

Car Finance - China - August 2018

Report Price: £3302.97 | \$4460.00 | €3717.16

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.



Chinese consumers' car financing methods are still conservative, especially consumers in tier two cities. Bank is the main car finance method for consumers. The top three methods that surveyed respondents chose are household savings, car-specific loans from banks and personal savings (48%, 46% and 46% respectively).

- Terence Zhou, Research Analyst

This report looks at the following areas:

- Second-hand car market has strong effect on new car finance
- Education of consumers' understanding about car finance

The car finance market size has grown from RMB 235 billion to RMB 892 billion in the last five years, which surged by 82% from 2014-15. The growth rate has been stable at 24%-26% in the last two years. Mintel forecasts the value of the car finance market to reach RMB 2,526 billion in 2023. However, after considering various factors that could affect the car finance market, the total figure could fall anywhere between RMB 3,574 billion and RMB 1,479 billion.

**BUY THIS
REPORT NOW**

VISIT:
store.mintel.com

CALL:
EMEA
+44 (0) 20 7606 4533

Brazil
0800 095 9094

Americas
+1 (312) 943 5250

China
+86 (21) 6032 7300

APAC
+61 (0) 2 8284 8100

EMAIL:
reports@mintel.com

DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market

Car Finance - China - August 2018

Report Price: £3302.97 | \$4460.00 | €3717.16

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Table of Contents

Overview

What you need to know
Covered in this Report
Excluded

Executive Summary

The market
Figure 1: Car finance market size in China, 2013-17

Car finance market forecast to reach RMB 2,526 billion in 2023
Figure 2: Best- and worst-case forecast of total car finance value, China, 2013-23

Companies and brands
Figure 3: Car finance companies' market share, 2015-17

The consumer
Bank is the main funding method
Figure 4: Car finance methods, April 2018

30-39-year-old males are core users of car finance
Figure 5: Car finance methods, by age, April 2018
Figure 6: Car finance methods, by gender, April 2018

Major loan range is from 20%-70%
Figure 7: Loan percentage, April 2018

Lending rate and monthly repayment have high importance level for car finance users
Figure 8: Important car loan application factors – TURF Analysis, April 2018

Sufficient savings for car consumption
Figure 9: Reasons for not using car loan services, April 2018

Second-hand market worth paying attention to by car loan providers
Figure 10: General attitudes towards second-hand cars, April 2018

What we think

Issues and Insights

Second-hand car market has strong effect on new car finance

The facts
The implications

Education of consumers' understanding about car finance

The facts
The implications

Opportunities for car dealer finance

The facts
The implications

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com
CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094
Americas +1 (312) 943 5250 | China +86 (21) 6032 7300
APAC +61 (0) 2 8284 8100 |
EMAIL: reports@mintel.com

Car Finance - China - August 2018

Report Price: £3302.97 | \$4460.00 | €3717.16

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

The Market – What You Need to Know

- Fast growth in the past five years
- Car sales volume dominates the market size
- Stimulation from consumers' target car price

Market Size and Forecast

- Fast growth in the past five years
 - Figure 11: Car finance market size in China, 2013-17
- Car finance market forecast to reach RMB 2,526 billion in 2023
 - Figure 12: Best- and worst-case forecast of total car finance value, China, 2013-23

Market Drivers

- Car sales volume dominates the market size
 - Figure 13: Sales volume and growth rate of cars in China, 2013-17
- Car sales volume continues to increase in recent years
 - Figure 14: Comparison of sales volume of second-hand and new passenger cars, 2010-17
- Persistent growth of Chinese finance industry
 - Figure 15: Chinese finance industry value added and percentage account for GDP, 2010-16
 - Figure 16: Total third-party payment and growth rate, China, 2012-16
- Stimulation from consumers' target car price

Key Players – What You Need to Know

- Bank loans dominate the car finance market
- Car dealers provide various finance solutions
- Volkswagen Financial Services is simplifying the application process

Market Share

- Bank loans dominate the car finance market
 - Figure 17: Car finance companies' market share, 2015-17
- Intense competition at the top of the market
 - Figure 18: Top 10 car finance companies, by revenue, 2017

Competitive Strategies

- Car dealers provide various finance solutions
- Second-hand car finance
- New car finance mode from Tangeche

Who's Innovating?

- Volkswagen Financial Services is simplifying the application process
- AI application on auto finance
- Partnership with third-party car search websites

The Consumer – What You Need to Know

- Bank is the main funding method

BUY THIS
REPORT NOW

VISIT: store.mintel.com
CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094
 Americas +1 (312) 943 5250 | China +86 (21) 6032 7300
 APAC +61 (0) 2 8284 8100 |
EMAIL: reports@mintel.com

Car Finance - China - August 2018

Report Price: £3302.97 | \$4460.00 | €3717.16

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Lending rate and monthly repayment have high importance level for car finance users
Consumers will check the second-hand market about the models they want to buy

Payment Methods

Bank is the main funding method

Figure 19: Car finance methods, April 2018

Figure 20: Car finance methods – Repertoire Analysis, April 2018

Figure 21: Car finance methods of those who have chosen 2 types of financing methods, April 2018

Car dealer loan users are limited in financing choices

Figure 22: Car finance methods, April 2018

30-39-year-old males are core users of car finance

Figure 23: Car finance methods, by age, April 2018

Figure 24: Car finance methods, by gender, April 2018

Figure 25: Car finance methods, by personal monthly income, April 2018

40-49-year-olds like to use savings to buy cars

Figure 26: Car finance methods, by age, April 2018

Different finance choices between city tiers

Figure 27: Car finance methods, by city tiers, April 2018

The higher the education, the more likelihood to use car finance

Figure 28: Car finance methods, by education, April 2018

Replacement car buyers have high tendency to use car finance

Figure 29: Car finance methods, by different car owners and buyers, April 2018

Loan Percentage

Major loan range is from 20%-70%

Figure 30: Loan percentage, April 2018

Strengthen loan solutions at a range of 30%-60% of car price

Figure 31: Gap between different loan amount preferred and the general average (benchmark) on the selection of loan providers, April 2018

Decisions at the End of Financial Lease Plan

Most consumers choose to pay the rest and own the car

Figure 32: Dealing methods at the end of financial lease plan, April 2018

Female tend to try more models by financial lease

Figure 33: Dealing methods at the end of financial lease plan, by gender, April 2018

Car Loan Selection Factors

Divided opinions on factors that will affect car loan application

Figure 34: Important car loan application factors, April 2018

Lending rate and monthly repayment have high importance level for car finance users

Figure 35: Important car loan application factors – TURF Analysis, April 2018

High-income consumers think beyond the box

Figure 36: Important car loan application factors, by monthly personal income, April 2018

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

EMAIL: reports@mintel.com

Car Finance - China - August 2018

Report Price: £3302.97 | \$4460.00 | €3717.16

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Figure 37: Important car loan application factors, by monthly personal income, April 2018

Figure 38: Important car loan application factors, by monthly personal income, April 2018

Tier two and three city car buyers pay more attention to the loan itself

Figure 39: Important car loan application factors, by city tiers, April 2018

Consumers who value current wealth management return rate

Figure 40: Important car loan application factors, by age, April 2018

Figure 41: Important car loan application factors, by housing situation, April 2018

Figure 42: Important car loan application factors, by monthly household income, April 2018

Different advantages of different car finance methods

Figure 43: Loan methods taken, by select important factors, April 2018

Figure 44: Loan methods taken, by select important factors, April 2018

Figure 45: Loan methods taken, by select important factors, April 2018

Figure 46: Loan methods taken, by select important factors, April 2018

Figure 47: Car finance methods, by city tiers, April 2018

Figure 48: Car prices, by city tiers, July 2017

Barriers to Using Car Loans

Sufficient savings for car consumption

Figure 49: Reasons for not using car loan services, April 2018

Generations at the two ends do not like owing debts

Figure 50: Reasons for not using car loan services, by generation, April 2018

Figure 51: Reasons for not using car loan services, by selected demographics, April 2018

Conservative mindsets about car loans in tier two cities

Figure 52: Reasons for not using car loan services, by city tiers, April 2018

Attitudes towards Second-hand Cars

Consumers will check the second-hand market about the models they want to buy

Figure 53: General attitudes towards second-hand cars, April 2018

Sophisticated consumers care about second-hand market when buying a new car

Figure 54: General attitudes towards second-hand cars, by gender and age, April 2018

Figure 55: General attitudes towards second-hand cars, by monthly personal income, April 2018

Figure 56: General attitudes towards second-hand cars, by family structure, April 2018

Figure 57: General attitudes towards second-hand cars, by city tiers, April 2018

30-39-year-old females prefer buying cars appearing frequently on the second-hand market

Figure 58: General attitudes towards second-hand cars, by gender and age, April 2018

Attentions on second-hand market are loan solution-predictable

Figure 59: Dealing methods at the end of financial lease plan, by general attitudes towards second-hand cars, April 2018

Figure 60: Dealing methods at the end of financial lease plan, by general attitudes towards second-hand cars, April 2018

Figure 61: General attitudes towards second-hand cars, by dealing methods at the end of financial lease plan, April 2018

Meet the Mintropolitans

BUY THIS
REPORT NOW

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

EMAIL: reports@mintel.com

Car Finance - China - August 2018

Report Price: £3302.97 | \$4460.00 | €3717.16

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Figure 62: Car finance methods, by consumer classification, April 2018

Figure 63: Important car loan application factors, by consumer classification, April 2018

Appendix – Market Size and Forecast

Figure 64: Total market value of car finance, 2013-23

Appendix – Methodology and Abbreviations

Methodology

Fan chart forecast

Abbreviations

BUY THIS
REPORT NOW

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

EMAIL: reports@mintel.com