



Should you lease a car? Benefits and challenges of private leasing.

Miika Peltola

Bachelor Thesis

International Business

2023

Degree Thesis

Miika Peltola

Should you lease a car? Benefits and challenges of private leasing.

Arcada University of Applied Sciences: BBA, 2023

Identification number:

8868

Commissioned by:

-

Abstract:

This thesis investigates the viability of private car leasing as a financing method for acquiring a new vehicle in the Finnish automotive market, focusing on the private leasing option provided by NF Fleet Autoleasing.fi. The study explores different financing options, including partial payment with Buy-Back-Agreements, and private leasing, and examines their advantages and disadvantages for different stakeholders, such as consumers, importers, retailers, and financiers.

The thesis is structured into several sections, including an introduction, leasing theory, methodology, results, discussion, synthesis, and conclusions. The research questions focus on the benefits, drawbacks, and challenges of private leasing for various stakeholders in the Finnish automotive market, and the financial viability of private leasing as a financing option. The study employs a mixed-methods approach, combining quantitative data analysis with qualitative insights from automotive industry professionals.

The main findings of the thesis indicate that private leasing can be a viable financing option for acquiring a new car in Finland, depending on individual preferences, financial situation, and risk tolerance. The results offer valuable insights for private consumers, automotive industry professionals, and policymakers to make informed decisions regarding car acquisition and financing strategies. Recommendations for future research and practice include addressing customer preconceptions, enhancing customer relationship management, streamlining the car return process, encouraging sustainable practices, and considering policy implications.

Keywords:

private car leasing, financing options, Finnish automotive market, NF Fleet Autoleasing.fi, leasing theory, mixed-methods research, stakeholder perspectives, automotive industry challenges.

Contents

1	Introduction	6
1.1	Overview of Thesis Components.....	7
1.2	Limitations.....	9
2	Theory	10
2.1	Irrelevance Theorem in Leasing	12
2.2	Leasing as a tool to reduce the risks of ownership.....	13
2.3	Leasing Attitude.....	15
2.4	Different types of car leasing in Finland.....	17
2.4.1	Operational leasing	17
2.4.2	Financial lease.....	18
2.4.3	Buy Back Guaranteed Financing.....	19
2.5	How individuals choose and finance their vehicles in Finland	20
3	Methodology	22
3.1	Research methods	22
3.2	Reliability and Validity	24
4	Results of the study	25
4.1	Qualitative data.....	25
4.1.1	Hedin Automotive Sales Manager, Jorge Mäkinen: Benefits and Challenges for a Retailer	25
4.1.2	Helkama Auto's Sales Director, Petri Raitala: Importer Perspectives on Opportunities and Challenges	27
4.1.3	Financiers Perspective.....	29
4.2	Quantitative data	30
4.3	Calculation of instalment costs	30
4.4	Calculation of autoleasing.fi option costs and comparison.....	31
4.4.1	Instalment Costs.....	32
4.4.2	Autoleasing.fi Option Costs.....	33
4.5	Summary of Results.....	33
5	Discussion	34
5.1	Stakeholder Perspectives on Private Leasing.....	35
5.2	Comparison of Financing Options	35
5.3	Contribution to the Literature and Practice.....	36
6	Synthesis and Conclusions	36
6.1	Broader Implications.....	36
6.2	Limitations and Future Research	37
6.3	Future Research Directions.....	38
7	References	41
Appendices		

Interview Questions, Hedin Automotive
Interview Questions, Helkama Auto
Interview Questions, Nordea Finance
Offer quote, Hedin Automotive Fiksudiili
Offer quote, NF Fleet Autoleasing.fi

1 Introduction

When it comes to acquiring a vehicle, the private driver of the twenty-first century has a vast array of options. You may purchase the vehicle outright, acquire it via a Buy-Back-Agreement (also known as a buyback promise), or lease it (also known as renting it for a longer period). There are additional options for individuals who only need a vehicle occasionally, including short-term car rentals and shared vehicle arrangements.

In Finland, the most common method for financing the purchase of a new automobile is through instalment-based financing. From around one-fifth in 2010 to nearly forty percent in 2021, instalment sales account for a greater proportion of automobile purchases.

In other Nordic nations, household behaviour varies. Leasing is considerably more widespread in other Nordic nations than in Finland. (Autoalan Tiedotuskeskus, 2021)

In September 2021, the automotive industry carried out a study of consumers to learn about the purchasing patterns of Finnish vehicle buyers and the level of interest in transitioning from owning, leasing, or purchasing a car with a monthly payment instead of outright buying it. According to the findings of the survey, almost forty percent of households that already own cars could be interested in purchasing a vehicle through a leasing option. Roughly ten percent have investigated the numerous leasing service possibilities that are now accessible.

Over the past several years, it has been increasingly usual for private persons to make use of leasing possibilities. Depending on the requirements of the customer, the many available options for consumer finance might have significantly varying pricing structures. (Autoalan Tiedotuskeskus, 2021)

The research questions for the thesis are as follows:

1. What are the benefits, drawbacks, and challenges of private leasing for various stakeholders in the Finnish automotive market?
2. Is private leasing a financially viable option for financing the acquisition of a new car?

The purpose of this thesis is to investigate the viability of private leasing as a method for financing the acquisition of a brand-new vehicle. The research investigates the most popular kinds of financing that are used to buy automobiles, as well as the benefits and drawbacks associated with each one. The thesis will take a broader look in automotive industry's current, exceptional challenges in Finland in general and examine recent studies of how these may affect the buying decision of a private individual. The challenges include Automobile production bottlenecks brought on by the corona virus outbreak and the Russian war of aggression in Ukraine, increasing fuel and energy prices, the evolution of climate and environmental regulations, legislation, inflation, and rising interest rates. Traffic is undergoing several pressures to change, which is reflected in the automobile industry. (Lähitapiola, 2022)

The thesis will take a more in-depth look at the private leasing options available through NF Fleet Autoleasing.fi. In addition, we investigate the opportunities and difficulties presented by private leasing to the various stakeholders involved.

The aim of this thesis was to investigate the viability of private leasing as a method for financing the acquisition of a brand-new vehicle, focusing on the private leasing option provided by NF Fleet Autoleasing.fi in the Finnish automotive market, and to provide a clear picture of private leasing and its benefits, drawbacks, and challenges for various stakeholders.

1.1 Overview of Thesis Components

This thesis is structured into four main components: Introduction, Theory, Investigation, and Reflection. In the Introduction, the study's aims, research questions, and limitations are reviewed, and the methodology is briefly detailed. The study employs a mixed-methods approach, combining quantitative analysis of cost differences between various financing options, such as purchasing and leasing, based on real-life scenarios and data, with qualitative insights gathered from stakeholders and industry experts.

The Theory section of this thesis delves into various aspects related to leasing in the context of the Finnish automotive market. It starts by discussing the Irrelevance Theorem in Leasing, which examines the theoretical foundations of leasing and how it can impact decision-making in vehicle financing. The section then moves on to explore the role of leasing as a tool to reduce

the risks of ownership, highlighting the benefits it offers to customers who want to avoid the uncertainties associated with owning a vehicle.

In the subsequent part, the Theory section discusses the prevailing attitudes towards leasing in Finland, providing insights into how cultural, social, and economic factors influence people's preferences and choices when it comes to vehicle financing. This discussion sets the stage for an in-depth examination of the different types of car leasing available in Finland, such as operational leasing, financial lease, and Buy Back Guaranteed financing. Each of these options is explored in detail, outlining their unique features, benefits, and drawbacks.

Finally, the Theory section concludes by examining how individuals in Finland choose and finance their vehicles. This part of the thesis provides a comprehensive understanding of the decision-making process and factors that influence the selection of various financing options, including leasing, in the Finnish automotive market. This thorough analysis of the theoretical aspects of leasing lays the foundation for the subsequent Investigation and Reflection sections of the thesis.

The Investigation or Research section of this thesis aims to provide an empirical analysis of the viability of private leasing as a financing method for acquiring a new vehicle in Finland. In this section, the methodology employed in the study is described in detail, including the data collection and analysis techniques used to address the research questions.

A mixed-methods approach is adopted, combining quantitative and qualitative data to provide a comprehensive understanding of the subject matter. Real cost differences between various financing solutions are examined to help assess the competitiveness of private leasing as an option for vehicle acquisition.

In parallel, qualitative data is collected through interviews and case studies involving key stakeholders in the Finnish automotive market. These qualitative insights help to understand the underlying factors, motivations, and preferences that drive individuals' decisions when it comes to choosing and financing their vehicles. The qualitative data also sheds light on the practical aspects and implications of the leasing options available in Finland, such as NF Fleet Autoleasing's private leasing offerings.

The Investigation section concludes with a synthesis of the quantitative and qualitative findings, which provides a well-rounded perspective on the potential of private leasing in the Finnish automotive market. The insights gleaned from this research section form the basis for the subsequent Reflection section of the thesis, where the overall implications, limitations, and future research opportunities are discussed.

Lastly, the Reflection section presents a discussion on the study's results, the reliability of the research, future research opportunities, and development recommendations. This section highlights the potential of private leasing as a viable financing option and encourages further exploration of leasing alternatives in the Finnish automotive market through both quantitative and qualitative approaches.

1.2 Limitations

In this thesis, the decision to limit the scope of the problem area is motivated by the need to focus on the most relevant aspects of private car leasing and financing options in the Finnish automotive market. By narrowing down the scope, the research aims to provide a comprehensive and in-depth understanding of the subject matter, ensuring that the analysis and results are relevant and meaningful for the target audience.

The research material is limited in the following ways:

1. **Geographical focus:** The study is primarily focused on the Finnish automotive market. This choice was made to provide specific insights into the unique characteristics and trends of this market, which might differ from other countries or regions. However, this also means that the findings may not be directly applicable to other markets without further research and adaptation.
2. **Target audience:** The study is focused on individual consumers and their car acquisition and financing options, rather than corporate or commercial users. This focus helps to address the specific needs and preferences of private car buyers, but it may not cover the dynamics of leasing and financing for businesses or fleet operators.

3. Financing options: The research examines financing options, such as partial payment that includes a Buy-Back-Agreement, and private leasing. However, other forms of vehicle acquisition, like short-term rentals, car-sharing services, cash payment and bank loans, fall beyond the scope of this study. The choice to focus on the main financing options allows for a deeper understanding of the most common acquisition methods and their implications for private consumers and the exclusion of cash payment and partial payment options lacking a pre-agreed repurchase agreement from this study was based on the impracticality of obtaining precise data regarding the residual value of the vehicle.

4. Stakeholders: The study considers the perspectives of consumers, importers, retailers, and financiers, but other stakeholders like manufacturers, regulators, or insurance providers are not extensively covered. This choice was made to maintain a manageable scope and focus on the most directly affected parties in the context of private car leasing and financing.

By clearly defining these limitations, the study aims to provide a focused and coherent analysis of private car leasing and financing options in the Finnish market. It also helps to identify potential areas for future research and expansion, which can further contribute to the understanding of this subject matter.

At the completion of the research, a reflection compiled from the study is presented, in which the results of the research, the reliability of the research, future research opportunities, and development recommendations are discussed.

2 Theory

Leasing financing has become increasingly popular in recent years, largely due to the predictability and consistency it provides in terms of expenses. However, the decision to lease rather than use debt financing is not always straightforward. In leasing financing, the financier retains the risks associated with ownership, including the risk associated with the residual value of the leased asset and the risk associated with the interest rate (Georgescu, 2011). As a result, the lender accounts for these risks in the monthly leasing payments, making leasing

manufacturing equipment not necessarily a less expensive option than debt financing (Tepora, 2013).

One of the reasons for the surge in car leasing, for example, is that maintenance leasing contracts are currently the most prevalent form of auto leasing. Lease payments frequently encompass repair, maintenance, and insurance costs, thereby enabling individuals to enjoy the convenience of having access to a vehicle without any concerns about its upkeep. However, the lack of pricing transparency can be regarded as a negative, as it is less frequently possible to disaggregate the true costs of lease payments.

Many academics believe that the legal features of lease finance contribute to its popularity. Similar to typical renting, the lessee does not acquire ownership of the item at any point. The lessor's ownership rights are safeguarded from the lessee's other assets, and the leased property cannot be connected to repay the lessee's debt (Tammi-Salminen, 2010).

In fact, finance organizations can finance higher capitals by renting a commodity instead of using debt financing. The lessor is recognized as an owner whose rights are strongly protected in the case of the lessee's insolvency, putting the debt service provider's collateral in a weaker position (Rampini, 2009). This indicates that leasing financing is demonstrably less risky than debt financing for the financier. Furthermore, leasing financing makes it possible to secure financing against the rental property, enabling lessees to manage a greater total debt capacity, whereas debt financing may require additional collateral (Rampini & Viswanathan, 2013).

In corporate world it has been viewed that while leasing provides flexibility if the investment does not generate the anticipated return, as projected by the management, retaining ownership may be more beneficial in the long term. A rental property is typically easier to dispose of than an owned one, making it a more attractive option for companies seeking to quickly recoup their investment (Stulz & Johnson, 1985). However, this may also result in poor investment selections, as management may not fully consider the long-term value of the investment.

In conclusion, leasing financing and debt financing both have their advantages and disadvantages. Leasing financing offers predictability and consistency in terms of expenses and provides the financier with less risk, while debt financing may offer greater flexibility

and control for the lessee. Understanding the legal features and risks associated with each option is crucial in making an informed decision for financing investments.

2.1 Irrelevance Theorem in Leasing

The role of leasing in economics has been scrutinized, particularly with respect to firms' decisions to lease or purchase equipment. Although the amount of related literature is relatively small and somewhat archaic, it relies on the Modigliani-Miller theorem (Modigliani & Miller, 1958) to contend that under certain conditions, a company's costs for leasing an asset will be comparable to the costs of securing funds to buy the asset (Miller & Upton, 1976, Myers Dill, & Bautista, 1976).

The underlying concept of the irrelevance theorem, like that of the Modigliani-Miller theorem, requires numerous assumptions for its application in the lease-or-purchase decision. These include equal access to capital markets at no cost, and symmetric transaction costs when buying or disposing assets, preventing any risk of default for either leasing contracts or lending agreements. Additionally, it considers that tax laws do not influence firms' returns based on their choice between leasing or purchasing. Although these assumptions are unrealistic, the irrelevance theorem serves as a theoretical investigation into possible incentives causing businesses and individuals to choose leasing instead of purchase if one or more of these assumptions is not valid.

The irrelevance theorem highlights leasing as a feasible form of financing the procurement of assets. It also points to leasing and borrowing as interchangeable means, depending on the correctness of certain assumptions. The lessor can expect remuneration for ceding access to an asset, which indicates the loss of potential revenue due to its transferral.

The irrelevance theorem may not be applicable to a lot of leases due to the various other considerations. These could involve explicit expenses such as any fees that come with procuring or maintaining the lease, but also implicit costs from its legal and administrative elements. Moreover, leasing offers levels of control and adaptability not present when purchasing an asset, which can make all the difference in terms of net present value.

Lease arrangements may be associated with more significant credit risks for the lessor in some cases, particularly if the lessee has limited financial resources or poor creditworthiness. This may necessitate higher lease rates, which could make leasing more expensive for the lessee than buying the asset; however, non-private customers in Finland can benefit from variable lease rates based on their own creditworthiness. Tax laws and regulations can also create discrepancies between the costs and advantages of leasing versus purchasing an asset depending on national legal and regulatory frameworks.

An individual looking to acquire a new car can benefit from leasing it rather than buying it: use value would be 3,000 units over three years versus 10,000 units over ten years. Even when these values are discounted to present value using a certain discount rate, the cost of leasing will still be lower. This is especially relevant for those with limited capital or cash-flow, as it enables them to preserve their resources for other uses. Though some people may prefer owning the asset for reasons such as status or peace of mind, budget constraints will typically sway them towards preserving their limited funds.

Some may suggest that buying and then reselling an asset will suffice, given equal access to capital markets and no transaction fees for different ways of acquiring and disposing of assets. In fact, however, when obstacles exist in terms of accessing capital markets and/or costs are higher for purchasing then re-selling a product compared to leasing it, the irrelevance theorem does not hold. Those who cannot access capital markets or have limited funds should thus consider leasing as another option.

2.2 Leasing as a tool to reduce the risks of ownership

It should be obvious that the party holding residual rights bears a higher level of risk than the party receiving fixed payments because of its interest. The primary strategy for an asset owner who wants to reduce or eliminate ownership risks is to lease the asset. In order to generate a stable and secure flow of funds, insurance companies and pension funds often lease commercial real estate.

For those considering leasing, it can prove a very useful option in reducing the risk associated with possessing an asset for its full lifetime. Purchasers, whether consumers looking for housing or businesses buying inputs for their operations, may be uncertain about whether that particular item is suitable to meet their needs. Leasing offers them the ability to acquire the asset on a finite term, lower than its longevity, and use it without commitment. In this way it gives them a valuable opportunity to gain experience dealing with the item and make an informed decision about any further investment.

The purchase of an asset to reduce experiential risk is theoretically viable, though transaction costs are usually higher than with leasing. This is especially true in the case of real estate, where elaborate preparatory processes—contract negotiation, credit qualifying, title research, and physical examinations—can add up (Holtzschue, 2007). The same is generally true for personal property; established leasing companies often enjoy cost benefits when re-leasing or selling previously leased items, relative to individual buyers (Gavazza, 2011).

The quality of assets is of concern to many consumers, as purchasing a car that has not been proven reliable could end up being a waste of money. To avoid this risk, one option is to lease with an option to buy provided with most auto leases (Miller 1995; Giaccotto, Goldberg, & Hegde 2007). This way, if the car proves to be satisfactory and largely free of repair costs, the option can be exercised, and it can be purchased at the end. Otherwise, it can simply be turned in at the end of the lease.

The rapid pace of technological innovation in the auto industry has resulted in a unique quality risk known as technological obsolescence. This risk is particularly evident in products such as advanced sensory devices and computerized systems for automatic braking, lane control, and backup warnings. As the industry moves closer to fully autonomous driving, it may be advantageous to consider leasing a car instead of purchasing one that may become obsolete in a few years. Businesses have long faced similar risks with office equipment like PCs and servers. Leasing offers the opportunity to upgrade when the term ends whilst purchasing can leave you stuck with technology that's no longer up to date. The lessor bears the risk of obsolescence, but they are usually experts in the field and can mitigate this risk by doing things like diversifying between different types of vehicles or disposing of older models on emerging markets.

By looking at the issue in terms of risk factors, we can take a more nuanced view. We can consider the possibility that having access to an asset on a variable lease term is advantageous for lessees, rather than just leaning into traditional contractual or ownership arrangements. Presenting this idea as part of the “access” or “sharing” economy allows us to appreciate the versatility and capabilities offered by these leases. Such frameworks can provide flexibility and value beyond simply renting out an item or investing in full ownership (Kreiczer-Levy 2017; Botsman & Rogers 2010).

Individuals have a range of choices, where the access economy and ownership are positioned at opposite ends of a scale. However, with the inclusion of leasing, we realize that this dichotomy is exaggerated. Between a brief rental or service arrangement and the possession of an asset for an undefined duration, leasing serves as a connection. Lessees, in particular, can benefit from this option, as it enables them to find a middle ground between adaptability and stability, experimentation and assurance.

Lowering risk is a positive advantage which someone who can get this will often have to pay for. This is why insurance premiums are charged to acquire cover. Therefore, should a lessor be able to reduce the risks associated with having an asset by giving the remaining rights to the lessee, they should expect to remunerate for this. In a similar way, if a lessee can diminish experiential danger by hiring an asset for a limited period, they will have to remunerate too. Of course, taking on more risk is costly, and leases tend to adjust payments accordingly - the cost of risk decrease is balanced out by changes in rent. As such, one would deduce that if a lessor reduces residual peril through entering a long-term lease, then likely the rent per time period will be lower than that of a shorter-term rental agreement. Conversely, if a lessee actively works on decreasing experiential jeopardy via signing up for a short-term lease, then it can be anticipated that they will end up paying higher rent per interval than if they had set up a longer leasing arrangement.

2.3 Leasing Attitude

Durgee and O'Connor (1995) conducted a study on the relationship between people and products, specifically examining how the relationship changes when products are leased rather

than owned. The authors discovered that the level of attentiveness towards leased products is lower than that for owned products. Owners typically pay more attention to their possessions and provide better maintenance than lessees, who are more likely to neglect or abuse their leased goods. For example, a self-owned vehicle is more likely to be maintained better and more often than a leased vehicle. Furthermore, vehicle owners are more concerned about driving conditions, while vehicle lessees tend to drive carelessly under poor driving conditions. Therefore, the first difference between leased and owned items lies in the behaviour and attitudes towards them.

Secondly, Durgee and O'Connor (1995) noted that leasing plays a significant role in increasing an individual's social status. According to Belk (1988), products that people buy can be one way of defining their ownership. By using a leased item, an individual's social status could be positively associated. For instance, whether leased or owned, a luxury vehicle use by a consumer would be classified under a higher social class. Leasing a product could be even better than ownership, as it provides more choices and faster decisions. In Durgee and O'Connor's article, they established that leasing enables people to have more opportunities to try on extensions of themselves. Moreover, leased products can also define users with lower risk. Belk and Pollay (1984) also defined leasing as the "ultimate status symbol" since leased items can be replaced frequently.

Thirdly, Durgee and O'Connor (1995) compared leased and owned items from a "usage-experience time" perspective. Product owners tend to spend more time on the product, from the decision-making stage to disposal. For instance, people take longer to make decisions when purchasing rather than leasing. After a purchase, owners always feel anxious about whether their owned products can meet their long-term expectations. Lessees, on the other hand, experience shorter decision-making processes and do not feel anxious as the leased item will be returned at the end of the lease. As Durgee and O'Connor (1995) stated, "the item is needed, whether for functional reasons or fun reasons, and the emphasis is now and here."

Lastly, Durgee and O'Connor (1995) described and compared two types of materialism: terminal materialism and instrumental materialism. Terminal materialism emphasizes "owning," while instrumental materialism emphasizes "consuming" (Belk, 1985). In other words, purchasing involves a change of ownership and emphasizes owning the final product. On the other hand, leasing only involves consumption and emphasizes the "experience of

using" or the "activity" (Durgee, 1986). Durgee and O'Connor supported the idea that renters exhibit less terminal materialism and more instrumental materialism than owners.

In conclusion, Durgee and O'Connor's study on the relationship between people and products has shed light on the differences between owning and leasing products. Today, in the world of consumer behaviour, leasing has become a popular option for individuals who want to have access to products without the burden of ownership. While Durgee and O'Connor found that product owners pay more attention and service to their owned goods, today's consumers are more interested in the flexibility and convenience that leasing provides. Leasing allows consumers to stay up to date with the latest products without having to worry about maintenance or resale value. Furthermore, the study's findings on the social status associated with leasing and the emphasis on consumption rather than ownership are still relevant today, as consumers increasingly prioritize experiences over possessions. Overall, Durgee and O'Connor's study provides valuable insights into the motivations and behaviours of consumers who choose to lease rather than own products in today's consumer landscape.

2.4 Different types of car leasing in Finland

Private leasing is a form of financing that allows consumers to make use of a vehicle without needing to own it outright. It involves an agreement between the customer and a dealership or private leasing company, over an agreed upon period and mileage limit. Consumers who opt for this type of leasing will make regular payments throughout their contract's duration in exchange for access to a car. This includes all the same costs and periodic maintenance that come with ownership. Other expenses like car insurance premiums, vehicle tax and diesel tax must also be paid on top of the leasing fee - however no down payment is required, and you get access to a newer or brand-new car without investing capital. At the end of the agreement, leaving the car dealership won't cost you anything extra.

2.4.1 Operational leasing

Operational leasing is short-term leasing that can be cancelled during the contract period if the lessee so wishes. An operating lease is close to a conventional lease. In operating leasing, the

leasing object may be rented to several lessees in succession, and the leasing period therefore does not cover the entire economic life of the object. The lessee also has the option to terminate the contract. Operating leases are often gross leases, where the lessor is responsible for the maintenance and rent of the object. (Tilastokeskus, 2016)

Operational lease provides off-balance-sheet funding for businesses. Its characteristics closely resemble the typical leasing of moveable goods. Common maintenance leasing rental products include office machines and vehicles. The differences between maintenance leasing and finance leasing will be addressed in detail below. While maintenance leases typically last between 12 and 36 months, they do not fully cover the economic life of the leased item. When the prior lease expires, the lessor may continue to lease or sell the property. Over the duration of the lease, the lessor is responsible for maintaining the leased asset so that it remains in a useful condition in the lessee's possession and use. From the lessee's perspective, the leased object is a completely risk-free investment because the lessor carries full responsibility for all associated risks. This is also reflected in the relatively high leasing fees paid by the lessee. (Tepora, 2013)

The lessee agrees to pay the lessor an agreed-upon monthly rent. This is comprised of various elements such as depreciation, service, and interest costs. The full value of this over the lease period does not necessarily equal the difference between the car's list price and its residual value; other features like accessories and mileage are also factored in.

The rents, stipulated in the maintenance leasing agreement, strive to minimize capital expenditure on the leased property. By making monthly rent payments, lessees reduce the gap between the selling price and residual value. The lessor, meanwhile, works hard to accurately predict the future residual value; if this appears higher than its current sale value, then the lessor faces a possible loss. (Prado 2009)

2.4.2 Financial lease

A long-term leasing agreement in which a finance company obtains an asset required by the lessee and leases it to them is referred to as financial leasing. Financial leasing in Finland is primarily used for machinery, installations, and motor vehicles. In addition to buildings and

land, lessors may also lease these assets. By leasing the asset to the lessee, they finance their acquisition. (Tilastokeskus) Typically, financial leasing involves the long-term rental of an asset. It is a commonly utilized alternative form of finance that allows businesses or private individuals to obtain the necessary machine, equipment, vehicle, or other investment object. The finance lease agreement involves three parties: the customer company, the supplier, and the financing company. When the customer inquires and applies for leasing financing from the financing provider, the contractual arrangements commence. After a favourable finance decision, the vendor and the financing company enter into a sales agreement for the rental property. Following this, the financier and client create a leasing agreement, and the rented item is ordered to be delivered straight to the client company for the duration of the lease. At the same time, the object's ownership is transferred to the financier, primarily for security purposes regarding the event of the client defaulting on payments. (Tammi-Salminen: 2010). The financial lease arrangement is consequently tripartite and is also known as indirect leasing.

In financial leasing, the lessor serves only as the financier. It is not responsible for the original quality and characteristics of the rental item, nor for the object's suitability for the lessee's intended use. The renter is liable for all costs associated with utilizing the rented product, including repairs, maintenance, and insurance. As with operational leasing, the finance firm receives from the lessee a monthly lease payment consisting of the purchase price of the product, the right of use, and the interest expenses of the required capital. (Tepora 2013: 133)

2.4.3 Buy Back Guaranteed Financing

Private leasing is a common term for the financing method known as TOS-agreement, in which the dealer agrees to buy back the vehicle at an agreed-upon price at the end of the finance contract. Yet, they do not mean the same thing; the agreements are different. A TOS transaction is a monthly payment transaction based on a buyback commitment. There is a monthly payment for the vehicle, but it does not include other driving expenses. The objective of the instalment sale is ownership of the vehicle, whereas the TOS transaction requires the vendor to purchase the vehicle back from the customer at a predetermined price. The mileage and length of the contract are specified in the buyback agreement. At the time of repurchase, the automobile must be in good condition and have been serviced in accordance with the terms. The consumer

also has the option to purchase the vehicle at the conclusion of the contract term or sell the asset at any point of the contract. During the duration of the contract, the difference between the car's selling price and repurchase price has already been paid. (Turunen)

Since private leasing is a rental arrangement, it is subject to the same restrictions as short-term car rental. Private leasing and TOS transactions are taxed differently. Private leasing is considered a rental service, and the payment includes the service's 24 percent value-added tax.

According to a comparison commissioned by Autotalli.com, however, there is no evident pricing difference between TOS sales and actual private leasing. Both are commonly referred to as private leasing because they both provide worry-free driving for a set monthly fee. (Salonen, 2020)

2.5 How individuals choose and finance their vehicles in Finland

Finland's largest importer of automobiles by volume, K-Auto, carried out a qualitative study to find out how people purchase and finance their cars. K-Auto is a company that specializes in the importation, retailing, and aftermarket sales of automobiles produced by the Volkswagen group. Kesko Oyj is the sole owner of the business.

The aim of this study was to explore Finnish motorists' preferences regarding car ownership and leasing, and to identify the most important criteria they consider when choosing a car. The study draws on data from K-Auto's Autoilun Suunta survey, which was conducted on Norstat's internet panel in September 2022, with a sample of 1,023 Finnish motorists aged 18–74. The study is significant because driving is an essential part of everyday life for many Finns, and car ownership and leasing options are changing rapidly.

The survey included questions about the respondents' preferences for car ownership and leasing, as well as the criteria they consider when choosing a car.

The majority of Finnish motorists still prefer to own their car, with 61% indicating a one-time payment and 45% financing as their most interesting options. However, private leasing has gained interest among up to one third (31%) of the respondents, which is a larger share than the current proportion of private leasing cars in the Finnish car fleet. Those interested in private leasing prioritize a newer year model, better accessories, and a reduction in driving emissions.

The study found that the most important criteria for Finnish motorists when choosing a car are driving characteristics and comfort (94%), reducing the costs of driving (87%), and improving safety (76%). Interestingly, the appearance and image of the car were not mentioned by respondents. Additionally, a newer year model than their current car (74%) and the future resale value of the car (63%) were also important factors.

The results of this study suggest that Finnish motorists prioritize practicality and functionality over appearance and image when choosing a car. The high importance placed on driving characteristics and comfort, cost reduction, and safety highlights the significance of these factors in Finnish motorists' decision-making process. Private leasing has gained interest among a significant proportion of respondents, indicating a shift towards more flexible and cost-effective options for car ownership and leasing.

The study provides valuable information that can help answer the question of whether private leasing is a viable option for acquiring a new car in Finland. The study found that private leasing has gained interest among up to one third (31%) of the respondents, indicating a shift towards more flexible and cost-effective options for car ownership and leasing. This suggests that private leasing may indeed be a viable option for some Finnish motorists.

Additionally, the study identified the most important criteria Finnish motorists consider when choosing a car, which include driving characteristics and comfort, reducing the costs of driving, and improving safety. Private leasing may be an attractive option for those who prioritize these factors, as it can provide access to newer year models with better accessories and a reduction in driving emissions.

3 Methodology

The automotive market in Finland has experienced a significant shift in recent years, with a growing interest in private leasing as an alternative method for financing the acquisition of brand-new vehicles (Tiedotuskeskus, Kantar TNS, 2021). This trend can be attributed to the changing preferences of consumers, who are increasingly seeking predictability, ease of budgeting, and a more convenient car return process (Lähitapiola, Kantar TNS, 2022). Furthermore, the rise of collaborative consumption (Botsman & Rogers, 2010) and the increasing desire to access rather than own goods (Kreiczer-Levy, 2017) have also contributed to the growing popularity of private leasing.

The aim of this thesis was to investigate the viability of private leasing as a method for financing the acquisition of a brand-new vehicle, focusing on the private leasing option provided by NF Fleet Autoleasing in the Finnish automotive market, and to provide a clear picture of private leasing and its benefits, drawbacks, and challenges for various stakeholders. The questions posed by the thesis were:

1. What are the benefits, drawbacks, and challenges of private leasing for various stakeholders in the Finnish automotive market?
2. Is private leasing a viable option for financing the acquisition of a new car?

This chapter reviews the methods used in the research and calculations of the actual costs of different financing options over a three-year period. The exclusion of cash payment and partial payment options lacking a pre-agreed repurchase agreement from this study was based on the impracticality of obtaining precise data regarding the residual value of the vehicle.

3.1 Research methods

One of the objectives of the study was to form a comprehensive understanding of private leasing services. To achieve this aim, a qualitative research approach was adopted.

Qualitative research is utilized when the focus is on gaining an in-depth understanding of the background, characteristics, and significance of the object of inquiry (Tuomi & Sarajärvi,

2018.) In this study, interviews were conducted with experts who work closely with private leasing and Buy-Back agreement financing products and have extensive knowledge of the subject. The interviews were conducted as a semi-structured theme interview, which entails an open discussion guided by a specific interview structure focused on the chosen theme (University of Jyväskylä, 2015). Personal interviews were preferred over questionnaires as they allowed for an open discussion and the opportunity to ask clarifying questions. All interviews were conducted thematically, and the interview framework can be found in Appendix's.

Once the theoretical framework was established, representatives from the dealership and Nordea Finance were interviewed to explore the benefits and challenges of private leasing. A Sales Manager of Hedin Automotive, a Skoda dealership, and an importer of Skoda cars, Helkama Auto's Director of Sales, Field and Business Management, were interviewed to obtain the dealer's and importers perspective, while the Head of Car Finance from Nordea Finance was interviewed to provide the financier's perspective. All interviews were conducted thematically, and the interview questions can be found in Appendix's.

In addition, several articles relating to the car market were reviewed for the theoretical framework, and passenger car sales statistics from the Ministry of Transport and Communications Traficom were studied.

A comparative research approach was employed to identify the differences and actual costs of various financing options. This method is suitable when the aim is to examine the similarities and differences between comparable processes or phenomena (University of Jyväskylä, 2015). To compare the financing options, a private leasing offer was requested from a joint venture between Nordea Finance's subsidiary NF Fleet and ALD Automotive; Autoleasing.fi, and a Hedin Automotive's Buy-Back Agreement financing Fiksudiili offer were requested. Both offers were calculated using the same car data, and the same starting data were used in all calculations. The Skoda Octavia's model Combi 1.0 TSI Style eTEC DSG Autom., which was the fifth most popular car in new car registrations in 2022 (Traficom), was selected as the car. The offers included two sets of tires, and winter tires were included in the purchase price in all calculations. Service prices were obtained from the same dealers.

It should be noted that the calculations did not consider costs associated with car use, such as insurance premiums or fuel costs, as these costs are incurred by the consumer regardless of the type of financing contract. The calculations can be found in Appendix's.

3.2 Reliability and Validity

The reliability and validity of the research are essential aspects to consider when designing and conducting a study. Reliability refers to the consistency and stability of the research findings, whereas validity refers to the accuracy and truthfulness of the results.

In this study, reliability was addressed by ensuring that the interview questions were clear and consistently applied across all respondents. The use of a semi-structured interview format allowed for flexibility in the discussion while maintaining a consistent focus on the research questions. To enhance the reliability of the quantitative analysis, the same starting data were used for all calculations, and the offers from NF Fleet Autoleasing and Hedin Automotive were carefully compared.

To ensure the validity of the research findings, the qualitative data were collected from experienced industry professionals, providing valuable insights into the real-world implications of private leasing and Buy-Back Agreement financing products. The selection of respondents was purposeful, ensuring that different stakeholder perspectives (dealers, importers, and financiers) were represented. The comparison of various financing options was based on actual offers from the companies, which further contributed to the validity of the results.

However, it is essential to acknowledge that the research findings may be influenced by the individual perspectives of the respondents, the specific context of the Finnish automotive market, and the selected car model. Therefore, the results should be interpreted with caution when generalizing to other contexts or market situations.

Overall, the research design and methods used in this study were carefully chosen to ensure the reliability and validity of the findings while providing a comprehensive understanding of the viability of private leasing as a financing option for acquiring a new vehicle in Finland.

4 Results of the study

This chapter presents the results of the research on the viability of private leasing as a method for financing the acquisition of a brand-new vehicle in the Finnish automotive market. The research questions guiding this study were:

1. What are the benefits, drawbacks, and challenges of private leasing for various stakeholders in the Finnish automotive market?
2. Is private leasing a viable option for financing the acquisition of a new car?

Based on qualitative interviews with experts in private leasing and Buy-Back agreement financing products, as well as a comparative analysis of the actual costs of different financing options over a three-year period, the results of this study are organized into two main sections: (1) stakeholder perspectives on private leasing, and (2) comparison of financing options.

4.1 Qualitative data

The semi-structured theme interviews conducted with representatives from the dealership, importer, and financier revealed the following benefits, drawbacks, and challenges of private leasing for various stakeholders:

4.1.1 Hedin Automotive Sales Manager, Jorge Mäkinen: Benefits and Challenges for a Retailer

FiksuDiili (SmartDeal) and Private Leasing are popular financing options for customers who want to drive a new car without the commitment of ownership. From a car retail ships perspective, these options also have benefits and challenges.

One major benefit of offering Smart Deal and Private Leasing is that they can create a loyal customer base. Private leasing and FiksuDiili customers tend to continue financing their cars with private leasing rather than switch to ownership. This means that salespeople can rely on repeat business from these customers who regularly order a new car at the end of their contract period. Additionally, these financing options include maintenance contracts, which can be handled by the dealer. This makes it easier for salespeople to engage with and contact customers, as they have a reliable maintenance partner throughout the duration of the contract.

Another significant benefit for retailers is the ability to create a continuous sales cycle with FiksuDiili and Private Leasing. With FiksuDiili's three-year contract, for example, a continuous sales cycle can be established, which can later translate to an increase in sales volumes. Unlike ownership, where customers may keep their cars for longer periods, FiksuDiili and Private Leasing contracts encourage customers to regularly switch to a new car. This means that over time, salespeople can build a loyal customer portfolio of customers who change their cars regularly.

However, retailers also face some challenges when offering FiksuDiili and Private Leasing. One such challenge is customers' preconceptions about the price of private leasing. Often, when comparing different forms of financing, customers may overlook the depreciation of the car, and private leasing prices may not appear attractive. This is where retailers can play a significant role in increasing customer awareness by investing in the knowledge and awareness of salespeople.

Another challenge for retailers is the return of cars from contracts. When large quantities of the same car model are sold during campaigns, they also return at the same times. This oversupply on the market can be a significant challenge for trade-in car sales. Therefore, it is crucial to plan for this challenge and find solutions to avoid price suppression by other trade-in car dealerships. With a three to four-year contract period, retailers have enough time to plan for this challenge.

In conclusion, Smart Deal and Private Leasing can be a lucrative financing option for retailers. They provide a continuous sales cycle and create a loyal customer base. However, retailers should also be aware of the challenges, including customers' preconceptions about

the price and managing the return of cars from contracts. By investing in the knowledge and awareness of salespeople, retailers can effectively tackle these challenges and reap the benefits of offering Smart Deal and Private Leasing to their customers.

4.1.2 Helkama Auto's Director of Sales, Field and Business Management, Petri Raitala: Importer Perspectives on Opportunities and Challenges

The increasing popularity of private leasing has influenced Skoda and Helkama Auto's sales strategies and customer offerings. Customers prioritize ease, security, and predictability in their budget, making monthly instalment-based solutions like private leasing increasingly attractive. The simplicity and clarity of private leasing terms, compared to other financing options, make it appealing to customers.

When comparing private leasing to other financing options, it is not necessarily the technical product that matters most. Instead, it is the ease of the process and the clarity of the terms and conditions that appeal to customers. Comparing private leasing to hire purchase solutions, the dynamics work similarly, but private leasing often brings more simplicity to the process from the customer's perspective. The popularity of buyback commitments in hire purchase agreements has also grown significantly in recent years. This development leads to an easier transition to pure leasing solutions in the next step.

Private leasing offers various advantages to customers and dealerships, such as shorter contract periods leading to faster vehicle rotations, better control over vehicle value management, and more competitive pricing. Dealerships embracing private leasing can increase customer retention, maximize profits, and ensure that customers fully utilize dealership services such as maintenance and repairs.

Raitala explains that from the dealership's standpoint, the most significant difference between private leasing and hire purchase is the earning logic. Dealerships earn from interest rate differences in hire purchase, while traditionally, there are little to no earnings from private leasing in the Finnish market. However, the industry is undergoing a shift, as dealerships recognize the need to manage the customer lifecycle more effectively.

By embracing private leasing, dealerships can increase customer retention and maximize profits by offering appropriate solutions to their customers at the right time. Additionally, private leasing enables dealerships to ensure customers utilize their services, such as maintenance and repairs, to the fullest extent.

The importance of private leasing cannot be understated as it provides benefits for customers, dealerships, and importers alike. By adapting to the changing market and embracing private leasing, dealerships can better cater to their customers' needs and ensure long-term success.

Helkama Auto faces challenges in implementing private leasing, including ensuring dealer profitability and changing dealers' mindsets. To address these challenges, the company introduced targeted solutions and incentive systems to guide dealers in adopting and promoting private leasing options. Helkama Auto currently returns vehicles from private leasing contracts to their original dealers, who are more experienced in handling used car sales. While residual value risks exist, the company has managed these risks intelligently and sees more potential opportunities than challenges in handling returned vehicles.

Petri Raitala, the Director of Sales, Field and Business Management of the company importing Skoda vehicles to Finland, believes that monthly payment-based products including vehicle return options will grow increasingly important in the near future. He states, "Around 10-20% of the private customer market already consists of products that provide vehicle return options for customers." The distinction between private leasing and buyback commitments in hire purchase is less relevant to customers than the convenience, ease of budgeting, and car return process.

Raitala envisions the automotive industry moving towards greater importance of private leasing and similar solutions in the future, focusing on meeting customer needs and building brand loyalty. He explains, "Our task is to find the right solutions and services that suit the consumer, and thereby maximize our own sales volumes." This shift is expected to have a significant impact on the Finnish automotive market, shaping its development and trends in the coming years.

4.1.3 Financiers Perspective

In a comprehensive interview with Petri Nikunen, the Head of Car Finance at Nordea Finance Finland, the role, and implications of private leasing within the Finnish automotive market were thoroughly examined. Private leasing presents a combination of benefits and challenges for financing companies like Nordea Finance, as well as for consumers seeking alternative financing options.

Nordea Finance indirectly participates in the private leasing market through its subsidiary, NF Fleet. The company benefits from customer retention and profits generated by its subsidiary's performance in the competitive private leasing sector. Private leasing enables leasing companies to target a more diverse range of customers, including individual consumers, significantly increasing the volume potential compared to traditional business-to-business leasing. However, the market is also marked by tighter margins due to the increased competition and the range of choices available to consumers, such as direct car ownership and instalment financing offered by car dealerships.

Despite these challenges, private leasing offers numerous advantages for consumers, such as a predictable monthly cost, a predetermined contract period, and protection against depreciation risks. Furthermore, private leasing simplifies the process of acquiring a new vehicle, as it typically includes maintenance, insurance, and other necessary services within the monthly fee, providing a hassle-free experience for customers.

The main challenge in the private leasing market is the difficulty consumers face in comparing leasing products with other financing options. Many customers struggle to grasp the true costs and benefits associated with each option, often overlooking the impact of depreciation on their car's value when considering the overall cost of ownership. To address this issue, leasing companies like Nordea Finance Finland's subsidiary, NF Fleet, in partnership with ALD Automotive, offer better information and services to help consumers make informed decisions. Creative marketing solutions, such as explanatory videos and comprehensive information packages, are utilized to make the concept of private leasing more understandable to consumers, allowing the company to offer a complete range of services, including various financing options and banking services. This unique offering sets

them apart from competitors who generally lack some of these components in their service offerings.

Petri Nikunen believes that private leasing will not completely replace instalment financing methods in Finland, as has occurred to some extent in Sweden. This is attributed to differences in legislation and cultural factors. Finnish consumers have a strong culture of ownership, which often leads them to prefer instalment financing methods, where they eventually own the vehicle. Additionally, instalment financing provides greater flexibility for consumers who wish to change their vehicles according to their needs and preferences.

In conclusion, the interview with Petri Nikunen highlights the complexities surrounding private leasing in the Finnish automotive market. It emphasizes the importance of customer retention, the potential for increased market share, and the need for clear communication and information for consumers. Private leasing will continue to play a significant role in Finland's automotive landscape, but instalment financing is expected to remain the dominant financing method for the foreseeable future due to factors such as legislation, cultural attitudes towards ownership, and the desire for flexibility in changing vehicles.

4.2 Quantitative data

The data analysis compares the total costs of both financing options over a three-year period. The instalment payment with a buy-back guarantee from Hedin Automotive amounted to a total of 19,851,12 euros, which included financing costs, loss of value, and maintenance costs. On the other hand, the private leasing from Autoleasing.fi totalled 19,382.04 euros, with no residual value or maintenance costs.

From the data analysis, it is evident that the costs associated with the instalment payment with a buy-back guarantee and private leasing are relatively similar over the three-year period.

4.3 Calculation of instalment costs

Nordea Finance Oy acts as the financier of the hire purchase with buy-back guaranteed payment offered by the retailer through hedinautomotive.fi. The offer is calculated without a down payment, as private leasing can also be obtained without a down payment. The offer is calculated with an interest rate of 4.95 percent, and other costs include a monthly processing fee of 15 euros. To make the monthly instalment more affordable, the last instalment is often left larger in instalment contracts. In this offer, the dealership has a predetermined buy-back offer of 24 157,98 euros.

Hedin Automotive offers FiksuDiili, a hire purchase finance option for selected car models. With no down payment required, a favourable credit decision is necessary, and the car serves as security. The program has fixed monthly payments with an agreement duration of 2 to 4 years, and an annual kilometre allowance is agreed upon in advance. At the end of the agreement, customers can choose to return the car, buy it at a pre-agreed price, or enter into a new agreement for a new car. The agreement can also be extended by one year. (Nordea Finance)

The FiksuDiili hire purchase contract including a Buy-Back Agreement, offered by Hedin Automotive, includes a maintenance contract of 39 euros per month, and hence the costs of maintenance must be included in the instalment payment amounting to a total of 1404 euros.

4.4 Calculation of autoleasing.fi option costs and comparison

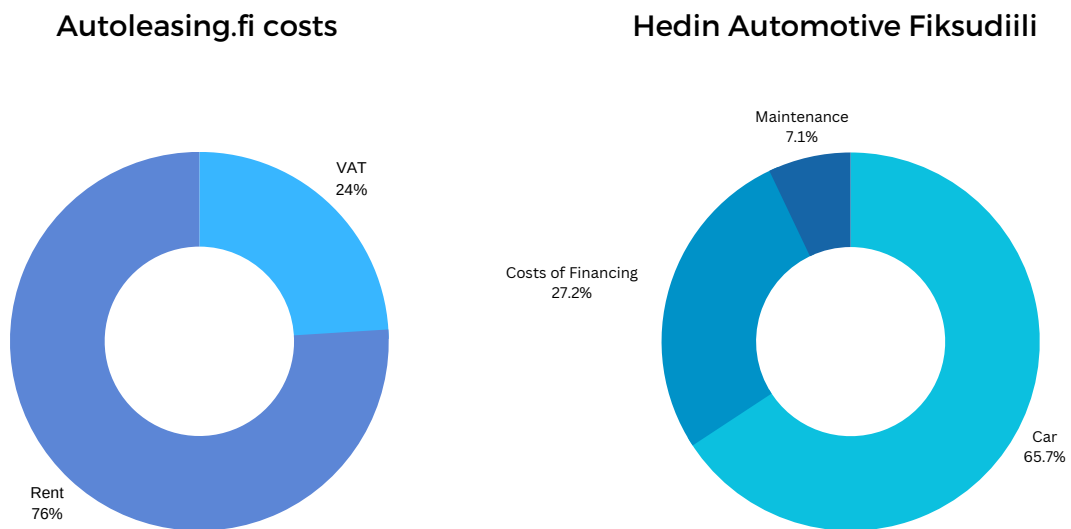
The present analysis concerns two financing options for the acquisition of a new Skoda car, namely instalment payment with a buy-back guarantee and private leasing, using information provided by autoleasing.fi. The total cost of the car is fixed at 36 362,40 euros, and the contract period for both financing options is set at 36 months, during which a mileage limit of 50,000 kilometres is imposed. Exceeding this limit incurs a charge of 20 cents per kilometre. If the number of kilometres driven by the vehicle during the rental period has exceeded more than five (5) percent of the amount agreed in the contract, the company has the right to charge the accumulated excess kilometres after the end of the rental period in accordance with the excess kilometre pricing mentioned in the contract.

For the private leasing option, the total cost is calculated as the sum of the first rental instalment of 538,39 euros and 35 monthly instalments of 538,39 euros. The residual value of

the car does not affect the customer's expenses, resulting in a fixed net expense of 19,382.04 euros over the entire contract period. The price of the vehicle including tax is also portrayed.

Comparing the two options, the instalment payment incurs payments of 19,851.12 euros over three years, including financing costs, loss of value of the vehicle and the maintenance costs, while the private leasing costs 19,382.04 euros, with no residual value or maintenance costs, over the same period.

In the graph below, you can see the distribution of monthly costs for each financing option:



4.4.1 Instalment Costs

- Over a three-year period, the instalment payment with a buy-back guarantee option results in a total cost of 19,851,12 euros, considering financing costs, loss of value, and maintenance costs.

- The FiksuDiili hire purchase contract, including a Buy-Back Agreement, offered by Hedin Automotive, includes a maintenance contract of 39 euros per month, amounting to a total of 1,404 euros.

4.4.2 Autoleasing.fi Option Costs

- Over a three-year period, the private leasing option incurs a fixed net expense of 19,382.04 euros, with no residual value or maintenance costs as they were included in the monthly rent.

4.5 Summary of Results

The study aimed to explore the viability of private leasing as a financing method for acquiring a new vehicle in the Finnish automotive market.

The research employed a qualitative approach, using interviews with experts in private leasing and buy-back agreement financing products, as well as a comparative analysis of the actual costs of different financing options over a three-year period. The results are organized into two main sections: (1) stakeholder perspectives on private leasing, and (2) comparison of financing options.

Stakeholder perspectives on private leasing were gathered through semi-structured theme interviews conducted with representatives from the dealership, importer, and financier sectors. These perspectives were further divided into three sub-sections.

Retailer perspective: Retailers reported that offering Smart Deal and Private Leasing financing options can create a loyal customer base and a continuous sales cycle. However, they also face challenges related to customers' preconceptions about private leasing prices and the management of car returns from contracts. By investing in salespeople's knowledge and awareness, retailers can effectively tackle these challenges.

Importer perspective: Importers such as Helkama Auto has recognized the growing importance of private leasing in the automotive market due to its simplicity, ease, and predictability for customers. Adapting to this change presents opportunities for importers to better cater to customers' needs and ensure long-term success. Challenges for importers include ensuring dealer profitability and changing dealers' mindsets towards private leasing.

Financier perspective: Financing companies like Nordea Finance Finland face a combination of benefits and challenges from private leasing. The benefits include customer retention and the potential for increased market share, while the challenges involve the difficulty consumers face in comparing leasing products with other financing options. The study emphasizes the importance of clear communication and information for consumers to make informed decisions.

The comparison of financing options revealed that the total costs associated with instalment payment with a buy-back guarantee and private leasing over a three-year period were close. A minor difference was observed, with private leasing amounting to €19,382.04, which is €469.08 less than the total cost of instalment payment with a buy-back guarantee which stands at €19,851.12. Thus, in this scenario, private leasing was found to be a more cost-effective financing option.

In summary, the study found that private leasing presents both advantages and challenges for stakeholders in the Finnish automotive market, with benefits including customer retention and loyalty, and challenges such as consumer preconceptions and dealer profitability. The comparison of financing options demonstrated that the costs associated with instalment payment with a buy-back guarantee and private leasing are relatively similar. The findings suggest that private leasing will continue to play a significant role in Finland's automotive landscape, but instalment financing is expected to remain the dominant financing method for the foreseeable future due to factors such as legislation, cultural attitudes towards ownership, and the desire for flexibility in changing vehicles.

5 Discussion

This chapter critically examines and discusses the results presented in the previous chapter concerning the viability of private leasing as a financing method for acquiring a new vehicle in the Finnish automotive market. The study's research questions, which were introduced in the introduction, are revisited, and the results are analyzed in light of the theory and literature

sources presented earlier. The aim of this discussion is to determine whether the results satisfy the research aims and how the hypothesis holds.

5.1 Stakeholder Perspectives on Private Leasing

The study's first research question sought to understand the benefits, drawbacks, and challenges of private leasing for various stakeholders in the Finnish automotive market. The results indicate that private leasing offers advantages to retailers, importers, and financiers, such as creating a loyal customer base, increasing sales volumes, and providing a continuous sales cycle. However, challenges also exist, including customers' preconceptions about the price of private leasing and managing the return of cars from contracts.

These findings align with the notion that leasing can contribute to reducing ownership (Myers et al., 1976; Miller & Upton, 1976) and previous literature on the topic, which suggests that private leasing can be a lucrative financing option for various stakeholders in the automotive market, provided they can effectively manage the associated challenges (Gavazza, 2011; Miller, 1995; Giaccotto et al., 2007). Additionally, the results support the idea that Finnish customers' attitudes towards leasing have been influenced by factors such as the desire for financial flexibility, environmental concerns, and the rise of the sharing economy (Belk, 1988; Belk & Pollay, 1985; Durgee & O'Connor, 1995).

5.2 Comparison of Financing Options

The second research question aimed to determine if private leasing is a viable option for financing the acquisition of a new car. The results of the comparative analysis of financing options over a three-year period reveal that the total costs associated with instalment payment with a buy-back guarantee and private leasing are relatively similar. Private leasing was found to be slightly less expensive, with a difference of €469.08. The total cost of instalment payment with a buy-back guarantee was €19,851.12, while private leasing amounted to €19,382.04. This demonstrates that private leasing can be a viable financing option for acquiring a new car.

This finding is consistent with previous studies, which have shown that private leasing can be a cost-effective alternative to traditional financing methods such as hire purchase, particularly when considering factors such as depreciation and maintenance costs (Leurent & Windisch, 2011). The minimal difference in costs between the two options suggests that private leasing can be a viable option for Finnish customers, depending on their preferences and priorities.

5.3 Contribution to the Literature and Practice

This study contributes to the existing literature on private leasing by providing empirical evidence of its viability as a financing option in the Finnish automotive market. It expands the understanding of the benefits, drawbacks, and challenges associated with private leasing for various stakeholders and provides practical insights for retailers, importers, and financiers seeking to capitalize on this financing method.

The study also contributes to the practical implementation of private leasing in the Finnish automotive market by identifying key success factors and potential pitfalls. These insights can help stakeholders develop effective strategies and practices to maximize the benefits of private leasing while minimizing the associated risks and challenges.

6 Synthesis and Conclusions

This study aimed to critically examine the viability of private leasing as a financing method for acquiring a new vehicle in the Finnish automotive market. Through the analysis and interpretation of the results, the study has provided valuable insights into the benefits, drawbacks, and challenges associated with private leasing for various stakeholders, as well as the cost-competitiveness of private leasing compared to traditional financing methods. The conclusions presented in this section highlight the broader implications of the research, evaluate the study's possible shortcomings, and suggest areas for future research.

6.1 Broader Implications

The findings of this study contribute to the understanding of private leasing as a viable financing option in the Finnish automotive market. By illustrating the benefits and challenges associated with private leasing, the study offers practical insights for retailers, importers, and financiers seeking to capitalize on this financing method. Furthermore, the results show that private leasing is a cost-competitive alternative to traditional financing methods, which can help inform customer decision-making when acquiring a new vehicle.

These insights are relevant to the broader context of the automotive industry, as they suggest that private leasing can be an effective tool for managing ownership costs and align with the current trend towards collaborative consumption (Botsman & Rogers, 2010; Kreiczer-Levy, 2017). By addressing the challenges associated with private leasing, such as customer preconceptions and the management of car returns, stakeholders in the Finnish automotive market can maximize the benefits of this financing method while minimizing the associated risks and challenges.

6.2 Limitations and Future Research

The main limitation of this study is its reliance on qualitative interviews and a single case comparison of financing options. Future research could benefit from a larger sample size of financing options and a more diverse range of cases, which would allow for a more comprehensive understanding of the private leasing landscape in Finland. Furthermore, quantitative methods, such as surveys or statistical analysis, could provide additional insights into customer preferences and the factors that influence their decision-making process when choosing a financing option.

Another limitation is that the study focuses exclusively on the Finnish automotive market. As such, the findings may not be generalizable to other markets or countries. Future research could explore the viability of private leasing in other contexts, taking into account variations in customer preferences, regulatory environments, and market conditions.

It would also be valuable to investigate the long-term effects of private leasing on the automotive market, such as the impact on resale values and the dynamics of the used car market. Additionally, future studies could explore the role of innovative business models,

such as subscription services or car-sharing platforms, in shaping the future of private leasing and the broader automotive industry.

In conclusion, this study has critically examined and discussed the viability of private leasing as a financing method for acquiring a new vehicle in the Finnish automotive market. The results support the hypothesis that private leasing is a viable financing option, offering benefits to various stakeholders and presenting a cost-competitive alternative to traditional financing methods. However, the study also highlights the need for stakeholders to address the challenges associated with private leasing, such as customers' preconceptions about pricing and managing the return of cars from contracts. By doing so, stakeholders can maximize the benefits of private leasing while minimizing the associated risks and challenges.

While this study provides valuable insights into the viability of private leasing in the Finnish automotive market, it is essential to acknowledge its limitations. The study's reliance on qualitative interviews and a single case comparison of financing options limits the generalizability of the findings. Future research could benefit from a larger sample size of financing options, more diverse cases, and the use of quantitative methods, such as surveys or statistical analysis, to gain a more comprehensive understanding of the private leasing landscape in Finland.

Additionally, the study focuses exclusively on the Finnish automotive market, which may limit the applicability of the findings to other markets or countries. Future research could explore the viability of private leasing in other contexts, taking into account variations in customer preferences, regulatory environments, and market conditions.

6.3 Future Research Directions

This study has identified several areas that warrant further investigation. First, it would be valuable to examine the long-term effects of private leasing on the automotive market, such as the impact on resale values and the dynamics of the used car market. This would provide a more comprehensive understanding of the broader implications of private leasing as a financing option.

Second, future research could explore the role of innovative business models, such as subscription services or car-sharing platforms, in shaping the future of private leasing and the broader automotive industry. Such research would contribute to the understanding of how emerging trends and consumer preferences are influencing the automotive market and the financing options available to consumers.

Lastly, further research could investigate the effectiveness of marketing strategies and customer relationship management practices in addressing the challenges associated with private leasing. This would provide valuable insights for stakeholders seeking to maximize the benefits of private leasing while minimizing the associated risks and challenges.

In conclusion, this study has critically examined the viability of private leasing as a financing method for acquiring a new vehicle in the Finnish automotive market. The findings support the hypothesis that private leasing is a viable financing option, offering benefits to various stakeholders and presenting a cost-competitive alternative to traditional financing methods. However, the study also highlights the need for stakeholders to address the challenges associated with private leasing, such as customers' preconceptions about pricing and managing the return of cars from contracts. By doing so, stakeholders can maximize the benefits of private leasing while minimizing the associated risks and challenges.

The Finnish automotive market is experiencing a shift towards private leasing and other flexible financing options, driven by customer preferences for predictability, ease of budgeting, and a more convenient car return process. This study has explored the benefits, challenges, and future prospects of private leasing in the Finnish automotive market through interviews with three industry professionals: Petri Nikunen, the head of car finance at Nordea Finance Finland; Jorge Mäkinen, a sales manager at Hedin Automotive; and Petri Raitala, the sales director of Helkama Auto, company importing Skoda vehicles to Finland.

The analysis of the interviews reveals several benefits of private leasing for various stakeholders, such as customers, financing companies, car retailers, and importers. These benefits include better margins, improved customer retention, increased predictability in the market, and the ability to create a continuous sales cycle. The partnership between Nordea Finance Finland's subsidiary, NF Fleet, and ALD Automotive, for example, sets them apart from competitors by offering a comprehensive range of services.

However, private leasing also presents challenges that need to be addressed by the stakeholders. One key challenge is the difficulty consumers face in comparing leasing products with other financing options. This issue can be mitigated by investing in better information and services to help consumers make informed decisions. Another challenge is managing the return of cars from contracts, which can lead to oversupply on the market and affect trade-in car sales. Planning for this challenge and finding solutions to avoid price suppression by other trade-in car dealerships is crucial for retailers.

The prospects of private leasing in the Finnish automotive market are promising, with a growing role of monthly payment-based products and a focus on meeting customer needs and building brand loyalty. However, it is unlikely that private leasing will completely replace instalment financing methods in the near future due to cultural and legislative factors.

7 References

- Autoalan Tiedotuskeskus, Kantar TNS. (2021, November). Liisata vai eikö liisata? [Should you lease or not lease?]. Retrieved from https://www.aut.fi/files/2498/autojen_hankintatapatutkimus_2021.pdf
- Autoalan Tiedotuskeskus. (n.d.). Ajoneuvovero [Vehicle tax]. Retrieved from https://www.aut.fi/tieliikenne/liikenteen_verotus/ajoneuvovero
- Autoalan Tiedotuskeskus. (n.d.). Liikenteen verotus [Traffic taxation]. Retrieved from https://www.autotuoajat.fi/autoalan_toimintaymparisto/liikenteen_verotus
- AutoTalli. (n.d.). Yksityisleasingin suosio jatkuu – nämä leasing-autot kiinnostivat suomalaisia eniten vuonna 2022 [Private leasing remains popular - these leasing cars were most interesting to Finns in 2022]. Retrieved from <https://www.autotalli.com/leasing/yksityisleasing-artikkeli/yksityisleasingin-suosio-jatkuu-nama-leasing-autot-kiinnostivat-suomalaisia-eniten-vuonna-2022/>
- Belk, R. W. (1988). Possessions and the extended self. *Journal of Consumer Research*, 15, 139-168.
- Belk, R. W., & Pollay, R. W. (1985). Images of ourselves: The good life in twentieth century advertising. *Journal of Consumer Research*, 11, 887-897.
- Botsman, R., & Rogers, R. (2010). *What's mine is yours: The rise of collaborative consumption*. New York, NY: HarperCollins Publishers.
- Cision. (2022, February 14). Näillä kriteereillä suomalaiset autoilijat valitsevat autonsa vuonna 2023 – kolmasosaa kiinnostaa yksityisleasing [These criteria determine how Finnish drivers choose their cars in 2023 - one third are interested in private leasing]. Retrieved from <https://news.cision.com/fi/k-auto-oy/r/nailla-kriteereilla-suomalaiset-autoilijat-valitsevat-autonsa-vuonna-2023---kolmasosaa-kiinnostaa-yk,c3720208>
- Durgee, J. F., & O'Connor, G. C. (1995). An exploration into renting as consumption behavior. *Psychology & Marketing*, 12, 89-104.
- Gavazza, A. (2011). Leasing and secondary markets: Theory and evidence from commercial aircraft. *The Journal of Political Economy*, 119, 325-377.
- Georgescu, M. A. (2011). The incidence of risk factors on establishing the rental payment by the lessor. *Annals of Dunarea de Jos University, Fascicle I: Economics and Applied Informatics*, 1(2), 23-26.
- Giacotto, C., Goldberg, G. M., & Hegde, S. P. (2007). The value of embedded real options: Evidence from consumer automobile lease contracts. *The Journal of Finance*, 62, 411-445.

Holtzschue, K. B. (2007). Holtzschue on real estate contracts and closings. New York, NY: Practising Law Institute.

Kreiczer-Levy, S. (2017). Share, own, access. *Yale Law & Policy Review*, 36, 155-217.

Lähitapiola, Kantar TNS. (2022, June). Arjen katsaus -kyselytutkimus [Everyday view - survey research]. Retrieved from <https://www.lahitapiola.fi/tietoa-lahitapiolasta/uutishuone/uutiset-ja-tiedotteet/uutiset/uutinen/1509577903102>

Liikennefakta. (n.d.). Henkilöautokanta [Passenger car fleet]. Retrieved from <https://liikennefakta.fi/fi/ymparisto/henkiloautot/henkiloautokanta>

Miller, M. H., & Modigliani, F. (1958). The cost of capital, corporation finance and the theory of investment. *The American Economic Review*, 48, 261-297.

Miller, M. H., & Upton, C. W. (1976). Leasing, buying, and the cost of capital services. *The Journal of Finance*, 31, 761-786.

Miller, S. E. (1995). Economics of automobile leasing: The call option value. *The Journal of Consumer Affairs*, 29, 199-218.

Ministry of Finance. (n.d.). Car tax [Webpage]. Retrieved from <https://vm.fi/autovero>

Myers, S. C., Dill, D. A., & Bautista, A. J. (1976). Valuation of financial lease contracts. *The Journal of Finance*, 31, 799-812.

Nordea Finance. (n.d.). Pay for use [Webpage]. Retrieved from <https://www.nordeafinance.fi/en/personal/services/carfinance/pay-for-use.html#tab=Rahoitusleasing>

Prado, S. (2009). The European used-car market at a glance: Hedonic resale price valuation in automotive leasing industry. *Economics Bulletin*, 29(3), 2086-2099.

Rampini, A., & Viswanathan, S. (2013). Collateral and capital structure. *Journal of Financial Economics*, 109(2), 466-492.

Salonen, J. (2020). Näillä mennään – Tässä ovat suomalaisen leasing-kansan suosituimmat automerkit [This is how we roll - These are the most popular car brands among Finnish leasers]. *Kauppalehti*. Retrieved from <https://www.kauppalehti.fi/uutiset/nailla-mennaan-tassa-ovat-suomalaisen-leasing-kansan-suosituimmat-automerkit/09a5edad-3be2-47e3-92b2-689fe78ec0bb>

Statistics Finland. (2021). Passenger cars [Data file]. Retrieved from https://www.stat.fi/til/mkan/2021/mkan_2021_2022-03-01_tie_001_en.html

Statistics Finland. (n.d.). Käyttöleasing [Operating leasing]. Retrieved from <https://www.stat.fi/meta/kas/kayttoleasing.html>

Statistics Finland. (n.d.). Suomi 90 -lokakuu [Finland 90 - October]. Retrieved from <https://www.stat.fi/tup/suomi90/lokakuu.html>

Stulz, R. M., & Johnson, H. (1985). An analysis of secured debt. *Journal of Financial Economics*, 14(1), 501-521.

Tammi-Salminen, E. (2010). Sopimus ja sivullissuhteista rahoitusleasingissa [Contracts and collateral relations in financial leasing]. *Defensor Legis: Suomen asianajajaliiton äänenkannattaja*, 606-626.

Tepora, J. (2013). Panttioikeus ja vakuusmuodot [Pledge rights and security forms]. Helsinki: Lakimiesliiton kustannus.

Turunen, S. (n.d.). Yksityisleasingissa veroa verolle [Taxing private leasing]. *AutoTalli.com*. Retrieved from <https://www.autotalli.com/talli/liikkuvuus/yksityisleasing/yksityisleasingissa-veroa-verolle/>

Tuomi, J., & Sarajärvi, A. (2018). Laadullinen tutkimus ja sisällön analyysi [Qualitative research and content analysis]. E-kirja.

Vertaileva tutkimus [Comparative research]. (2015). Verkkoaineisto. Jyväskylän yliopisto. Retrieved from <https://koppa.jyu.fi/avoimet/hum/menetelmapolkuja/menetelmapolku/tutkimusstrategiat/vertaileva-tutkimus>

Yle Uutiset. (2017). Autovero laskee - katso, miten paljon autoilu kallistuu nyt [Car tax drops - see how much more expensive driving is now]. Retrieved from <https://yle.fi/uutiset/3-9803990>

Appendices

Interview questions for the Dealership:

1. How can Fiksudiili benefit dealers in comparison to other financing options for Skoda vehicles?
2. What advantages does Fiksudiili offer to dealers in terms of sales incentives and customer retention?
3. How does Fiksudiili provide a competitive edge for dealers in the market?
4. What are the key features of Fiksudiili that make it stand out as a preferred choice for dealers and customers alike?
5. How can dealers effectively leverage Fiksudiili to attract more customers and increase their sales volume?
6. What potential opportunities and growth prospects does Fiksudiili offer to dealers in the long term?

Interview questions for the Importer:

1. How has the increasing popularity of private car leasing influenced Helkama Autos Finland's sales strategies and customer offerings?
2. In comparison to other financing options, how would you assess the importance of private leasing for Helkama Autos Finland's customers and its overall business objectives?
3. How does Helkama Autos Finland ensure that its sales team is well-versed in the features and benefits of private leasing, so they can effectively communicate its advantages to potential clients?
4. What challenges have you faced in implementing private leasing for Skoda Autos in Finland, and how have you addressed these challenges to maintain a competitive edge in the market?
5. How does Helkama Autos Finland manage the residual value of cars returning from private leasing contracts, and what steps do you take to keep these vehicles within the Skoda network?
6. In your opinion, what impact will the growth of private car leasing have on the automotive industry in Finland in the near future?

Interview questions for Nordea Finance:

1. What advantages does private leasing offer for Nordea Finance Finland compared to traditional car financing methods, such as loans or hire-purchase agreements?
2. How does Nordea Finance Finland's private leasing services, such as Autoleasing.fi, align with the company's overall goals and long-term vision in the car financing market?
3. What are some common misconceptions about private leasing, and how does Nordea Finance Finland address these misconceptions to educate potential customers on the benefits of leasing?
4. How does Nordea Finance Finland ensure customer satisfaction and build long-lasting relationships with clients who choose private leasing services like Autoleasing.fi?
5. What are the key factors Nordea Finance Finland considers when determining the residual value of vehicles in private leasing agreements, and how does this impact the overall leasing experience for customers?



20.4.2023

MIIKA PELTOLA



Kiitämme mielenkiinnostanne SKODA -tuotteitamme kohtaan ja tarjoamme Teille:

Uusi SKODA OCTAVIA Combi 1.0 TSI Style eTEC DSG Autom.

Kuukausierä käsittelykuluineen	512,42
Aika kk	36
Ajomäärä tkm	50

Kuukausierä sisältää seuraavat varusteet

Talvirenkaat, kitkat tai nastat

Hintaerittely autosta

Autoveroton hinta	32 895,00
Alennus	-1 644,75
Varusteet yhteensä	1700,00
Rekisteröintimaksu uudet autot	19,50
Toimituskulu	580,50
Autoveroton kokonaishinta	33 550,25
Arvoitu autovero * erittely alla	3 161,69
Autoverollinen kokonaishinta	36 711,94

Huolenpitosopimus

Skoda huolenpitosopimus	
Sopimusaika 36 kk ja vuotuiset ajokilometrit 15000 km	39,00/kk
Lisätietoja: www.skoda.fi/omistaja/skoda-huolenpitosopimus	

Kaikissa tarjoukseen liittyvissä asioissa Teitä palvelee

Hedin Automotive Finland Oy





20.4.2023

Voimassaolo

Tarjous on voimassa välilyöntivaruksin 7 vuorokautta tarjouksen päiväyksestä. Tarjous ei ole kuitenkaan tarjouksen tekijää sitova, mikäli suomalainen tai ulkomaalainen viranomais tekee tarjouksen voimassaoloaikana tarjotun ajoneuvon hintaan vaikuttavia veroja, tulleja ja muita veronluontoisia maksuja koskevan päätöksen tai jos valuuttakursseissa tapahtuu muutoksia, ja ajoneuvon maahantuoja näistä syistä muuttaa tarjouksen voimassaoloaikana tarjouksen kohdetta vastaavan ajoneuvon ohjehintaa.

*Autoveron määrä ajoneuvon ja tehdaslisävarusteiden hinnasta on arvio, joka perustuu ajoneuvomallin keskimääräiseen CO₂ -päästöarvoon

Laskelmassa käytetyn autoveron laskentaperusteet

Hinnaston päiväys	20.12.2022
Autoveroton ohjehinta	32 895,00
Ajoneuvon Co ₂ arvo (g/km)	119
Ajoneuvon kok. paino	0
Ajoneuvon luokka	Henkilöauto
Ajoneuvon moottorin tilavuus	
Arvioitu autovero autolle	3 161,69
Arvioitu autovero tehdaslisävarusteille	0,00

Liitteet: Rahoituslaskelma
Huolenpitosopimusesimerkki
Vakiovarusteet



20.4.2023

Rahoitustiedot

Käteinen		0,00
Osamaksulla		36 711,94
Kuukausierä		497,42
+ käsittelykulu		15,00
Luottosuhteen perustamiskulut		299,00
Tilinavausmaksu		0,00
Muut luottokustannukset		0,00
Korko %	4,95%	
Erien määrä	36	
Erien väli	1	
Poikkeava erä (viimeinen)		24 157,98
Luottokustannukset		5 395,79
Luottohinta		42 107,73
Todellinen vuosikorko	6,05%	
Luotonantaja NORDEA RAHOITUS SUOMI OY 00020 NORDEA		

Palautushetkellä

1. Ajoneuvon tulee olla lain vaatimassa, turvallisessa sekä ikäänsä ja ajokilometrimääräänsä nähden normaalia kulumista vastaavassa kunnossa
2. Ajoneuvon huoltokirjassa tulee olla merkinnät siitä, että ajoneuvoa on huollettu ja korjattu valmistajan ja myyjäliikkeen antamien huolto- ja käyttöohjeiden sekä takuuehtojen mukaisesti
3. Ajoneuvon tulee olla pesty, jotta mahdolliset ulkoiset vauriot pystytään palautustarkastuksessa toteamaan. Palautuksen yhteydessä ajoneuvoon tehdään palautustarkastus, jossa todetaan ajoneuvon kunto ja siinä mahdolliset havaitut virheet ja puutteellisuudet.



20.4.2023

TARJOTTAVAN AJONEUVON SKODA OCTAVIA Combi 1.0 TSI Style eTEC DSG Autom. VAKIOVARUSTEET

- PWZ Sisätilojen tunnelmavalistuspaketti
- 7TL Hopeinen koristelista kojelaudassa
- 7X2 Pysäköintitutka edessä ja takana
- 8M1 Takalasin pyyhin ja pesin
- 8T8 Adaptive Cruise Assistant - Mukautuva vakionopeuden säädin
- 8WH Etusumuvalot, joissa kääntymisvalotoiminto
- 8VQ LED-takavalot valoanimaatioilla
- PFC Driving Mode Selection - Ajoasetuksen valinta
- PKA Matrix LED -ajovalot ja LED-takavalot valoanimaatioilla sekä peruutuskamera
- PKR LED-takavalot valoanimaatioilla ja peruutuskamera
- PS6 Virtual Pedal - kosketukseton takaluukun avaus ja sulkeminen
- PSK Travel Assist -paketti
- PW4 Sähköisesti sisäänpäin taitettavat ulkopeilit ja automaattisesti tummentuva kuljettajan puolen ulkopeili
- PJ2 Rotare Aero -kevytmetallivanteet 7,0x17" 205/55R17
- RAF Columbus-audio- ja navigointijärjestelmä, 10" värillinen kosketusnäyttö
- 7Y1 Side Assist - Kaistanvaihtovaroitin

Yksityisleasingtarjous

Peltola Miika

Kiitos Autoleasing tarjouspyynnöstä!

Yksityisleasingin arvoihin kuuluu **yksinkertaisuus, riskittömyys ja vaivattomuus.**

Tämä näkyy siinä, että kuukausihinta sisältää käyttövoiman kustannuksia ja vuotuista ajoneuvoveroa lukuun ottamatta kaiken autoiluun tarvittavan.

- ✓ Kiinteä kuukausihinta ilman käsirahan tarvetta
- ✓ Autoiluun liittyvät piilokustannukset kuten auton arvon alenema sisältyvät sopimukseen
- ✓ Aina uusi auto käytössä – sopimuksen päättyessä helppo auton vaihto
- ✓ Nykyisestä mahdollisesta omistusautosta vapautuvan pääoman voi käyttää muihin kohteisiin
- ✓ Asiakas saa merkiliikkeen palvelut yhdellä kuukausihinnalla

Tarjoamme sinulle huoletonta ja vaivatonta kokonaisratkaisumme ajoneuvon hankintaan seuraavasti:

Ajoneuvo

Merkki ja malli	SKODA OCTAVIA COMBI 1.0 TSI Style eTEC DSG		
Korimalli	Wagon	Vaihteisto	Automaattinen
Käyttövoima	Bensiini (lyijytön)	Kokonaismassa kg	1,860.00
Autoveroton hinta (alv 24 %)	€ 32,895.01	Autovero	€ 3,161.69
Varusteet (alv 24 %)	€ 0.00	Varusteiden autovero	€ 0.00
CO2 g/km	119	Toimituskulut (alv 24 %)	€ 600.00
Kokonaishinta yht.	€ 36,656.70		

Ajoneuvon lisävarustelu

Hinta

Talvirenkaat

Sopimusehdot

Sopimuskausi (kk)	36	Kokonaisajokilometrit sopimuskaudelle (km)	50,000
Kuukausivuokra (alv 24 %)	€ 538.39	Kokonaisvuokra sopimusaikana (alv 24 %)	€ 19,382.04
Ylikilometriveloitus (alv 24 %) / 100 km	€ 19.51	Enslerä (alv 24 %) *	€ 0.00
* Jos Sopimukseen sisältyy enslerä, ajoneuvo tilataan vasta enslerän maksusuorituksen jälkeen.			

Lisäpalvelut

Ennaltaan jo kattavaa yksityisleasingpalvelua voit täydentää valitsemalla kauttamme ajoneuvoon alla mainittuja lisäpalveluita, jolloin ajoneuvon kulut saa sujuvasti yhdellä kuukausittaisella laskulla.

Sijaisautopalvelu	hintaan sisältyy sijaisauto määräaikaishuoltojen ja teknisten korjausten ajaksi, max. A-luokan ajoneuvo, 1 pv, 100 km/pv
NF Täysvakuutus	ks. ehdot ja hintamatriisi eri omavastuilla Vakuutusehdot-liitteestä
Rengassäilö	+ 13,64 EUR / kk
Kotiintoimitus	alkaan + 186 EUR
Odotusauto	Voit tilauksen jälkeen ottaa kauttamme halutessasi odotusauton käyttöösi uuden auton toimitusajaksi

Hinnat sisältäen arvonlisäveron.

Lisäpalveluiden hinnat ovat voimassa toistaiseksi. Valittuja lisämaksullisia palveluita voit päivittää sopimukauden aikana ilmoittamalla kirjallisesti Autoleasing asiakaspalveluun

Tarjouksen ehdot

Tarjouksessa ilmoitetut hinnat ovat voimassa 14 vuorokautta tarjouksen päiväyksestä luottopäätösvarauksin. Viranomaisen, jälleenmyyjän tai muun meistä riippumattoman tahon muuttaessa ajoneuvon hintaa, veroja, tulleja tai muita veroluontoisia maksuja ja ajoneuvon ohje- tai hankintahintaa, pidätämme itsellämme oikeuden määritellä tämän tarjouksen hinnat uudelleen.

Olemme valmiit neuvottelemaan kanssasi sopimukseen liittyvistä ehdoista sekä mahdollisesti muiden merkkien ja mallien vuokraamisesta, ellei tarjouksemme ole tällaisenaan sopiva.

Tarjouksen hyväksyminen

Hyväksyäksesi tarjouksen, voit vastata tarjousviestiin hyväksyen tarjouksen ja ilmoittaaksesi valitut lisäpalvelut. Tämän jälkeen lähetämme sinulle sähköisen linkin, jossa voit tarkastaa sopimuksen ja allekirjoittaa sen pankkitunnuksilla – samassa tehdään myös luottopäätös, huomioithan, että sopimuksen tekemisen edellytyksenä on hyväksytty luottopäätös. Ennen sopimuksen allekirjoitusta, tutustuthan vuokrausehtoihin.

Sopimus astuu voimaan sen allekirjoitushetkellä. Vuokralleottajan sopimuksen mukainen maksuvelvollisuus ja sopimuksessa mainittu vuokrauskausi alkavat kuitenkin vasta ajoneuvon luovutuspäivänä. Sopimus päättyy vuokrauskauden päättyessä riippumatta ajokilometreistä. Vuokra suoritetaan kuukausittain etukäteen. Ensimmäisellä laskulla laskutetaan vuokra sopimuksen alusta laskutuskauden loppuun. Myöhästyneestä vuokranmaksusta vuokralleottaja on velvollinen suorittamaan viivästyskorkoa, jonka suuruus on seitsemän prosenttiyksikköä korkeampi kuin kulloinkin voimassa oleva Suomen Pankin vahvistama viitekorko. Kirjallisesta maksuistutuksesta peritään erillinen huomautusmaksu.

NF Fleet Oy ilmoittaa ajoneuvon rekisteri- ja alustanumeron, sopimuskauden alkamis- ja päättymispäivän sinulle ajoneuvon luovutuksen jälkeen kirjallisesti.

Ajoneuvon arvioitu toimitusajankohta ilmoitetaan sinulle erikseen ajoneuvon tilauksen jälkeen. Autoliike tai NF Fleet Oy edustaja luovuttaa ajoneuvon katsastettuna ja rekisteröitynä sinulle. NF Fleet Oy ei ole vastuussa ajoneuvon toimitusajasta tai toimitusajan mahdollisista muutoksista. NF Fleet Oy tilaa ajoneuvon määrittelemältään jälleenmyyjältä.

Tarjouksen liitteet:

Liite 1: Yksityisleasing vuokrausehdot

Liite 2: Vakuutusehdot