

Satisfaction and Profit Increase among China Car Dealers as Consumer Financing Rises, J.D. Power Finds[Toyota Motor Finance Ranks Highest in Retail Credit and Floor Planning Segments](#)

BEIJING: 25 May 2017—A rise in China consumers who finance the purchase of new vehicles is a key driver in the overall satisfaction increase among China car dealers with their lenders, according to the J.D. Power 2017 China Dealer Financing Satisfaction StudySM released today.

The percentage of new vehicle buyers who finance the purchase of a vehicle is up 8%. Overall retail credit satisfaction is 848 (based on a 1,000-point scale) in this year's study, compared with 809 in 2016.

"Compared with the United States, auto financing in China is still relatively under-developed," said **Winston Xue, general manager of financial services at J.D. Power China**. "The percentage of new vehicles purchased with loans is up to 64% from 57% in the luxury segment and to 57% from 49% in the mass market segment. This presents an opportunity for lenders and dealers to offer products that meet the needs of a growing population of car buyers looking to finance their purchase."

Dealer satisfaction increases significantly over last year in retail credit (+39 points) and floor planning (+34 points). In the retail credit segment, the application/approval process experiences the largest gain (+43 points) due to sufficient financing reserves and reasonableness of documentation required for credit approval. In the floor planning segment, finance provider credit line is up 38 points, which is the largest contributor to this year's overall gain.

"This is the second consecutive year for an increase in dealer satisfaction," Xue said. "As more auto financing companies enter the market, consumers have more choices and dealer satisfaction continues to increase. That's a promising 'three-win' prospect for consumers, dealers and lenders."

The study finds that credit/load commissions are becoming a growing source of revenue for dealers. According to the study, dealer profits from the sales of financing products has increased to an average of 10% of their total revenue in 2016 from an average of 2% in 2011.

The following are additional findings of the study:

Retail credit: Having competitive financial products is the top criteria for dealers selecting a retail credit lender. Captive financial companies continue to lead with an extended market share of 65%, up 7% from 2016.

Floor planning: Guaranteed credit limit continues to be the most frequently cited reason by dealers when selecting a floor planning provider. Only about one-fourth (26%) of dealers report same-day turnaround on an application submission, with 51% receiving funds in 1-3 days.

The China Dealer Financing Satisfaction Study examines dealer satisfaction with finance providers in two segments: retail credit and floor planning. In the retail credit segment, satisfaction is measured in three factors: application/approval process; sales representative relationship; and finance provider offerings/products. In the floor planning segment, satisfaction is measured in four factors: finance provider credit line; floor plan portfolio management; floor plan support; and salesperson representative relationship.

The study is based on responses from 2,377 dealers, representing 47 vehicle brands across 84 cities throughout China, who were surveyed between December 2016 and March 2017.

J.D. Power is a global leader in consumer insights, advisory services and data and analytics. These capabilities enable J.D. Power to help its clients drive customer satisfaction, growth and profitability. Established in 1968, J.D. Power is headquartered in Costa Mesa, California, and has offices in Shanghai, Beijing, Tokyo, Singapore, Malaysia and Bangkok serving the Asia Pacific region. For more information, please visit china.jdpower.com or stay connected with us on [J.D. Power WeChat](#) and [Weibo](#).

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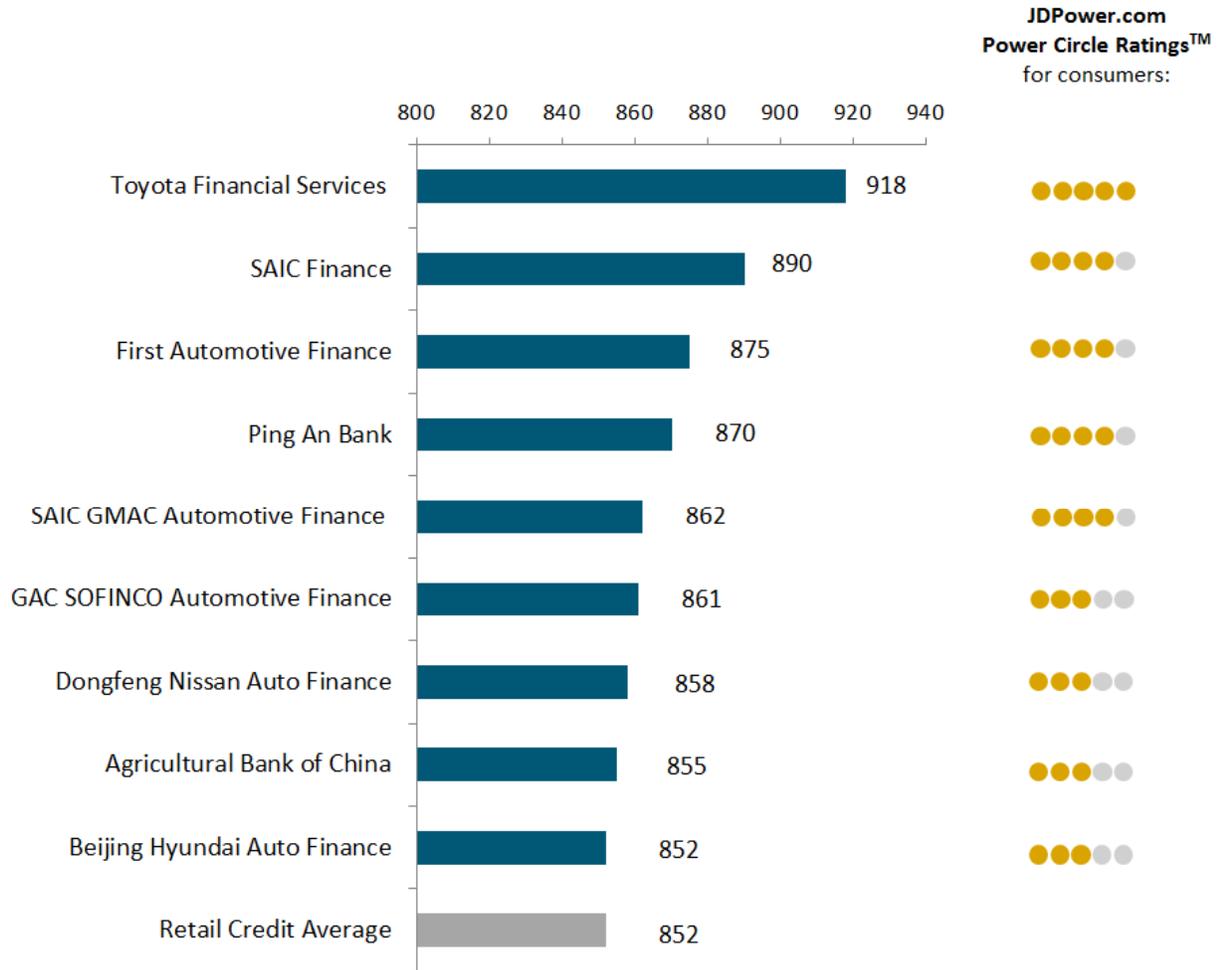
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NOTE: Two charts follow.

J.D. Power 2017 China Dealer Financing Satisfaction StudySM

Retail Credit (Captives and Banks)

(Based on a 1,000-point scale)



Power Circle Ratings Legend

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

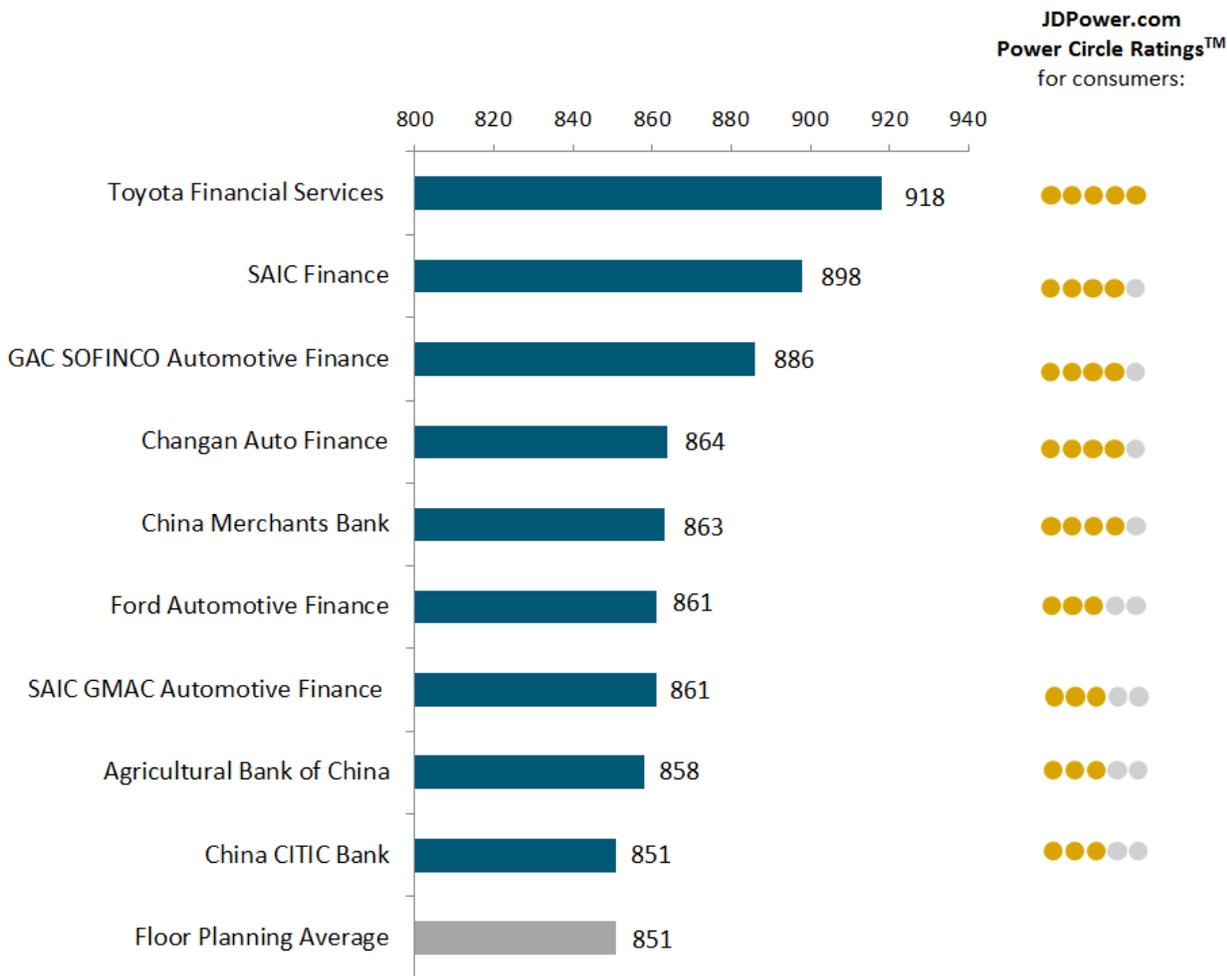
Source: 2017 China Dealer Financing Satisfaction StudySM

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Floor Planning (Captives and Banks)

(Based on a 1,000-point scale)



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