

Retailer Consumer Finance and Payment Cards in Europe

Series prospectus

August 2018

Prospectus contents

	Page
What is the research?	3-4
What is the rationale?	5
What methodology has been used?	6
How do retailers surveyed break down?	7-8
Which specific retailing groups have been researched	9
What is the structure (of the overview report)?	10
What are the key features of the research?	11
How can the research be used?	12
How can the PartnerBASE™ be used?	13
Who can use the research?	14
What are some of the key findings?	15-18
What is the cost and format?	19
How can the research be purchased?	20

What is the research?

Finaccord's series of studies about retailer consumer finance and payment cards in Europe are reports and associated PartnerBASE™ datasets that investigate the market for both retailer point-of-sale finance and co-branded / store cards across 15 countries: Austria; Belgium; Denmark; France; Germany; Italy; the Netherlands; Norway; Poland; Portugal; Russia; Spain; Sweden; Turkey; and the UK.

Based on a survey of close to 2,900 major retail brands across these countries, including all significant retailers selling high-value products, the research identifies schemes for consumer finance and payment cards set up by each along with the providers used for these initiatives in each case (including card networks in the case of payment cards).

It classifies these providers in accordance with whether they are external to the retail brands in question or, rather, if they are captive partners owned by them, joint ventures co-owned by them or internally-managed consumer finance or payment card programs. Moreover, by means of both unweighted and weighted analyses, the research highlights not only the providers that hold the most partnerships for these products with retailers but also those that are likely to occupy the most important partnerships.

continued overleaf

What is the research? (cont.)

In addition, in terms of balances outstanding, the series quantifies the value of the market for retailer point-of-sale finance in each country in 2017, simultaneously modelling its likely trajectory since 2013 and forecasting its outlook up to 2021. For each country, it also estimates the number of retailer payment cards in circulation in 2017 alone, setting this in the wider context of the market for all types of credit and other pay later card.

What is the rationale?

A number of factors, some of which are specific to consumer finance and payment cards, and some to retailing, provide the rationale for the development of this series. With reference to consumer finance and payment cards, in particular, these factors include those which follow:

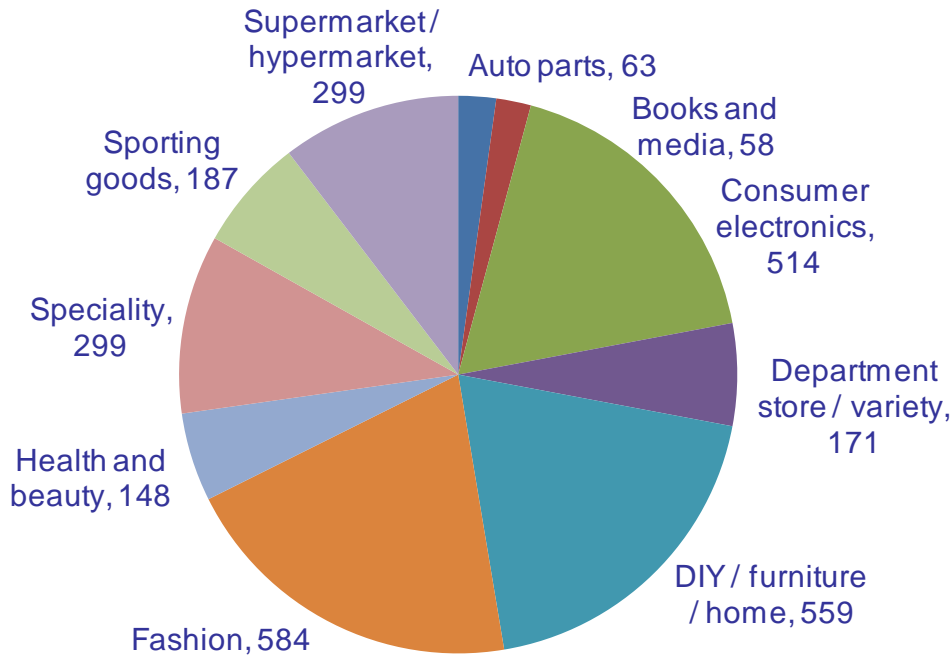
- retailer consumer finance in Europe is being revolutionised by competitors with a fintech background offering digital solutions, including multi-lender and omni-channel platforms;
- in terms of the outright number of opportunities, retailing is one of the most important fields in which these and other providers of consumer finance can establish partnerships;
- there are opportunities for specialist providers to acquire the existing consumer finance or credit card portfolios of retail groups by purchasing equity stakes in captive finance entities or taking over internally-managed schemes;
- the customer information gathered from consumer finance and co-branded / store card products can be used to cross-sell insurance and other services.

Furthermore, dynamics in the retailing market itself, with a continuing shift to online sales, also give rise to increasing rationale for a comprehensive pan-European series on the subject.

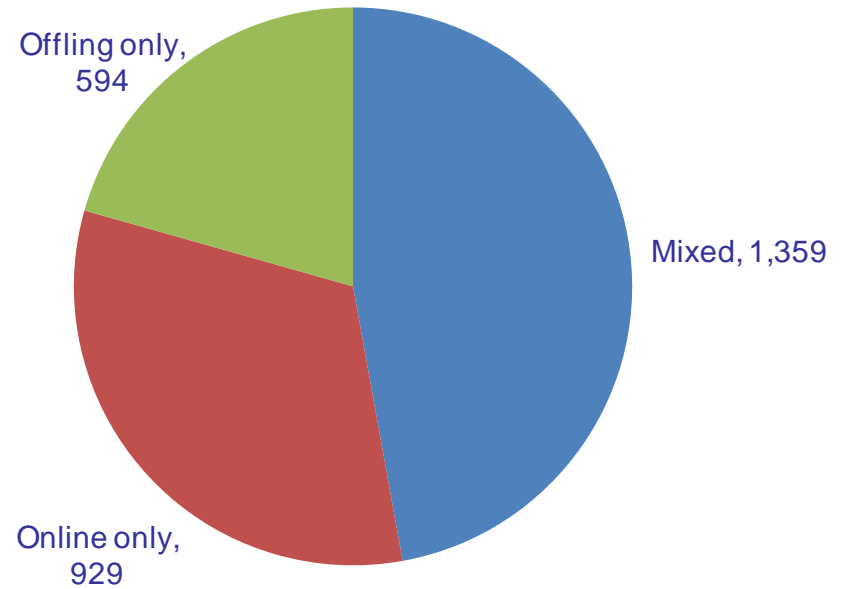
What methodology has been used?

The main research input into this series is Finaccord's survey of close to 2,900 retail brands across 15 countries in Europe with a primary focus on the largest retailing groups plus retailers selling the types of high-value goods that are most likely to require finance. The aim of the investigation has been to gather top-level data concerning the consumer finance and co-branded / store card products offered by the organisations in question, the operating models that they use and the providers with which they work in this context. The retail brands in scope break down by category, by distribution model and by country as illustrated in the graphics on the following two pages.

How do retailers surveyed break down? (1)

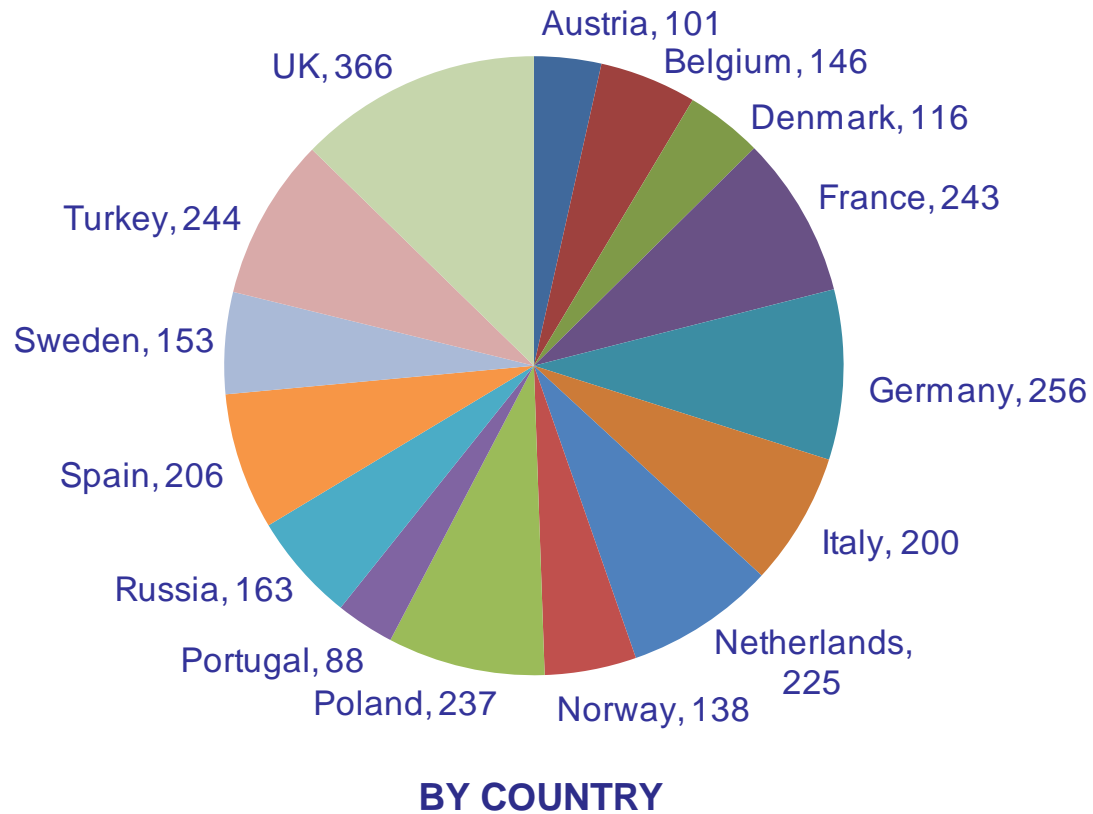


BY TYPE



BY DISTRIBUTION MODEL

How do retailers surveyed break down? (2)



Which specific retailing groups have been researched?

Among the major retailing groups (including 'manufacturer retailers' such as Apple, Dell and Samsung) covered by the research are:

Akson Holding
Aldi
Amazon
Apple
ASOS
Asus
Auchan
Bauhaus
BoConcept
Carrefour
Casino
Château d'Ax
Clas Ohlson
Conforama
Conrad

Déathlon
Dell
DIA
Dixons Carphone
Douglas
E. LeClerc
eBay
EDEKA
El Corte Inglés
Electronic-Star
Ellos Group
Euronics
Expert
FDB (Coop)
Fnac

GameStop
Home24
Hornbach
ICA
IKEA
Inditex
Intersport
ITM Entreprises
Jysk
Kingfisher
Komplett
Kooperativa Förbundet
La Redoute
Legend Holdings
Lenovo

Lenovo
Leroy Merlin
Les Mousquetaires
Marks & Spencer
Metro
Mister Auto
N Brown Group
Natuzzi
Next
Norauto
OBI
Onedirect
Otto Group
Power
Qliro Group

QVC
Rakuten
Roche Bobois
Sainsbury's
Samsung
Schwarz Group
Sedmoi Continent
Shop Direct Group
Sofacompany
Sport 2000
Staples
Tchibo
Tesco
XXXLutz
Zooplus

What is the structure (of the overview report)?

0. Executive Summary: providing a concise evaluation of the principal findings of the report.

1. Introduction: offering rationale, description of methodology and other related notes.

2. Regional Overview: a pan-European overview of the activity of major retail brands in consumer finance and payment cards. As well as a comparative analysis of operating models used in these two fields, including the influence of captive and joint venture finance entities owned (or co-owned) by retailer groups, this section also analyses the importance of providers owned by major financial groups such as BNP Paribas, Crédit Agricole, Santander and Société Générale, plus comparatively recent market entrants such as Klarna and PayPal.

3. Austria: an in-depth analysis of the market for retailer consumer finance and payment cards in Austria. Key partnerships are identified between major Austrian retail chains and providers of point-of-sale finance and co-branded / store cards. In addition, in terms of balances outstanding, the value of the market for retailer consumer finance is depicted from 2013 to 2017 with a forecast provided to 2021, and the approximate number of retailer payment cards in circulation in Austria is stated for 2017.

4 - 17: chapters for all other countries are structured along similar lines to that for Austria.

What are the key features of the research?

Key features of this series include:

- definitive coverage of the involvement in consumer finance and payment cards of close to 2,900 significant retailers across 15 countries in Europe including the split by retailer category (e.g. consumer electronics, DIY / furniture / home) and retailer distribution model (i.e. offline-only, online-only and mixed);
- coverage of all consumer finance schemes set up by major retail brands: which providers of point-of-sale finance are strong in which countries and with which retailers do they collaborate?
- quantification of the value of the market for retailer point-of-sale finance in each country, in terms of balances outstanding, from 2013 to 2017, and with a forecast to 2021;
- consideration of over 250 schemes for retailer co-branded and store cards including calculation of the weighted share of partnerships in this context of both card issuers and card networks (e.g. Mastercard, Visa, private-label etc.).

How can the research be used?

You may be able to use this series of reports and the PartnerBASE™ datasets that come with it in one or more of the following ways:

- gain rapid access to a unique pan-European source of intelligence covering virtually all significant retail brands across a wide range of geographies;
- appreciate how the prevalence of initiatives in retailer consumer finance and payment cards varies by country, by retailer category and by retailer distribution model;
- evaluate the potential for acquiring the existing consumer finance or co-branded / store card portfolios of retail groups by purchasing equity stakes in captive finance entities or taking over internally-managed schemes;
- learn more about the growing influence of fintech competitors offering digital solutions, including multi-lender and omni-channel platforms, such as Deko, Divido, Klarna, Kreditech, PayU, Qliro and SeQura, and how these are helping merchants to increase their sales conversion rates.

How can the PartnerBASE™ be used?

Filter by type of retailer

Identify ultimate owners of partners

Retailer Type		CO-BRANDED / STORE CARD					Partner UHC(s)	Network(s)
		Country	Product offered?	Operating model	Partner(s)			
Fnac	Consumer electronics	Belgium	Yes	External partner	Alpha Credit	BNP Paribas	Maestro	
Fnac	Consumer electronics	France	Yes	External partner	Sofinco	Crédit Agricole	Mastercard	
Fnac	Consumer electronics	Italy	No					
Fnac	Consumer electronics	Portugal	Yes	External partner	Cetelem	BNP Paribas	Mastercard	
Fnac	Consumer electronics	Spain	Yes	External partner	CaixaBank Consumer Finance	Caixabank	Visa	

Look up specific retailers

Select country

Choose operating model

Identify product providers

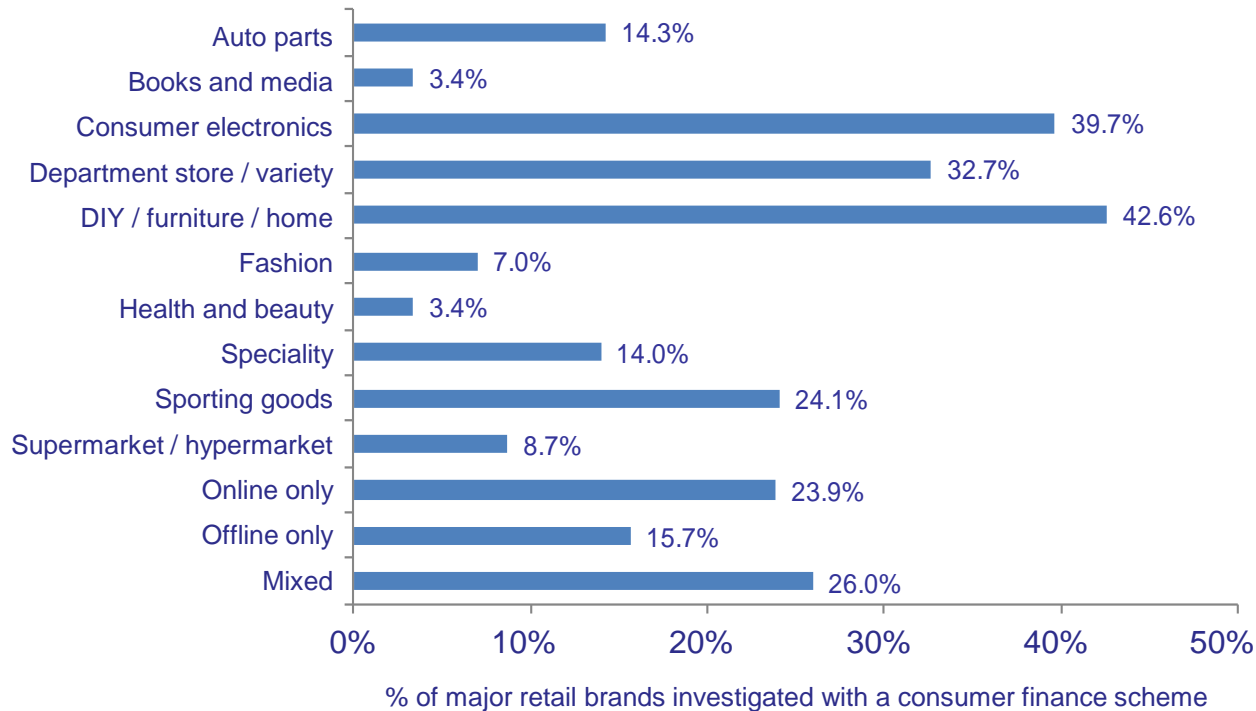
Identify card networks

Who can use the research?

1. *Consumer finance companies and card issuers / networks:* this series is an up-to-date and comprehensive source of information about retailer consumer finance and payment cards in 15 countries and represents an indispensable guide to well over 800 retail brands that operate one or both types of program;
2. *Insurance, assistance and warranty companies:* schemes for both retailer consumer finance and payment cards can form an effective basis for marketing a range of insurance, assistance and warranty products to large and well-defined groups of consumers;
3. *Retailers:* consumer finance and co-branded / store card programs represent an important activity for numerous retail brands but how do they organise their involvement in this field and with which partner organisations do they collaborate?
4. *Management consultancies:* are you either assisting a retailer with the development of a consumer finance or payment card scheme or advising a lending institution or payment card issuer or network with respect to partnership opportunities with major retail brands? This research will help you to evaluate the options in this field in the UK, saving time and effort on researching the subject yourself.

What are some of the key findings?

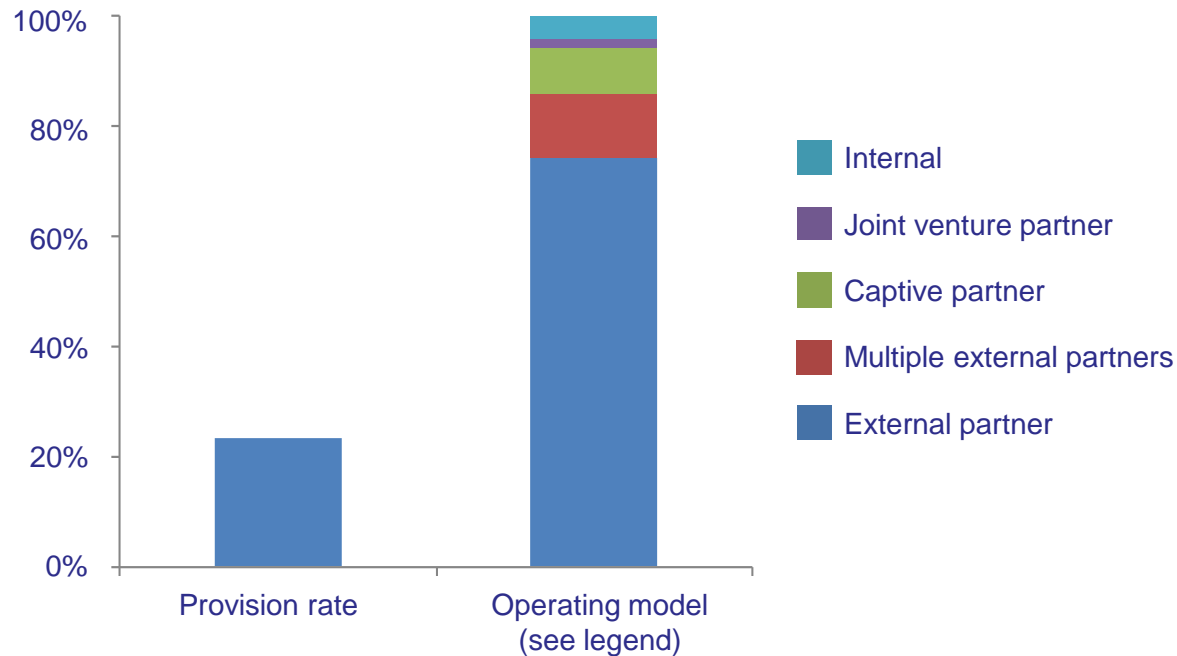
1. Retailers in the consumer electronics and DIY / furniture / home product categories are the most likely to have established schemes for consumer finance



Source: Finaccord PartnerBASE

What are some of the key findings? (cont.)

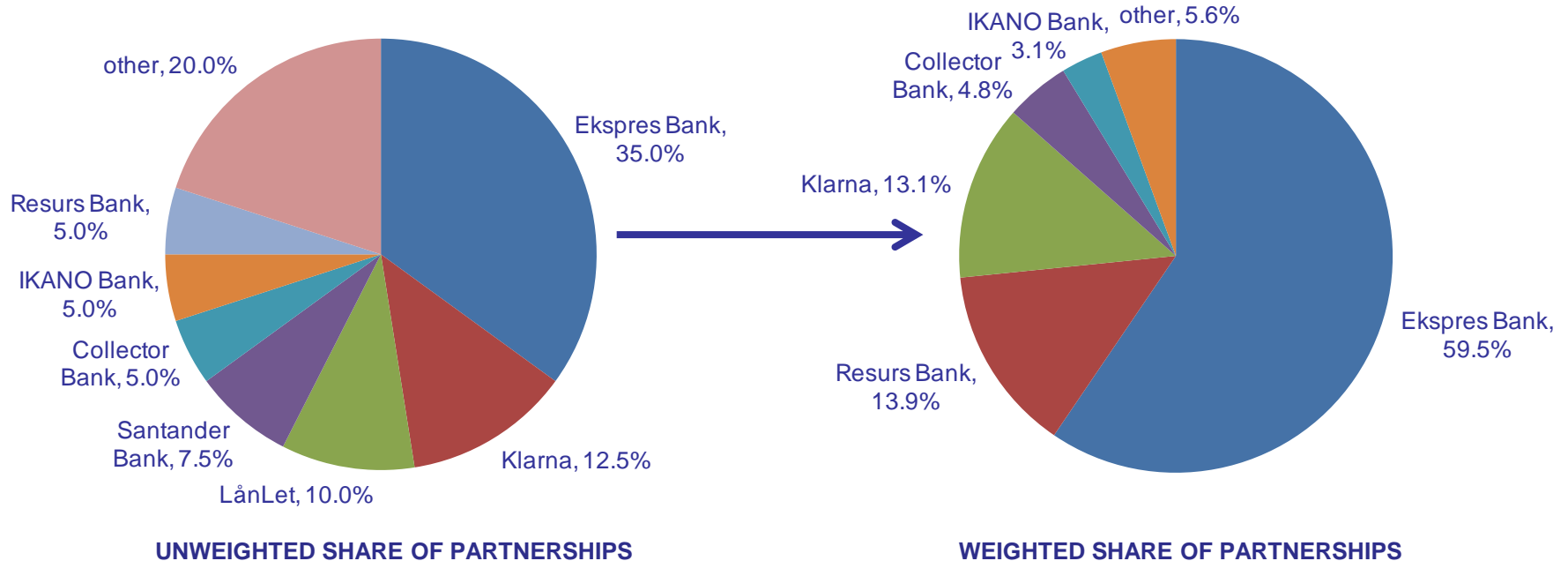
2. Across the 15 countries, almost a quarter of the major retailers surveyed offer consumer finance and over a quarter adhere to an operating model other than use of a single, external partner



Source: Finaccord PartnerBASE

What are some of the key findings? (cont.)

3. When its point-of-sale finance partnerships are viewed in weighted terms, Ekspres Bank extends its position as the leading provider in Denmark



Source: Finaccord PartnerBASE

What are some of the key findings? (cont.)

4. Key findings from the executive summary of the overview report include:

- Sweden hosts the retailers most likely to offer point-of-sale finance with a provision rate of 46.4%, followed by Germany (39.1%) and Poland (35.0%), while retailer payment cards achieve the highest penetration rates in Portugal at 27.3%, followed by France (24.3%) and Spain (14.6%);
- finance providers owned wholly or in part by BNP Paribas possess the most partnerships for retailer consumer finance in Europe followed by ones belonging to Santander, Klarna, Crédit Agricole and Barclays, with these five groups accounting collectively for almost a half of all partnerships identified in this field;
- Finaccord estimates that balances outstanding for retailer consumer finance across the 15 countries amounted to around EUR 82.3 billion in 2017 and that there may be as many as 65 million retailer co-branded / store cards in circulation;
- however, providers of retailer consumer finance will face continuing competition from numerous other types of consumer loan including direct lending by both traditional banks and the emerging generation of online rivals with a fintech background as well as credit cards and P2P (marketplace) lending platforms, plus a number of country-specific models.

What is the cost and format?

The reports in this series are available as standard PDF documents and the PartnerBASE™ datasets that accompany them at no further charge are in Excel format. Costs for the overview and country-specific studies (which are subsets of the overview) are as follows:

Report	Price (USD)
Retailer Consumer Finance and Payment Cards in Europe	5,595
Retailer Consumer Finance and Payment Cards in Austria	595
Retailer Consumer Finance and Payment Cards in Belgium	595
Retailer Consumer Finance and Payment Cards in Denmark	595
Retailer Consumer Finance and Payment Cards in France	595
Retailer Consumer Finance and Payment Cards in Germany	595
Retailer Consumer Finance and Payment Cards in Italy	595
Retailer Consumer Finance and Payment Cards in the Netherlands	595
Retailer Consumer Finance and Payment Cards in Norway	595
Retailer Consumer Finance and Payment Cards in Poland	595
Retailer Consumer Finance and Payment Cards in Portugal	595
Retailer Consumer Finance and Payment Cards in Russia	595
Retailer Consumer Finance and Payment Cards in Spain	595
Retailer Consumer Finance and Payment Cards in Sweden	595
Retailer Consumer Finance and Payment Cards in Turkey	595
Retailer Consumer Finance and Payment Cards in the UK	595

** For UK-based clients, VAT at the prevailing rate will be added to the basic price. Costs quoted are for a single site user licence only. For a corporate user licence, please see the final slide for further details. Invoices can be paid in EUR or USD, at the prevailing exchange rate, if preferred. For acquisition of multiple reports, please contact Finaccord - discounts may be available.*

How can the research be purchased?

Simple. Just go to the relevant area of the Finaccord website, create your account (if you do not have one already) and place your order online. Products paid for online by card will be delivered immediately by e-mail but please allow up to one working day for delivery by e-mail if you choose to pay on receipt of invoice.

With regards to the **corporate user licence**, you will be asked to choose one of the following options:

1. One office, one country: no supplement over and above basic cost of reports ordered
2. Multiple offices, one country: additional 20% over and above basic cost of reports ordered
3. Multiple offices, two to ten countries: additional 50% over and above basic cost of reports ordered
4. Global (unlimited offices in unlimited countries): additional 100% over and above basic cost of reports ordered

Alternatively, you can place an order by sending your request to order@finaccord.com, clearly stating the product(s) required, associated price(s) and billing details for eventual invoice or card payment receipt.