


Acquisition of vehicles through consortium: An approach to its advantages and disadvantages

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ABSTRACT

The study presents an analysis of the advantages and disadvantages related to the acquisition of goods through consortium in comparison with other financing modalities available in the Brazilian market. The study was carried out based on research and data collected from financial institutions, consortium administrators, companies in the automotive sector and consumers who have considered the consortium's option for the acquisition of a vehicle, concentrating the analysis on automotive vehicles, such as passenger cars. In this way, a view of the relevant aspects that are considered for consumer decision-making in this specific context was presented, seeking to contribute to the choice of the most appropriate vehicle acquisition modality for their needs and financial objectives, focusing on the consortium and its advantages. By considering the advantages and disadvantages of each option, consumers can make a more conscious choice, maximizing their investment and satisfaction. In the end, it was possible to conclude that although the cash purchase has a lower cost at the end of the plan, most consumers cannot have the value immediately for the purchase of the good since it can compromise the monthly family income, CDC financing and leasing are the options with the highest cost, making the consortium the most considerable option in the decision making for the acquisition of the good.

Keywords: Financing, Consortium, Management fees, ABAC, Leasing, CDC, Acquisition of goods, Acquisition modality.

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INTRODUCTION

The acquisition of vehicles is a need or desire of many people. However, its high value can make its purchase in cash a difficult and frustrating task for most people. Therefore, there are several acquisition modalities that are available in the market, which allow people to acquire them without having to have the full amount in cash.

Such modalities of acquisition of goods are: cash, direct consumer financing (CDC), leasing and consortium. Each modality has its specificities, generating additional costs that, reaching the end of the payment term, the total cost for the acquisition of the good can present considerable and decisive variations to finalize the acquisition of the desired good. Therefore, it is important, to assist the process of making a purchase decision, that the consumer has at his disposal, a comparative study guiding on the main advantages and disadvantages of each type of acquisition so that there is no frustration in the acquisition of the long-awaited good.

The research focuses on the issue related to the main advantages and disadvantages associated with the acquisition of vehicles through a consortium compared to other modalities of acquisition of goods, more specifically financing and leasing, and how do these factors influence the decision of consumers when choosing the method of acquisition of a vehicle?

The justification for this research lies in the need to help guide consumers in decision-making when purchasing goods, considering the financial and practical implications of each type of acquisition, highlighting: cash, direct consumer financing (CDC), leasing and consortium. With the information obtained, consumers will be better able to choose the method that best meets their needs and financial goals without compromising their entire assets.

The decision to acquire an asset, such as a vehicle, is influenced by a number of factors, including financial, practical, and personal aspects. Therefore, it is essential that consumers have access to detailed information that helps them in their decision-making. In this context, this research aims to deepen the understanding of the advantages and disadvantages associated with the acquisition of vehicles, specifically passenger cars, through consortium in comparison with other available financing modalities. The importance of this subject is also highlighted, considering that the economic and financial scenario is always in constant evolution. The research aims to provide a comprehensive, data- and evidence-based analysis of the advantages and disadvantages of consortium as a vehicle acquisition option.

To achieve this goal, the following specific objectives were considered:

a) To present a theoretical-conceptual contextualization about the goods and the different forms of acquisition available in the market; Investigate the market conditions of vehicle consortia, the advantages and disadvantages of this modality and b) Carry out a case study with the simulation of the acquisition of a good, more specifically, passenger vehicle, by different forms, with emphasis



on acquisition through consortia, which will make it possible to understand if this modality is more advantageous than the others.

The general and specific objectives established outlined the course of the research, seeking to investigate the issues related to the consortium of vehicles. The problem question highlights the need to understand how advantages and disadvantages influence consumers' decision to purchase a good, providing a clear direction for research

The survey methodology involved the collection of data from financial institutions, consortium administrators, companies in the automotive sector and among consumers who considered the consortium option when purchasing a vehicle. This comprehensive approach allowed for valuable insights into consumer experiences and perceptions of the consortium. Therefore, this research sought to provide a broad and enlightening view of the acquisition of vehicles through consortium, helping consumers to make more conscious choices that are aligned with their financial needs and goals. Through the analysis of the specific advantages and disadvantages associated with the consortium in comparison with the other modalities, this study seeks to offer a solid basis for decision making in the context of the acquisition of automotive vehicles in the Brazilian market.

The article is divided into sections, with the introduction, followed by the theoretical framework that gives theoretical support to, based on the methodology, present a case study and, subsequently, a discussion about the results, followed by the final considerations.

THEORETICAL FRAMEWORK

Vehicles fall into the category of Goods, in the legal, accounting and economic sphere, the concept of "goods" refers to resources or assets that have economic value and can be controlled or owned by an entity or individual.

In addition to tangible and intangible as described by Marion (2009), it is important to analyze this distinction, since each type of asset has a different legal treatment. The legal system establishes several disparities for each category of property, for example, the transaction of real estate is considerably more complex than that of movable property, as an example, if you take the case of the sale of a house with a value above thirty minimum wages, it is necessary to obtain a public deed, while the sale of a video game between individuals does not even require a written contract.

Assets can be classified into movable and immovable, in this sense, they can have the following classification:

As defined by Martins (2019), "movable goods are those that can be transported from one place to another without prejudice to their integrity and specific function, characterized by physical mobility". In addition, movable property encompasses a wide variety of items, such as personal



effects, appliances, inventories of goods, portable equipment, vehicles, among others. Mobility and ease of transportation make this type of asset extremely relevant both in the personal sphere and in the business context, being a category of goods that are not permanently fixed to the ground, are susceptible to physical movement and can be easily moved from one place to another, maintaining their characteristics and utilities.

In relation to real estate, according to Gonçalves (2020), "they are those that are naturally or artificially incorporated into the soil, in a definitive way, forming an inseparable unit, and cannot be removed without destruction or damage to the asset". Real estate encompasses several categories, such as land, houses, apartments, buildings, constructions, plantations, among others, and plays a fundamental role in the economy and society, being the object of real property rights and the target of commercial transactions and negotiations.

The main modalities available for the acquisition of goods are: cash purchase , direct consumer financing, leasing and consortium.

CASH PURCHASE

According to Rezende (2018), "cash purchase is an interesting option for consumers who want to save money, as a discount is often offered to those who pay in full at the time of purchase". Cash purchase is a type of acquisition in which the consumer makes the full payment of the value of the good or service at the time of the transaction, without resorting to financing or installments. This form of payment offers advantages for both the buyer and the seller, being a widely used option in various commercial transactions.

DIRECT FUNDING

In financing operations, the financial resources are intended for a specific purpose or segment provided for in the contract. As an example, real estate, industrial and rural financing can be cited. In this case, the financed asset itself can serve as collateral, making the operation safer for the lender and less costly for the borrower. The rules for granting them are stricter, and the procedures are more detailed. In general, financial institutions carry out the analysis of the financial capacity of the borrower, the evaluation of the asset to be acquired and, eventually, other guarantees offered by this proponent (BACEN, 2018, p. 1).

When requesting financial operations from a bank, such as the financing process, for example, it is extremely necessary that you know the operation and everything that involves it, such as the application of financing charges. Financing charges are responsible for making credit operations less advantageous. To understand what financing charges mean, know that they are



applied to the interest of financial operations negotiated with banks and credit operators (KONKERO, 2018).

In financial credit operations, such as the CDC, charges are charged, and, according to Cavalcanti (2009, p. 48), represent "the rent paid for the use of a certain amount of money", while the interest rate is defined as "the mathematical relationship between the interest charged or paid at the end of a certain period of time in relation to the amount due at the beginning of that period" (CAVALCANTI, 2009, p. 48). The Central Bank (2018) clarifies that there are no predefined limits for charging interest on operations such as overdraft, special credit, credit card, working capital and acquisition of goods, allowing financial institutions to establish their own interest rates.

In addition to the interest rate, the Total Effective Cost (CET), as defined by Resolution No. 3,517 of the Central Bank of Brazil (2007, p. 1), encompasses "all charges and expenses of credit and financial leasing operations, contracted or offered to individuals", such as insurance premiums, registration fees, renewals and other fees practiced by financial institutions, as well as the Tax on Credit, Exchange and Insurance Transactions, or those related to real estate securities (IOF) (BRASIL, 2007).

The IOF rate is calculated proportionally to the payment term and currently consists of a fixed percentage of 0.38%, plus an additional 0.0082% for each day of loan, with a maximum limit of 3% per year on the amount of the credit. This means that in operations with maturities longer than 12 months, the IOF is calculated only on the tax corresponding to the first year (BRASIL, 2007; FERREIRA, 2009).

According to Ferreira (2009), the discharge of a loan can occur through different amortization systems, which, in the words of Dutra (2010, p. 187), are "the various ways used by creditors to receive the principal capital and interest from the debtor". For the purposes of this study, the French Amortization System (SAF), also known as the Price Table System (SPT), will be adopted, which, according to Bagatini (2010), is the most widely used by financial institutions, particularly suitable for vehicle financing, as it has a relatively short payment term and fixed installments, regardless of fluctuations in economic indices.

LEASING OR LEASING

Fletcher, Freeman, Sultanov and Umarov (2005) emphasize that *leasing* is a contract between two parties, in which one party, called the lessor, grants the right to use an asset to another party, the lessee, for a specific period, in exchange for agreed payments. According to these authors, *leasing* represents a financing tool aimed at the use of machinery, equipment, vehicles or property. It is important to note that lessors can be various institutions, such as banks, leasing companies,



equipment suppliers, or financial institutions other than banks. This approach reinforces the central idea of the concept of *leasing* presented by Fletcher et al. (2005).

The categorization of *Leasing* changes according to the criterion used, whether in relation to the length of the contract, the purpose of the transaction, the method, the essence or the object of the institution under analysis. Each type has its specific independence, maintaining its content and particularities, even though they are considered transactions of the same type, they differ in minor details. These details range from a conventional lease to a characteristic financing, as is evident in the operational and financial modalities. However, and according to this variation, it is emphasized that the main types of Leasing are: *Operational Leasing*, and Financial Leasing, from which the variations derive, *Leasing back*, *Self Leasing*, *Import Leasing*, among others (SAMANEZ, 1991).

Financial leasing is a contract in which the lessor or lessor acquires a material asset chosen by its client, to rent it to him in the future, for a certain period. It even seems like the rental description of a property, and not that this is totally incorrect; What differs from each other are the specific conditions that each one has. (YUBB, 2020).

Operating leasing is the operation in which the lessee does not intend to acquire the asset at the end of the contract. Operations using *leasing* have a cost advantage, as there is an exemption from charging IOF (Tax on Financial Operations), in addition to having the guarantee of the operation's asset. In relation to other modalities (financing and loan), *leasing* should present lower installment values. (YUBB, 2020, p. 1).

According to Bacen (2018, p. 1) in these operations, the ownership of the leased asset remains with the lessor (financial institution), which grants the right to use this asset to the lessee (client) during the term of the contract. Leasing contracts, however, offer the option of purchase of the asset by the lessee at the end of the contract. There is also the possibility of renewing the contract for an additional period or returning the asset at the end of the contract.

NBC TG 06 is based on international accounting standards, specifically IFRS 16, which deals with leasing. The purpose of AASB 9 (R3) is to establish the accounting principles for the lease from both the lessors' and lessee's perspectives.

Some of the main changes introduced by AASB 06 (R3) include that most lease agreements, including operating leases, must be recognized in the lessee's Balance Sheet, conveying greater transparency in the financial statements, i.e., it brings out the premise of the prevalence of essence over form.

However, to provide a more specific concept of lease according to NBC TG 06 (R3), the definition of "lease" according to Brazilian accounting standards can be considered:

Lease: It is an agreement by which the lessor assigns to the lessee, for a certain period, the right to use an asset, in exchange for payments, usually in the form of lease installments. The lessee recognizes an asset for the right of use and a liability for the present value of the



minimum lease payments. The right-of-use asset is recognized at cost, which includes the amount of the liability.

AASB 06 (R3) requires lessees to recognise an asset for the right of use and a liability for the present value of future lease payments.

CONSORTIUM

It is a type of acquisition that involves the union of individuals or companies with the objective of achieving a common goal. In this context, participants contribute with financial resources periodically, and through raffles or bids, they have the possibility of being contemplated for the acquisition of a desired good or service. The consortium is widely used as an alternative to traditional financing, allowing participants to carry out their plans collectively and on a scheduled basis.

The Consortium emerged in the 60s in Brazil at a time when consumer credit was scarce. According to Maílson da Nóbrega, "the idea [of bringing people together in a group to form a common savings account and acquire a good] was put into practice by a group of pioneers belonging to a well-organized community, that of Banco do Brasil employees. It was in Brasília that the first consortium emerged, then focused on the purchase of light automobiles." (ABAC, 2015)

The word "Consortium" involves the concept of solidarity of providing equal conditions to acquire a good or service. It originates from the Latin *consortium*, from *consors*, which designates the one who participates, who shares, companion (CONCEITO, 2013).

Consortium is the type of purchase based on the union of people - individuals or legal entities - in groups, with the purpose of forming savings for the acquisition of movable property, real estate or services. The formation of these groups is done by a Consortium Administrator, authorized and supervised by the Central Bank of Brazil. (ABAC, 2023, p.1)

A succinct definition of consortium is presented by Mantovani (2005) "The consortium is a form of programmed savings, with the purpose of acquiring goods or services, through self-financing of the consortium members themselves, carried out by a consortium administrator."

Consortium administrators are fundamental parts in this process, being responsible for organizing and managing the groups of consortium members, as well as carrying out the draws and contemplations in accordance with the rules established in the participation contract.

According to Silva and Marion Filho (2007), the word consortium comes from the Latin *consortium*, which means the relationship between one partner and another. Law No. 11,795 of the Consortium defines the consortium as:

“[...] the meeting of individuals and legal entities in a group, with a previously determined term and number of quotas, promoted by a consortium administrator, with the purpose of



providing its members, in an isonomic manner, with the acquisition of goods or services, through self-financing (BRASIL, 2008, p. 1)."

The consortium system is composed of the categories of: light vehicles (formed by cars and light commercial vehicles up to 3,500 kg), household appliances, motorcycles and heavy vehicles, real estate and services (ABAC, 2018). Some concepts that make up the consortium system are important to understand its functioning (SILVA; MARION FILHO, 2007; BRAZIL, 2008). They are:

- (1) The consortium group is a company with a defined term, formed by the consortium members for the acquisition of goods and services, whose size will depend on the number of monthly contemplations intended;
- (2) the consortium member is the individual and legal entity that is part of the consortium group and contributes capital to the fund for the purchase of goods and services; and
- (3) The consortium administrator consists of the legal entity responsible for the constitution of the group and the administration of the fund.

Still on the operation of the consortium system, due to the fact that the consortium is a kind of programmed savings, there is no interest, however, the Administration Fee (TA) is charged, which deals with the remuneration that the consortium administrator receives for managing the group's capital. It is also possible that a membership fee is levied, which consists of the advance of the amount corresponding to the TA together with the first monthly payment or installment (STEIN, 2006; SILVA; MARION FILHO, 2007).

Two more charges can be considered: the Reserve Fund (FR) and lender insurance. The FR is, according to ABAC (2018, p. 1), a "protection fund intended to guarantee the operation of the group in certain situations provided for in the contract", such as, for example, the exclusion of a consortium member, will have its remaining value at the end of the contract returned in equal amounts to the consortium members.

Lender insurance is intended to cover installments due in the event of death, disability and unemployment of any quota holder. Both the FR and the lender insurance are not mandatory and are at the discretion of the administrator to charge them or not, and must be provided for in the contract for participation in consortium groups (BRASIL, 2008; ABAC, 2018). The Common Fund (FC) is the savings made by the group, in which each participant has his corresponding share for the purchase of the desired good and service called quota (SILVA; MARION FILHO, 2007; ABAC, 2018).

Thus, the value of the monthly installment, in general terms, will result from the sum between the monthly value of the FC, the monthly value of the TA and the monthly value of the RF, as indicated in Formula 1 as mentioned by ABAC (2020).



$Parcelamensal = FC + TA + FR$, where:

FC - Common Fund
TA = Administration Fee
FR = Reserve Fund

The granting of the letter of credit, which represents the amount available in the case of a consortium, may occur at the end of the term of the consortium or through a draw or bid (SILVA; MARION FILHO, 2007; ABAC, 2018). Draws and bids are held during the monthly meetings or in accordance with the contractual provisions. In the case of bids, they must respect the balance of the group and be offered in terms of a certain number of installments; thus, the contemplated consortium member will be the one whose bid corresponds to the highest percentage of bid offered (SILVA; MARION FILHO, 2007; ABAC, 2018 p.03).

To ensure that all participants have guaranteed purchasing power at the time of contemplation, the consortium system allows the value of the letter of credit to be updated according to contractual specifications or based on a price index suggested by manufacturers, automakers or service providers. It is important to emphasize that these corrections can be either upwards or downwards, as long as they ensure the acquisition of the good or service by all members of the consortium group (SILVA; MARION FILHO, 2007; ABAC, 2016, 2018 p.022).

According to ABAC (2016, p. 1), the update of the consortium portion after the credit correction follows the criteria established in the contract between the administrator and the consortium members. However, ABAC (2016, p. 1) offers an example of how the correction would affect the calculation of consortium installments, stating that "if your credit was updated by 5.85% (INCC from December 2015 to November 2016), your installments will also increase by 5.85%".

According to Silva (2012), consortia are an alternative for financial planning and a viable option for the acquisition of higher-value goods, such as automobiles, real estate and various services. This model has proven popular in several countries, as it allows a disciplined way of saving and acquiring goods without the need for high interest rates, as occurs in loans and financing.

Another relevant aspect of consortia is the factor of flexibility and adaptability to the different profiles and needs of the participants. As stated by Lunkes (2010, p. 132): "The consortium, by allowing the meeting of people with common interests, contributes to a more adequate risk management, in addition to providing access to goods and services that, in isolation, might not be accessible to some consortium members."

In addition, consortia can be seen as a financial education strategy, since they require discipline from participants to pay monthly installments and encourage long-term planning.

The main types of consortia that are most used by consumers of this type of purchase are: vehicles, real estate, services, appliances and electronics and medical services.



- 1) **Vehicle Consortium:** In the vehicle consortium, participants come together with the objective of acquiring cars, motorcycles or trucks. According to Mantovani (2005), "the vehicle consortium is a form of programmed savings, with the purpose of acquiring vehicles, through self-financing of the consortium members themselves".
- 2) **Real Estate Consortium:** The real estate consortium is aimed at the acquisition of real estate, such as houses, apartments or land. According to Silva (2012), "real estate consortia also contemplate their participants through draws or bids, enabling the realization of the dream of owning a home".
- 3) **Consortium of Services:** In this category, participants aim to acquire specific services, such as travel, study abroad, wedding parties, renovations, among others. According to Lunkes (2010, p. 132), "the participants contribute monthly to the common fund and, when contemplated, use the amount to perform the desired service".
- 4) **Consortium of Appliances and Electronics:** Some consortia are intended for the purchase of durable consumer goods, such as appliances, electronics and furniture. According to Mantovani (2005), "the consortium members contribute regularly and, when contemplated, receive the amount necessary for the purchase of the desired good".
- 5) **Medical Services Consortium:** This type of consortium is focused on the health area, allowing participants to use the contemplated amount to perform medical procedures. According to Lunkes (2010, p 137), "medical service consortia provide access to medical treatments and various procedures, ensuring the availability of the necessary resources".

According to ABAC (2023, p. 1) The Consortium System registered a record number of new quotas sold in 2022! There were 3.93 million new adhesions, an increase of 13.6%, compared to 2021. As a result, the volume of credits sold and the number of active consortium members also reached major milestones.

The almost 4 million new quotas resulted in the sale of R\$ 252.09 billion in credits. The amount represented a growth of R\$ 13.4%, compared to the previous year. September had the best sales result in 2022. Adding up all the segments of the System, there were 379.49 thousand in the month, totaling R\$ 26.91 billion in credits sold.

The number of active participants in the Consortium System also broke a record in 2022. At the end of December, there were 9.41 million persons, 12.4% more than at the end of the previous year.

It is important to note that each type of consortium has specific rules and characteristics, and it is essential to carefully evaluate the conditions offered by each administrator before choosing to participate in a specific consortium group



METHODOLOGY

The research is qualitative and quantitative, as it uses the techniques of bibliographic research and case study with the presentation of numerical data that demonstrate the positive and negative points of the acquisition of goods through consortia.

THE TECHNIQUES USED WERE

Bibliographic research in books, newspapers, specialized magazines, websites, articles, monographs, among others. Case study, through the selection of a large passenger car model, so that comparative analyses of the main advantages and disadvantages of acquiring this good can be carried out, through one of the available modalities, with emphasis on the consortium modality.

The theoretical framework was elaborated based on a literature review related to the acquisition of goods, consortia, direct consumer financing, leasing and cash purchase. This includes definitions, advantages, disadvantages, and applicable regulations.

Searches for information were carried out in a variety of sources, namely:

a) Websites: websites of financial institutions, websites of consortium companies, government websites and websites of consumer associations; b) Articles: scientific articles published in academic journals, articles published in newspapers and specialized magazines searching for topics by keywords such as: funding; consortium; management fees; ABAC; Leasing; CDC Books: academic books, financial self-help books, economists' books, and accounting standards.

The case study was prepared with the collection of data and information, simulating the acquisition of a passenger vehicle by different modalities, including consortium, direct consumer financing, leasing and cash purchase, being:

- 1) For the cash purchase modality, a purchase at a car dealership was simulated.
- 2) For the direct consumer financing modality, a purchase simulation was carried out at a car dealership.
- 3) For the leasing modality, information was collected at a concessionaire by performing simulations.
- 4) For the consortium modality, data collection was carried out on the website of a consortium administrator through simulation on the website of a particular administrator where the amount of credit to be acquired, administration fee and desired term are included.

The data collected were organized in an electronic file consisting of a Microsoft *Excel spreadsheet* so that simulations could be made by the light vehicle consortium modality and financing.



This study focused on the comparative analysis between the data obtained through these simulations, seeking to understand the functioning of the consortium system in relation to financing and *leasing* in the decision making for the acquisition of vehicles.

All simulations were carried out without entry, but in the consortium there is the possibility of anticipation of contemplation through bidding. Thus, it is important to take into account the conditions of each type of asset financing.

PRESENTATION OF RESULTS

The comparisons between the modalities of acquisition of goods, more specifically cash purchase, financing, leasing and the consortium occurred as follows:

Well	HILUX CD SRV 4X4 2.8 TDI DIESEL AUT
Purchase mode	In sight
Value of the asset	R\$ 292.000,00
(-) Benefits	R\$ 951,00
Net Value	R\$ 291,049.00

Source: prepared by the authors, based on the information collected (2022).

In this modality, there is no discount on the purchase, however, there are benefits such as revision and *insulfilm*, so to obtain the net value, the deduction of benefits was made.

Well	HILUX CD SRV 4X4 2.8 TDI DIESEL AUT
Mode	CDC
Value of the Asset	R\$ 292.000,00
IOF	R\$ 8.780,86
Tarifa/cesta 10.1	R\$ 950,00
Natural person	R\$ 550,00
Contract Registration (MT)	R\$ 316,00
Life Insurance	R\$ 4.701,06
Value Financed	307.297,92
Interest Rate	27.52% p.a. and 2.05% p.m.
Total Effective Cost (CET)	56.59% p.a
Term	48 months
Portion	R\$ 14.037,33
Total Effective Cost	R\$ 485,431.68
(-) Benefits	R\$ 951,00
Liquid Value	R\$ 484,480.68

Source: prepared by the authors, based on the information collected (2022).

Well	HILUX CD SRV 4X4 2.8 TDI DIESEL AUT
Mode	Leasing
Value of the Asset	R\$ 292.000,00
Tarifa/cesta 10.1	R\$ 950,00
Natural person	R\$ 550,00
Contract Registration (MT)	R\$ 316,00
Life Insurance	R\$ 4.701,06
Value Financed	R\$ 298,517.06
Interest Rate	27.52% p.a. and 2.05% p.m.
Total Effective Cost (CET)	30.15% p.a.
Term	48 months
Portion	R\$ 9.831,49
Total Effective Cost	R\$ 471,911.52
(-) Benefits	R\$ 951,00
Liquid Value	R\$ 470,960.52

Source: prepared by the authors, based on the information collected (2022).

In this modality, there is no discount on the purchase, however, there are benefits such as revision and *insulfilm*, so to obtain the net value, the deduction of Benefits was also made

Well	HILUX CD SRV 4X4 2.8 TDI DIESEL AUT
Mode	Consortium
Value of the Asset	292.000,00
Administration fee	13%
Term	43 months
Portion	R\$ 7.673,49
Total Effective Cost	R\$ 329,960.00
(-) Proceeds	R\$ 951,00
Liquid Value	R\$ 329,009.00

Source: prepared by the authors, based on the information collected (2022).

In this modality, there is no discount on the purchase, however, there are benefits such as revision and *insulfilm*, to obtain the net value, the deduction of benefits was also made.

Based on the comparative analyses of the vehicle acquisition modalities, namely: cash purchase, financing, consortium and leasing, it is possible to draw relevant conclusions about the advantages and disadvantages of each of these modalities, with the final values presented in table 05 below:

Mode	Final value in R\$
The view	R\$ 291,049.00
Leasing	R\$ 470,960.52
Consortium	R\$ 329,009.00

Source: prepared by the authors, based on the information collected (2022).



DISCUSSION OF THE RESULTS

The cash purchase is presented as the modality with the lowest total cost, not incurring additional financial expenses such as fees or interest. However, the high value of the good can be an obstacle for most consumers, making this option less accessible since not all consumers have the financial capacity to pay the full value of the good at once. The high value can exceed all available savings, making this type of purchase very limited and it is worth remembering that some people prefer to keep their money invested, generating income over time, rather than using their resources to pay for a good immediately. This is because, in some cases, the return on investments can outweigh the costs associated with financing.

Financing, in turn, offers the possibility of faster acquisition by paying monthly installments, but a detailed analysis reveals a considerably higher total cost due to interest rates and other incidental charges. There is also the bureaucracy required by financial institutions in the approval of credit for the purchase of the asset such as guarantor, down payment or even leaving another asset sold with collateral. The high interest rate present in financing makes income compromised and when investing it makes investors very cautious.

The consortium emerges as a more attractive investment alternative with a lower cost in relation to financing and leasing, offering the programmed and planned acquisition of movable property, real estate and services. The absence of an entry fee, direct interest, the possibility of increasing equity and contemplation over the contractual term are positive points, and also provide greater conditions for revenue management. As it is a long-term investment, planning minimizes the risk of debt and has more stability to pay the installments. However, it is necessary to consider that the administration fee applied that contributes to the total cost if the payment term of the installments is long, in some cases may be higher than that observed in the financing and the fact that the credit is not granted in the execution of the acquisition of the agreement for participation in consortium groups, it is necessary to contemplate by lottery or offer of bids.

As highlighted by Alcântara (2017, p. 52,53): The evaluation based on the Net Present Value (NPV) demonstrates that the option for the light vehicle consortium, with or without considering the return of the Reserve Fund (FR), has superior economic advantages compared to financing. This conclusion remains consistent, regardless of the term or price considered. In the context of the deadlines, it is observed that, as they are extended, the preference for the consortium is strengthened. This is due to the trend of NPV reduction over time, since the absence of interest relieves the time burden of the loan. Leasing, although it presents a different form of acquisition, reveals a disadvantage in terms of total cost. The fees and tariffs associated with leasing contribute significantly to the final amount to be paid, making this modality less attractive compared to



financing and consortium. It should be noted that consumers are currently finding it difficult to find this means of financing in most concessionaires, since most already have their own bank.

FINAL CONSIDERATIONS

The research aimed to demonstrate that it is more feasible to acquire a vehicle through the Vehicle Consortium in relation to other means of financing of the vehicle. In the end, the following findings were made that deserve to be highlighted:

- The cash purchase modality generates a total cost in the amount of R\$ 291,049.00
- The CDC financing modality generates a total cost in the amount of R\$ 484,480.68
- The Consortium modality generates a total cost in the amount of R\$ 329,009.00

Thus, it is possible to infer that, although the survey found that the cash purchase has a lower cost at the end of the plan, most consumers cannot afford the immediate value for the purchase of the good since it can compromise the monthly family income. In this way, it is evident that CDC financing and leasing are the options with the highest cost, making the consortium the most considerable option in decision-making for the acquisition of the asset.

In the accomplishment of the research, some difficulties caused limitations, such as the issue of the little use of the leasing modality by car dealerships in the city of Cuiabá-MT, however, such limitations do not interfere with the considerations pointed out here.

It is possible to highlight that, when deciding on the modalities of vehicle acquisition, it is important to emphasize that consumers must consider not only the immediate convenience, but also the total costs involved and the particularity of each model at the time of acquisition in each option so that they can have the best result and satisfaction in the purchase of the good, financial planning is necessary for the acquisition of an asset.

And, in general, that due to the way the modality works, the use of the consortium is not recommended for borrowers with immediate needs, and financing through the CDC is indicated. However, if the consumer does not need the vehicle immediately, that is, regardless of the variation in installments, the consortium is a more advantageous option from an economic point of view.

There are several forms of credit in Brazil today, and the consortium system stands out for its scope, where it offers a variety of products and services. Considering the exploratory nature of this research and its purpose of encouraging the study of the subject, it is possible to highlight some suggestions for future research in this area:

- 1) Analyze the bids in the consortium, investigating their economic impact and identifying the most favorable scenarios for their use.
- 2) Conduct a study on the service consortium, addressing its origin, operation, benefits and contributions to the service sector.



- 3) To investigate consumer behaviour towards saving and financing during times of crisis.



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