

## Credit and Loan Products - China - July 2014

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“In the near future, the biggest opportunity still lies in loans for financing large household purchases. Consumers want to have more say in the loan design, which is currently the biggest gap in the market.”

– Ruyi Xu, Head of Research, China

### This report looks at the following areas:

- What drives people's openness to borrowing?
- What are the opportunities to grow consumption loans?
- How to market loan products to young adults

“On the positive side, consumers are becoming more open-minded about borrowing money, in the sense that few think this is an embarrassing behaviour. Yet they still think borrowing should be the last resort and prefer to leverage savings or borrow from people they know. When it comes to the usage of credit cards, consumers are more positive about the flexibility they provide. However the usage behaviour shows that credit cards are still largely a money management tool rather than a source of finance to most card users.

Mintel research shows that there are a lot of business opportunities for financial service providers to better market their products and services, given the gaps in the market. With retailers keen to tap in to this by offering credit services, the future competition will not be limited to traditional service providers, namely banks. Those who are quick to understand consumers' changing attitudes and needs will have a better chance to capitalise on the growing business of consumer lending.”

– Ruyi Xu, Head of Research, China

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## Table of Contents

### Introduction

Definition  
Methodology  
Abbreviations

### Executive Summary

#### Trends in Lending

Figure 1: Loans to households, China 2008-April 2014  
Figure 2: Share of total loans to households by loan type and growth rates, China 2008-13  
Figure 3: Projected share of different types of loans in household lending, China 2013 versus 2020

#### The Consumer

##### Usage of credit and loan products

Figure 4: Usage of credit cards, loans or other credit products, April 2014

##### Reasons for not using loans or credit products

Figure 5: Reasons for not using loans or credit products, April 2014

##### Purpose of using loans

Figure 6: Current purpose of using loans and potential interest over the next 2-3 years, April 2014

##### Motivating factors for using loans

Figure 7: Factors that encourage consumers to use loan products to cover household expenditure, April 2014

##### Credit card usage habits

Figure 8: Credit card usage habits, April 2014

##### Attitudes towards credit and loans

Figure 9: Consumer attitudes towards borrowing and debt, April 2014

Figure 10: Consumer attitudes towards loans, April 2014

Figure 11: Consumer attitudes towards credit cards, April 2014

##### Consumer segmentation

Figure 12: Consumer segmentation, April 2014

##### Key issues

What drives people's openness to borrowing?

What are the opportunities to grow consumption loans?

How to market loan products to young adults?

What innovations can encourage people to use more loans and credit products?

What we think

### Issues and Insights

What drives people's openness to borrowing?

The facts

The implications

Figure 13: Agreement with "I am worried about relying too much on purchasing on credit", by age, April 2014

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Figure 14: Agreement with "Borrowing money is acceptable as long as you can repay it on time", by education, income and age, April 2014

Figure 15: Agreement with "It is better to spend only what you can afford rather than taking out an overdraft", by education, income and age, April 2014

What are the opportunities to grow consumption loans?

The facts

The implications

Figure 16: Potential interest in using loans to finance car and home improvement, by age and gender, April 2014

Figure 17: Motivating factors for people to use loans among existing car loan users, April 2014

Figure 18: Potential interest in using loans to finance holidays and luxury products, by city, April 2014

How to market loan products to young adults?

The facts

The implications

What innovations can encourage people to use more loans and credit products?

The facts

The implications

### Trend Applications

Dispel the myth about scary loans

Insurance cover for forgetful credit card users

Do it now rather than regret later

### Trends in Consumer Lending

Key points

Loans to households: four times its size in 2008

Figure 19: Loans to households, China 2008-April 2014

Short-term consumption loans have grown faster

Figure 20: Share of total loans to households by loan type and growth rates, China 2008-13

Figure 21: Size of credit granted and overdraft on credit cards, China 2009-2014 (Q1)

Future growth outlook

The removal of bank lending rate floor

More private capital in the banking sector and retailers' innovation

The rise of online P2P lending

Consumer lending to account for two thirds of GDP by 2020

Figure 22: Projected share of different types of loans in household lending, China 2013 versus 2020

### The Consumer – Usage of Credit and Loan Products

Key points

85% of consumers have undertaken some sort of money borrowing

Figure 23: Usage of credit cards, loans or other credit products, April 2014

Credit card usage by target group

Figure 24: Usage of credit cards, by age and gender, April 2014

20-39-year-olds are more likely to need loans to cope

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Figure 25: Usage of loans, by age, April 2014

Figure 26: Repertoire of usage of credit cards, loans or other credit products, by age, April 2014

Different approaches by high and low earners

Figure 27: Usage of loans, by income, April 2014

Borrowing from people I know happens more often in tier two/three cities

Usage of credit and loan products goes up with education level

Figure 28: Repertoire of usage of credit cards, loans or other credit products, by demographics, April 2014

### The Consumer – Reasons for Not Using Loans or Credit Products

Key points

Not used to the idea of being in debt is still the number one barrier...

Figure 29: Reasons for not using loans or credit products, April 2014

...but there are still some differences across age groups

Figure 30: Reasons for not using loans or credit products, by age, April 2014

### The Consumer – Purpose of Using Loans

Key points

Home improvement and investment are top two purposes

Figure 31: Purpose of using loans, April 2014

Figure 32: Selected purposes of using loans, by age group, April 2014

Big potential for car loan to grow over the next few years

Figure 33: Potential interest in using loans, April 2014

Marketing loan products according to needs state by lifestage

Figure 34: Selected potential interest in using loans, by age, April 2014

Figure 35: Selected potential interest in using loans, by age, April 2014

Tier one cities versus tier two/three cities

Figure 36: Potential interest in using loans, by city tiers, April 2014

### The Consumer – Motivating Factors for Using Loans

Key points

What consumers expect most: flexible terms and lower cost

Figure 37: Factors that encourage consumers to use loan products to cover household expenditure, April 2014

Higher income groups are more demanding in both product and process

Figure 38: Factors that encourage consumers to use loan products to cover household expenditure, by income, April 2014

Making it easier for young adults with short-term needs

Figure 39: Factors that encourage consumers to use loan products to cover household expenditure, by age, April 2014

Different considerations based on purpose of the loan

### The Consumer – Credit Card Usage Habits

Key points

The majority use credit cards as a money management tool rather than a source of credit

Figure 40: Credit card usage habits, April 2014

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Figure 41: Credit card usage habits – “Being charged for late payment” by income and city tier, April 2014

### Different views about paying by instalments

Figure 42: Credit card usage habits (continued), April 2014

### Women are more motivated by reward schemes

Figure 43: Credit card usage habits – “Using my credit card just for getting bonus points”, by gender, April 2014

### Using credit cards overseas and increasing credit limits

Figure 44: Credit card usage habits (continued), April 2014

## The Consumer – Attitudes towards Credit and Loans

### Key points

#### People are generally becoming more open to borrowing...

Figure 45: Consumer attitudes towards borrowing money, April 2014

Figure 46: Consumer attitudes towards borrowing money (continued), April 2014

Figure 47: Agreement on “Borrowing money can be a useful way to protect savings/investments.”, April 2014

#### ...but about half of them still prefer to live within their means

Figure 48: Consumer attitudes towards spending by borrowing, April 2014

#### Tier two/three consumers are more conservative

Figure 49: Consumer attitudes towards spending by borrowing, by city tier, April 2014

#### Helping people to understand better about loan products is key

Figure 50: Consumer attitudes towards loan services, April 2014

#### The majority think banks are more reliable than online P2P lending sites

Figure 51: Consumer attitudes towards P2P lending, April 2014

#### People are more positive about the benefits of credit cards...

Figure 52: Consumer attitudes towards using credit services, April 2014

#### ...yet not everyone feels relaxed about relying on credit cards

Figure 53: Consumer attitudes towards using credit services, April 2014

Figure 54: Agreement on “Using credit card is a reflection of irrational spending”, by demographics, April 2014

## Consumer Segmentation

### Key points

#### A spectrum of attitudes towards debt and credit

Figure 55: Consumer segmentation, April 2014

#### The Conservative

22% of online population surveyed

#### Demographic traits

#### Marketing perspective

#### The Progressive (42%)

42% of the online population surveyed

#### Demographic traits

#### Marketing perspective

#### The Neutral

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36% of the online population surveyed

Demographic traits

Marketing perspectives

## Appendix – Usage of Credit and Loan Products

Figure 56: Usage of credit cards, loans or other credit products, April 2014

Figure 57: Usage of credit cards, loans or other credit products, by demographics, April 2014

Figure 58: Repertoire of usage of credit cards, loans or other credit products, April 2014

Figure 59: Repertoire of usage of credit cards, loans or other credit products, by demographics, April 2014

## Appendix – Reasons for Not Using Loans or Credit Products

Figure 60: Reasons for not using loans or credit products, April 2014

Figure 61: Most popular reasons for not using loans or credit products, by demographics, April 2014

Figure 62: Next most popular reasons for not using loans or credit products, by demographics, April 2014

## Appendix – Purpose of Using Loans – Current

Figure 63: Purpose of using loans in the past, April 2014

Figure 64: Most popular purpose of using loans in the past, by demographics, April 2014

Figure 65: Next most popular purpose of using loans in the past, by demographics, April 2014

Figure 66: Purpose of using loans in the past, by usage of credit cards, loans or other credit products, April 2014

## Appendix – Purpose of Using Loans – Near Future

Figure 67: Potential interest in using loans, April 2014

Figure 68: Most popular potential interest in using loans, by demographics, April 2014

Figure 69: Next most popular potential interest in using loans, by demographics, April 2014

## Appendix – Motivation Factors for Using Loans

Figure 70: Factors that encourage consumers to use loan products to cover household expenditure, April 2014

Figure 71: Most popular factors that encourage consumers to use loan products to cover household expenditure, by demographics, April 2014

Figure 72: Next most popular factors that encourage consumers to use loan products to cover household expenditure, by demographics, April 2014

Figure 73: Factors that encourage consumers to use loan products to cover household expenditure, by Potential interest in using loans, April 2014

Figure 74: Factors that encourage consumers to use loan products to cover household expenditure, by Potential interest in using loans, continued table, April 2014

## Appendix – Credit Card Usage Habits

Figure 75: Credit card usage habits, April 2014

Figure 76: Usage of credit card – Application to increase my credit limit, by demographics, April 2014

Figure 77: Usage of credit card – Being charged for late payment, by demographics, April 2014

Figure 78: Usage of credit card – Using up more than half of my credit balance, by demographics, April 2014

Figure 79: Usage of credit card – Paying only the minimum monthly amount of my credit balance, by demographics, April 2014

Figure 80: Usage of credit card – Paying by credit card is my first payment choice, by demographics, April 2014

Figure 81: Usage of credit card – Paying in instalments whenever this is available, by demographics, April 2014

Figure 82: Usage of credit card – Using my credit card overseas, by demographics, April 2014

Figure 83: Usage of credit card – Using my credit card just for getting bonus points, by demographics, April 2014

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### Appendix – Consumer Attitudes towards Credits and Loans

Figure 84: Consumer attitudes towards credits and loans, April 2014

Figure 85: Agreement with the statement 'Only those who are struggling with their financial situation need to borrow money', by demographics, April 2014

Figure 86: Agreement with the statement 'It is better to save up for something rather than taking out a credit/loan', by demographics, April 2014

Figure 87: Agreement with the statement 'It is better to spend only what you can afford rather than taking out an overdraft', by demographics, April 2014

Figure 88: Agreement with the statement 'Borrowing money is acceptable as long as you can repay it on time', by demographics, April 2014

Figure 89: Agreement with the statement 'Borrowing money can be a useful way to protect savings/investments', by demographics, April 2014

Figure 90: Agreement with the statement 'I am becoming more comfortable about being in debt than before', by demographics, April 2014

Figure 91: Agreement with the statement 'Earning bonus points by using credit card is appealing to me', by demographics, April 2014

Figure 92: Agreement with the statement 'Credit cards can offer more flexibility when managing finances', by demographics, April 2014

Figure 93: Agreement with the statement 'Using credit cards is a reflection of irrational spending', by demographics, April 2014

Figure 94: Agreement with the statement 'I am worried about relying too much on purchasing on credit', by demographics, April 2014

Figure 95: Agreement with the statement 'I would proactively consider using loan products if there were better loan services', by demographics, April 2014

Figure 96: Agreement with the statement 'It is more reliable to take loans from a bank than from an online agency', by demographics, April 2014

### Appendix – Consumer Segmentation

Figure 97: Consumer segmentation, April 2014

Figure 98: Consumer segmentation, by demographics, April 2014

Figure 99: Usage of credit cards, loans or other credit products, by target groups, April 2014

Figure 100: Reasons for not using loans or credit products, by target groups, April 2014

Figure 101: Purpose of using loans in the past, by target groups, April 2014

Figure 102: Potential interest in using loans, by target groups, April 2014

Figure 103: Factors that encourage consumers to use loan products to cover household expenditure, by target groups, April 2014

Figure 104: Usage of credit card, by target groups, April 2014

Figure 105: Consumer attitudes towards credit and loans, by target groups, April 2014

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