

# CONSUMER AND VEHICLE FINANCING IN GERMANY

## MARKET STUDY 2019

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Ipsos GmbH







conducted on behalf of the Bankenfachverband e.V.  
(German Association of Credit Banks)

GAME CHANGERS



# About the study



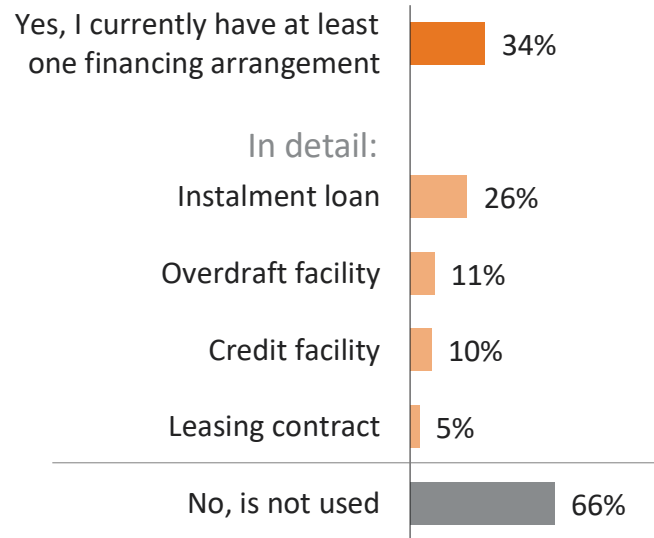
 <b>METHOD</b>	Survey, supporting study: GfK Financial Market Panel (written survey, in parts online)
 <b>SURVEY PERIOD</b>	08 July 2019 to 29 July 2019
 <b>TARGET GROUP</b>	A representative selection of people between the age of 18 and 69, chosen according to age, profession, the size of city they live in, and federal state
 <b>SAMPLE</b>	n=1,869 interviews; results were weighted according to age, profession, income, family status and size of location
 <b>FREQUENCY OF THE STUDY</b>	Once a year (autumn), published in October 2019
 <b>SURVEYED AREA</b>	Federal Republic of Germany



# Key findings of the study

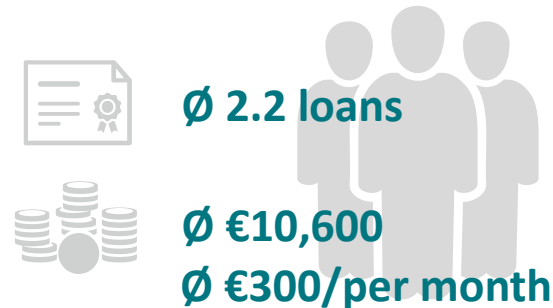


## Use of financing



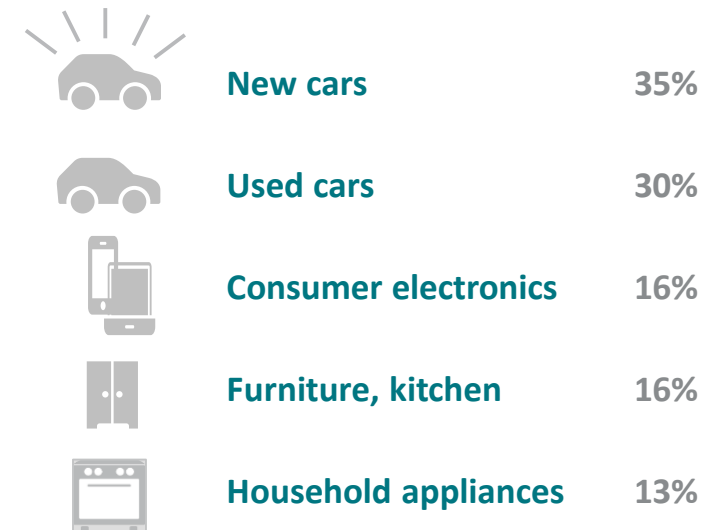
Every third consumer currently uses at least one form of financing. The most frequently used form of financing is instalment loan.

## Number and amounts outstanding



Households that use financing have an average of 2 contracts. The total outstanding amount is € 10,600. On average, € 300 are repaid per month.

## Intended purpose \*



The main reason for financing is the purchase of a car.

\*Top 5 purchases, Basis: Instalment loan users, multiple answers possible

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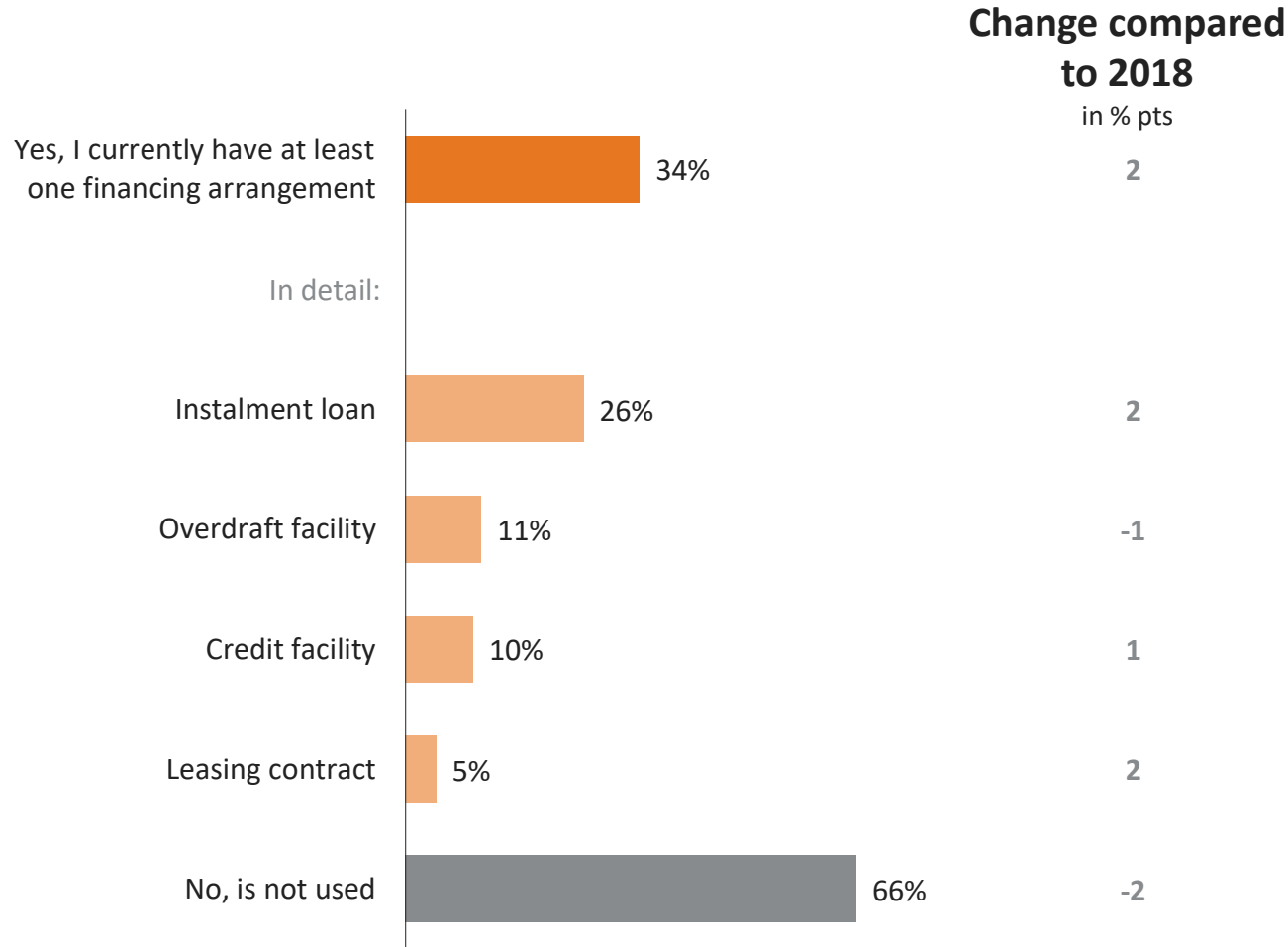


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# Instalment loans are the most commonly used form of financing.



Q2a: Are you currently using one of the following loans/forms of financing?  
Basis: All respondents n = 1,869; rounding-off differences possible; multiple answers possible

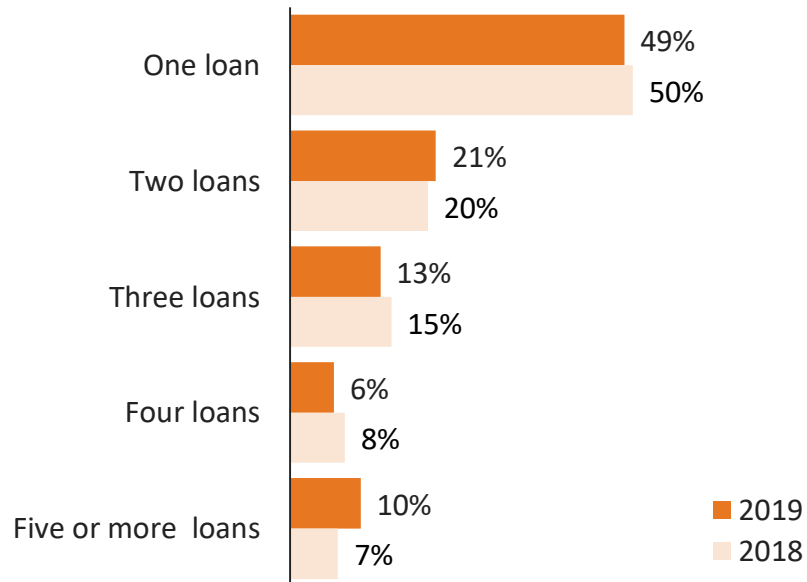




# About half of all users of financing products have only one financing contract.

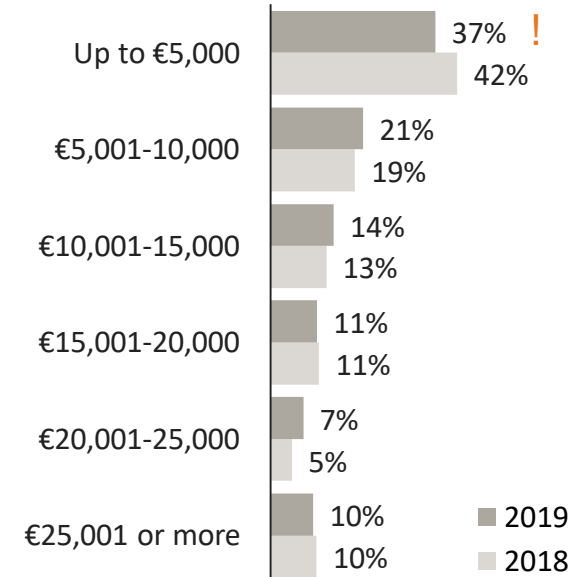
## Number

 **2019: Ø 2,2 loans**  
2018: Ø 2,1 loans



## Outstanding amount

 **2019: Ø €10,600**  
2018: Ø €10,500



Q2b: For the forms of loan/financing that you are currently using, how many different contracts have you concluded for each form of loan/financing?

Q2e: And what is the amount (excluding mortgage financing) that you still have to pay back for these loans?

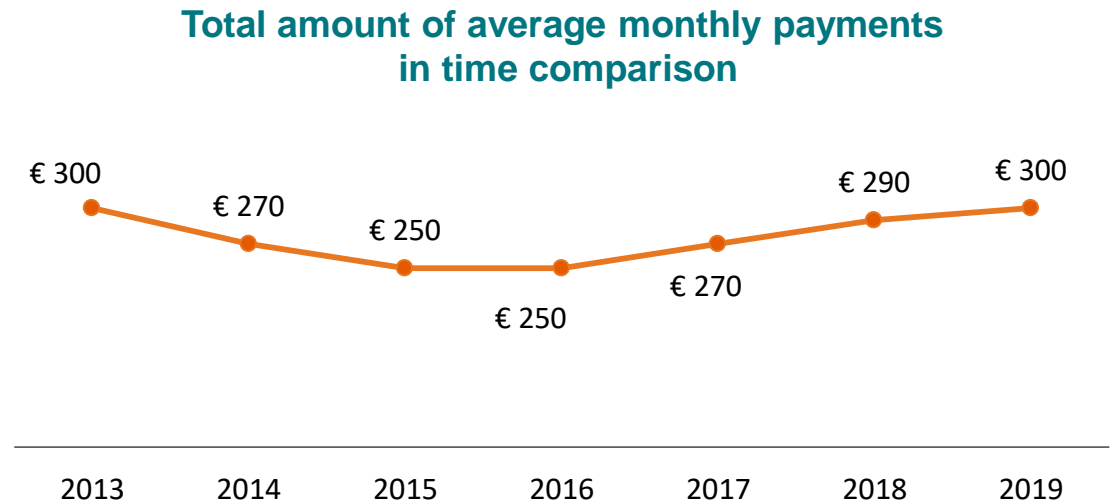
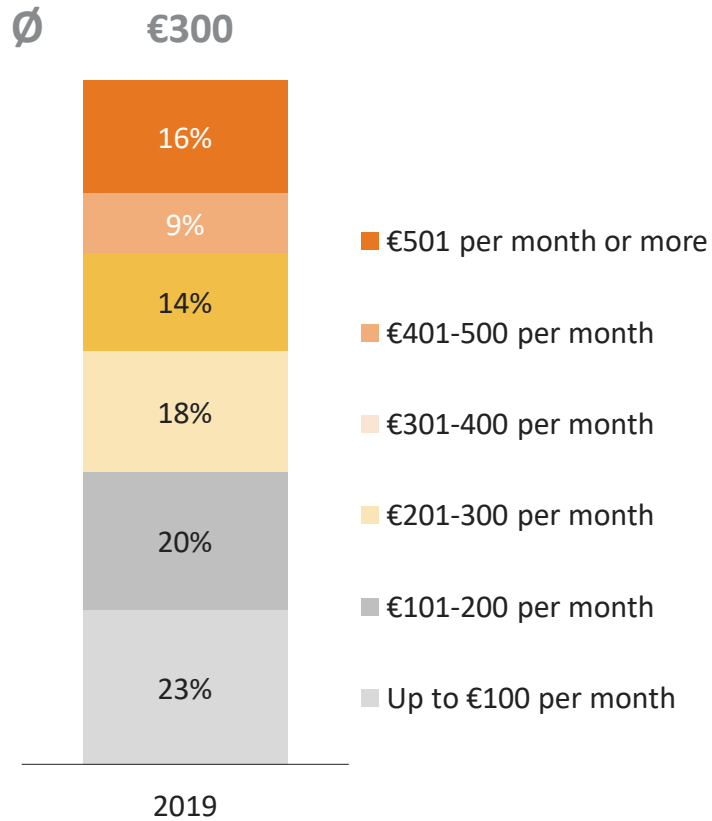
Basis: Users of financing products 2019 n = 638/509, 2018 n = 586/467



## Total amount of monthly payments



**The monthly payment for all financings increased in the last 3 years.  
At present, an average of €300 per month is repaid.**



Q3: What are your total monthly instalments?

Basis: Users of financing products 2019 n = 639, 2018 n = 587

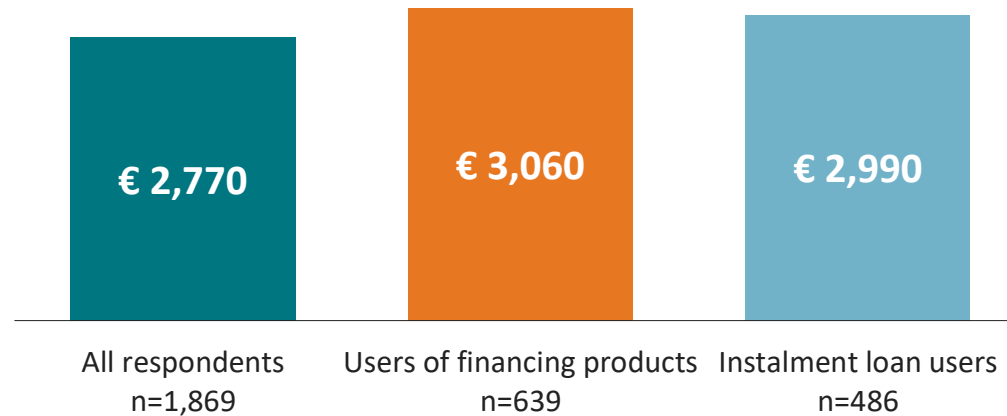


Individual forms of financing according to net household income\*



**Users of financing products have a higher net household income than the average.**

**Average net household income in euros**



Q2a: Are you currently using one of the following loans/forms of financing?

Basis: All respondents; \*calculated from the middle of the class



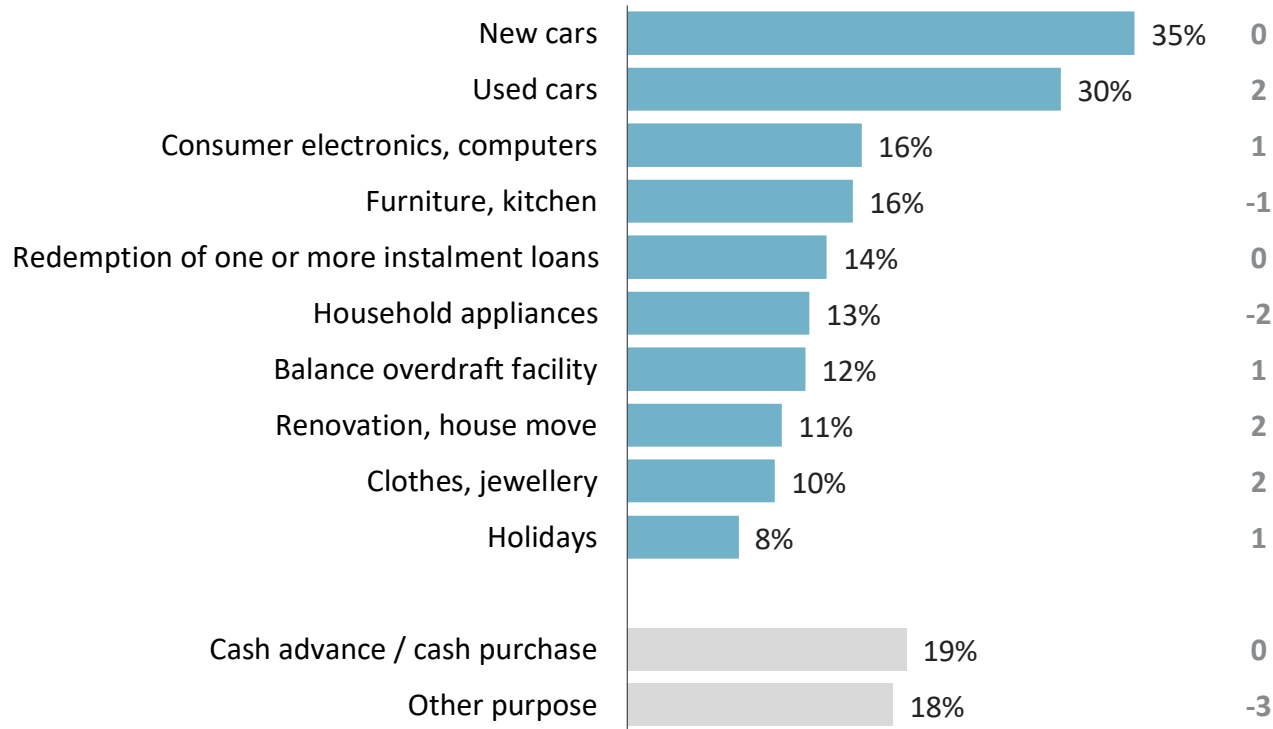




## Two thirds of the users of an instalment loan apply it for the purchase of a car.

### Change compared to 2018

in % pts



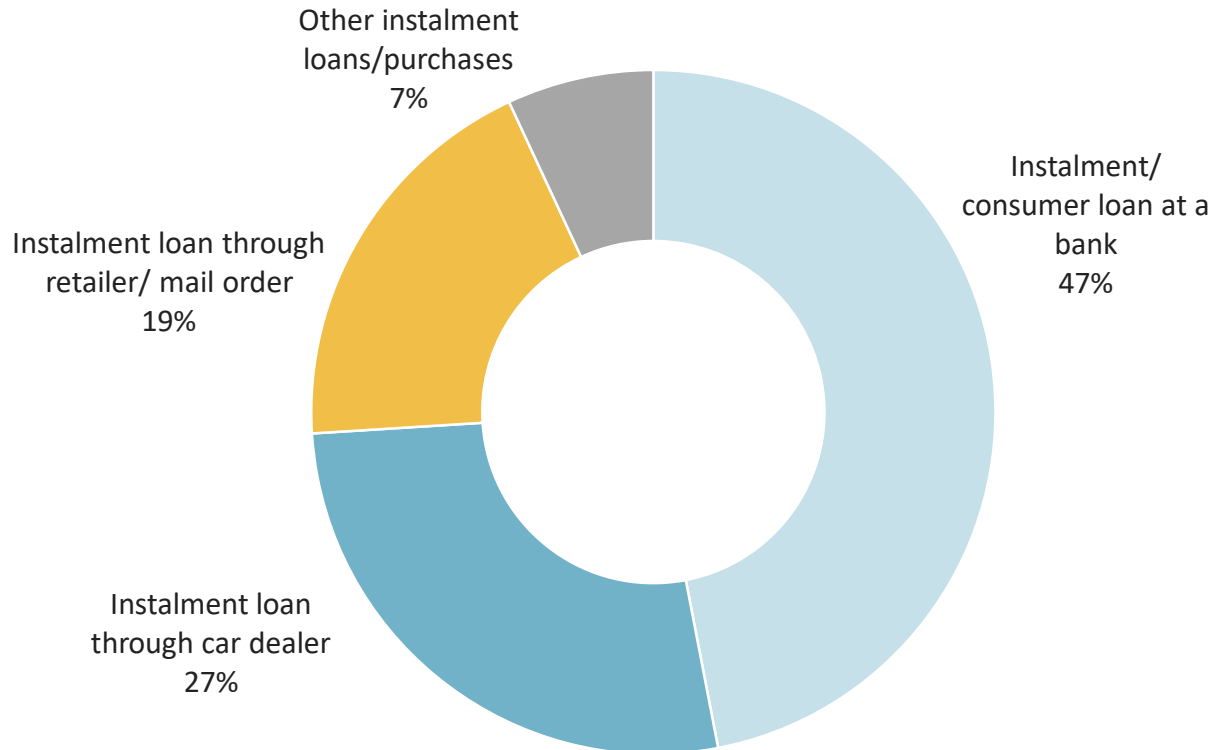
Q2a: Are you currently using one of the following loans/forms of financing? Q2c: And what did you use your current loan for?

Basis: instalment loan users n = 486; multiple answers possible





## About half of all instalment loans are concluded at a bank.



Q6d: Irrespective of where you applied for this instalment loan, where did you ultimately complete the contract?

Basis: instalment loan users n = 509, all instalment loans =100%



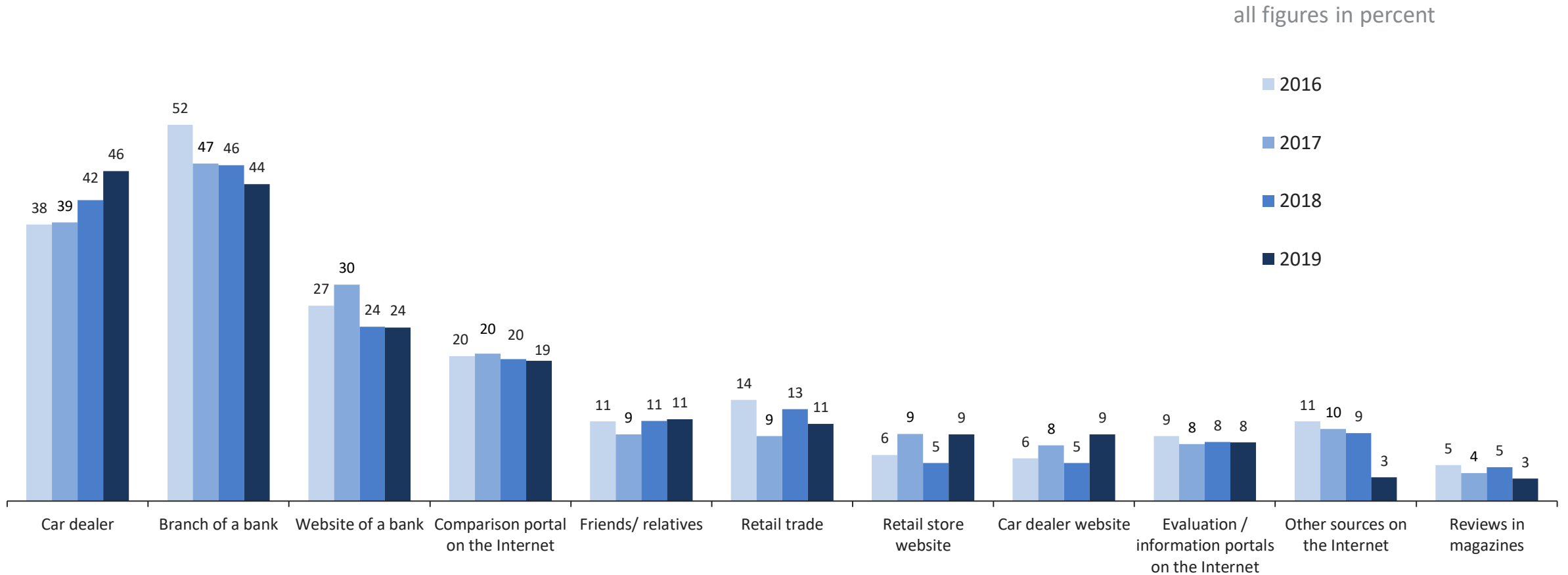
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**The most important sources of information for financing are car dealers, bank branches and their websites. 19% use online comparison portals for information.**

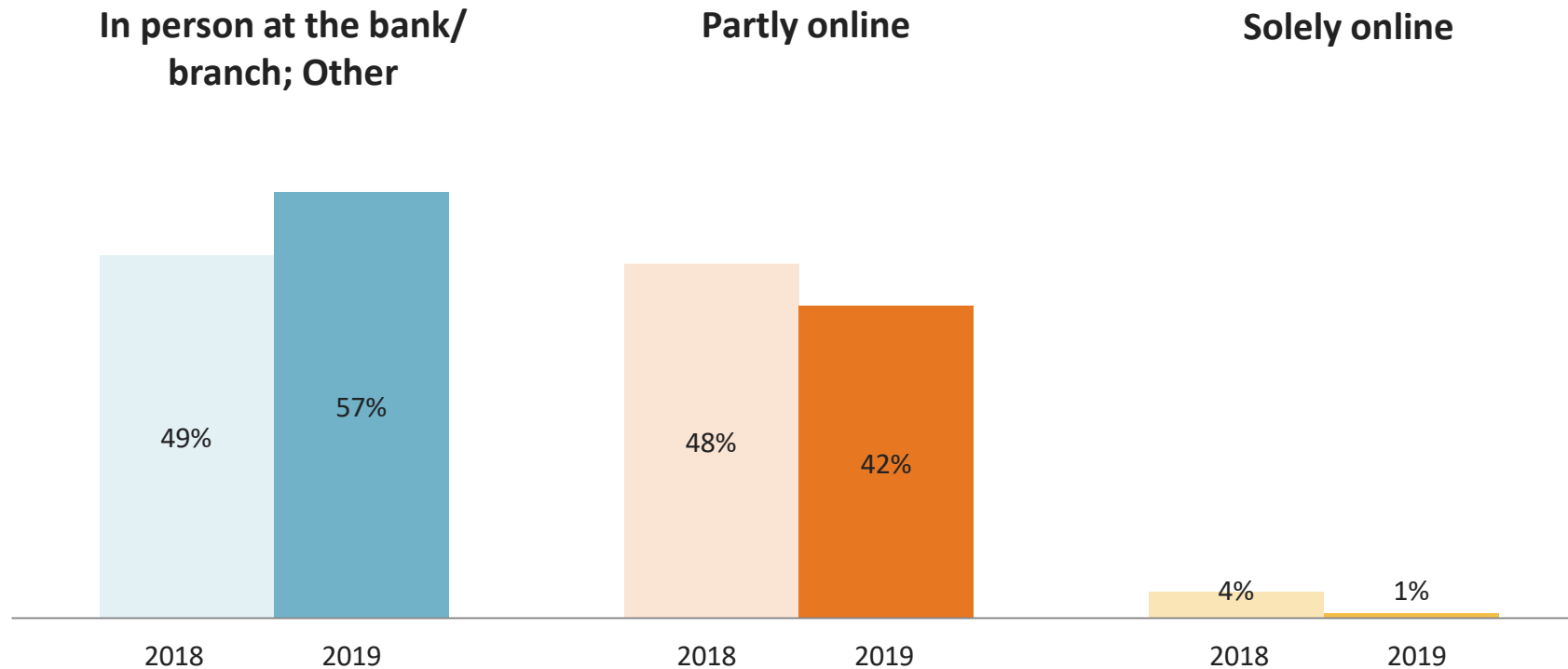


Q4: Did you use the following sources of information before signing your current loan agreements?  
 Basis 2019: Users of financing products n = 490





## 4 out of 10 cash loans were partly taken out via the Internet.



**Partially online:** At least one process step at the conclusion of a loan (application, conclusion, identification, signature) was carried out online, but not all process steps.

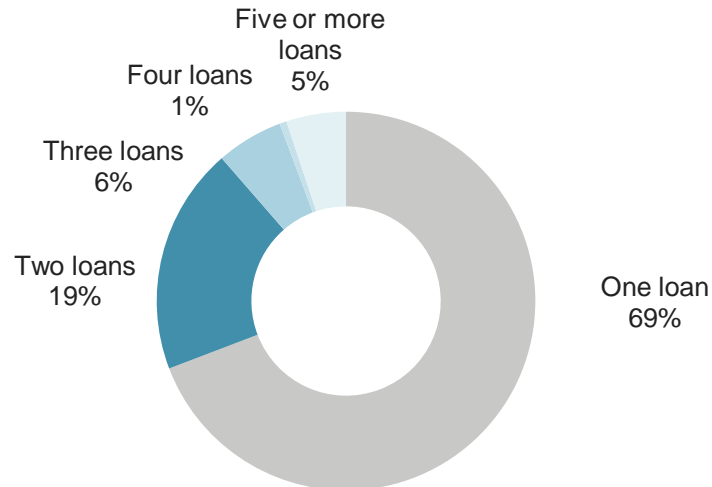
Q6b: Please indicate how you have applied for this instalment loan. Q6d: Irrespective of where you applied for this instalment loan, where did you ultimately conclude the contract?  
Q6f: How did you identify yourself to the bank or your dealer when you took out the loan? Q6g: How did you finally sign the loan agreement? Q2c: And what did you use your current loan for?  
Basis: cash loan user 2019/2018 n = 89/80; percentaged to 100%, rounding-off differences possible



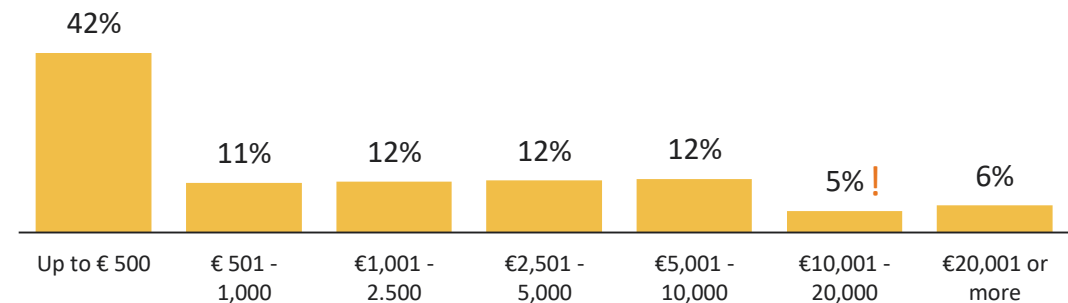


## Two thirds of all online instalment loan users currently have only one single contract.

### Number Ø 1,7 online instalment loans



### Outstanding amount\* Ø € 6,000



Q18c: Please indicate how many online instalment loans you are currently using and the amount of money you have to repay on these contracts, i.e. not the amount you originally borrowed but the amount you still have to repay.

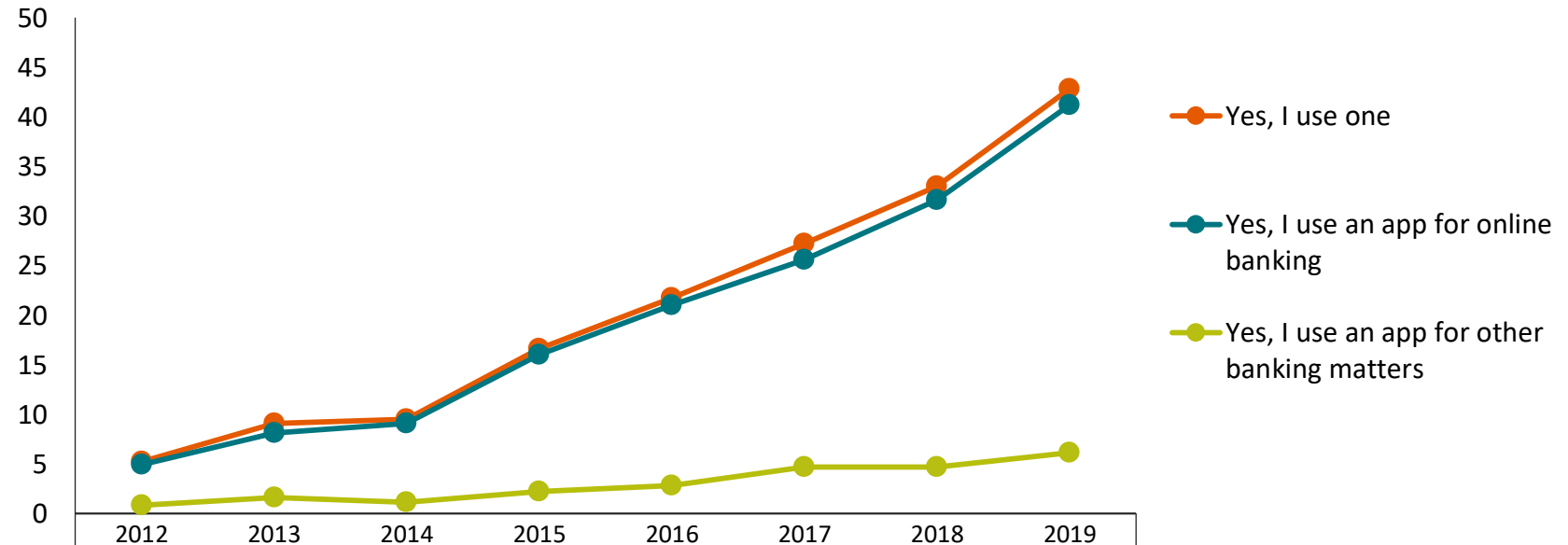
Basis: Internet-users of financing products n = 133/n = 118, \*percentaged to 100%





The use of apps for banking transactions continues to grow. 43% of all consumers already use them – mostly for online banking.

### Use of apps for banking transactions



Yes, I use one	5%	9%	10%	17%	22%	27%	33%	43% !
Yes, I use an app for online banking	5%	8%	9%	16%	21%	26%	32%	41% !
Yes, I use an app for other banking matters	1%	2%	1%	2%	3%	5%	5%	6%

Q9b: Do you use an app for banking (e.g. for online banking or taking out a credit) on your smartphone / tablet?

Basis: All respondents n = 1,866



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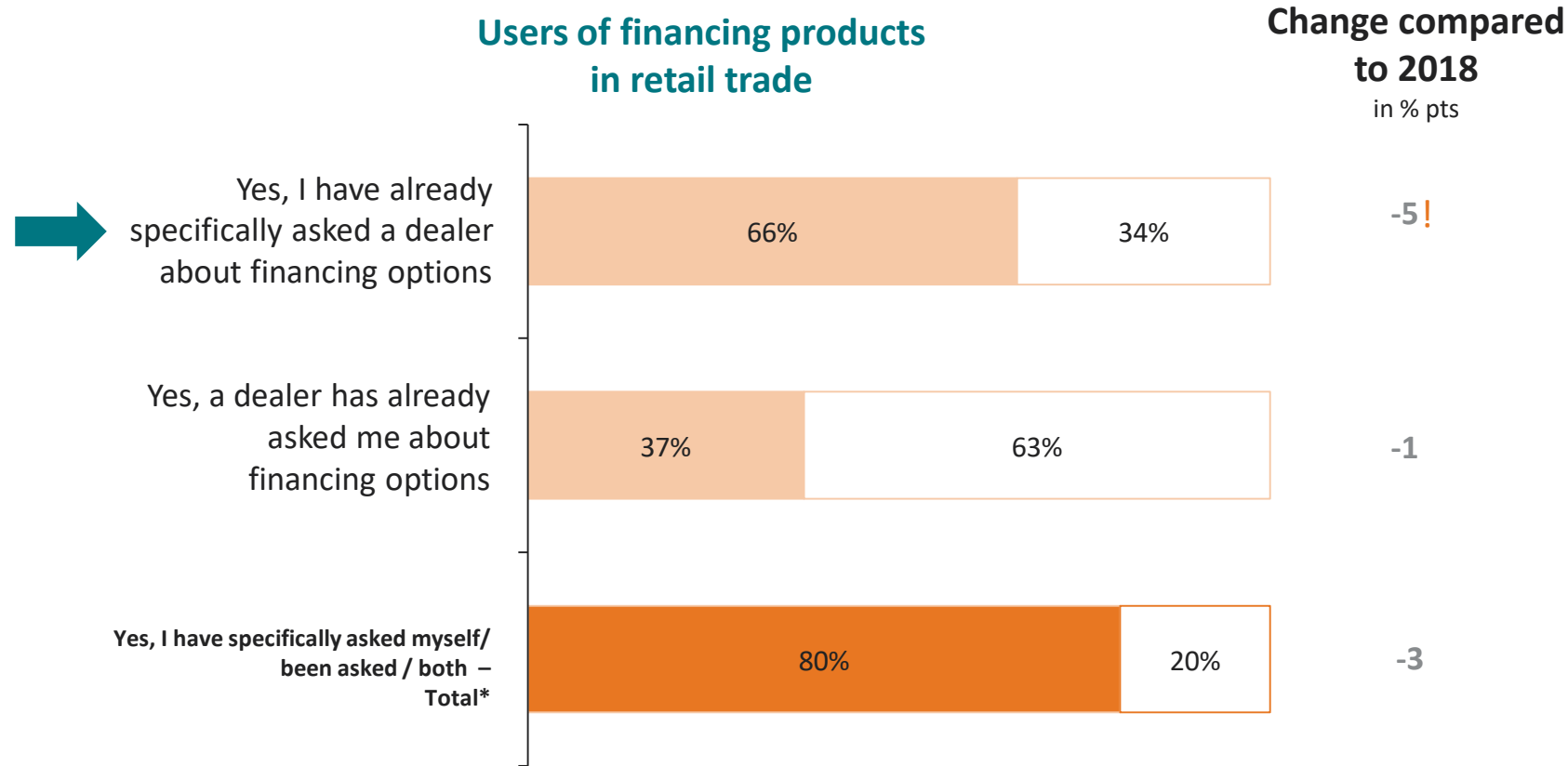


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# Two thirds of all users of financing products in retail actively ask for financing options.

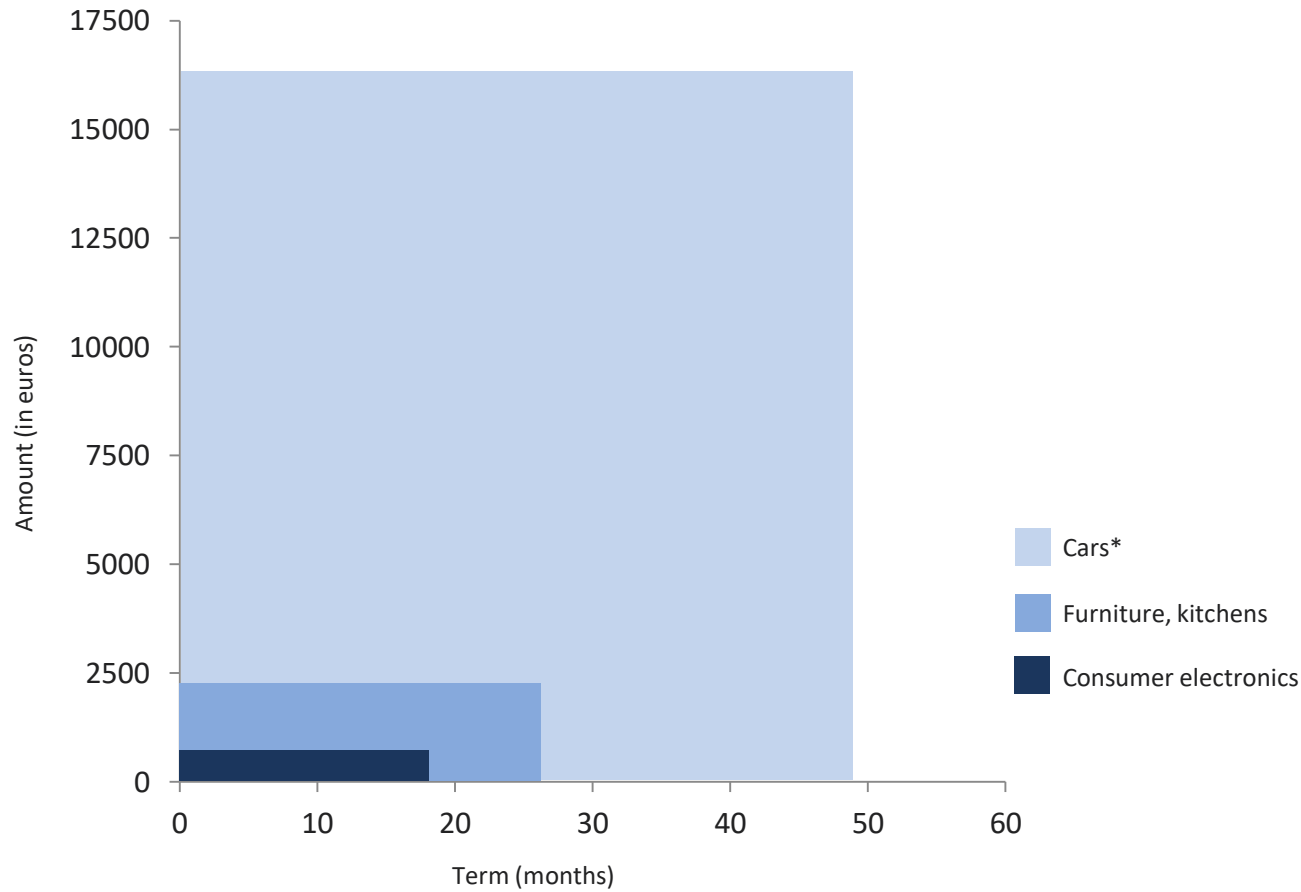


Q15: When making the following purchases, have you ever specifically asked a dealer about financing offers, or has a dealer ever asked you about such offers?  
Basis: Users of financing products in retail trade; n = 428, \*Net amount





## The higher the financing amount, the longer the term.



### 2019

**Cars\***  
2018

**New cars**  
2018

**Used cars**  
2018

**Furniture, kitchen**  
2018

**Consumer electronics**  
2018

**Term**  
in months

**Amount**  
in euros

49	16,200
51	15,700
49	19,400
52	18,800
49	11,500
50	11,400
26	2,200
29	3,000
18	700
21	730

Q16a: Do you currently have loans for one or more purchases made by mail order/at retail outlets or car dealers? Please state whether you have financed the following purchases.

Q16c: If you have, what amount was financed in each case? Q16d: And how many months does the loan period comprise?

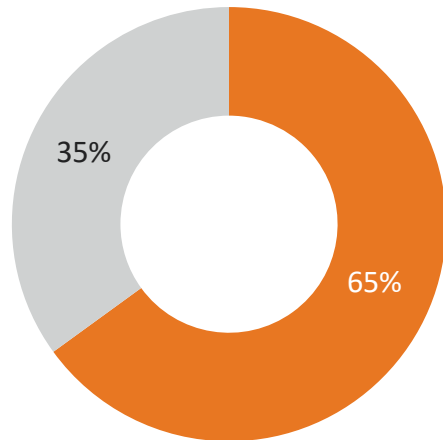
Basis: Users of financing products in retail trade n = 417; "other" not shown; \*Average for new and used cars





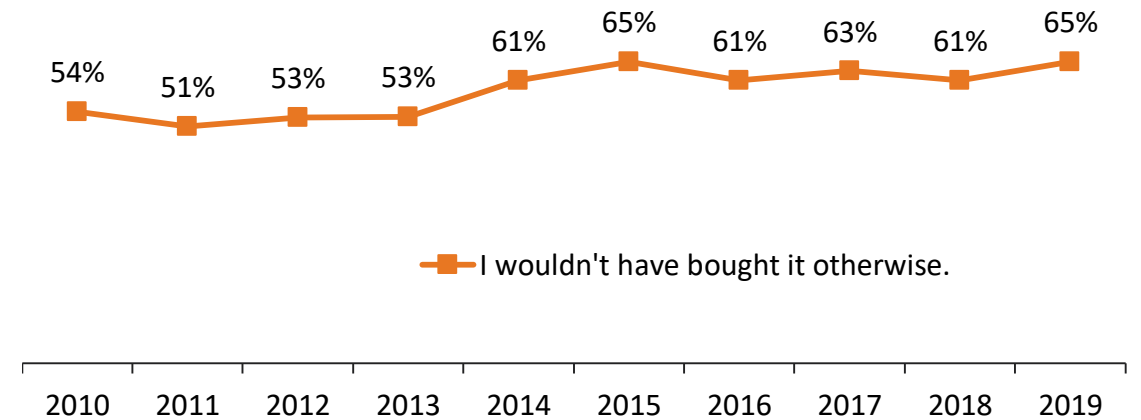
**Without the financing option in retail, 65% of the financed purchases would not have been made. In a long-term comparison, this share has grown.**

### Influence on purchase decision



- I wouldn't have bought it otherwise.
- No, I would have bought it anyway.

### Time series



■ I wouldn't have bought it otherwise.

Q16e: Did the option of financing influence your purchase decision, i.e. your decision to buy the product or not?

Basis: Users of financing products in retail trade 2018 n = 410, 2019 n = 428



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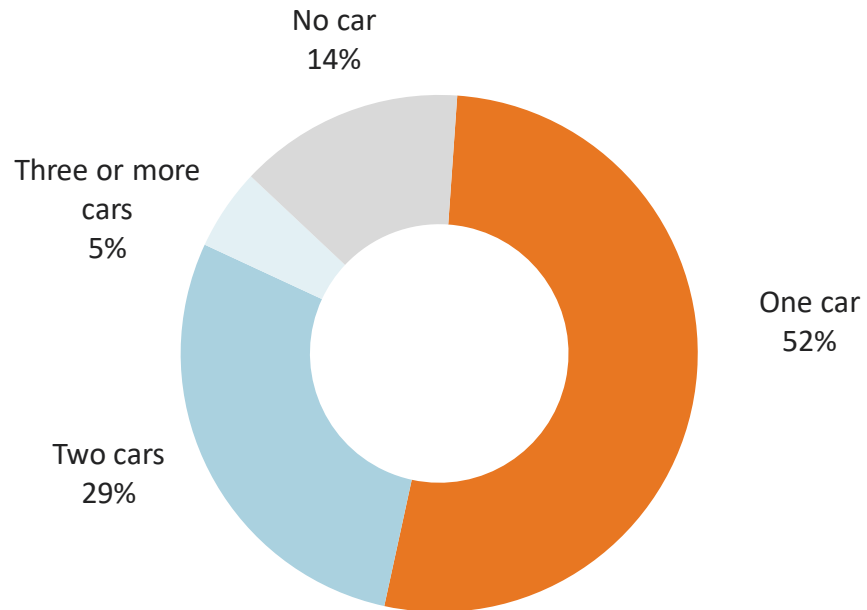


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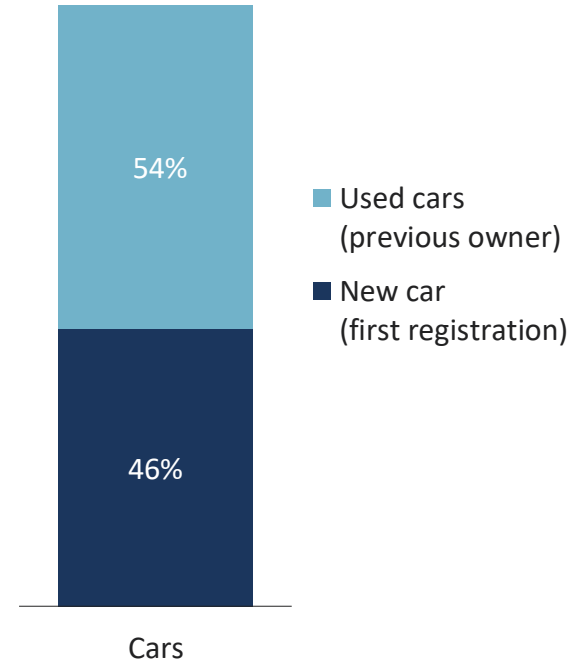


**86% of all German households have one or more cars.  
Almost half of all cars are first-time registrations.**

**Car ownership**



**Car registration on a person in household**



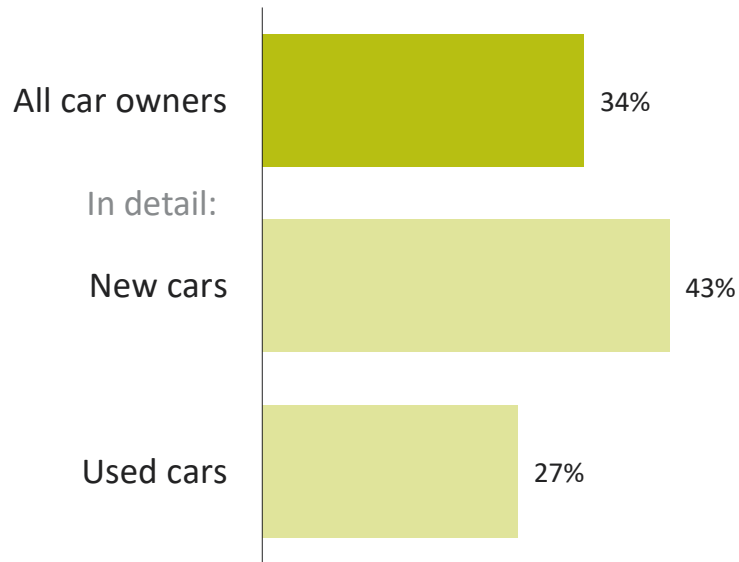
Q23. How many cars do you own in your household? Q24: Since when is this car registered to a person in your household?  
Basis: All respondents n = 1,869; cars n = 2,330; \*percentaged to 100%



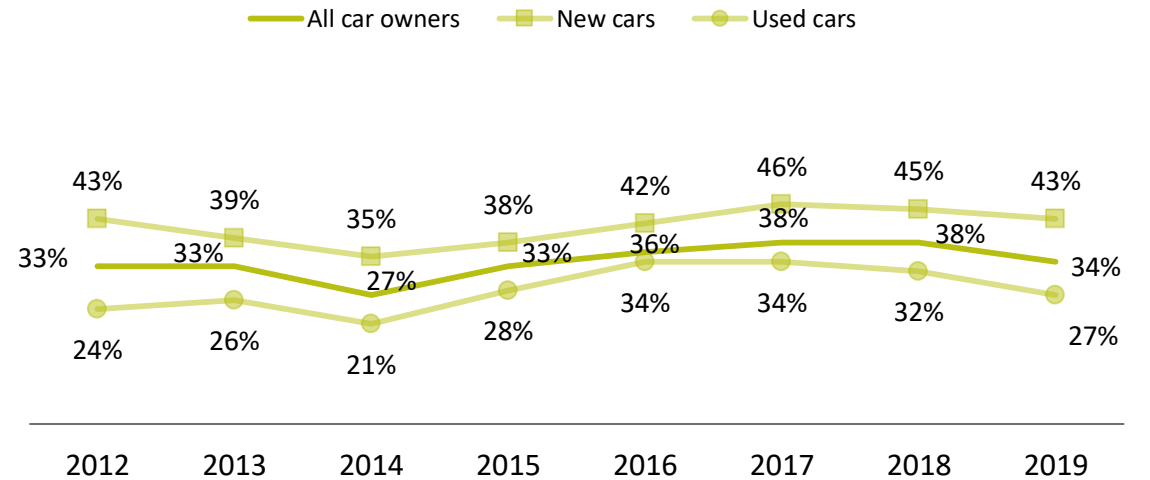


**34% of all private cars are financed. The financing share for new cars is 43%, for used cars 27%.**

Financed cars by credit or leasing contract



Share of financed cars



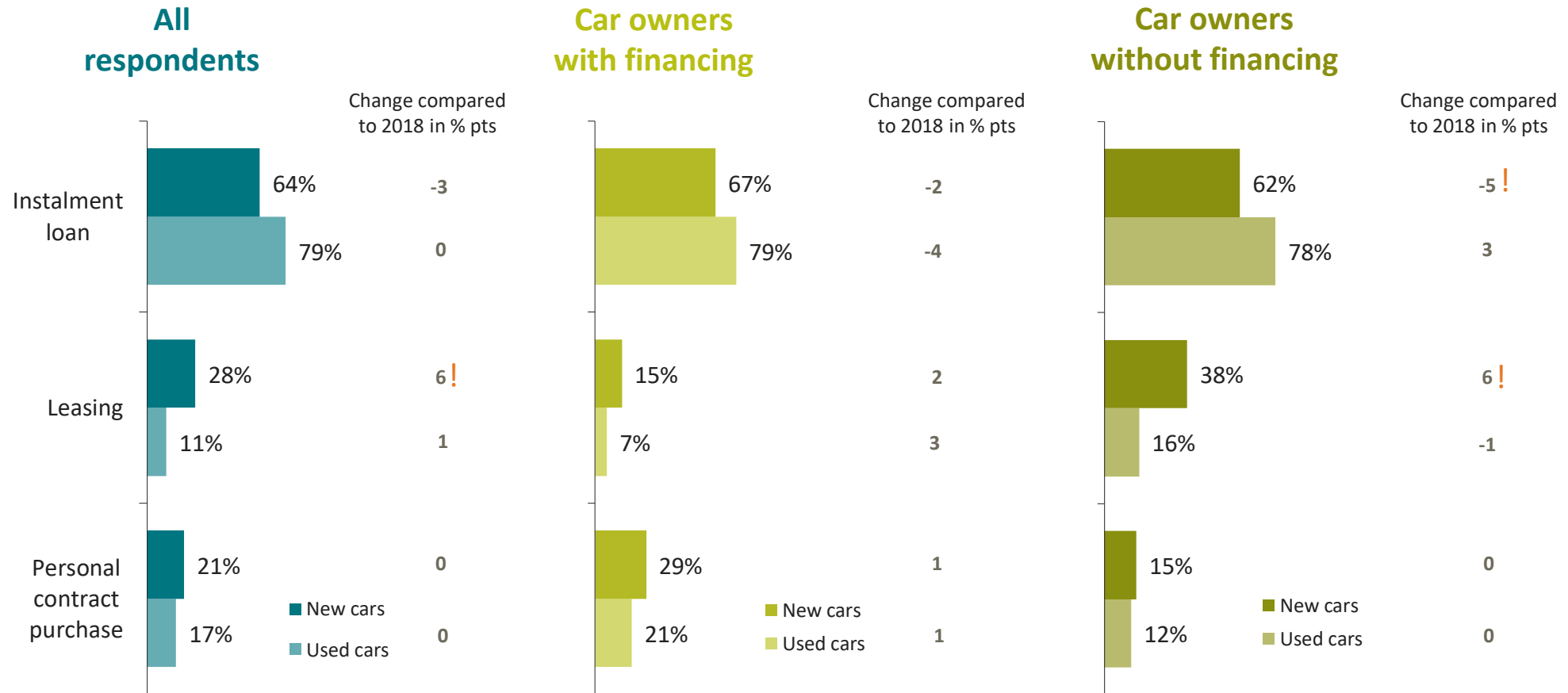
Q26: Was this car paid for in full in cash when it was purchased, or was it partly financed, fully financed or leased?

Basis: cars n = 2,330; percentaged to 100%





# The instalment loan is the preferred form of financing for the future purchase of a new car.

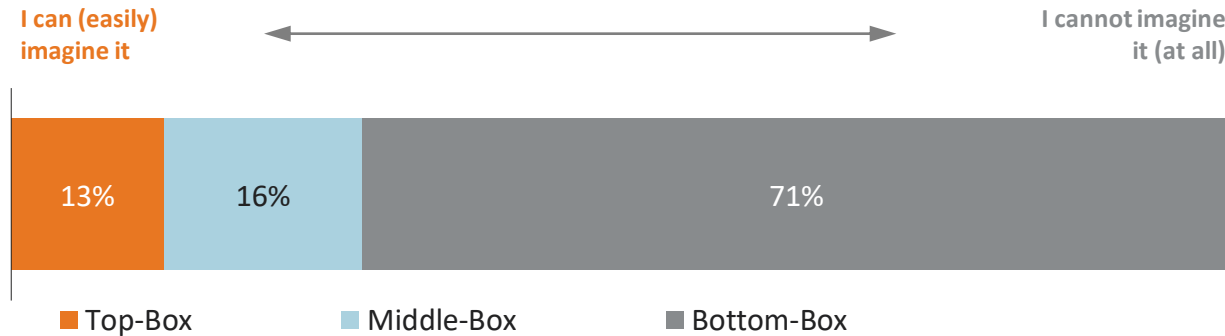


Q3a: Please imagine that you are planning to buy a new car. Which form of financing would you prefer in this case? Q31b: And which form of financing would you prefer in this case when buying a used car? Basis: all respondents who can imagine finance: new cars: all respondents n = 1,029, Car owners with financing n = 503, Car owners without financing n = 406; Used cars: all respondents n = 723, Car owners with financing n = 410, Car owners without financing n = 231; multiple answers possible





# 13% of people who generally consider financing a car, can well imagine completing this financing via the internet.



- i** **Top Box** = I can easily imagine it / I can imagine it
- Middle Box** = I do not imagine it / I can't imagine it yet
- Bottom Box** = I cannot imagine it / I cannot imagine it at all

Q32: If you were to consider obtaining finance for a car: to what extent can you generally imagine yourself getting this finance via the internet?  
Basis: Car owners n = 1,591





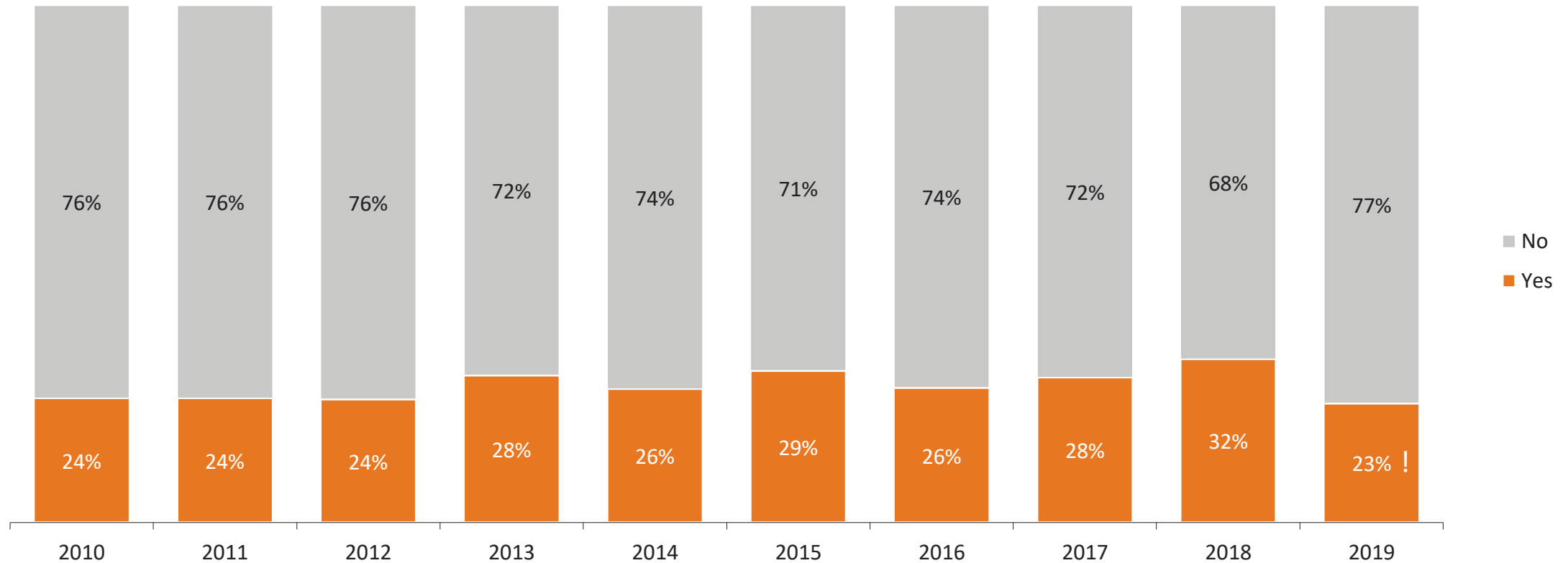
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## 23% of all instalment loan users have taken out payment protection insurance.



Q10a: Have you taken out payment protection insurance for your most recent instalment loan?

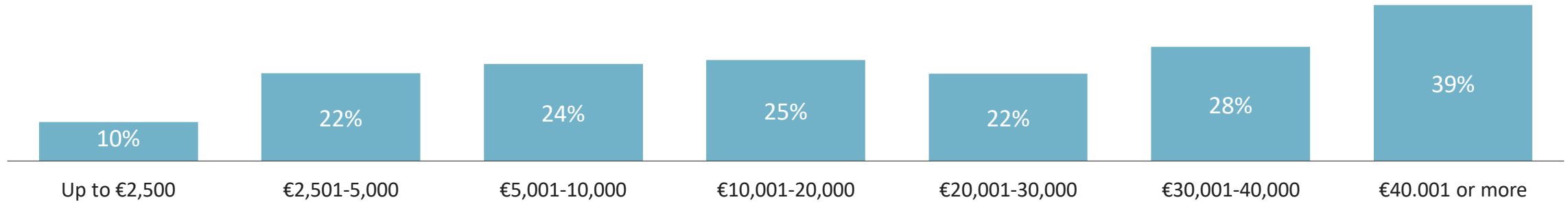
Basis: instalment loan users 2019 n = 450





**The higher the loan amount, the more likely it is that a payment protection insurance will be taken out.**

**Total amount of loan taken out/proportion of users of payment protection insurance**

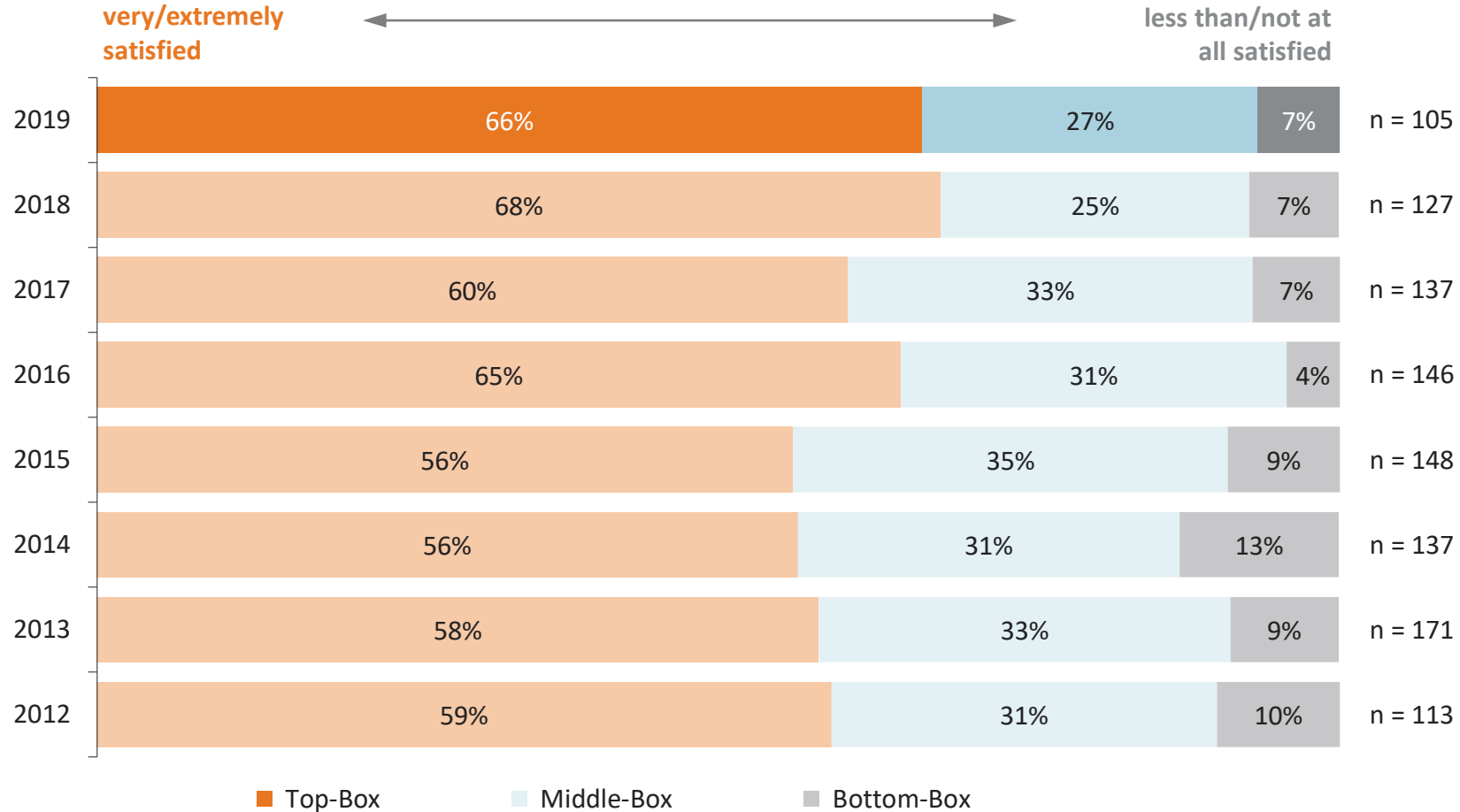


Q10: Have you taken out payment protection insurance for your most recent instalment loan? Q2d: What is the total amount of credit taken out?  
Basis: n = 450 instalment loan users





## Two thirds of instalment loan users with payment protection insurance are satisfied.



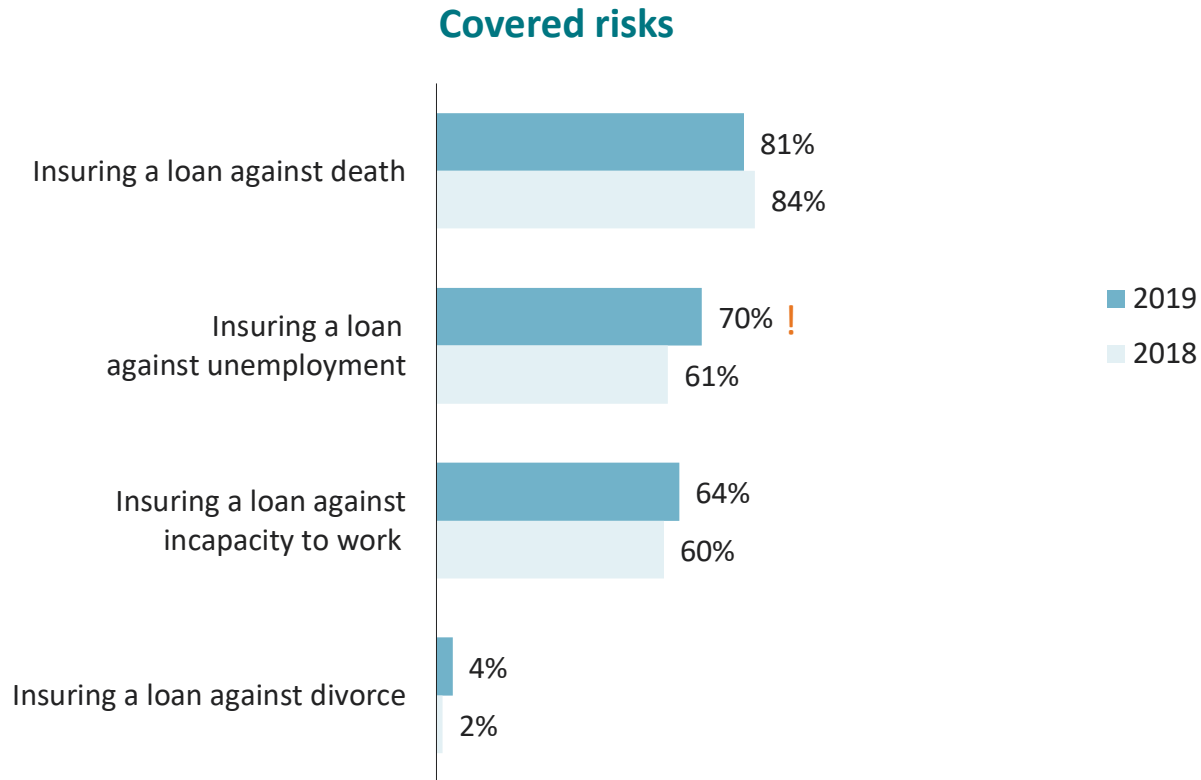
Q13: How satisfied are you overall with your payment protection insurance?

Basis: Instalment loan users with payment protection insurance





**Insuring a loan against death is the most frequently covered risk. Insuring a loan against unemployment became more important compared to the previous year.**



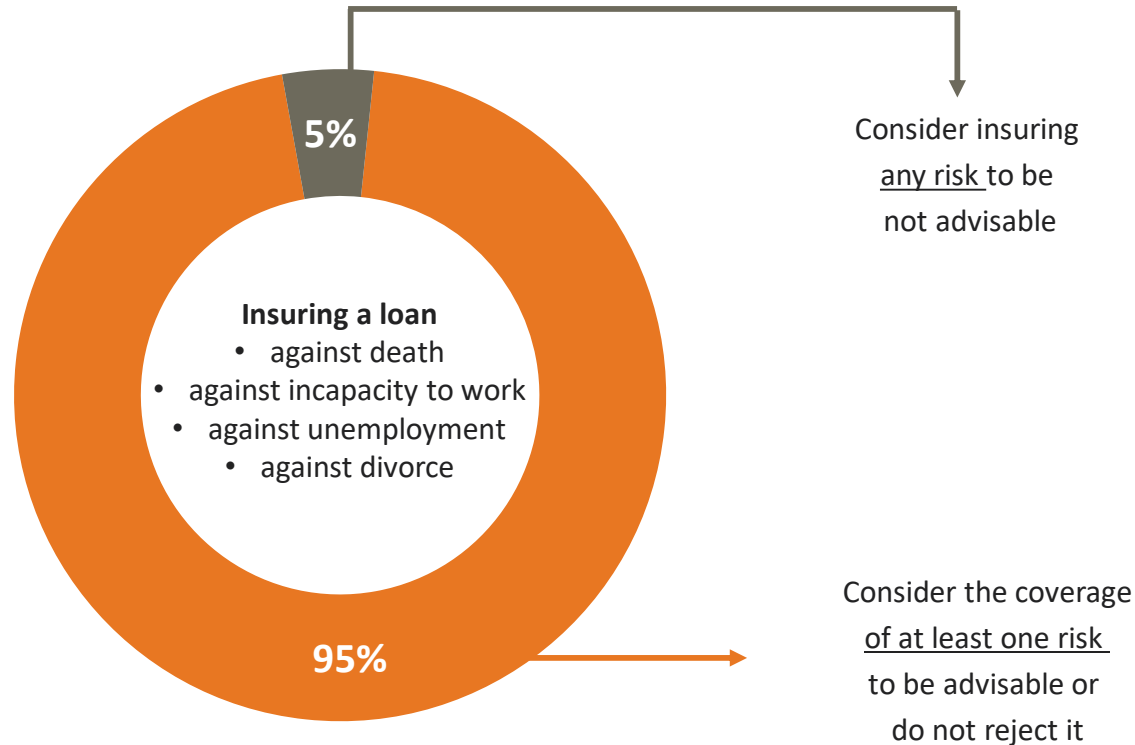
Q12: What risks does your payment protection insurance cover?

Basis: Instalment loan users with a payment protection insurance 2018 n = 127, 2019 n = 105; multiple answers possible, some tendency statements





# 95% of users of financing products believe that insuring at least one risk is advisable.

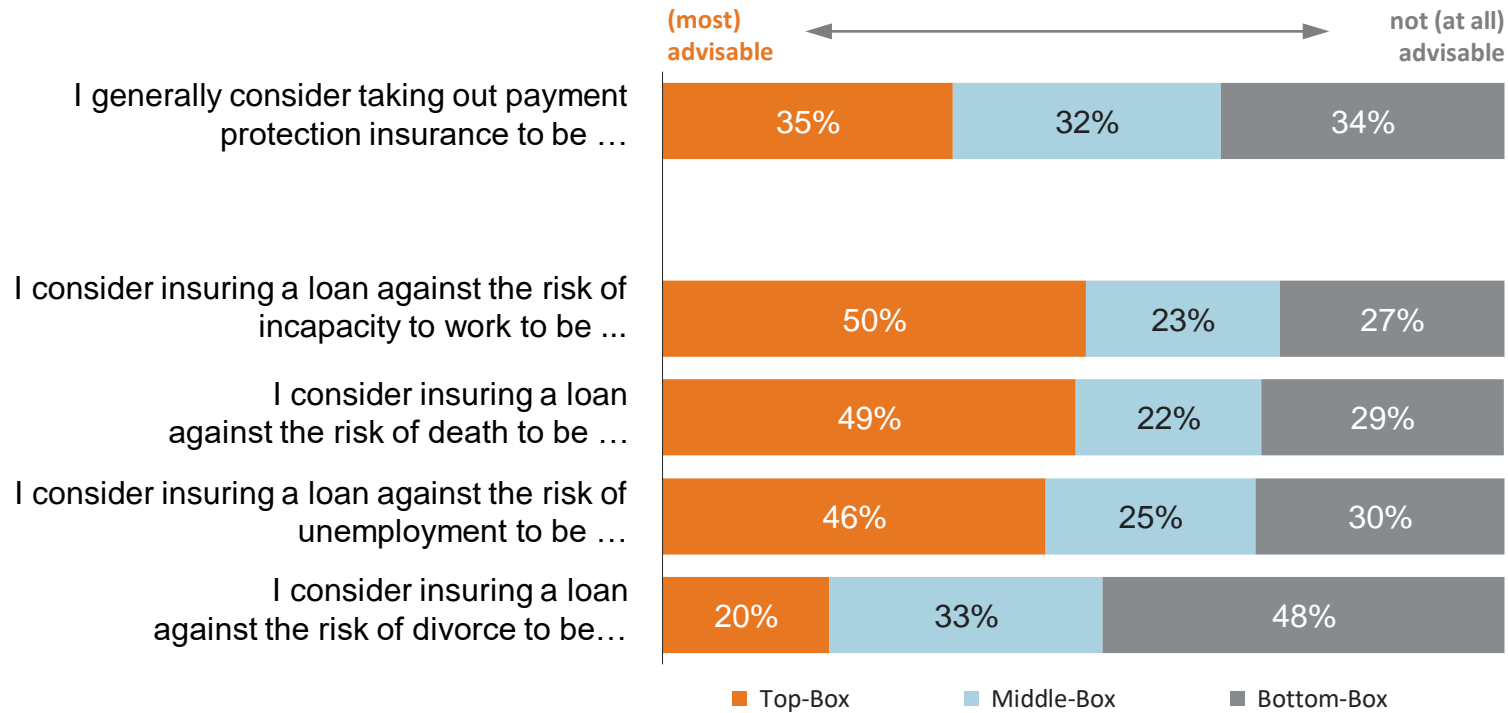


Q14a: How advisable do you think it is to take out payment protection insurance in general, and how advisable do you consider it is to cover the following specific risks with payment protection insurance? Basis: Users of financing products 2019 n = 639





# About half of the users of financing products consider the coverage of incapacity to work, unemployment and death to be advisable.

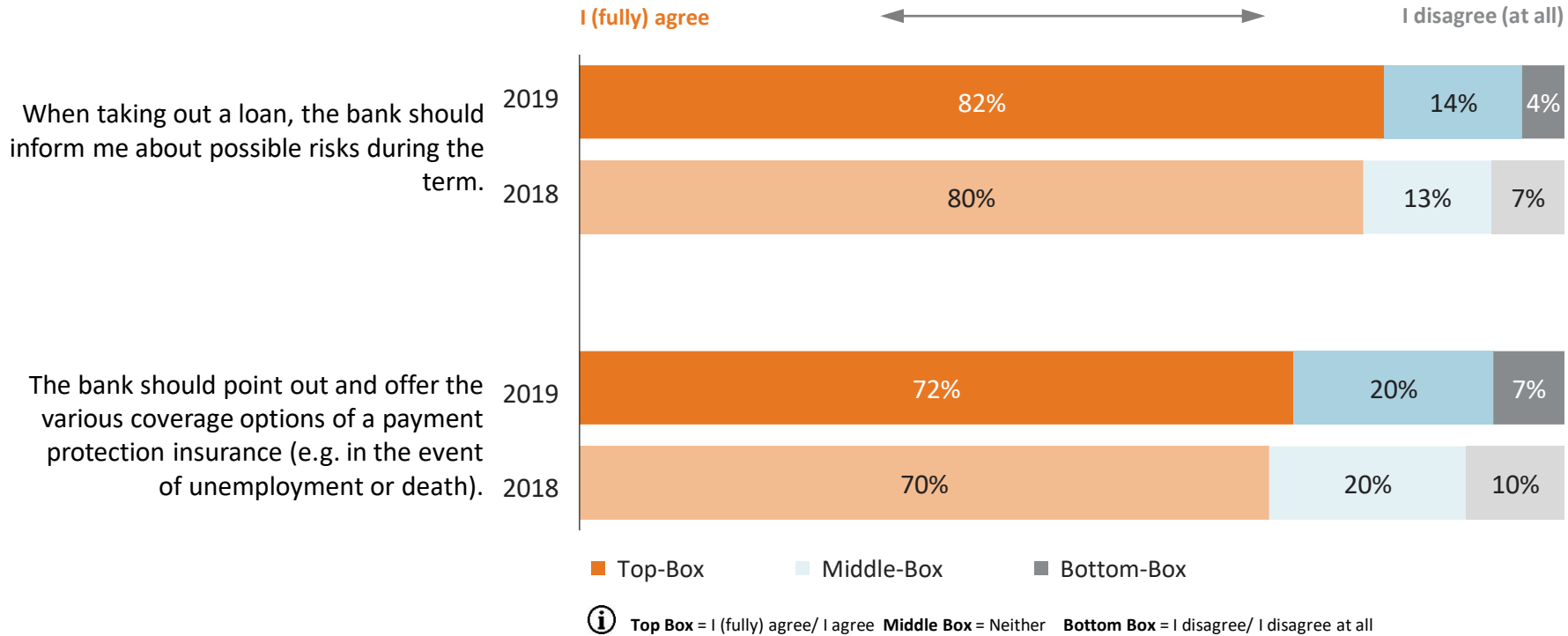


Q14a: How advisable do you think it is to take out payment protection insurance in general, and how advisable do you consider it is to cover the following specific risks with payment protection insurance? Basis: Users of financing products n = 638





# The vast majority of consumers wants to be informed about the risks during the term and the various coverage options when taking out a loan.



Q14c: How do you rate payment protection insurance in general in terms of the following aspects?  
 Basis: All respondents n = 1,858



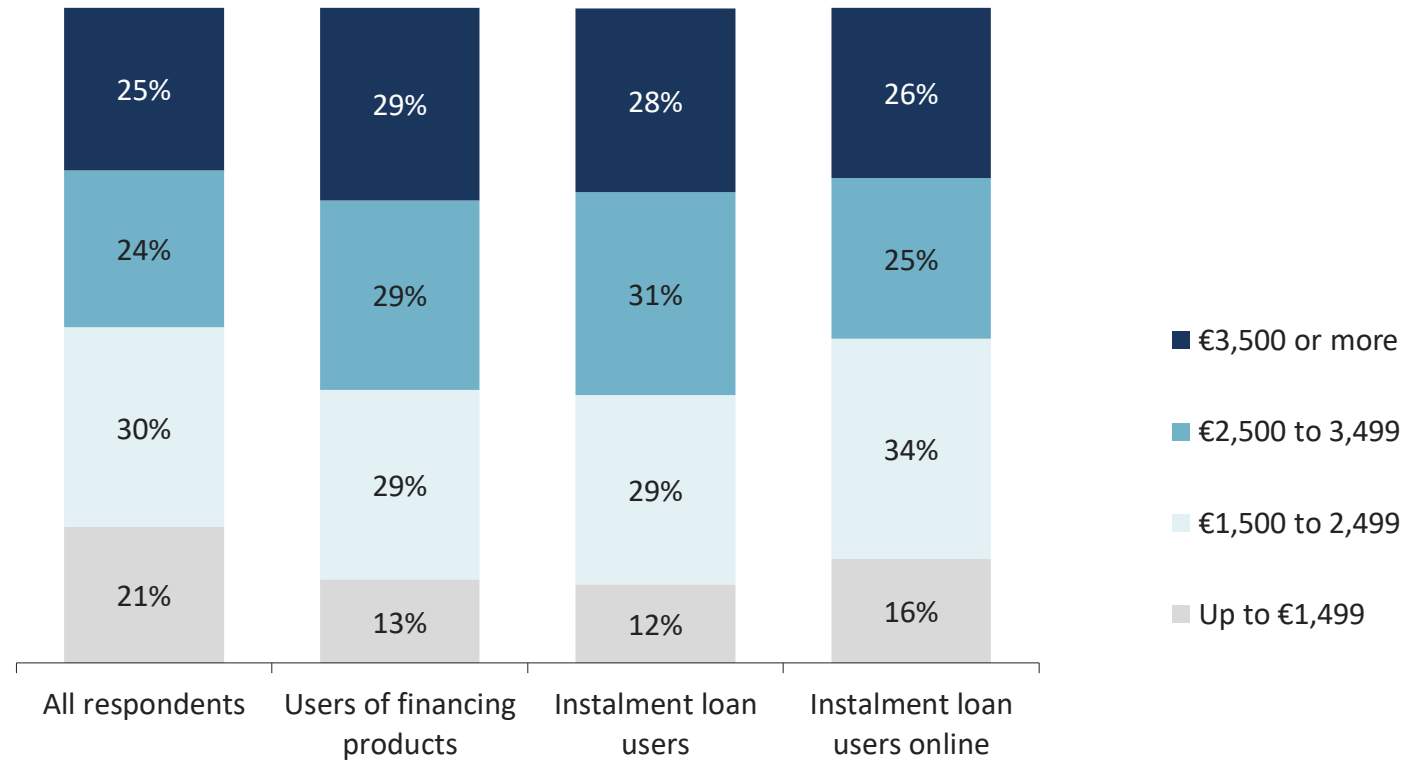


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# Net household income



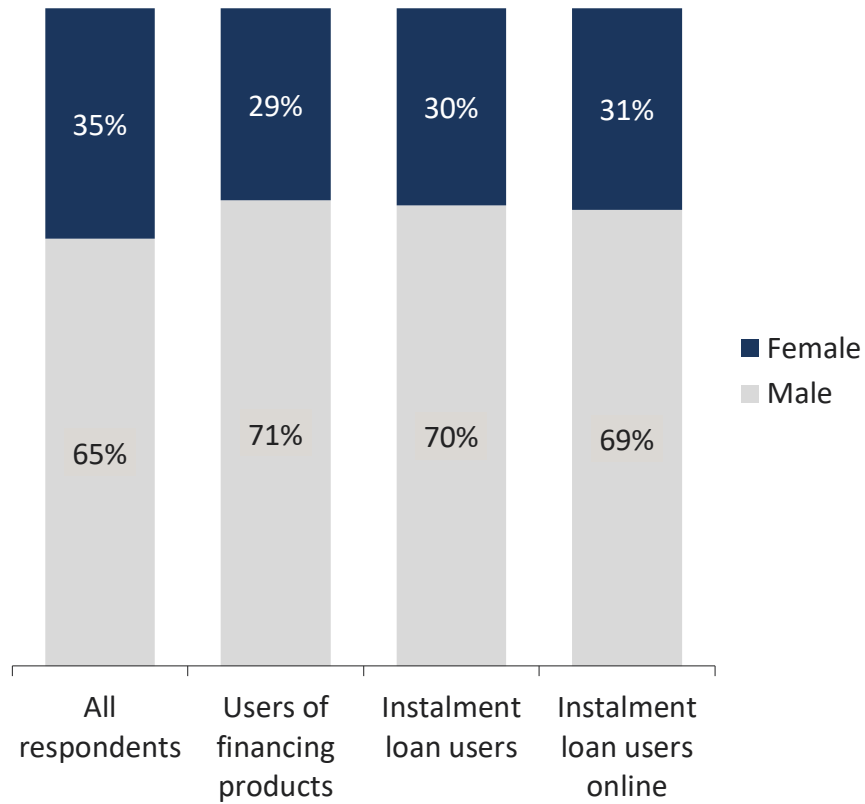
Basis: All respondents n = 1,869, Users of financing products n = 639, instalment loan users n = 486, instalment loan users online n = 87



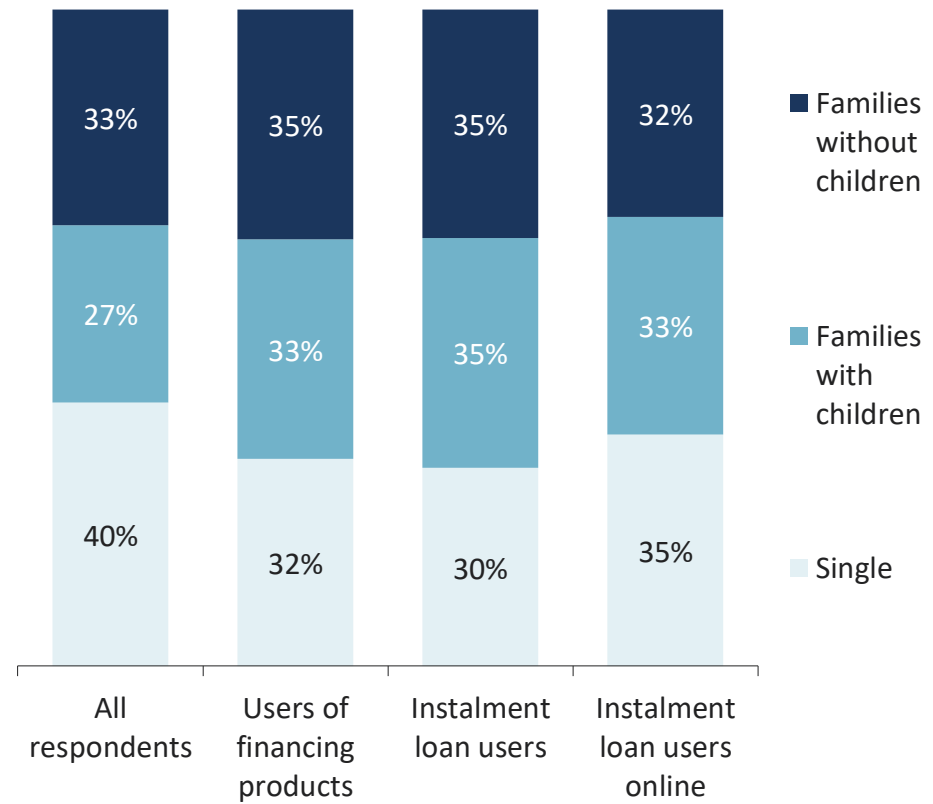
# Gender and marital status



**Gender of head of household**



**Life cycle type**

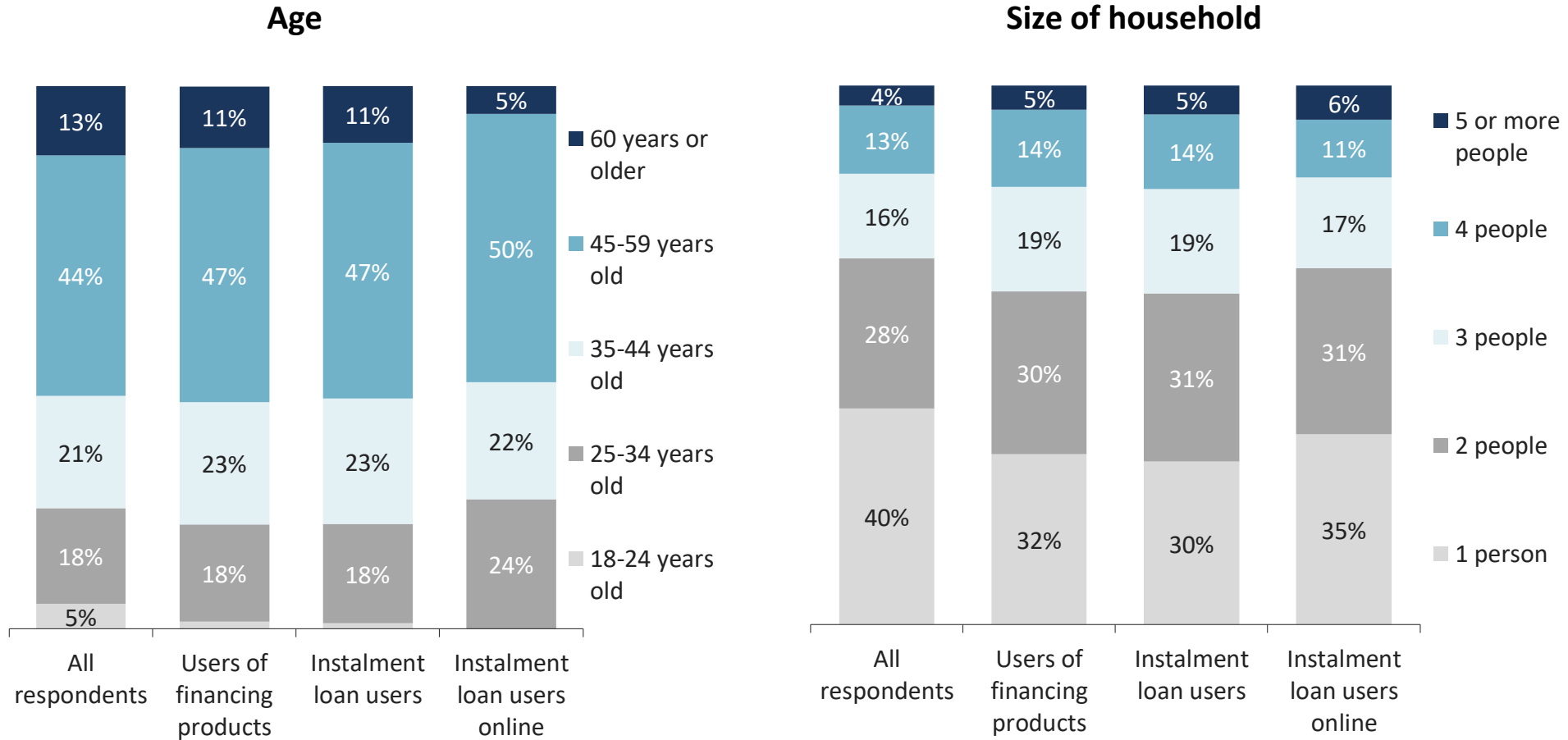


Basis: All respondents n = 1,869, Users of financing products n = 639, Instalment loan users n = 486, Instalment loan users online n = 87





# Age and size of household

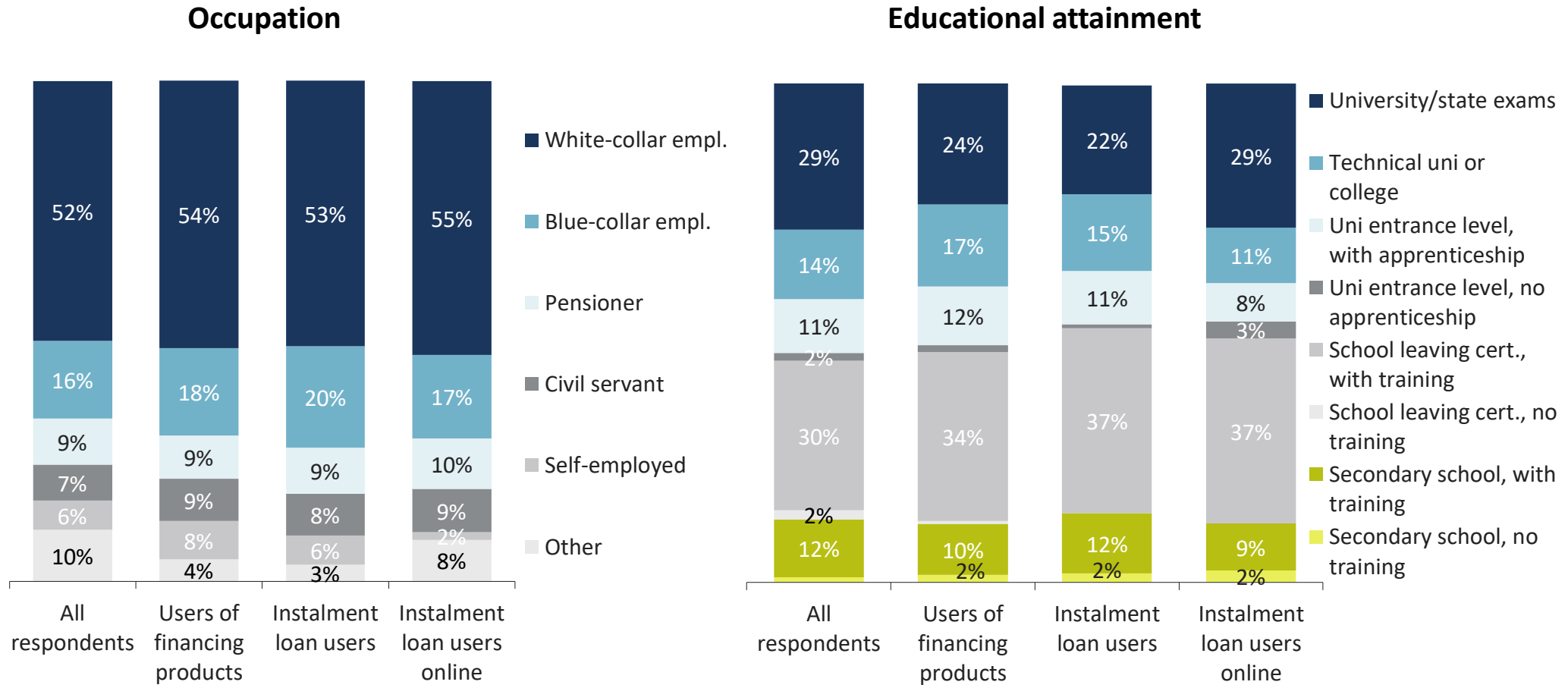


Basis: All respondents n = 1,869, Users of financing products n = 639, Instalment loan users n = 486, Instalment loan users online n = 87





# Occupation and educational attainment



Basis: All respondents n = 1,869, Users of financing products n = 639, Instalment loan users n = 486, Instalment loan users online n = 87



# Background of the study



The members of the Bankenfachverband (German Association of Credit Banks) finance consumer goods and commercial investments, the larger share being comprised of car financing.

The purpose of this study is to provide information regarding various forms of financing, consumer attitudes as well as actual consumer behavior in relation to the use of consumer credits for 2019.

One particular focus of this will be private car financing.

Other aspects surveyed include attitudes towards loans and intentions to use as well as detailed results about payment protection insurance, financing in retail trade, online loan agreements and mobility services.



# Case numbers



<b>ALL RESPONDENTS</b> ↓	n=1,869 all respondents
<small>in detail:</small> <b>USERS OF FINANCING PRODUCTS</b> ↓	n=639 all respondents who use at least one form of financing
<small>in detail:</small> <b>INSTALMENT LOAN USERS</b>	n=486 all respondents who use at least one instalment loan
<b>CAR OWNERS</b>	n=1,605 all respondents who own at least one car
<b>CAR OWNERS (WITH FINANCING)</b>	n=557 all respondents who are car owners and who have financed at least one of their cars
<b>CAR OWNERS (WITHOUT FINANCING)</b>	n=1,048 all respondents who are car owners but who did not use financing



## ABOUT IPSOS

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Ipsos is the number 3 worldwide in the market research sector. With a strong presence in 87 countries, Ipsos employs more than 16,000 people and conducts market research in more than 100 countries. Founded in 1975 in Paris, Ipsos is still managed by researchers today. With a positioning as a multi-specialist, a solid group was built up - media and advertising research; marketing research; customer and employee relationship management; social and political research; mobile, online, offline data collection and delivery.

In Germany, Ipsos is present with approx. 750 employees at six locations: Hamburg, Frankfurt, Nuremberg, Munich, Berlin and Mölln.

Ipsos has been listed on the Paris Stock Exchange since 1999.

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## Ipsos buys the GfK Financial Market Panel

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Since 2008, the Bankenfachverband has been conducting studies on consumer and vehicle finance together with GfK.

In October 2018, for strategic reasons, GfK withdrew from four custom research business units.

The four divisions Experience Innovation, Customer Experience, Health and Public Affairs with around 1,000 employees in 25 countries were taken over by Ipsos.

The units acquired by Ipsos also include the GfK Financial Market Panel and its support team, which is also responsible for carrying out and analyzing the market study "Consumer and Vehicle Financing in Germany".

The survey will continue to be conducted using the same method in the GfK Household Panel in order to ensure a stable database and maximum comparability.





# Contact



**Stephan Moll**

Head of Market and PR  
Bankenfachverband e. V.  
Tel. +49 30 2462596 14  
stephan.moll@bfach.de



**Robert Kraus**

Manager  
Ipsos GmbH  
Tel. +49 911 32153 3295  
robert.kraus@ipsos.com

