

## **Customer Satisfaction with Auto Financing Key to Brand Choice and Loyalty in China, J.D. Power Finds**

### Toyota Motor Finance (Lexus) and Chery Motor Finance Rank Highest in Premium and Non-Premium Segments, Respectively

**SHANGHAI: 5 July 2018** — Although auto financing is not yet a decisive reason for consumers in China to buy a vehicle, one-third tend not to choose a certain brand because the dealer staff failed to provide clear or sufficient information on finance services, according to the J.D. Power 2018 China Consumer Auto Financing Sales Satisfaction Study<sup>SM</sup> (CFS), released today.

According to the study, the top three reasons to purchase a vehicle in China include good quality, recommendations by friends or relatives and vehicle performance.

Attractive financing programs have become the key driver for brand loyalty and repurchase, with 30% of customers purchasing the same brand because of such programs. The vast majority (95%) of buyers say they intend to use auto finance again in their next vehicle purchase.

“Even though auto finance’s penetration in China is lower than that in the United States and other developed markets, it is playing an increasingly critical role in driving Chinese consumers’ vehicle purchase decisions,” said **Jacob George, Vice President and General Manager at J.D. Power Asia Pacific**. “The landscape is evolving fast. For OEMs and dealers, the improvement in auto financing services and more experience can help them differentiate in a highly competitive market. That is also becoming an essential driver of customer satisfaction and their own business performance.”

Auto financing is still an underdeveloped, but emerging, business in China. Compared with a penetration of more than 80% in the United States, the study finds that auto financing has a less than 30% penetration in China.

Among those consumers in China who used auto financing to buy a car, 38% say they would have postponed their purchase if auto financing services had not been available. Another 10% indicate they would have not purchased a vehicle at all.

When it comes to choosing a financing provider, dealership salespeople play a critical role in providing information about financing and leasing, and are cited by 19% customers as being “the most helpful” in making the final choice of an auto finance provider, according to the study.

Following are key findings of the 2018 study:

- **In-person interaction still matters:** Consumers love efficiency and convenience brought by digitization but continue to prefer in-person communication during the auto financing application process. Having the assistance of a sales consultant in the financing application process, for example, notably increases satisfaction, generating a score of 811 (on a 1,000-point scale), compared with 785 for mobile app; 779 for official website; and 767 for WeChat official account.

However, when it comes to signing the contract, customers are more satisfied when they sign the digital contract remotely.

- **Customers want to follow along:** The ability for customers to check the terms of their contract with the finance provider has the greatest impact on satisfaction. The ability to track the financing approval process greatly increases satisfaction, to 796, compared with 745 among those who don't know the status.

The 2018 China Consumer Auto Financing Sales Satisfaction Study examines new-vehicle shoppers satisfaction with auto finance providers. This is the first year of this study, which is designed to help understand consumer experiences and their satisfaction levels during the early financing stages, such as initial in-dealership experience, contracting and onboarding service.

The study is based on responses from 9,204 new-vehicle buyers across 71 cities throughout China and was fielded from March through April 2018.

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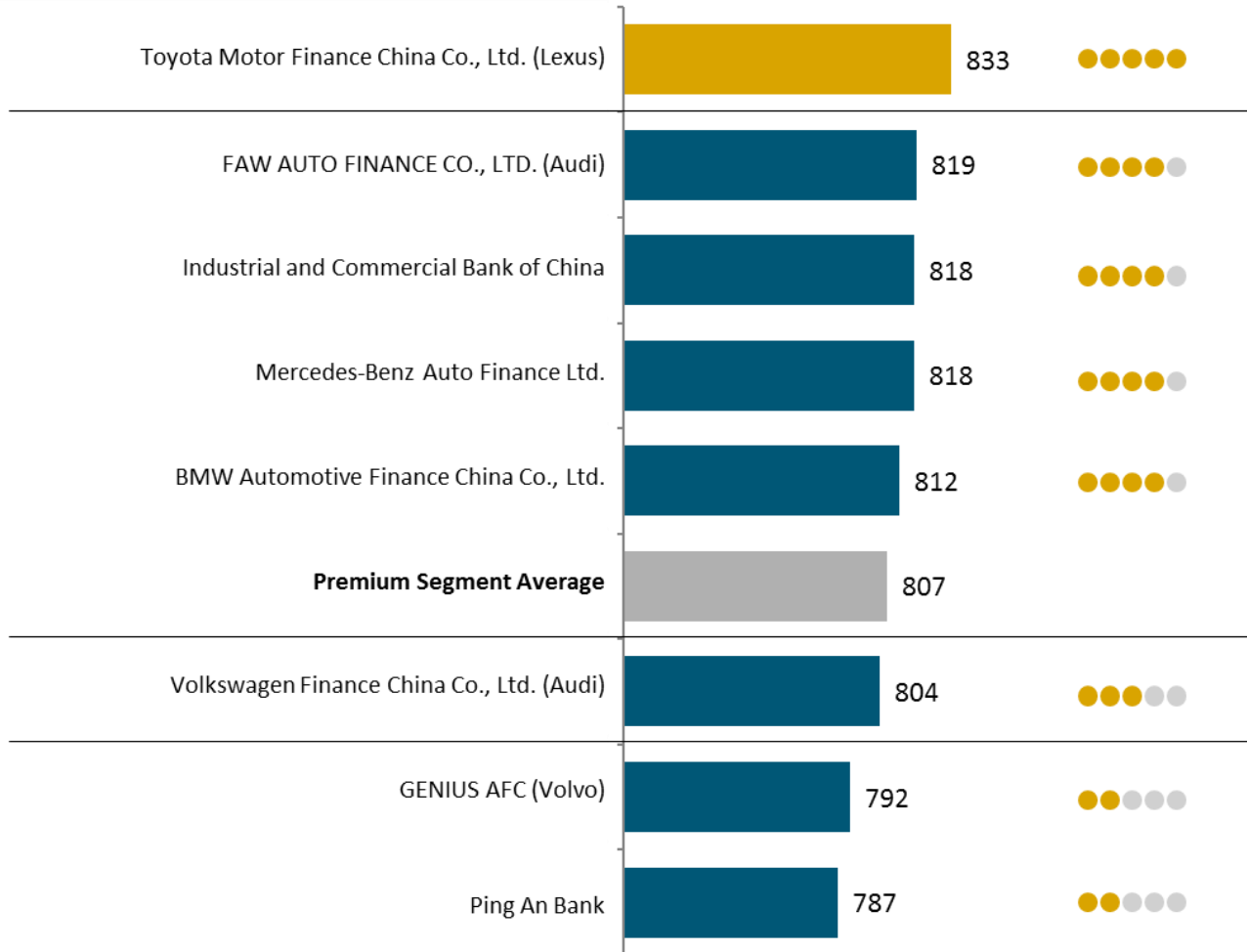
NOTE: Two charts follow.

# J.D. Power 2018 China Consumer Auto Financing Sales Satisfaction Study<sup>SM</sup>

## Premium Segment

(on a 1,000-point scale)

J.D. Power  
Power Circle Rating<sup>TM</sup>



Note: Included in the study but not ranked due to small sample size are BANK OF CHINA, CITIC Bank, Ford Automotive Finance China Limited (Lincoln), Dongfeng Nissan Auto Finance Co., Ltd. (Infiniti), China Merchant Bank, Agricultural Bank of China, China Construction Bank and SAIC-GMAC Automotive Finance Co., Ltd. (Cadillac).

Source: 2018 China Consumer Auto Financing Sales Satisfaction Study<sup>SM</sup>



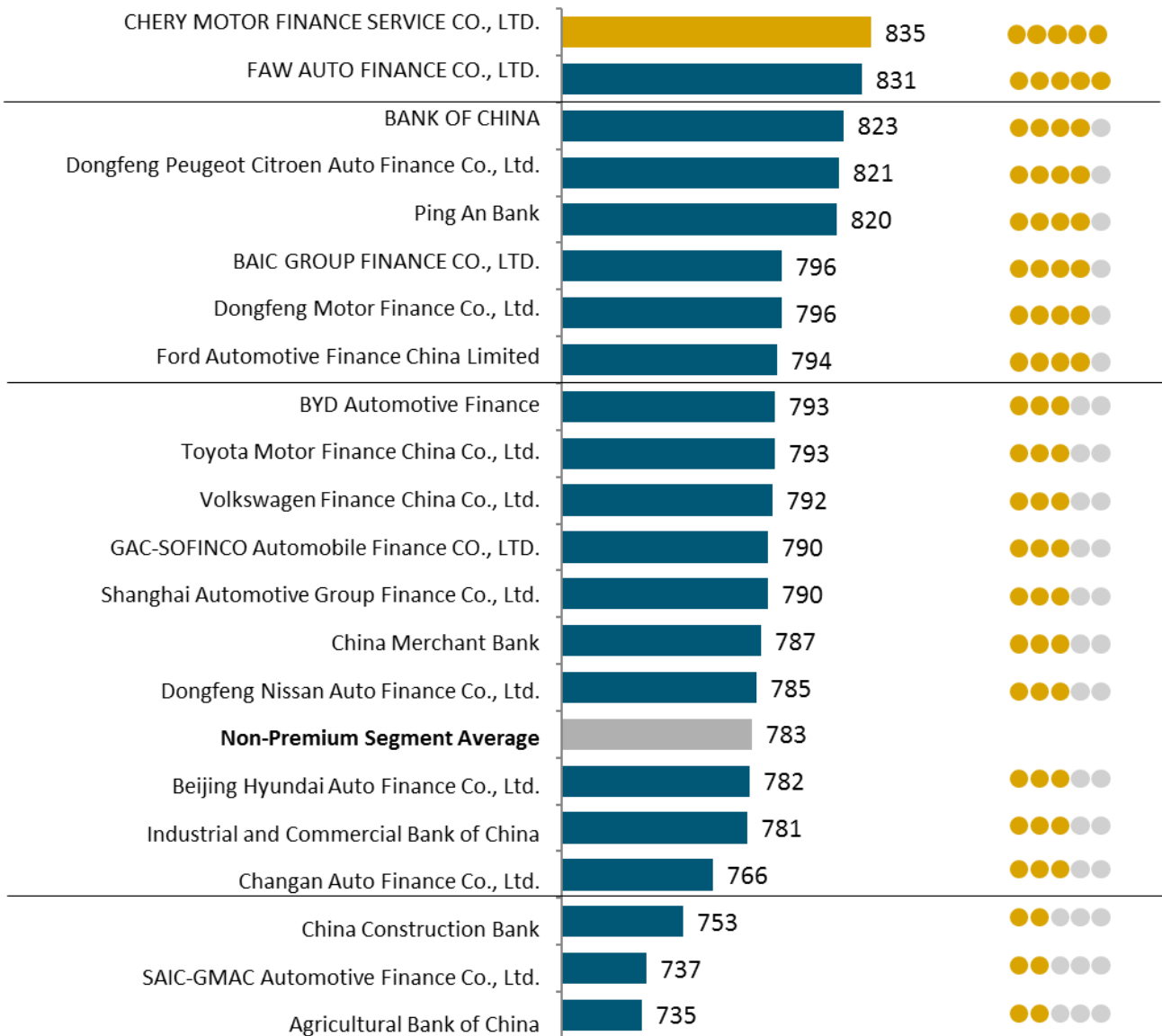
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# J.D. Power 2018 China Consumer Auto Financing Sales Satisfaction Study<sup>SM</sup>

## Non-Premium Segment

(on a 1,000-point scale)

J.D. Power  
Power Circle Rating<sup>TM</sup>



Note: Included in the study but not ranked due to small sample size are CITIC Bank, Youxin finance, daikuan.com, GENIUS AFC, Great Wall Binyin Automotive Finance Co., Ltd. and FCA Automotive Finance Co., Ltd.

Source: 2018 China Consumer Auto Financing Sales Satisfaction Study<sup>SM</sup>

### Power Circle Ratings Legend

- Among the best
- Better than most
- About average
- The rest

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