

# Market Study 2014 – Investment Financing

Between low interest rates and social media: How companies today make their investment decisions



**TNS Infratest**

Market Study 2014 – Investment Financing – on behalf of the Bankenfachverband e.V.

© TNS Oktober 2014

# Contents

■ <b>Management summary</b>	Page 3
■ Financing partners	Page 5
■ Forms of financing	Page 9
■ Decision behaviour	Page 13
■ Cooperation with credit banks	Page 18
■ Study design	Page 22

# The challenge



## Insights

**Credit banks** are the **most important financing partners** for financing movable investment objects (Slide 6).

The share of **external financing** will increase for each investment object in the future (Slide 11).

**Social media** do not play a significant role for requesting information (Slides 13). A quarter of companies has a positive attitude to **concluding agreements online** (Slide 15).

**The criteria for making a decision on a financing partner** include favourable terms and above all cooperation based on trust and expert advice (Slide 14).

The majority of companies that are already working with a **credit bank** want to continue to do so in the future too, because of the fact the cooperation works well and processing is fast and uncomplicated (Slides 19,20).

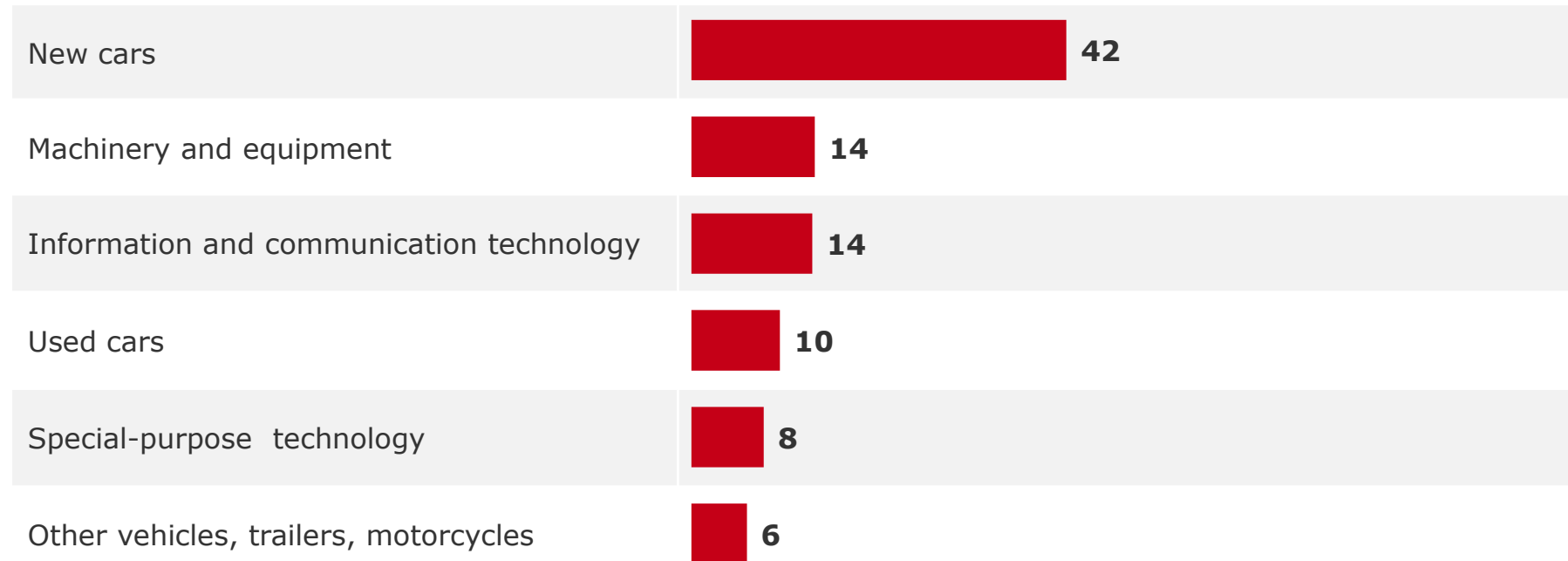
# Contents

■ Management summary	Page 3
■ <b>Financing partners</b>	<b>Page 5</b>
■ Forms of financing	Page 9
■ Decision behaviour	Page 13
■ Cooperation with credit banks	Page 18
■ Study design	Page 22

# Investment objects financed

New cars are currently the most frequently financed movable investment objects.

*Proportion of companies currently financing the respective objects; in percent*



Question 2: Which of the following objects are you currently financing via a commercial bank or credit bank?

Basis: All respondents (n=500); multiple answers possible; details in %

# Cooperation with financial institutions and credit banks

Credit banks play the most important role in the financing of movable investment objects.

*Cooperation with banks and credit banks in the financing of movable investment objects*

	Total (n= 500)	Small companies (n= 249)	Medium-sized companies (n= 155)	Large companies (n= 96)
Credit banks (net*)	41	41	49	57
Savings banks (net*)	8	9	14	12
Cooperative banks (net*)	10	10	13	12
Big banks (net*)	4	4	1	15
Other providers (net*)	12	13	17	30

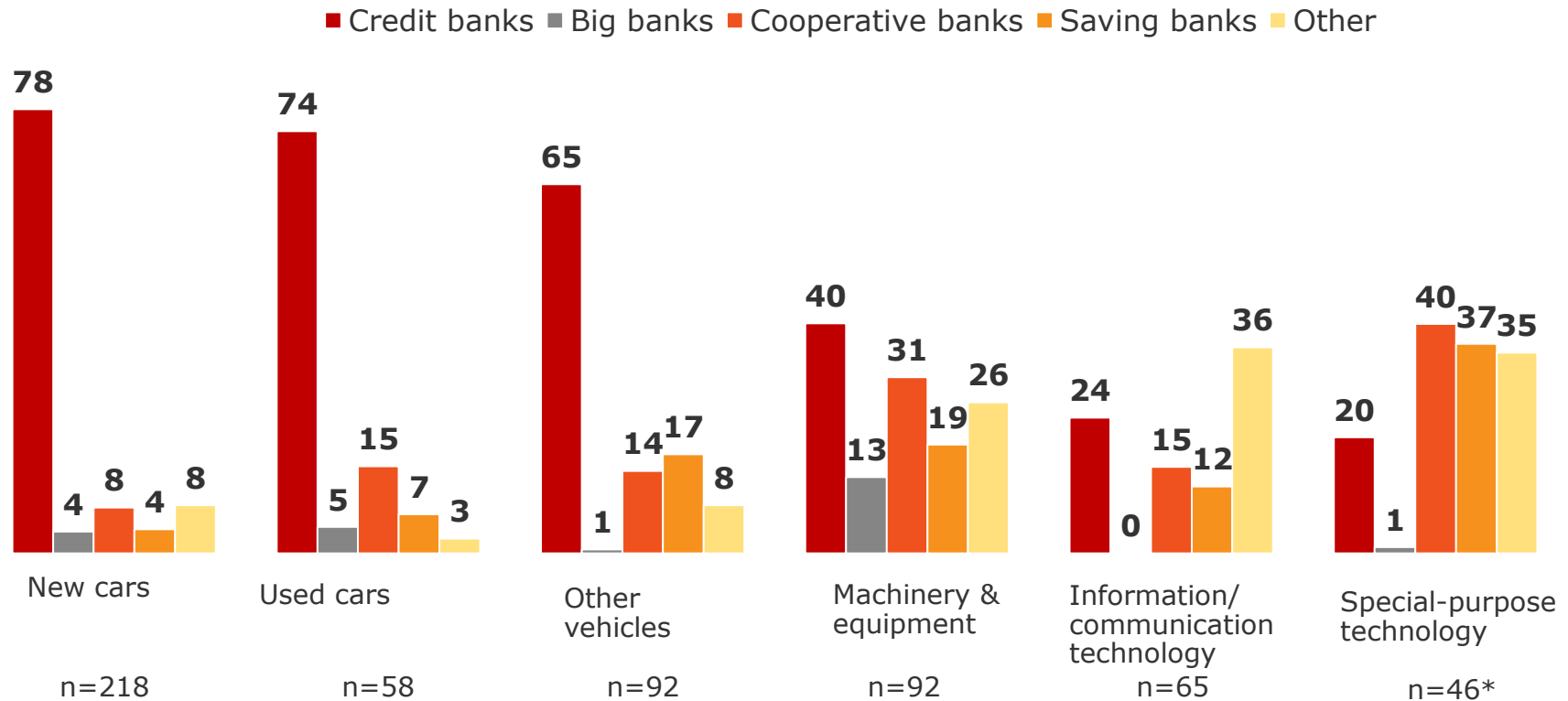
Question 3: And which commercial banks or credit banks are you currently working with for the financing of investment objects? \*Net total: when there are multiple answers, every respondent is only entered once in the result of the respective category; NB: some companies are simultaneously working with several providers in the respective category

Basis: All respondents (n=500); results weighted by turnover and sector; details in %

# Investment objects financed

When financing vehicles in particular, companies primarily resort to credit banks as financing partners.

*Financers used according to object financed; in percent*



Question 3: And which commercial banks or credit banks are you currently working with for the financing of investment objects?

Basis: All respondents that are using external financing for the respective objects; \*due to the small sample size only a statement on the trend is possible; multiple answers possible; details in %

# Contents

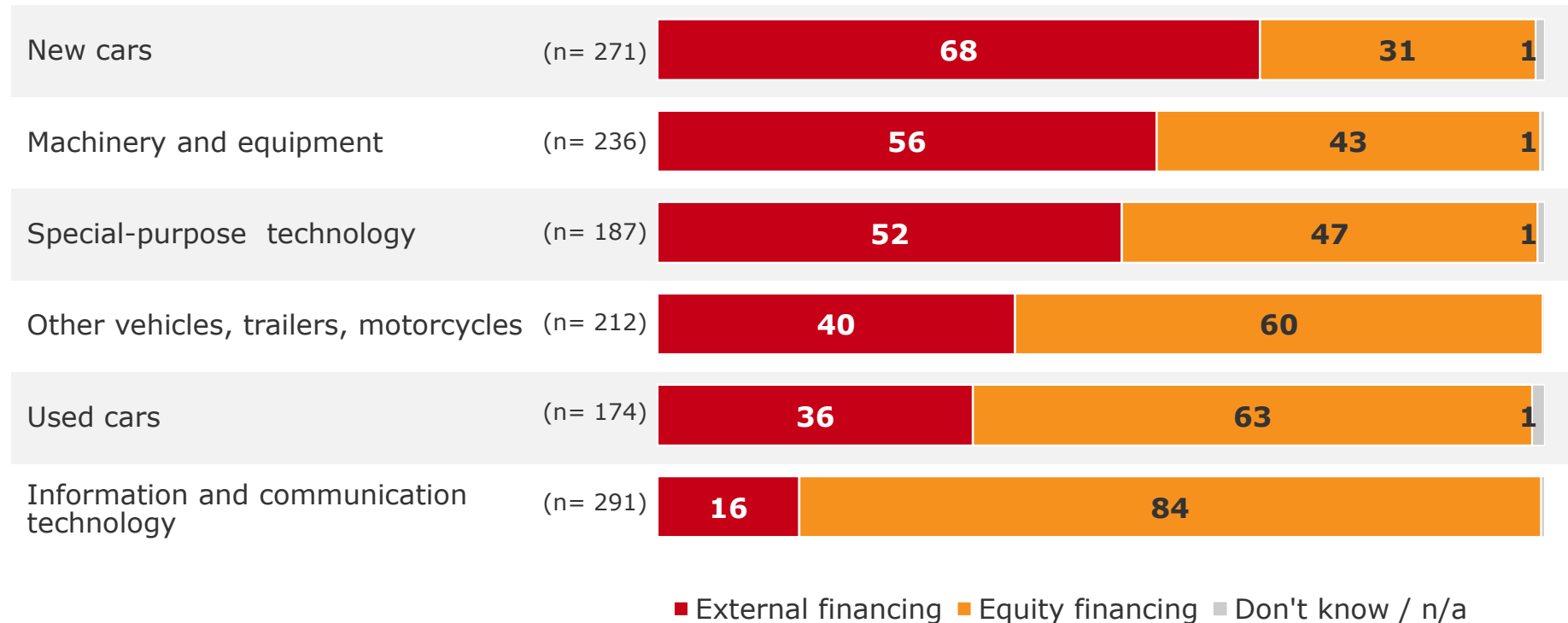
■ Management summary	Page 3
■ Financing partners	Page 5
■ <b>Forms of financing</b>	<b>Page 9</b>
■ Decision behaviour	Page 13
■ Cooperation with credit banks	Page 18
■ Study design	Page 22



# Forms of financing

The proportion of equity financing is lowest of all for new cars.

*External financing vs. equity financing according to the object financed*



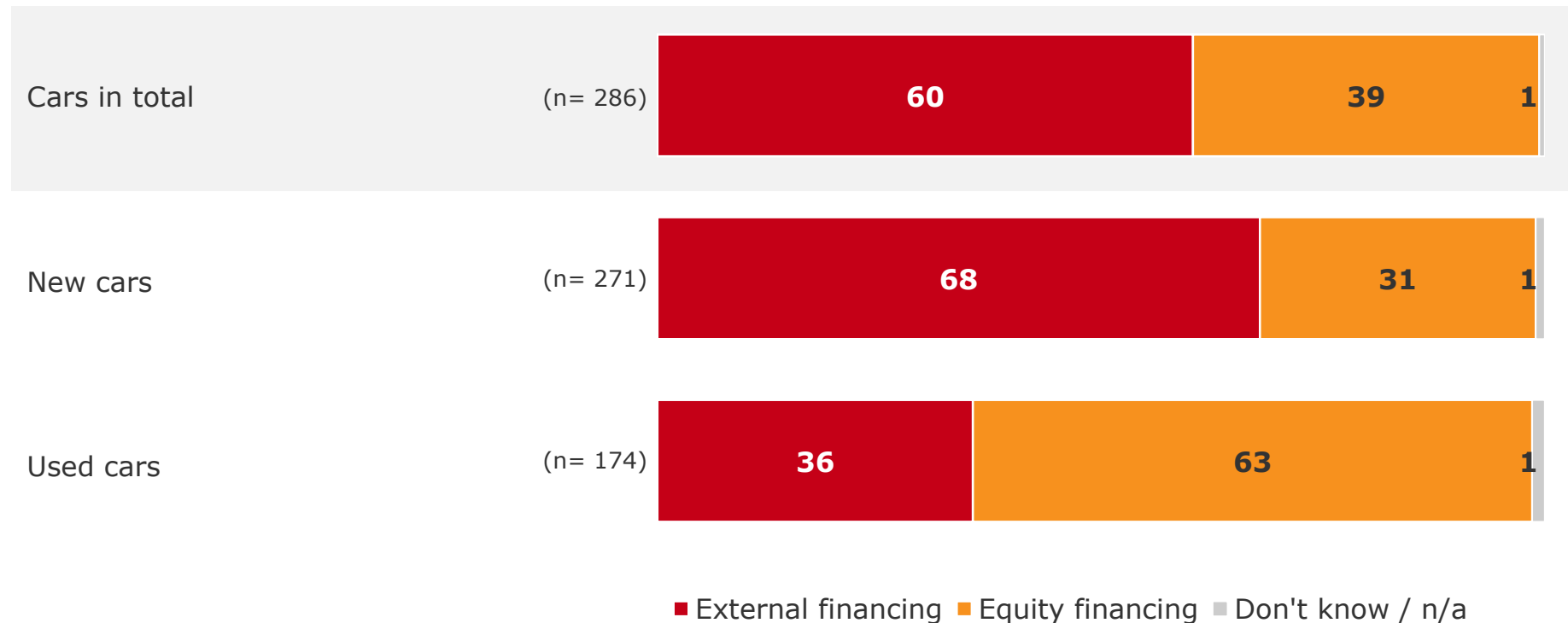
Question 13: I am now going to read out a number of objects that can be financed. Please tell me for each of them whether you are most likely to finance them via credit, leasing, hire, hire purchase or from equity.

Basis: Respondents who are financing the respective objects; details in %

# Proportion of cars financed

Companies use external financing for around three out of five cars.

*External financing vs. equity financing for cars*



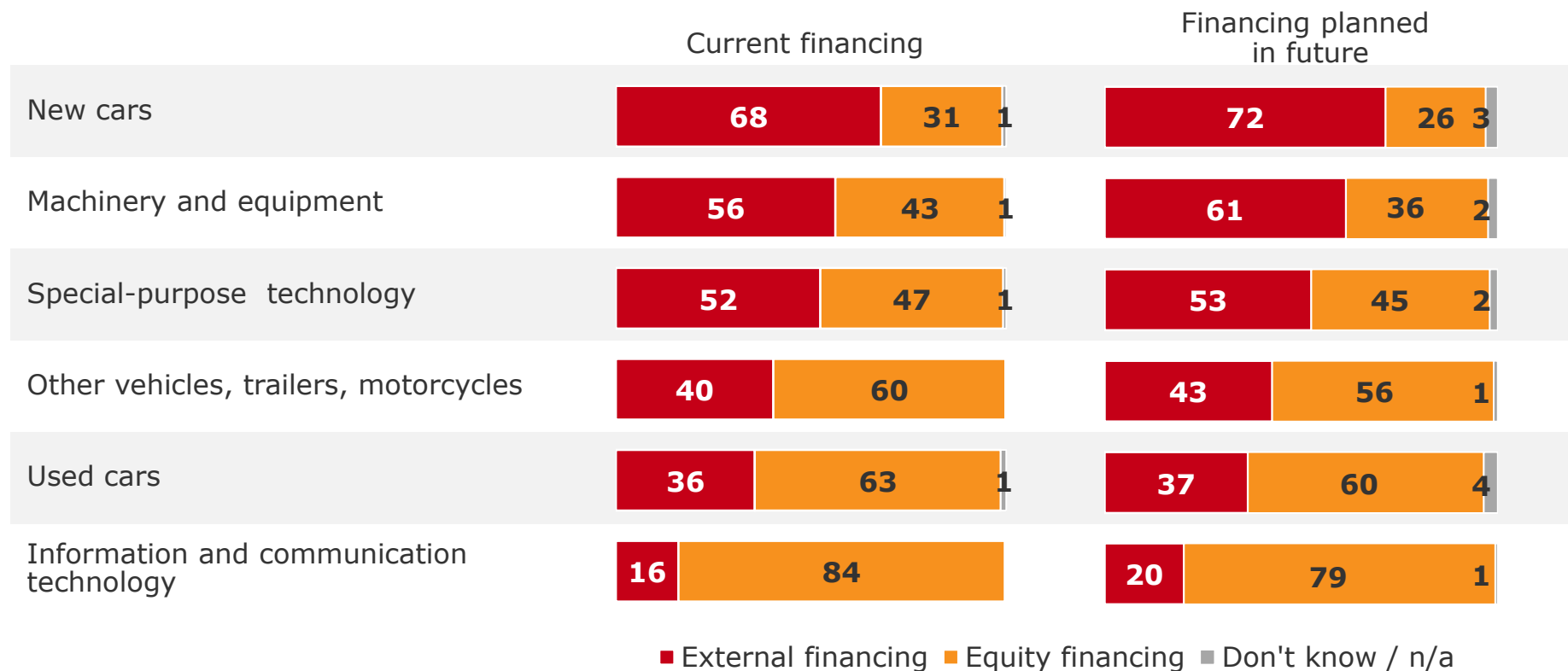
Question 13: I am now going to read out a number of objects that can be financed. Please tell me for each of them whether you are most likely to finance them via credit, leasing, hire, hire purchase or from equity.

Basis: Respondents who are financing new cars and used cars; details in %

# Future development of forms of financing

In the future companies plan to make greater use of external financing above all for machinery and equipment.

*External financing vs. equity financing according to the object financed*



Question 13: I am now going to read out a number of objects that can be financed. Please tell me for each of them whether you are most likely to finance them via credit, leasing, hire, hire purchase or from equity.

Question 14: Which form of financing is your company most likely to use to finance the objects used in future?





































Basis: Respondents who are financing the respective objects; details in %

# Contents

■ Management summary	Page 3
■ Financing partners	Page 5
■ Forms of financing	Page 9
■ <b>Decision behaviour</b>	<b>Page 13</b>
■ Cooperation with credit banks	Page 18
■ Study design	Page 22

# Main information channels by company size

Personal channels such as dealers/salespersons are the most important sources of information across all sizes of companies.

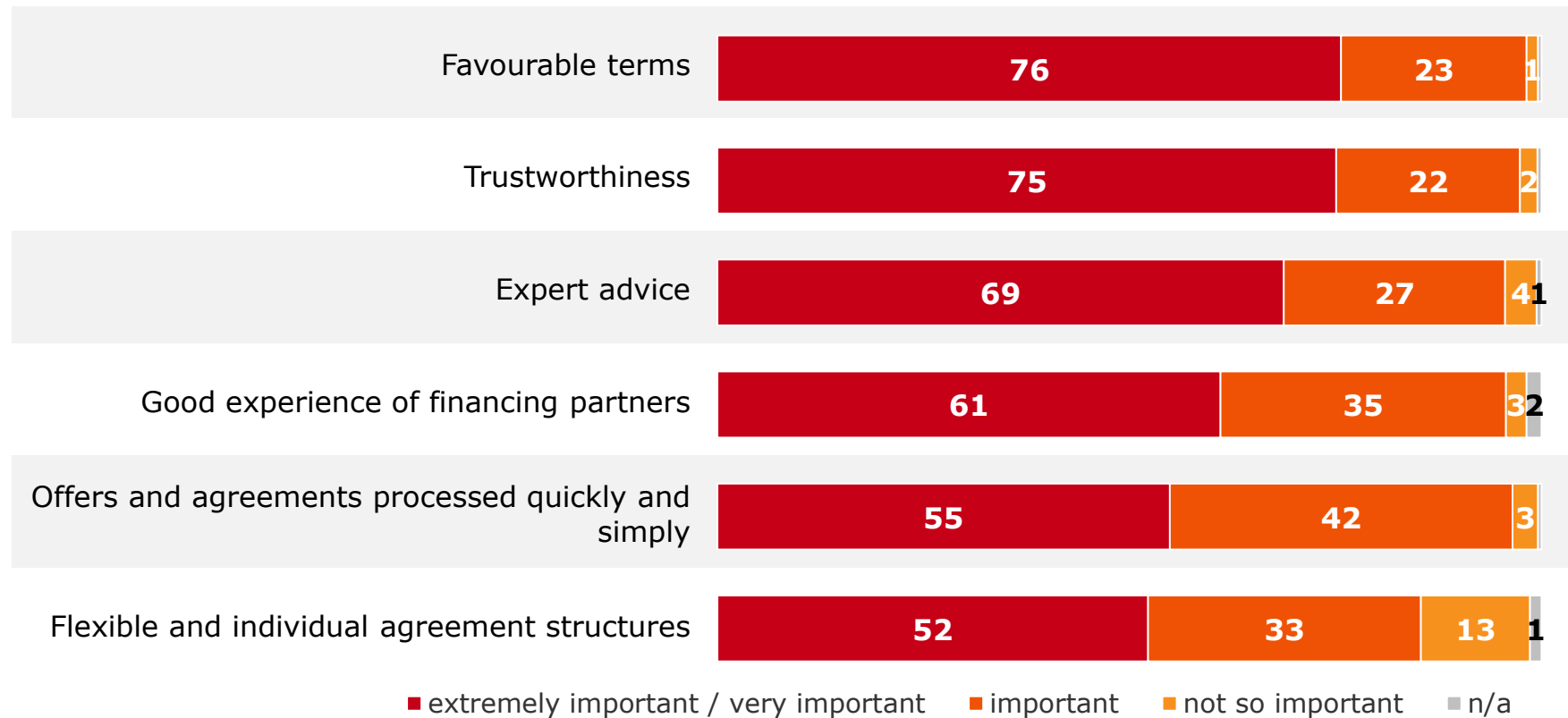
	Total (n= 500)	Small companies (n= 249)	Medium-sized companies (n= 155)	Large companies (n= 96)
Dealer or salesperson	 37	 36	 37	 36
Comparison portals on the Internet	 20	 20	 14	 8
Information enquiries by phone/ e-mail/ fax / letter to the adviser	 15	 16	 7	 10
Bank adviser at the branch	 6	 4	 17	 12
Media such as specialist magazines	 6	 5	 11	 22
Other websites	 6	 6	 3	 0
Bank advisers who visit the company	 2	 2	 0	 6
Bank website	 2	 2	 0	 2
Exchanges via social media or online networks	 1	 2	 0	 0

Question 17: And which is your most important source of information, i.e. which of the information channels mentioned do you use most frequently to search for information?

Basis: All respondents (n=500); results weighted by turnover and sector; details in %

# Decision making criteria

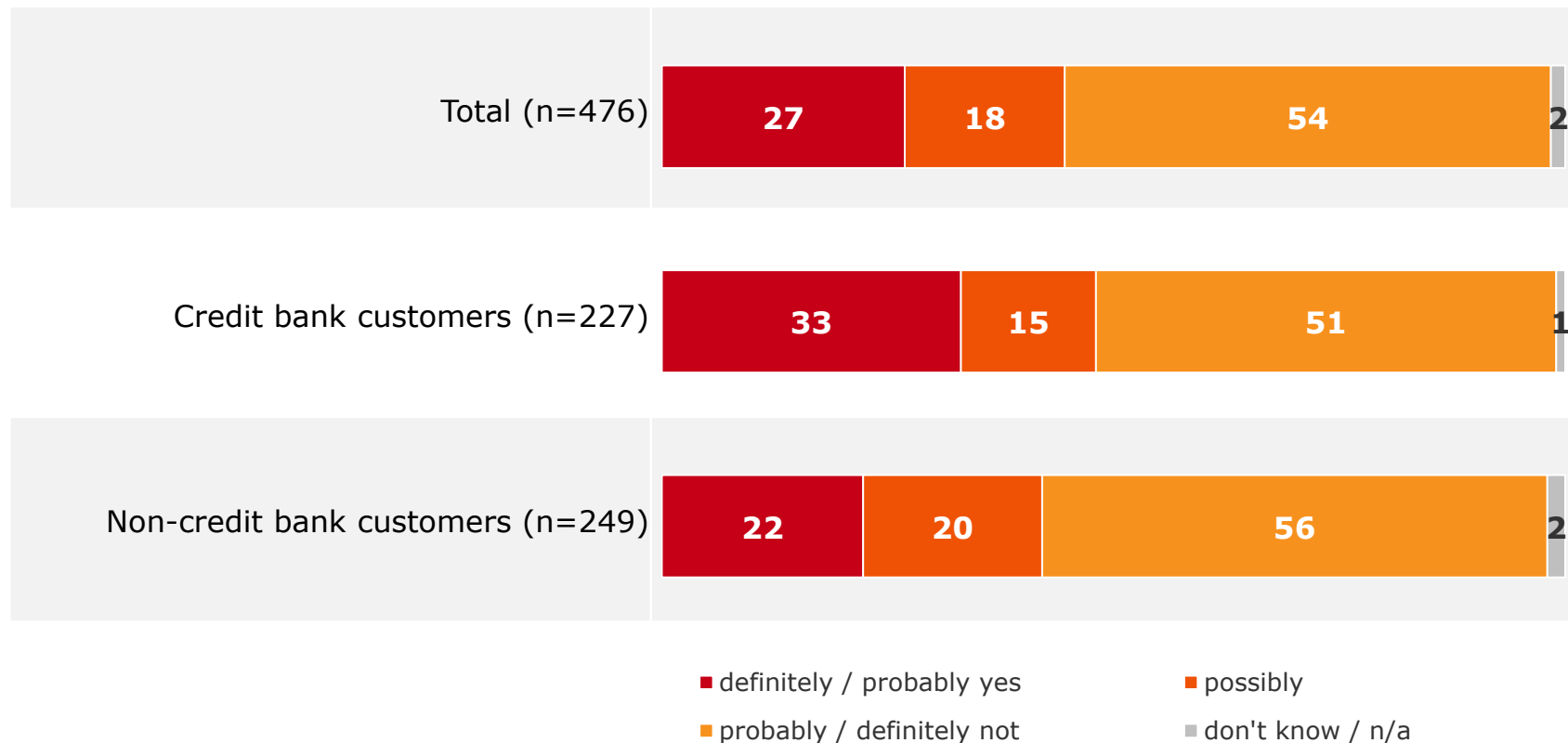
For three out of four companies, as well as favourable terms above all the trustworthiness of the bank plays a role.



Question 21: I am now going to read you some different aspects that can also be important when selecting a financing partner. Please tell me how important these aspects are to you when you are selecting a financing partner.  
Basis: All respondents (n=500); details in %

# Interest in concluding a financing arrangement online

One in four customers is very open-minded about concluding a financing arrangement online.

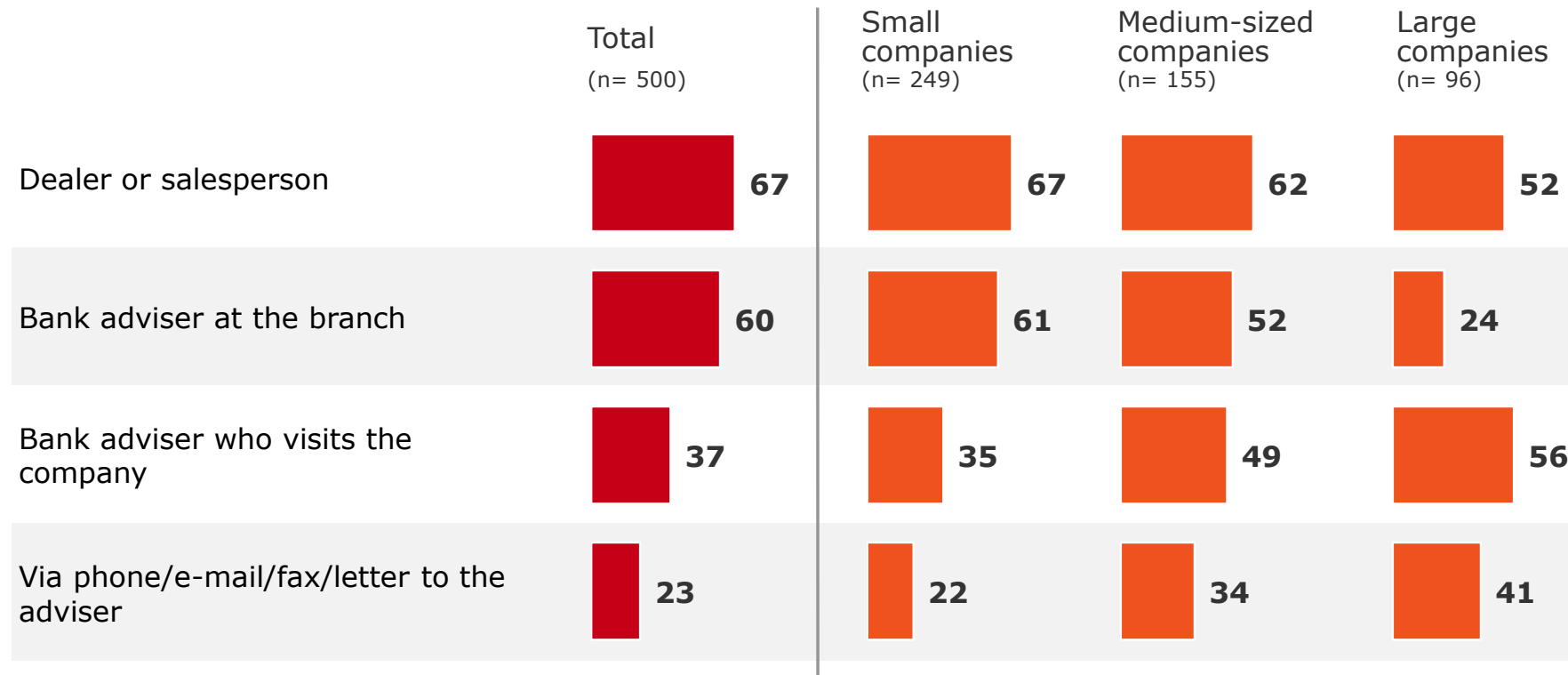


Question 28: Assume you had the opportunity of concluding your financing arrangement online. Could you imagine this in principle?  
Basis: All respondents; details in %

# Channels for contracts

Small and medium-sized companies mainly conclude their financing via salesperson. Large ones prefer a bank adviser to visit their company.

*Channels used to conclude financing agreements*



Question 27: Now I would like to discuss actually concluding the financing arrangement. Via which channel or channels do you usually conclude your financing arrangements?

Basis: All respondents (n=500); diagram of selected channels for concluding financing arrangements > 10%; multiple answers possible; results weighted by turnover and sector; details in %

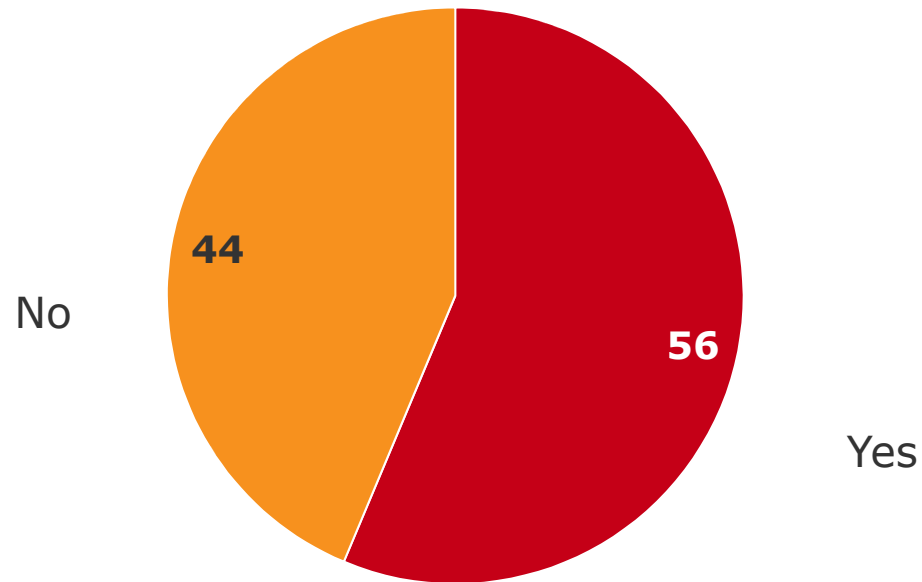


# Contents

■ Management summary	Page 3
■ Financing partners	Page 5
■ Forms of financing	Page 9
■ Decision behaviour	Page 13
■ <b>Cooperation with credit banks</b>	<b>Page 18</b>
■ Study design	Page 22

# Previous cooperation with the credit bank

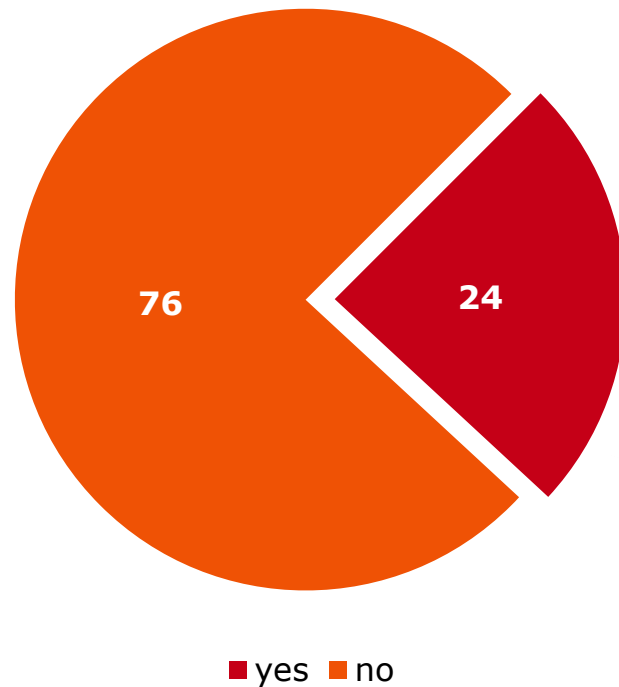
More than half of companies have already maintained a longer business relationship with the credit bank used.



Question 7: Had you already worked with the [credit bank] before your current financing?  
Basis: Companies with financing for investment objects with credit banks (n=209); details in %

# Reasons for credit bank

Individual mentions: further reasons for financing from credit banks



"The professionalism of the individual employees – the total package, whether the terms were right and whether we could work with one another personally."

"Trust, personal relationship and good experience. That always takes first place for us."

"Because we have already had good experience with the bank. We had a successful and exemplary working relationship previously."

"Very good terms and rapid processing."

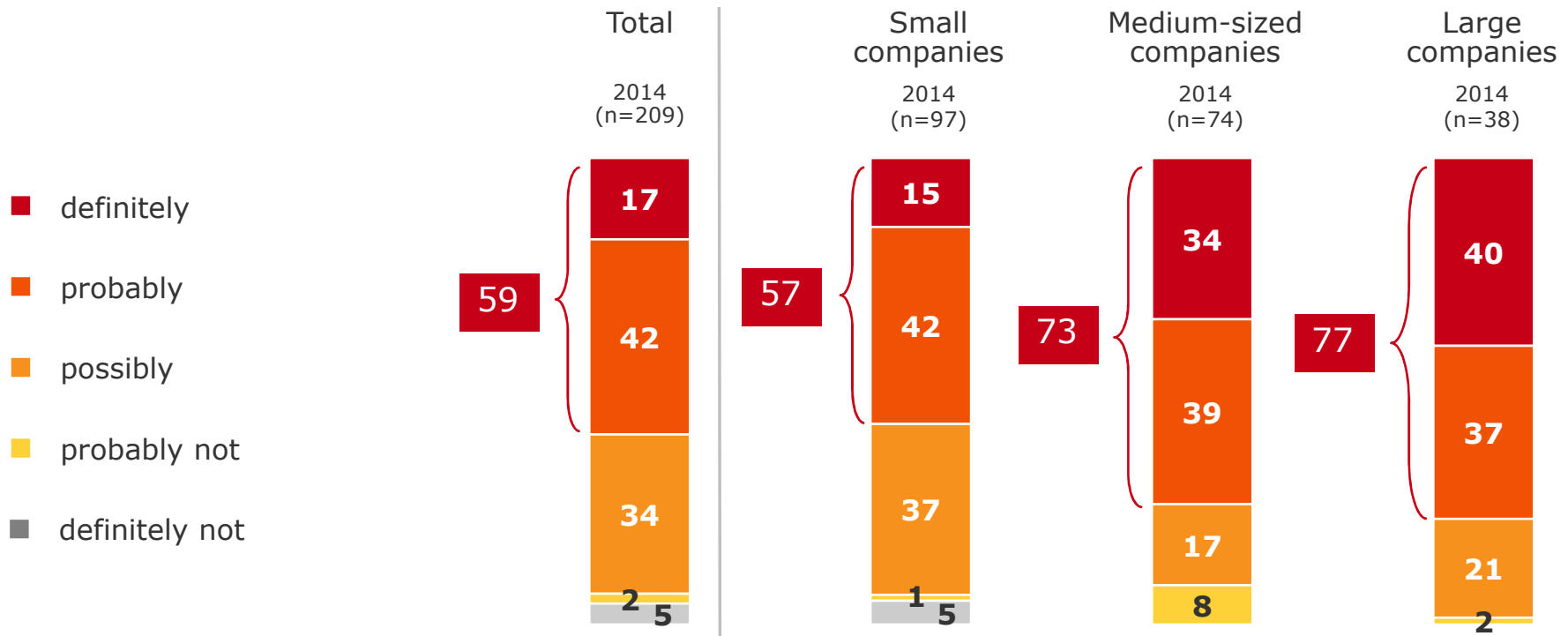
"Simplicity. Product and financing from a single source."

Question 29: Was there anything else that played a role in your decision on requesting financing from the credit bank?

Basis: Credit bank users (n=209); the individual mentions selected represent the breadth of content of the total mentions; details in %

# Future development of cooperation

Six out of ten companies are also highly likely to use further services from a credit bank in future.



Question 8: Will you use further financing and services from the credit bank in future?

Basis: Companies with financing for investment objects with credit banks (n=209); results weighted by turnover and sector; details in %

# Contents

■ Management summary	Page 3
■ Financing partners	Page 5
■ Forms of financing	Page 9
■ Decision behaviour	Page 13
■ Cooperation with credit banks	Page 18
■ <b>Study design</b>	<b>Page 22</b>

# Study design

**Objectives/ content:**

- Preparation of an overview of the investment financing market in Germany. Analysis of the attitudes and behaviour of companies with regard to the financing of movable investment objects by means of credit, leasing, hire and hire purchase, both overall and with the focus on credit financing.

**Universe:**

- Small and medium-sized companies (SMEs), large companies and self-employed persons in Germany

**Sample:**

- Sample disproportionally stratified by class of turnover size and sector; 500 interviews in total

**Survey method:**

- Telephone survey (CATI – Computer Assisted Telephone Interview), average interview length: 20 minutes

**Survey period:**

- 22.07. - 25.08.2014

**Comparisons over time:**

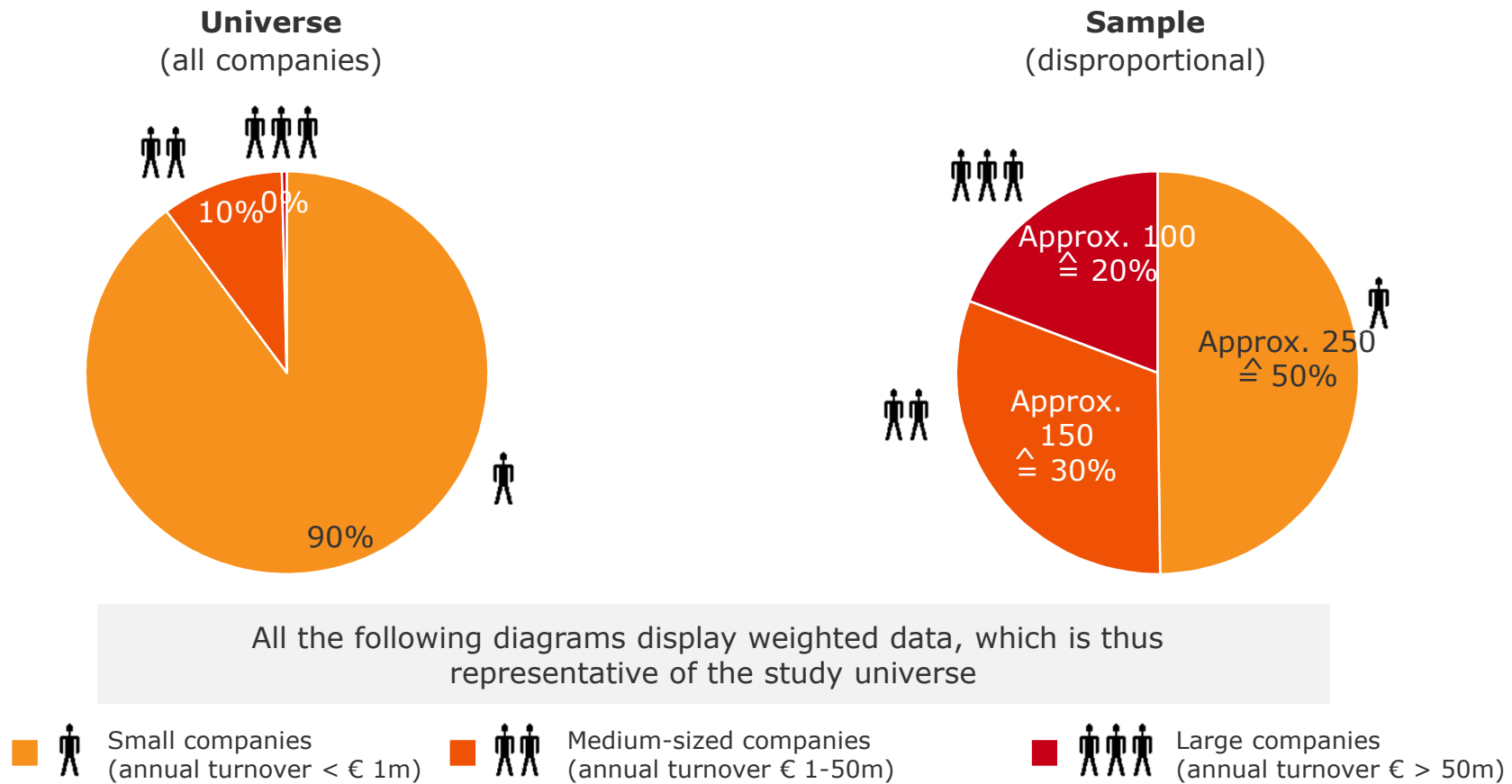
- The study has already been undertaken in 2009 and 2011. In 2014 the study design was modified; comparisons over time are possible to a limited extent and can be found in the Appendix as statements on trends.

**Rounding of values:**

- Discrepancies from 100% throughout the report are due to rounding differences.

# Study design

## Universe and sample



Source: Federal Statistical Office 2011/ASE 2010; details in %

# Study design

## Overview of credit banks specialised in investment financing

- abcbank
- akf bank
- AUMA KREDITBANK
- Bank Deutsches Kraftfahrzeuggewerbe
- Bank11
- Banque PSA FINANCE
- Barclaycard Barclays Bank
- BMW Bank
- BNP PARIBAS LEASE GROUP
- Brühler Bank
- CB Bank
- Commerz Finanz
- CreditPlus Bank
- CRONBANK
- Deutsche Leasing Finance
- DZB BANK
- FFS Bank
- FGA Bank
- Ford Bank
- GE Capital Bank
- GEFA
- GMAC Bank
- Honda Bank
- IBM Kreditbank
- Ikano Bank
- Iveco Finance
- Mercedes-Benz Bank
- MKB Mittelrheinische Bank
- MKG Bank
- NordFinanz Bank
- RCI Banque
- Santander Consumer Bank
- TARGOBANK
- TeamBank
- TEBA Kreditbank
- TOYOTA KREDITBANK
- TRUMPF Financial Services
- UniCredit Leasing Finance
- Volkswagen Bank
- Von Essen
- VR Diskontbank



# Contacts

## Contact at Bankenfachverband e.V.

Stephan  
Moll

Head of Market and PR  
Tel. +49 30 2462596 14  
[stephan.moll@bfach.de](mailto:stephan.moll@bfach.de)

## Contacts at TNS Infratest

Mark  
Lammers

Associate Director / Team Leader  
Technology & Financial Services  
Tel. +49 521 9257 673  
[mark.lammers@tns-infratest.com](mailto:mark.lammers@tns-infratest.com)

Silke  
Henning

Consultant  
Technology & Financial Services  
Tel. +49 521 9257 676  
[silke.henning@tns-infratest.com](mailto:silke.henning@tns-infratest.com)