

# Consumer Automotive Financial Services

**Worldwide research across over 40 countries covering:**

**Finance and leasing - motor insurance - creditor insurance - extended warranties -  
GAP insurance - road assistance - prepaid service contracts - other niche insurance**

**Series prospectus**

# Prospectus contents

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## What is the research?

Finaccord's series of reports about consumer automotive financial services worldwide is comprised of over 40 country-specific studies and related PartnerBASE™ datasets plus several multi-country reports and databases as detailed in this series prospectus. Together, these studies examine the markets for automotive financial services linked to sales of new and used passenger cars across the countries listed overleaf.

In addition, for updates being published for countries in the Asia-Pacific region and Latin America during 2017 and 2018, sales of new and used LCVs (light commercial vehicles) are also included in the analysis, reflecting their importance as a primary mobility option for consumers in certain cases.

In addition to analysing the markets for finance and leasing services, the country-specific studies also cover creditor insurance, motor insurance, road assistance, extended warranties, GAP insurance and prepaid service contracts with some (depending on the country) also investigating other niche insurance products (e.g. minor damage and tyre insurance).

The reports draw on Finaccord's on-going surveys of leading vehicle dealerships as well as its analyses of the approach to consumer automotive financial services of major vehicle manufacturer brands in each country. The PartnerBASE™ datasets that accompany the reports detail each of the marketing initiatives for consumer automotive financial services traced by Finaccord for both dealers and manufacturers.

## Which countries are covered?

Country	Publication date	Country	Publication date	Country	Publication date
Argentina	Jan-15	India	Apr-18	Russia	May-19
Australia	Jun-18	Indonesia	Feb-18	Singapore	Jan-18
Austria	Mar-19	Ireland	Jan-19	Slovakia	Aug-16
Belgium	Feb-19	Italy	Feb-19	South Africa	Jun-18
Brazil	Dec-17	Japan	Feb-18	South Korea	Feb-18
Canada	May-18	Malaysia	Nov-17	Spain	Apr-19
Chile	Mar-15	Mexico	Dec-17	Sweden	Jan-19
China	Apr-17	Netherlands	Apr-19	Switzerland	Apr-19
Colombia	Apr-15	Norway	Mar-19	Taiwan	Jan-18
Czech Republic	Apr-19	Peru	Apr-15	Thailand	Oct-17
Denmark	Mar-19	Philippines	Oct-17	Turkey	May-19
France	Feb-19	Poland	Jan-19	UK	Feb-19
Germany	Mar-19	Portugal	Aug-16	USA	Apr-14
Hong Kong	Dec-17	Romania	Feb-19	Vietnam	Jan-18
Hungary	May-19				

*\* For 20 European countries, the expected dates of publication in 2019 are provisional as at January 2019*

## What methodology has been used?

Finaccord's surveys of dealerships in these countries are carried out in the months immediately prior to the publication dates shown on the preceding page. The research embraces the following information:

- whether automotive financial services are marketed to purchasers of new and used vehicles;
- if so, how many providers are used?
- if so, what are the identities of the providers used?
- if so, how do these differ between manufacturer-branded providers and independent suppliers?
- if so, what are the average take-up rates for buyers of new and used vehicles?

The results of this research provide unique data for dealer provision rates, operating models, provider share of partnerships, and customer take-up rates for dealer-intermediated finance and leasing, creditor insurance, motor insurance, road assistance, extended warranties, GAP insurance and prepaid service contracts in each country, plus other niche insurance products in selected countries.

Moreover, Finaccord's manufacturer brand surveys pinpoint programs organised by manufacturers or their local importers in each country for the same products, identifying the extent to which these are offered in association with external partners as opposed to being arranged via captive partners or managed on an internal basis.

## How many dealerships have been surveyed?

Across the countries covered, Finaccord's universe of dealerships includes around 2,500 respondents in total including manufacturer-owned dealerships, franchised dealerships, multi-marque dealerships, and new and used vehicle supermarkets. The exact number surveyed varies by country (from a minimum of 40 to a maximum of 230) and the sample is constructed, using manufacturer group market shares of new vehicle sales, so that it is as representative as possible of the dealer channel in each country. For a full list of the organisations contacted for the research and included in the PartnerBASE™ dataset in each country, please contact Finaccord.

## Which manufacturer brands have been investigated?

While not an exhaustive list, 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 series include the following:

Abarth	Citroën	Honda	Maruti Suzuki	Rolls-Royce
Acura	Dacia	Hyundai	Maserati	Scion
AIXAM	Daihatsu	Infiniti	Mazda	SEAT
Alfa Romeo	Datsun	Isuzu	Mercedes-Benz	Škoda
Alpina	Dodge	Jaguar	MG	Smart
Aston Martin	Dodge	Jeep	MINI	SsangYong
Audi	Ferrari	Kia	Mitsubishi	Subaru
Bentley	Fiat	Lada	Morgan	Suzuki
BMW	Ford	Lamborghini	Nissan	Tata
Buick	GAC	Lancia	Opel	Tesla
Cadillac	Geely	Land Rover	Perodua	Toyota
Changan	GMC	Lexus	Peugeot	UAZ
Chery	Great Wall	Lincoln	Porsche	Vauxhall
Chevrolet	Haval	Lotus	Proton	Volkswagen
Chrysler	Holden	Mahindra	Renault	Volvo

# What is the structure of the reports?

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

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

2. *Market Analysis*:

- data for the size and growth of the automotive finance and leasing market for consumers in terms of gross advances and assets leased is provided for a five year period;
  - this is split between finance for new and used vehicles, and between finance organised at the point of sale and directly with banks or other lending institutions;
- the markets for creditor insurance, motor insurance, road assistance, extended warranties, GAP insurance and prepaid service contracts are sized in terms of gross written premiums and other revenues sold through via dealers and manufacturers). In selected countries, the markets for other niche insurance are also sized;
  - these are broken down between new and used vehicles, and between new contracts sold during the most recent year and in-force business sold in previous years but still being renewed;
- depending upon the date of publication of each report, market data is for a five-year period (e.g. 2014 to 2018 for studies published during the first half of 2019).

This market data is supported by dealer survey results including analysis of the use of tied and non-tied providers, and manufacturer brand survey results including operating models in use. Providers' shares of partnerships with both dealers and manufacturer-branded programs are also given as are implied market shares of new business sold via the automotive trade for many of the products in scope.



## What is the structure of the reports? (cont.)

In addition, for the studies about 20 countries in Europe updated during 2019 plus, where relevant, the associated overview reports about finance / leasing, motor insurance / road assistance and GAP insurance, several additional analyses are provided as follows:

- with a focus on point-of-sale finance and leasing, further metrics drawn from the dealer survey concerning the credit quality of applicants for point-of-sale finance, the availability of digital applications and the average time taken for finance contract approvals / rejections;
- with a focus on GAP and motor insurance, further metrics drawn from the dealer survey concerning the cover types available from dealers with a segmentation in the former case between return-to-invoice (RTI), finance / leasing and other cover and in the latter between drive-away / temporary, telematics and pay-on-demand cover.

## What are the key features of the research?

Key features of these reports include:

- coverage of distinct sectors within consumer automotive financial services, namely finance / leasing, creditor insurance, motor insurance, road assistance, extended warranties, GAP insurance and prepaid service contracts, plus other niche insurance in selected countries;
- provision of hitherto unpublished market size and segmentation data for each of these markets generated from Finaccord's proprietary *Global Automotive Financial Services Model*;
- clear analysis of the market for consumer finance and leasing services related to new and used vehicle sales by distribution channel, differentiating between the point of sale and direct finance;
- presentation of unique data from the survey of dealerships illustrating average customer take-up rates for consumer automotive financial services at the point of sale in each country;
- identification of the partners used for consumer automotive financial services by both dealerships and manufacturers, or their local importers, with contextual commentary concerning key competitors.

## How can the research be used?

You may be able to use these reports plus the PartnerBASE™ datasets and market data annexes that accompany them in one or more of the following ways:

- understand how the total market for consumer automotive financial services related to the purchase of new and used passenger vehicles fits together in each country;
- appreciate the magnitude of the opportunity in consumer automotive financial services and how this breaks down by both product and distribution channel;
- identify key opportunities and gaps in the market – which automotive financial services are customers most likely to buy in each country and to what extent are their preferences served by dealers and manufacturer brands?
- adjust your own company's strategy in accordance with this analysis;
- evaluate the partnership strategy of your organisation and how it can secure a higher share of the market for consumer automotive financial services in each country by re-evaluating its approach to distribution alliances with dealer groups and manufacturers.

# How can the PartnerBASE™ be used?

Select country      Search by type of automotive financial service      Identify product partners

Dealer	Country	Brands distributed	Product type	Product offered?	Product source	Non-tied partner(s)
Nuova Sicilauto (Palermo)	Italy	Fiat, Lancia	Extended warranties	Yes	Both	MAPFRE Warranty
Nuova Sicilauto (Palermo)	Italy	Fiat, Lancia	Finance and leasing	Yes	Both	Fiditalia
Nuova Sicilauto (Palermo)	Italy	Fiat, Lancia	GAP insurance	Yes	Manufacturer / importer	
Nuova Sicilauto (Palermo)	Italy	Fiat, Lancia	Motor insurance	Yes	Both	Augusta (Alleanza Toro)
Nuova Sicilauto (Palermo)	Italy	Fiat, Lancia	Vehicle running costs insurance	Yes	Manufacturer / importer	

**PartnerBASE™ for dealers**

**PartnerBASE™ for manufacturer brands**

Brand	Group	Country	Product type	Product offered?	Operating model	Non-tied partner(s)
Peugeot	PSA	Mexico	Creditor insurance	Yes	External underwriter	Quálitas
Peugeot	PSA	Mexico	Extended warranties	Yes	External underwriter	Quálitas
Peugeot	PSA	Mexico	Finance and leasing	Yes	Captive finance provider	Banque PSA Finance
Peugeot	PSA	Mexico	Motor insurance	Yes	External underwriter	Quálitas
Peugeot	PSA	Mexico	Road assistance	Yes	External assistance provider	Iké Asistencia

Look up specific brands

Choose operating model

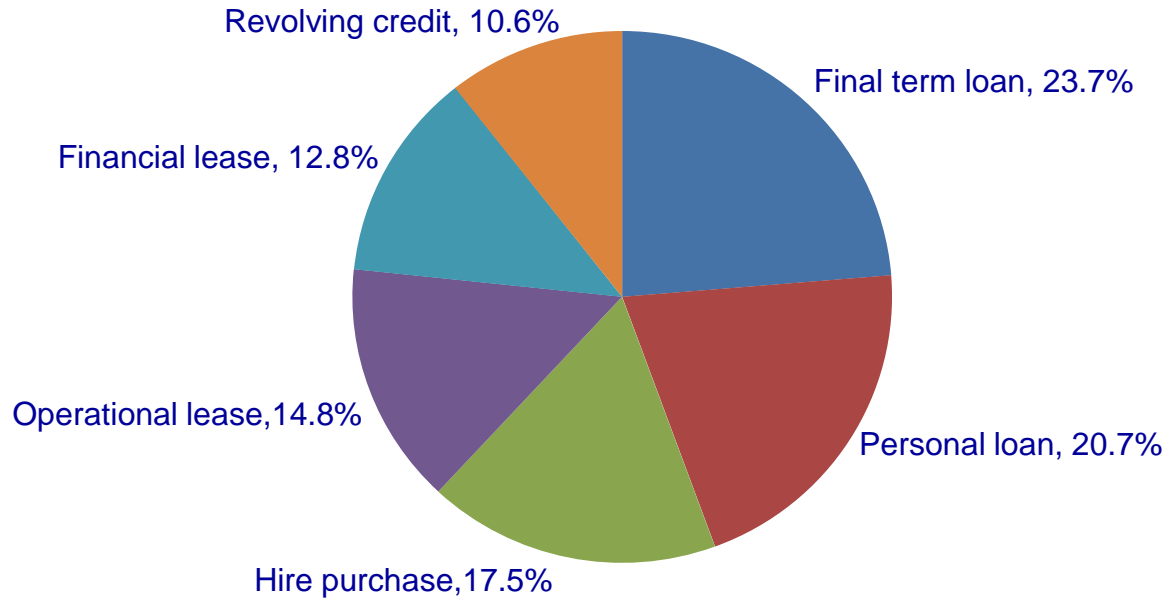
*Note: across country-specific reports, PartnerBASE covers between 40 and 230 dealerships and up to 76 manufacturer brands. For the precise scope for any particular country, please contact Finaccord.*

## 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 consumer automotive financial services around the world and to counter the threat from non-captive competitors.
2. *Finance and leasing providers:* what are the opportunities to increase or build market share of consumer automotive finance and leasing for consumers in each country in both the point-of-sale and direct channels?
3. *Insurance, warranty and assistance firms:* what is the potential to introduce insurance, warranty or assistance programs in each country marketed either through manufacturer brands or through dealers?
4. *Management consultancies:* are you helping a manufacturer, finance / leasing provider, insurer, warranty company or assistance firm with its strategy or evaluating how it can develop its business in consumer automotive financial services? Understand the current status of automotive financial services across a variety of global markets, saving time and effort on researching the subject yourself.

# Sample graphics (1)

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

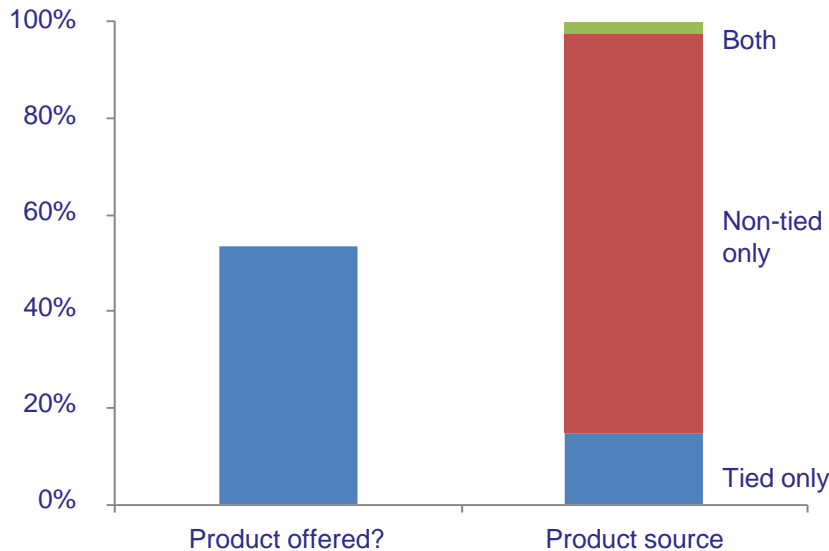


Source: Finaccord Consumer Automotive Financial Services Survey

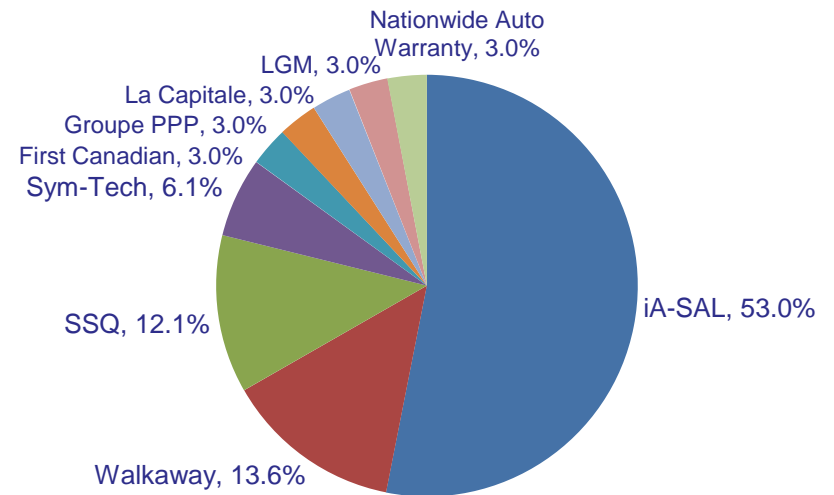
## Sample graphics (2)

### 2. Stand-alone GAP insurance is distributed by over 50% of car dealers in Canada and most work with non-tied providers in this context

% of dealers offering GAP insurance and product sources



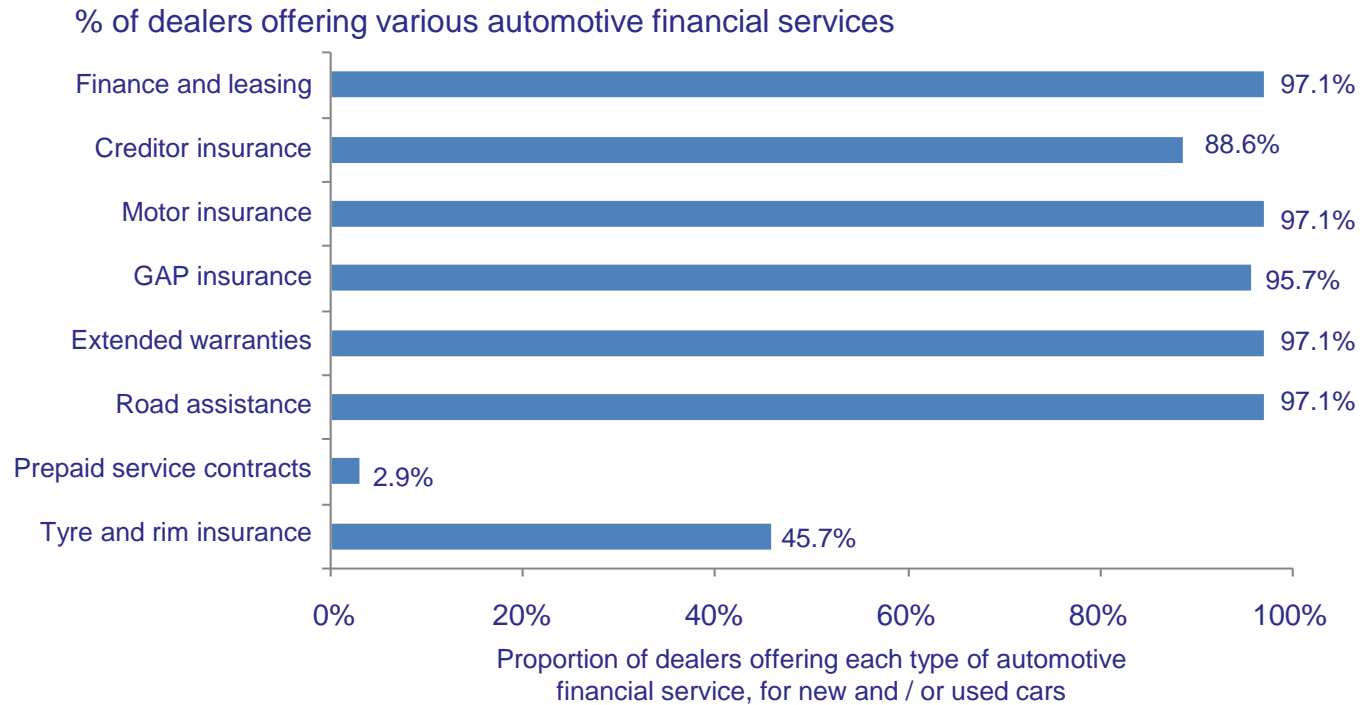
Provider share of non-tied partnerships



Source: Finaccord European Automotive Financial Services Survey

## Sample graphics (3)

### 3. Car dealers in Australia offer a wide range of automotive financial services to consumers



Source: Finaccord Consumer Automotive Financial Services Survey