geely	Lexus	Peugeot	Tata
BMW	Great Wall	Lifan	Porsche	Tesla
Bogdan	Haima	Lotus	Proton	Toyota
Cadillac	Honda	Maserati	Ravon	UAZ
Chery	Hyundai	Mazda	Renault	Vauxhall
Chevrolet	Infiniti	Mercedes-Benz	Rolls-Royce	Volkswagen
Chrysler	Jaguar	MG	SEAT	Volvo
Citroën	Jeep	MINI	Škoda	Vortex
Dacia	Kia	Mitsubishi	Smart	

# What is the report structure?

0. *Executive Summary*: providing a concise evaluation of the principal findings of the report.

1. *Introduction*: offering a rationale, a detailed description of methodology and definitions.

2. *European Overview*: comprising an overview of the EUR 222.3 billion market for providing finance and leasing to consumers in conjunction with the purchase of new and used passenger vehicles across the 20 countries. Analyses include: trends in sales of new and used passenger vehicles; size, growth and segmentation of the market for automotive finance and leasing for consumers; comparison of key metrics describing the behaviour of dealers in this market; and comparison of average customer take-up rates for point-of-sale finance and leasing.

3. *Austria*: an in-depth analysis of the market for automotive finance and leasing for consumers in Austria including: an overview of the market for new and used passenger cars; size, growth and segmentation of the market for automotive finance and leasing for consumers; dealer survey results including analysis of the balance between tied and non-tied providers; manufacturer / importer survey results, including identification of and commentary concerning partners used for branded or endorsed finance and leasing programs; combined implied new business market shares.

4 - 22: *the other 19 countries (for all, contents as for Austria)*.

## What are the key features of the research?

Key features of this report include:

- comparable and standardised data concerning automotive finance and leasing for consumers covering a total of 20 countries in Europe including both mature territories and fast-developing ones;
- provision of hitherto unpublished market size and segmentation data for all of these markets generated from Finaccord's proprietary *Automotive Financial Services in Europe Model*, covering the period from 2011 to 2015;
- analysis of the average number of providers of finance and leasing used by dealers and the degree to which they collaborate with non-tied companies in addition to tied partners;
- identification of both leading and secondary non-tied providers of consumer finance and leasing used by dealerships;
- verification of partnerships between manufacturers or importers and external finance and leasing companies for branded or endorsed finance and leasing propositions.



## How can the research be used?

You may be able to use this report plus the PartnerBASE™ dataset and market data file that accompany it in one or more of the following ways:

- understand the current size and future potential of the market for automotive finance and leasing for consumers on a Europe-wide basis and how this differs by country;
- appreciate how this opportunity breaks down between finance for new and used cars and between finance provided through dealerships and credit offered directly to consumers;
- benchmark the degree of competitive intensity recorded for distributing consumer finance and leasing services through the point of sale and how this is changing over time;
- identify the foremost competitors in each country: how strong are internationally-diversified, non-captive providers such as BNP Paribas, Crédit Agricole, Santander and Société Générale in comparison to leading captive finance competitors, the largest of which is Volkswagen Financial Services?
- evaluate the potential for establishing partnerships with manufacturers or importers for branded or endorsed consumer finance and leasing propositions across 20 countries in Europe.

## How can the PartnerBASE™ be used?

Dealer	Country	Types of vehicle	Brands distributed	Finance / leasing offered?	Product source	Total number of partners	Number of non-tied partners	Non-tied partner(s)
Jaeger Sentrum (Bergen)	Norway	New and used	BMW, MINI	Yes	Both	4	3	Giensidige, Santander Consumer Bank, SpareBank 1
Jankowski (Koszalin)	Poland	New and used	Toyota	Yes	Manufacturer / importer	1	0	
Japan Car (Rimini)	Italy	New and used	Suzuki	Yes	Both	2	1	Fiditalia
Japan Motors (Kraków)	Poland	New and used	Nissan, Suzuki	Yes	Both	4	3	BNP Paribas, EFL, Getin Bank / Getin Leasing
JAPAutomotive (Guimarães)	Portugal	New and used	Dacia, Renault	Yes	Both	5	4	BBVA, BPI, Banco Credibom, Cetelem

**Select country** (points to Norway)

**Identify product partners** (points to Non-tied partner(s))

**Look up specific dealers** (points to Japan Motors (Kraków))

**Search by brand of vehicle sold** (points to Nissan, Suzuki)

**Understand dealer use of tied and non-tied providers** (points to Finance / leasing offered? and Product source)

*Note: for this report, PartnerBASE also covers a typical range of 30 to 50 manufacturer brands in a majority of countries.*

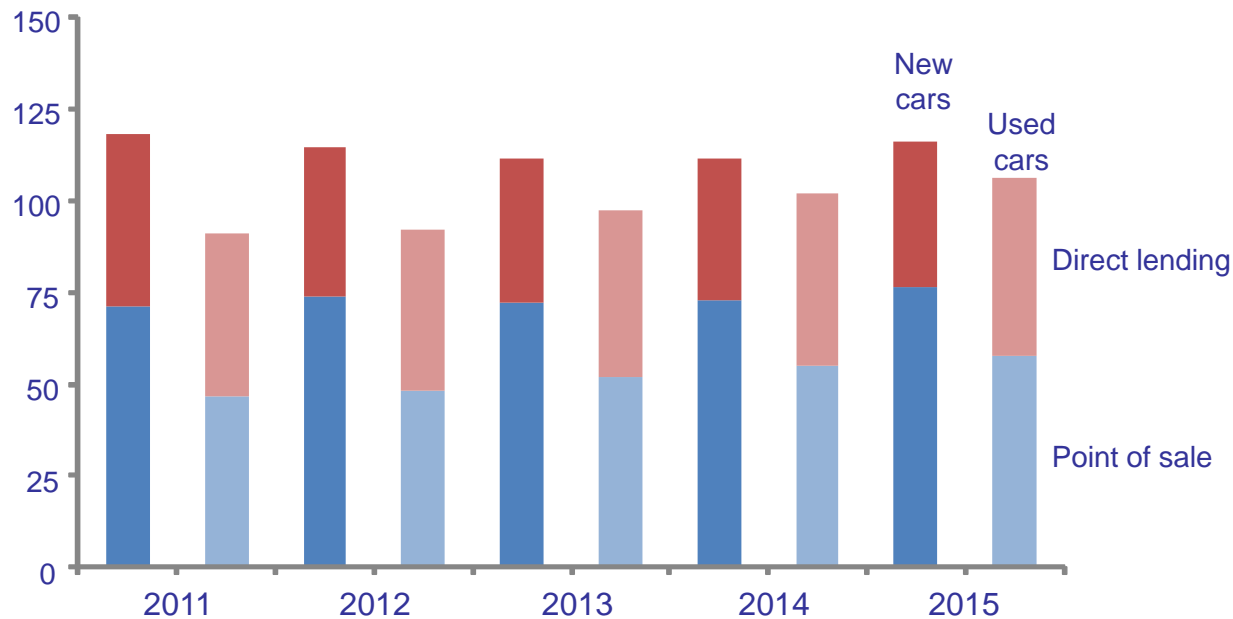
## Who can use the research?

1. *Automotive manufacturers:* this research provides a wealth of unique and valuable benchmarking data allowing you to assess objectively your performance in automotive finance and leasing for consumers and to counter the threat from non-captive competitors;
2. *Finance / leasing providers:* what are the opportunities to increase or build market share of automotive finance and leasing for consumers in each country and how do these vary between the point-of-sale and direct lending channels?
3. *Insurance, warranty and assistance firms:* insurance, warranty and assistance policies are often embedded in consumer finance packages hence it is important for providers in these areas to comprehend the underlying market for automotive finance and leasing and to identify potential partners;
4. *Management consultancies:* are you helping a manufacturer or finance / leasing provider with its strategy or evaluating how it can develop its business in automotive finance and leasing for consumers in Europe? Understand the current status of this market across 20 countries, saving time and effort on researching the subject yourself.

# What are some of the key findings?

1. The value of the market for finance and leasing for used cars in Europe has been catching up with that for new cars

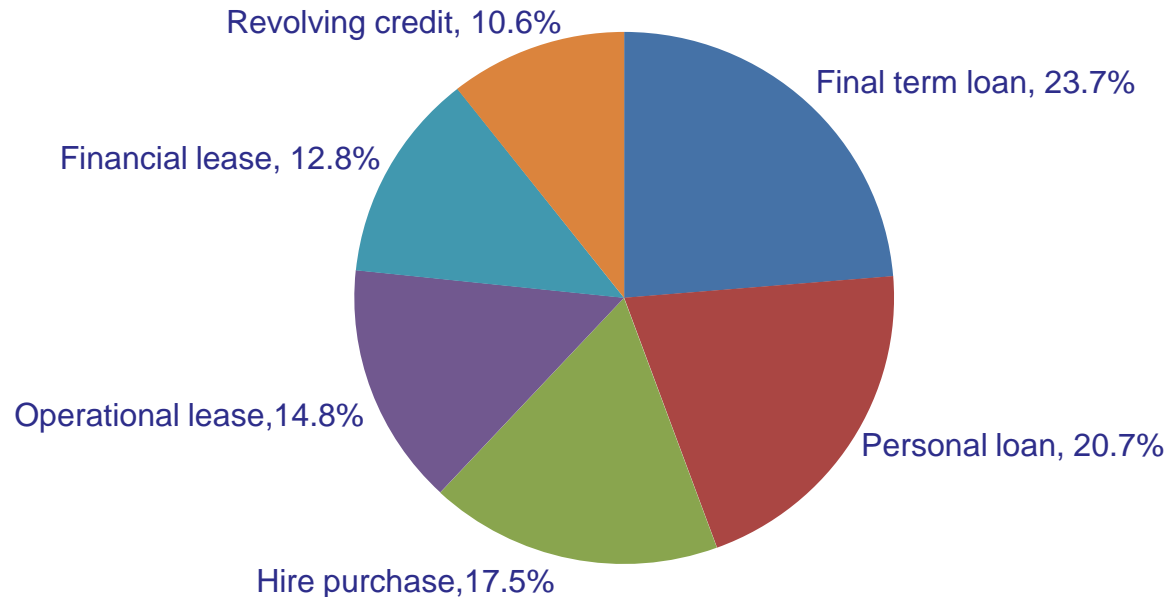
Gross advances and assets leased (EUR billion)



Source: Finaccord Consumer Automotive Financial Services Survey

## What are some of the key findings? (cont.)

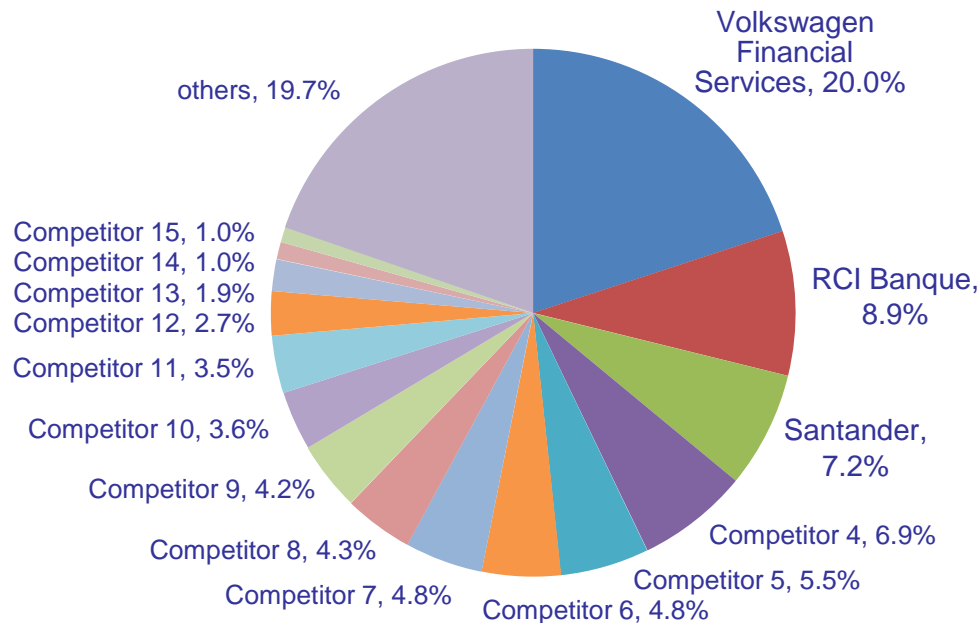
### 2. The market for point-of-sale car finance in the Netherlands is characterised by the availability of multiple finance products



Source: Finaccord Consumer Automotive Financial Services Survey

## What are some of the key findings? (cont.)

**3. In terms of its implied market share of new business across all 20 countries, Volkswagen Financial Services is the leader, followed by RCI Banque and Santander**



Note – the identities of competitors 4 to 15 are disclosed in the report

Source: **Finaccord European Automotive Financial Services Survey**

## What are some of the key findings? (cont.)

### 4. Key findings from the executive summary include:

- across the 20 countries, the EUR 222.3 billion value of the market in 2015 broke down between EUR 134.0 billion in gross advances and assets leased attributable to new cars and EUR 88.3 billion attributable to used vehicles, with the point of sale accounting for over 60% of the total;
- financial leasing (including hire purchase) is the dominant type of point-of-sale finance contract taken out by consumers in Austria, Ireland, the Netherlands, Poland, Romania, Slovakia, Switzerland and the UK, while loans (usually with no option to return the car) are preferred elsewhere
- the average number of providers of finance and leasing used by dealers has fallen in many countries and across all European countries covered by Finaccord's survey in each year, the average number fell to 2.44 in 2016, down from 2.81 in 2013, 3.01 in 2010 and 3.37 in 2007;
- Santander emerges as the leading non-captive finance group thanks to operations in 12 countries while other leading non-captive finance providers in Finaccord's top 15 ranking are, in descending order of their implied share of new business, Société Générale, BNP Paribas, Lloyds Banking Group and Crédit Agricole.

## What is the cost and format?

*Automotive Finance and Leasing for Consumers in Europe* is available as a standard PDF document. The PartnerBASE™ and market data file that accompany it at no further charge are in Excel format. Costs for this research set and other related multi-country titles about automotive financial services are as follows:

Automotive Finance and Leasing for Consumers in the Asia-Pacific Region	GBP 1,995
<b>Automotive Finance and Leasing for Consumers in Europe</b>	<b>GBP 2,995</b>
Automotive Finance and Leasing for Consumers in Latin America	GBP 1,495
Extended Warranties for New and Used Cars in the Asia-Pacific Region	GBP 1,995
Extended Warranties for New and Used Cars in Europe	GBP 2,995
Extended Warranties for New and Used Cars in Latin America	GBP 1,495
Fleet Insurance and Assistance in Europe	GBP 3,995
GAP Insurance for New and Used Cars in Europe	GBP 1,995
Global Automotive Manufacturers: Strategies in Finance, Insurance, Warranties and Assistance	GBP 2,995
Manufacturer-Branded and Dealer-Intermediated Motor Insurance and Road Assistance in the Asia-Pacific Region	GBP 1,995
Manufacturer-Branded and Dealer-Intermediated Motor Insurance and Road Assistance in Europe	GBP 2,995
Manufacturer-Branded and Dealer-Intermediated Motor Insurance and Road Assistance in Latin America	GBP 1,495
Prepaid Service Contracts for New and Used Cars in Europe	GBP 1,995
Road Assistance in Europe	GBP 2,995
Road Assistance in Major Global Markets	GBP 2,995

*\* For UK-based clients, VAT at the prevailing rate will be added to the basic price.*

*Costs quoted are for a single site user licence only.*

*For a corporate user licence, please see the final slide for further details.*

*Invoices can be paid in EUR or USD, at the prevailing exchange rate, if preferred.*

*For acquisition of multiple reports, please contact Finaccord - discounts may be available.*



## What other reports are available?

Country-specific reports about consumer automotive financial services in over 40 different countries are also available, again as standard PDF documents with PartnerBASE™ datasets and market data annexes both in Excel format. Prices for each country are as follows:

<b>Consumer Automotive Financial Services in...</b>					
Argentina	GBP 795	Greece	GBP 595	Romania	GBP 595
Australia	GBP 795	Hungary	GBP 595	Russia	GBP 795
Austria	GBP 795	India	GBP 795	Slovenia	GBP 395
Belgium	GBP 795	Indonesia	GBP 795	South Africa	GBP 795
Brazil	GBP 795	Ireland	GBP 595	South Korea	GBP 795
Bulgaria	GBP 395	Italy	GBP 795	Spain	GBP 795
Canada	GBP 795	Japan	GBP 795	Sweden	GBP 595
Chile	GBP 595	Luxembourg	GBP 595	Switzerland	GBP 795
China	GBP 795	Malaysia	GBP 595	Taiwan	GBP 595
Colombia	GBP 595	Mexico	GBP 795	Thailand	GBP 595
Croatia	GBP 395	Netherlands	GBP 795	Turkey	GBP 595
Czech Republic	GBP 595	Norway	GBP 595	UK	GBP 795
Denmark	GBP 595	Peru	GBP 595	Ukraine	GBP 595
Finland	GBP 595	Philippines	GBP 595	USA	GBP 1,995
France	GBP 795	Poland	GBP 595	Vietnam	GBP 595
Germany	GBP 795	Portugal	GBP 595		

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## How can the research be purchased?

Simple. Just go to the relevant area of the Finaccord web site available at [www.finaccord.com/order\\_eu\\_afsr.htm](http://www.finaccord.com/order_eu_afsr.htm) and fill in the online order form, clearly indicating:

- report required
- type of corporate user licence, if required \*
- billing name
- address and e-mail address
- purchase order number, if applicable

Please allow up to one working day for the delivery of electronic copy by e-mail.

\* For the **corporate user licence** please choose one of the following options:

1. One office, one country: no supplement over and above basic cost of reports ordered
2. Multiple offices, one country: additional 20% over and above basic cost of reports ordered
3. Multiple offices, two to ten countries: additional 50% over and above basic cost of reports ordered
4. Global (unlimited offices in unlimited countries): additional 100% over and above basic cost of reports ordered

*VAT at the prevailing rate will be added to the price of any corporate user licence acquired by UK-based buyers.*