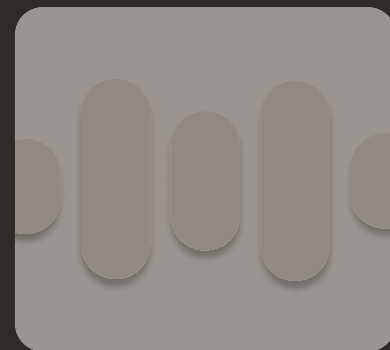
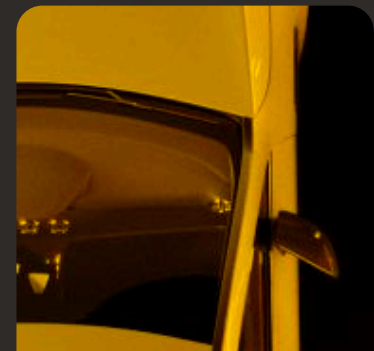
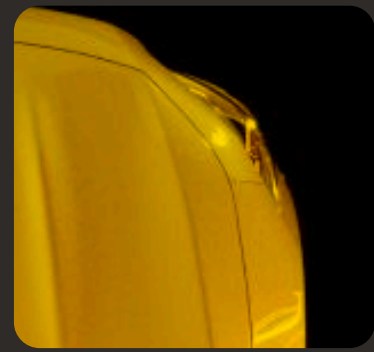
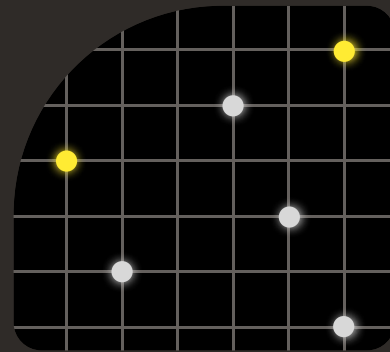


CONSUMER INSIGHTS REPORT | 2025

SHIFT INTO ACTION

VOLUME 4: PURCHASE AND FULFILMENT

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INTRODUCTION

Welcome to the fourth volume of the Trade Me Motors Consumer Insights Report series.

This comprehensive series will feature 5 distinct volumes, each shedding light on different aspects of the modern car buyer's journey.

In this volume, we analyse how buyers set their budget, what they are prepared to compromise on and where they get their funds from.

With insights drawn from 1,449 survey respondents, this report offers a data-driven look into what truly matters to today's car shoppers.

VOL. 1

BUYER MINDSET

Understanding who buyers are, what drives their decisions, and what they value most.

VOL. 2

RESEARCH AND ENQUIRY

Exploring how buyers search, communicate, and interact with dealers, and whether their needs are being met.

VOL. 3

INSPECTION AND EVALUATION

Analysing buyer behaviours during test drives, the ease of the process, and their willingness to buy without one.

VOL. 4

PURCHASE AND FULFILMENT

Examining budget compromises, reasons for overspending, and funding sources.

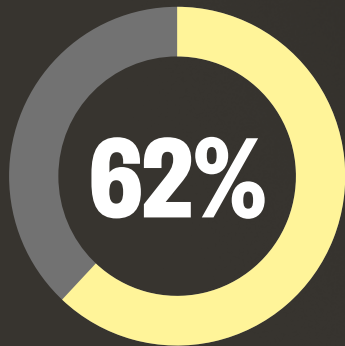
VOL. 5

POST-PURCHASE

Reviewing buyer experiences, challenges, and areas for improvement for car dealers.

TOP 3 KEY INSIGHTS

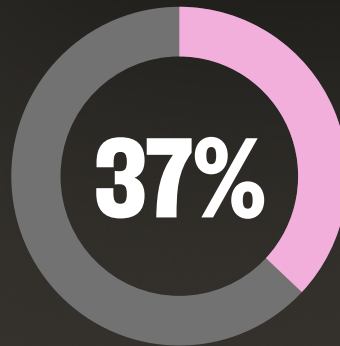
FINANCE



62% of respondents did not borrow any money.

Discover where the other 38% are getting their funds and how you can attract more finance penetration.

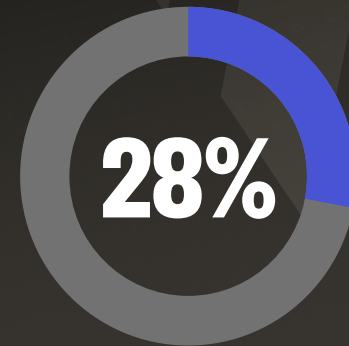
FLEXIBILITY



37% of buyers are flexible on the make/model.

Uncover the top things buyers are prepared to compromise on to stay in budget.

STAYING WITHIN BUDGET



28% purchased a used car rather than new to stay within budget.

Find out what buyers actually compromised on vs what they were prepared to.

WHO ARE YOUR BUYERS?

In addition to providing overall buyer insights, this report focuses on uncovering what drives each buyer to make the decision to purchase, or not to purchase, from a dealer.

We've identified four distinct buyer mindsets, categorised by their likelihood of purchasing from a dealer versus buying from a private seller:

ENTHUSIASTS

Most likely to purchase from a dealer.

CONSIDERERS

Lean toward purchasing from a dealer but could be influenced to choose otherwise.

PERSUADABLES

Genuinely undecided, equally open to buying privately or through a dealer.

RELUCTANTS

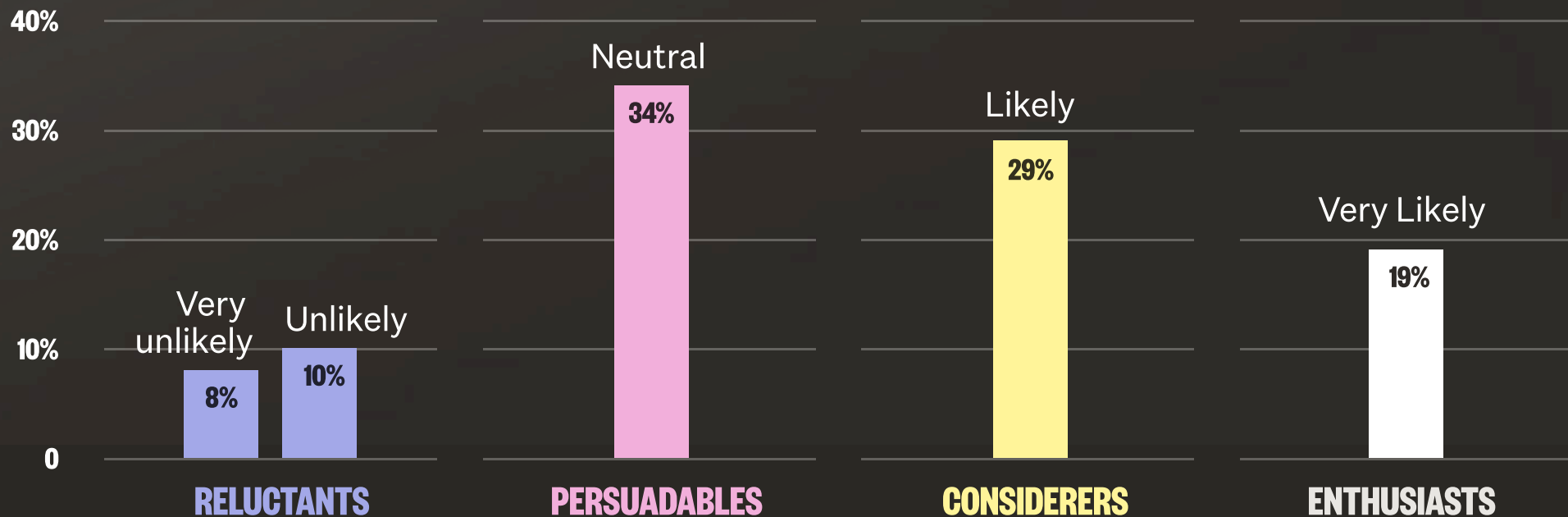
Firmly prefer private purchases and would only consider a dealer under very specific circumstances.

These buyer groups will be referenced throughout the report, offering valuable insights into what each group values most and what factors influence their decisions.

WHO CHOOSES DEALERS?

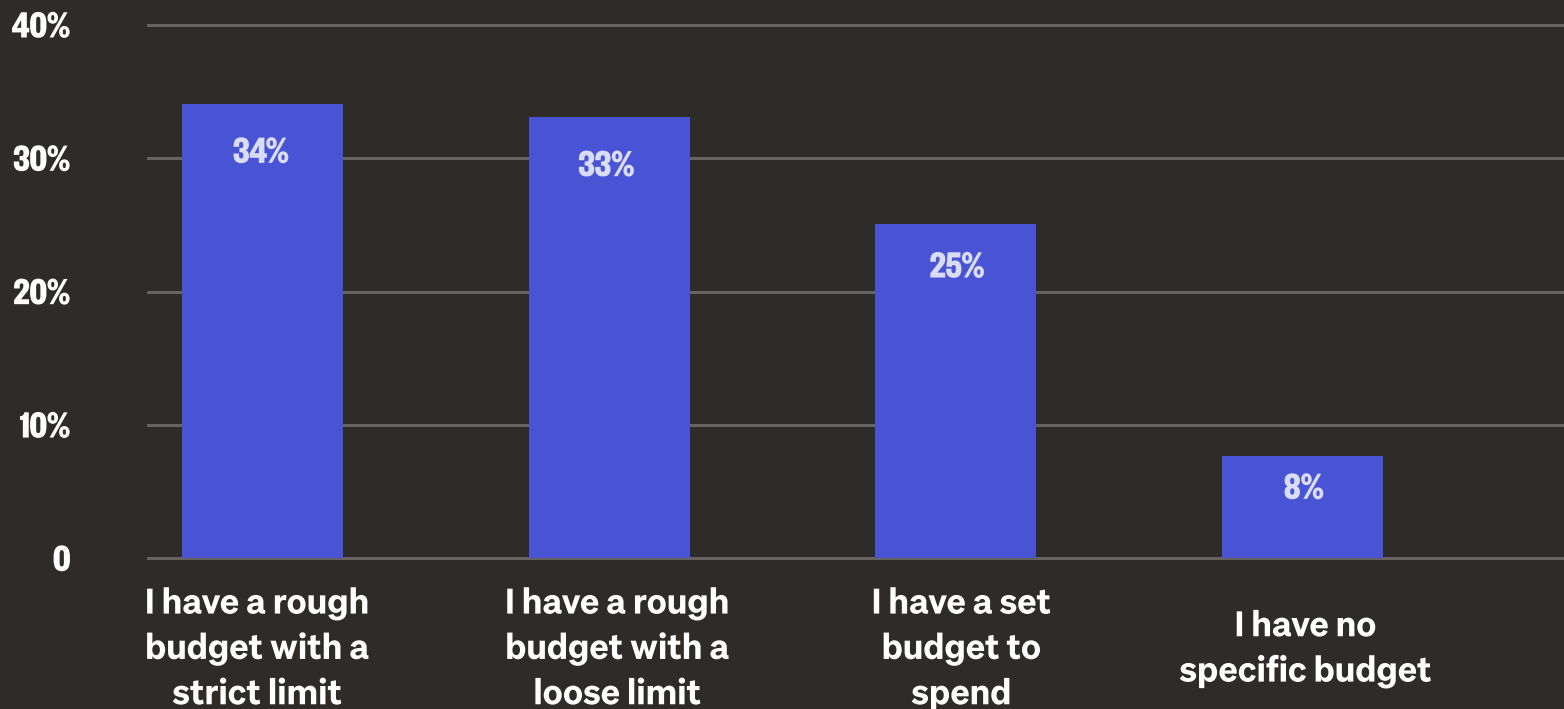
The graph highlights which groups are more inclined to buy from a dealer and which tend to favour private sellers.

For your next car purchase, how likely are you to purchase from a car dealer?



BUDGET CONSTRAINTS

Which statement best describes your budget for your next car purchase?



BUDGET CONSTRAINTS

INSIGHTS

MOST BUYERS HAVE A BUDGET CONSTRAINT

67% of respondents have a rough budget in mind.

This suggests that a majority of potential buyers are cost-conscious but might still be flexible within their limits.

A QUARTER OF BUYERS HAVE A SET BUDGET

25% of respondents have a strict budget they plan to adhere to.

This group likely requires tailored financing options or vehicles that fit their budget exactly.

A SMALL PORTION HAVE NO BUDGET

8% of respondents have no specific budget.

These buyers could be more influenced by features, luxury add-ons, or financing options rather than price alone.

BUDGET CONSTRAINTS

THE ACTIONS

FLEXIBLE FINANCING OPTIONS

Provide competitive financing and leasing deals that appeal to those with strict or loose budgets.

HIGHLIGHT COST-SAVING FEATURES

Emphasise fuel efficiency, low maintenance costs, and resale value in marketing to appeal to cost-conscious buyers.

UPSELLING TO FLEXIBLE BUYERS

For buyers with a loose budget or no specific limit, showcase additional features, extended warranties, and upgrade options to maximise their spending.

BUDGET BUYER CONSULTATION

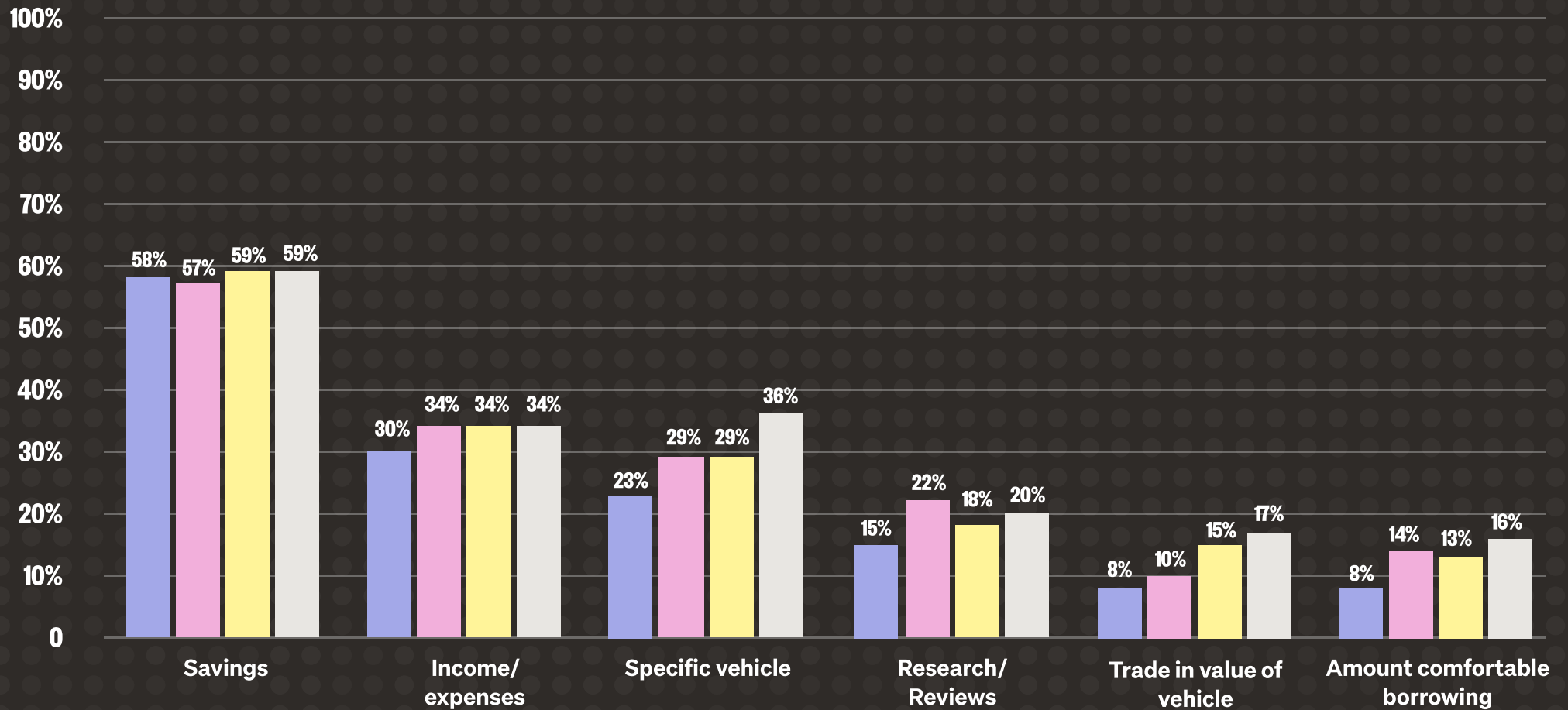
Train sales representatives to recognise budget-conscious buyers, this will help them ensure they find suitable options within their budget constraints.

STRATEGIC PROMOTIONS

Run targeted promotions such as discounts on specific models that align with the majority budget range (mid-range and budget-friendly cars).

BUDGET DRIVERS

How they set budget



● RELUCTANTS ● PERSUADABLES ● CONSIDERERS ● ENTHUSIASTS

BUDGET DRIVERS

THE INSIGHTS

SAVINGS ARE THE TOP FACTOR FOR ALL SEGMENTS

58%-59% of all groups set their budget based on available savings.

This suggests that most buyers are financially cautious and prefer to use existing funds rather than take on significant debt.

INCOME AND EXPENSES ARE ALSO A MAJOR CONSIDERATION

About 30%-34% of buyers consider their income and monthly expenses when setting their budget.

This indicates that affordability and financial stability play a critical role in decision-making.

VEHICLE-SPECIFIC BUDGETING VARIES BY SEGMENT

36% of Enthusiasts set their budget based on a specific vehicle, compared to just **29% of Persuadables** and even fewer **Reluctants**.

This suggests model-specific marketing is most effective for Enthusiasts.

RESEARCH AND REVIEWS INFLUENCE BUDGETING FOR ENTHUSIASTS

Enthusiasts and Persuadables are more impacted by research more than the other groups.

This shows that detailed product information and expert reviews play an important role for these groups.

TRADE-IN VALUE AND BORROWING ARE MINOR CONSIDERATIONS

8%-17% of buyers factor in trade-in value or borrowing when setting their budget.

This suggests that while financing and trade-ins are relevant, they are secondary to savings and affordability.

BUDGET DRIVERS

THE ACTIONS

PROMOTE CASH PURCHASE INCENTIVES

Since savings drive most budgets, offer discounts for upfront payments or higher down payments.

OFFER BUDGET-FRIENDLY MONTHLY PAYMENT PLANS

For the 30%-34% who consider income and expenses, highlight financing options with flexible terms and low monthly payments.

MARKET SPECIFIC VEHICLES TO CONSIDERERS & ENTHUSIASTS

Since 39% of Considerers and 36% of Enthusiasts budget based on a specific model, run targeted campaigns featuring popular vehicles, key specs, and value propositions.

LEVERAGE REVIEWS & RESEARCH MATERIALS

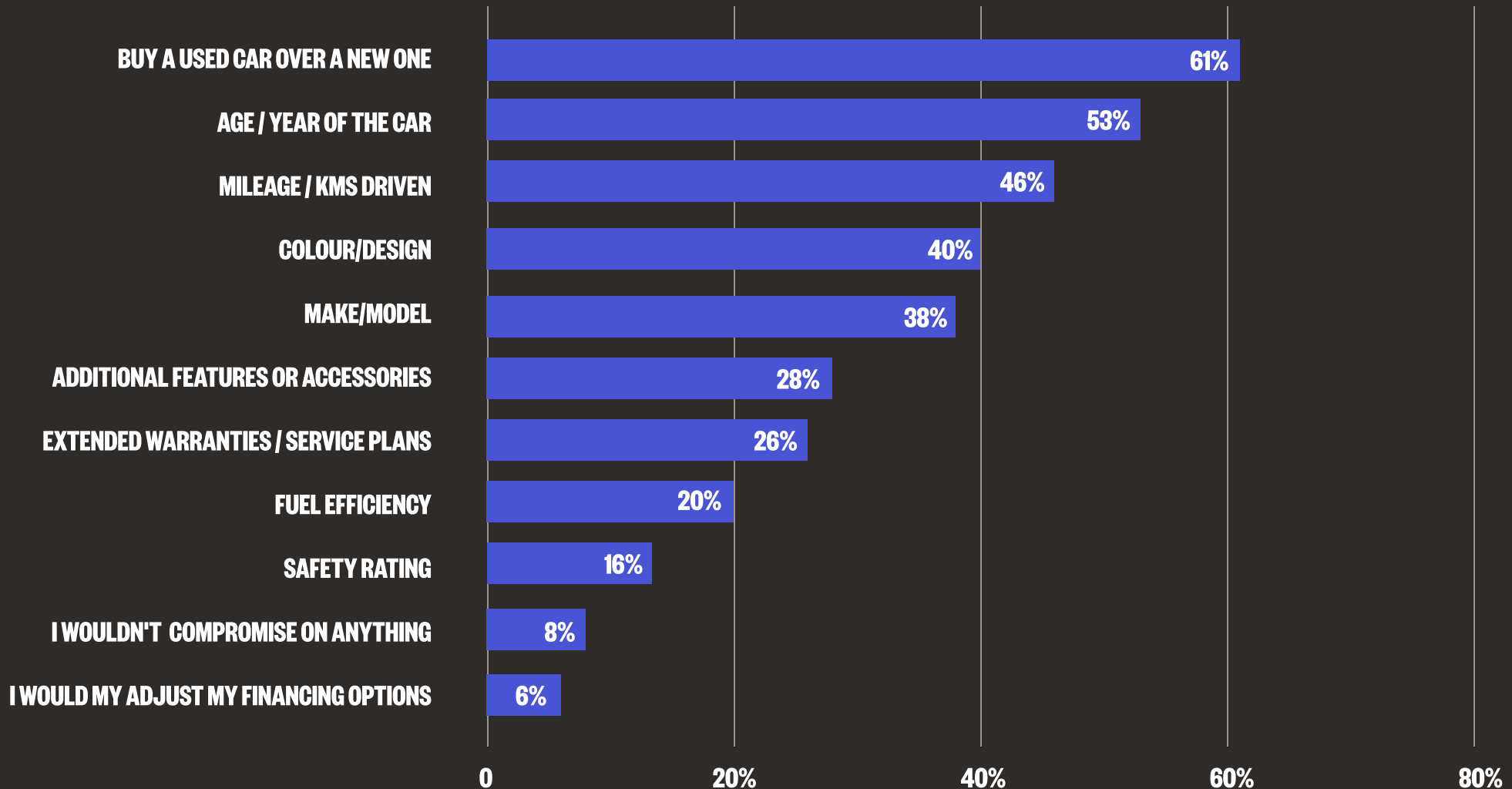
As research is important to Enthusiasts and Persuadables provide testimonials, expert reviews, and side-by-side comparisons in marketing materials.

HIGHLIGHT TRADE-IN AND LOAN OPTIONS FOR ENTHUSIASTS AND CONSIDERERS

Even though these are lower-ranked factors, making the trade-in process simple and offering easy loan approvals could help nudge these segments toward a purchase.

BUYER COMPROMISES

Which would you compromise on to stay within budget?



BUYER COMPROMISES

THE INSIGHTS

MAJORITY ARE OPEN TO BUYING A USED CAR

- **61%** would choose a used car over new, highlighting strong demand for Certified Pre Owned and budget-friendly options.

AGE OF THE CAR IS A KEY COMPROMISE FACTOR

- **53%** are willing to buy an older model.
- This indicates that customers prioritise affordability over having the latest models.

MILEAGE AND APPEARANCE ARE SECONDARY CONCERNS

- **46%** would compromise on mileage, and **40%** on colour/design.
- While buyers still consider these factors, they are not deal-breakers if the price is right.

BRAND LOYALTY IS STRONG

- **38%** are flexible on the make/model.
- However competitive pricing, promotions, and feature comparisons could sway buyers toward different brands.

LOWER PRIORITY GIVEN TO FEATURES AND PERFORMANCE

- **28%** would sacrifice additional features, **26%** would forgo extended warranties, and **20%** would accept lower fuel efficiency.
- While these are considerations, buyers focus more on affordability than high-end specs.

ONLY A SMALL PERCENTAGE REFUSE TO COMPROMISE

- **8%** wouldn't compromise at all, and **6%** would adjust financing instead.
- This highlights a small, premium-focused customer base who might be willing to pay more for specific preferences.

BUYER COMPROMISES

THE ACTIONS

STRENGTHEN CERTIFIED PRE- OWNED (CPO) AND USED CAR OFFERINGS

Since 61% are open to purchasing used cars, showcase a well-maintained pre-owned inventory with detailed inspection reports.

HIGHLIGHT OLDER YET RELIABLE MODELS

With 53% willing to compromise on age, market well-maintained older models with strong reliability records.

OFFER HIGH- MILEAGE DISCOUNTS & REASSURANCE

Since 46% of buyers are open to vehicles with higher mileage, offer extended service packages or warranties to build confidence.

FLEXIBLE CUSTOMISATION & INCENTIVES FOR COLOR AND FEATURES

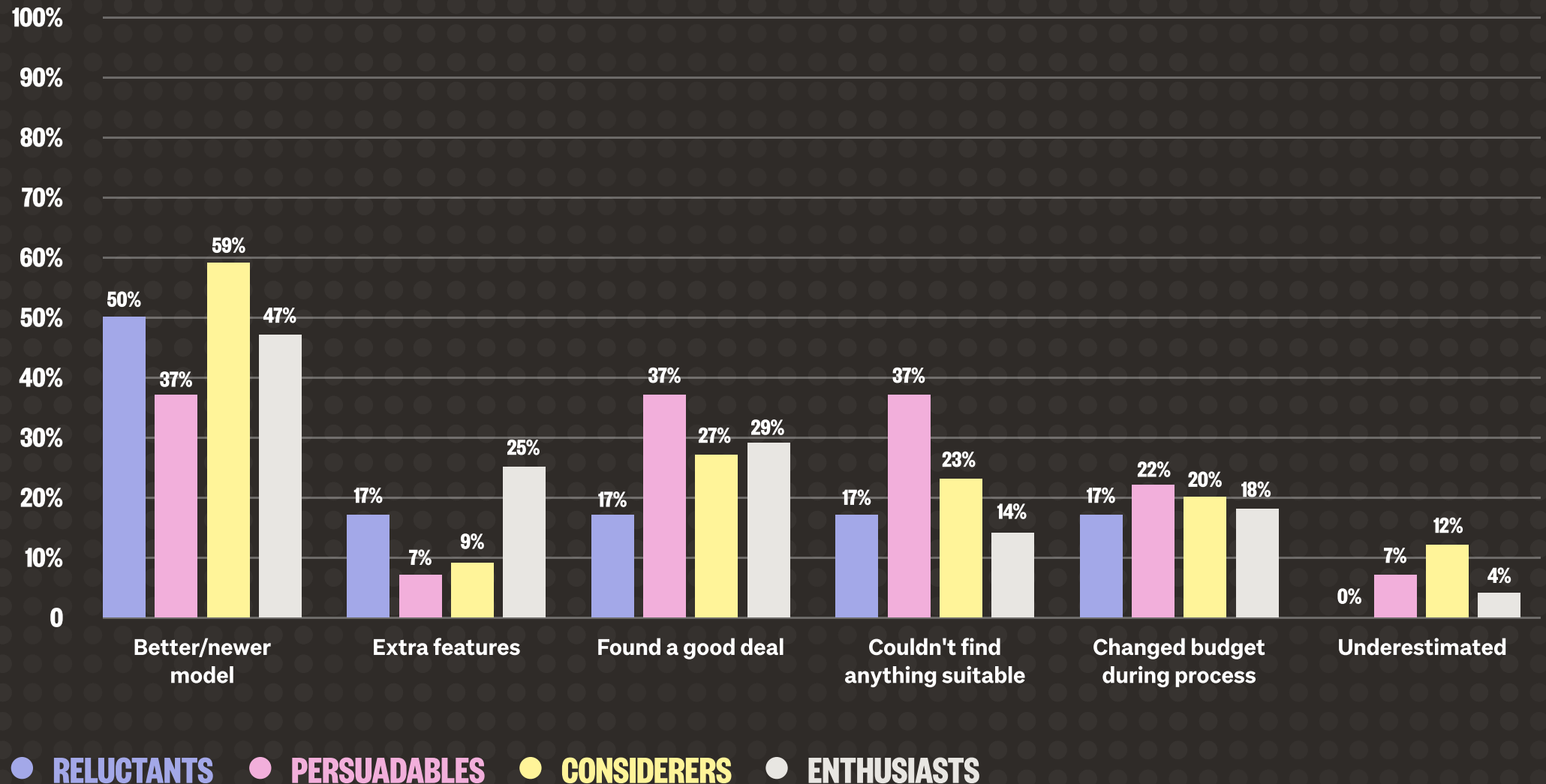
40% are flexible on color and features, offer customisation options or discounts on less popular colors.

USE FEATURE- BASED COMPARISONS TO ATTRACT BUYERS OPEN TO DIFFERENT BRANDS

As 38% are flexible on make/model, provide head-to-head comparisons to highlight affordability and value over brand loyalty.

THE BUDGET STRETCH

What made you go over budget?



THE BUDGET STRETCH

THE INSIGHTS

Over 52% of total respondents went over budget for a better/newer model

THE DESIRE FOR A BETTER/NEWER MODEL IS THE PRIMARY FACTOR

- Considerers who are on the fence about buying from a dealership or private were the most likely to exceed their budget for a better or newer model
- This suggests that while budget matters, many buyers can be upsold on higher-end vehicles.

"FOUND A GOOD DEAL" IS A STRONG DRIVER FOR BUDGET STRETCHING

- 37% of Persuadables and 29% of Enthusiasts exceeded their budget because they found an attractive deal.
- This indicates that promotions, discounts, and perceived value play a crucial role in influencing spending, for those that could be swayed to purchase from a dealer.

LIMITED SUITABLE OPTIONS PUSHED BUYERS TO SPEND MORE

- 37% of Persuadables exceeded their budget because they couldn't find an ideal option within their initial budget.
- This highlights the importance of having a diverse range of inventory at various price points.

THE BUDGET STRETCH

THE INSIGHTS

Over 52% of total respondents went over budget for a better/newer model

EXTRA FEATURES HAD A MODERATE IMPACT

- 25% of Enthusiasts and 17% of Reluctants exceeded their budget to get additional features.
- That's 37% of buyers spending more on emotional wants rather than needs.

CHANGING BUDGET DURING THE PROCESS IS COMMON

- 22% of Persuadables, 20% of Considerers, and 17% of Reluctants increased their budget mid-process.
- This reflects a degree of flexibility among buyers, where effective sales tactics can influence their final decision.

UNDERESTIMATING COSTS WAS A SMALL CONCERN

- Only a small percentage of buyers (12% of Considerers, 7% of Persuadables, and 4% of Enthusiasts) went over budget due to underestimating costs.
- This suggests that most buyers have a realistic expectation of pricing but can be swayed to spend more for the right reasons.

THE BUDGET STRETCH

THE ACTIONS

LEVERAGE UPSELLING FOR NEWER MODELS

Since "better/newer model" is the top reason for going over budget, highlight higher-trim versions and their added value.

CREATE "GOOD DEAL" PROMOTIONS

37% of Persuadables exceeded their budget because they found a good deal, offer limited-time discounts, trade-in bonuses, and financing incentives.

EXPAND INVENTORY TO CATER TO ALL BUDGET RANGES

As 37% of Persuadables and 23% of Considerers couldn't find anything suitable within their budget, ensure a variety of options in both new and used vehicles.

OFFER FEATURE- BASED ADD-ON PACKAGES

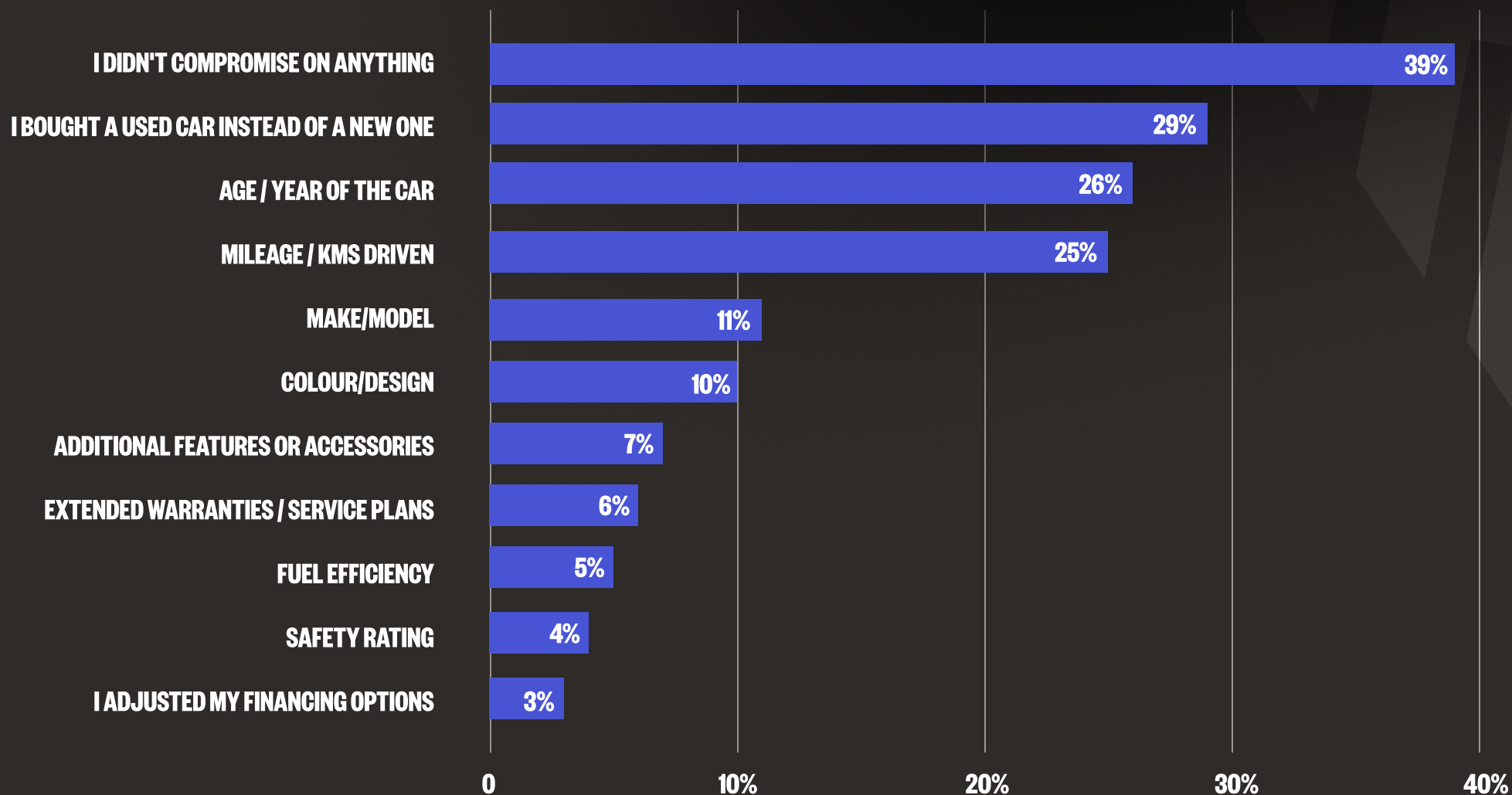
With 25% of Enthusiasts willing to spend extra for features, it's a great opportunity to remind your teams that you need to offer 100% of the products, 100% of the time, you never know what buyers might extend themselves for.

ENCOURAGE FLEXIBLE BUDGETING WITH SMART FINANCING

22% of Persuadables changed their budget during the process, offer flexible financing terms and show the monthly payment difference between budget-friendly and premium options.

THE COMPROMISES

What did you compromise on to stay within your budget during your last car purchase?



THE COMPROMISES

THE INSIGHTS

NEARLY 40% OF BUYERS DID NOT COMPROMISE AT ALL

- 39% of respondents stuck to their budget without compromising.
- This suggests a segment of highly disciplined buyers who prioritise financial limits over additional vehicle features.

MAKE/MODEL AND AESTHETICS WERE SECONDARY COMPROMISES

- 11% compromised on make/model, and 10% on colour/design.
- While buyers may have preferences, they are flexible when faced with budget constraints.

BUYING A USED CAR WAS THE MOST COMMON COMPROMISE

- 29% purchased a used car to stay within budget.
- This confirms that pre-owned vehicles remain a key segment for budget-conscious buyers.

FEWER BUYERS COMPROMISED ON FEATURES, WARRANTY, OR EFFICIENCY

- Only 7% gave up additional features, 6% on extended warranty, and 5% on fuel efficiency.
- This suggests that these aspects are more valued and harder to compromise on.

OLDER CARS AND HIGHER MILEAGE WERE ACCEPTABLE TRADE-OFFS

- 26% compromised on the age of the car, and 25% on mileage.
- This shows that many buyers prioritise affordability over having a brand-new vehicle with low mileage.

SAFETY RATING AND FINANCING WERE THE LEAST COMPROMISED AREAS

- Only 4% compromised on safety, and just 3% adjusted financing.
- This shows that safety remains a top priority, and most buyers prefer to stay within their financial plan.

EXCEED BUDGETS

THE ACTIONS

KEY ACTIONS

STRENGTHEN USED CAR OFFERINGS & CPO PROGRAMS

Nearly 29% purchased a used car, emphasise certified pre-owned (CPO) options with warranty and service guarantees.

PROMOTE OLDER MODELS WITH RELIABILITY & VALUE FOCUS

As 26% compromised on age, market older yet reliable models with strong maintenance records and cost savings.

HIGHLIGHT WELL-MAINTAINED, HIGH-MILEAGE DEALS

With 25% compromising on mileage, offer extended service plans and demonstrate how high-mileage cars can still be dependable.

OFFER FLEXIBLE MODEL & CUSTOMISATION OPTIONS

Since 11% compromised on make/model, provide diverse choices with information on how they might be a good option vs a competitor make/model.

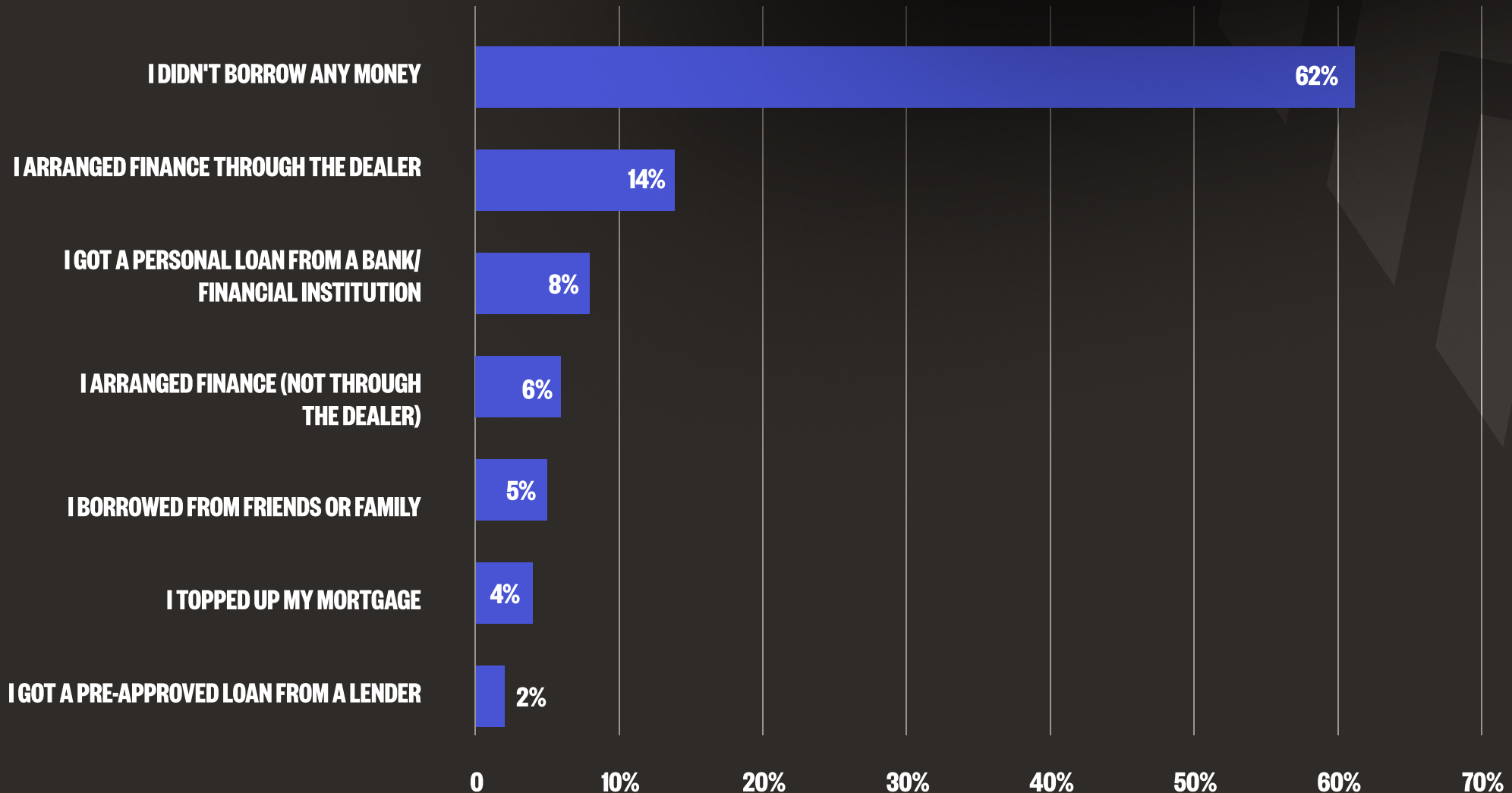
MAINTAIN STRONG SAFETY & FINANCING TRANSPARENCY

Just 4% compromised on safety, keep safety ratings as a key selling point.

Since only 3% adjusted financing, offer straightforward financing options but expect many buyers to stick firmly to their budgets.

PAYMENT PREFERENCES

Did you borrow any money to pay for the car?



PAYMENT PREFERENCES

THE INSIGHTS

THE MAJORITY OF BUYERS PAID IN FULL (NO BORROWING)

62% of respondents did not borrow any money.

This suggests the bulk of buyers rely on savings or disposable income instead of financing.

DEALER FINANCE TOPS THE LIST

14% arranged financing through the dealer.

This highlights the importance of offering competitive in-house financing options.

BANK AND EXTERNAL LOANS ARE LESS COMMON

8% took a personal loan from a bank or financial institution.

6% arranged finance outside of the dealership.

This suggests that while some buyers explore other financing options, dealership financing is more attractive.

ALTERNATIVE FINANCING METHODS ARE LESS PREFERRED

5% borrowed from friends/family, and 2% got a pre-approved loan.

These methods are not widely used, indicating that most buyers prefer conventional payment or dealership financing.

A SMALL PERCENTAGE USED THEIR MORTGAGE FOR CAR FINANCING

4% topped up their mortgage to finance the purchase.

This is an uncommon strategy but could be relevant for buyers looking to optimise their financial flexibility.

EXCEED BUDGETS

THE ACTIONS



KEY ACTIONS

PROMOTE THE BENEFITS OF DEALER FINANCING

Since 14% already use dealer financing, highlight exclusive low-interest rates, quick approvals, and flexible payment terms to attract more buyers.

EXPAND FINANCING EDUCATION FOR CASH BUYERS

With 62% paying in full, provide educational resources on financing benefits, including maintaining liquidity and leveraging credit advantages.

OFFER INCENTIVES FOR FINANCING THROUGH THE DEALERSHIP

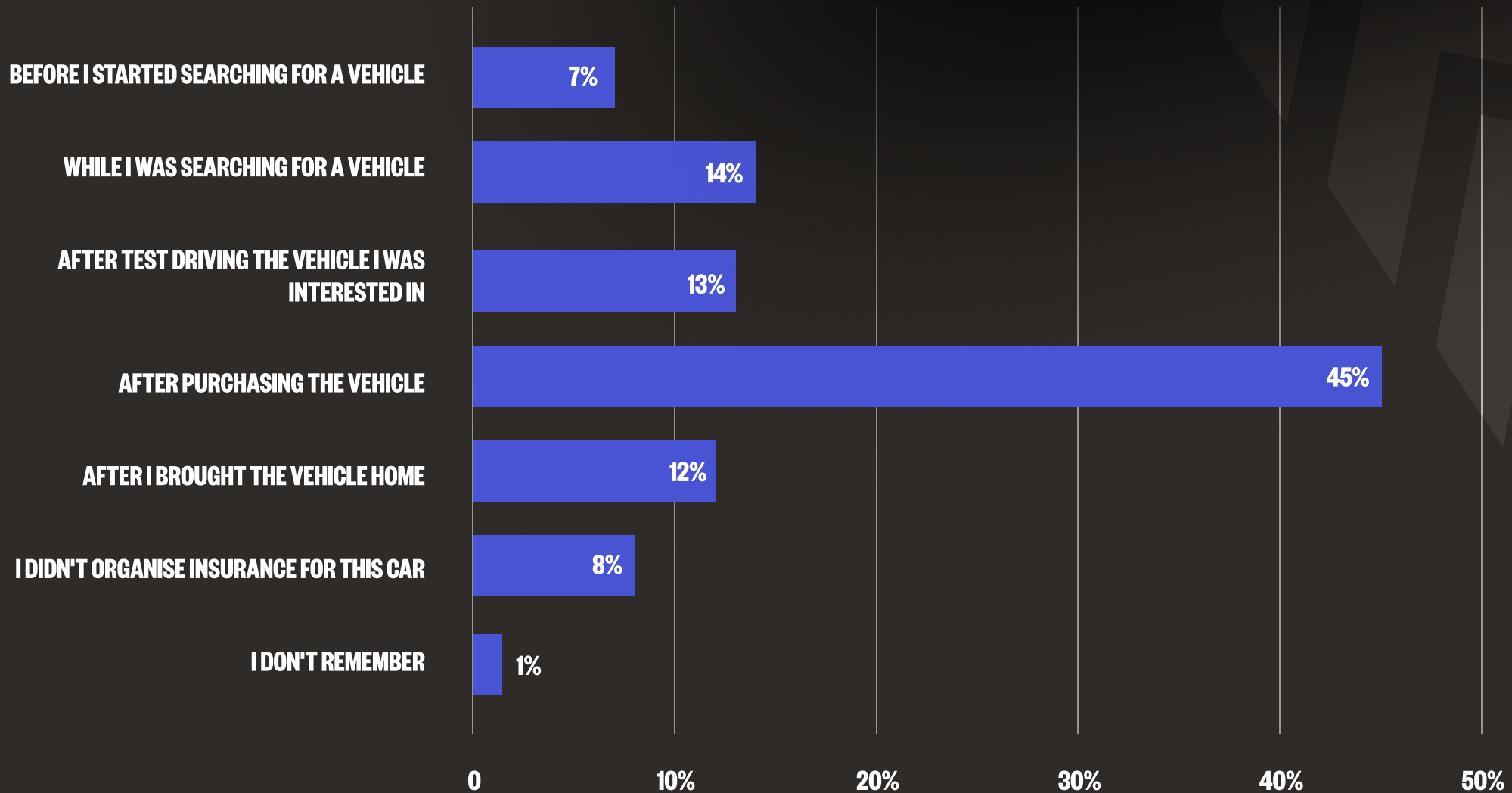
Since some buyers opt for external financing, offer cashback or lower interest rates for those who finance directly through the dealership.

ENHANCE PRE-APPROVAL AND FLEXIBLE PAYMENT PLANS

With only 2% using pre-approved loans, making pre-approval easier and integrating online tools for quick financing calculations could attract more buyers.

THE INSURANCE STEP

When did you first look into organising insurance for the last car you purchased?



THE INSURANCE STEP

THE INSIGHTS

MOST BUYERS ONLY CONSIDER INSURANCE AFTER PURCHASE

45% of respondents looked into insurance after purchasing the vehicle.

This suggests that many buyers treat insurance as an afterthought rather than an integral part of the buying process.

A SIGNIFICANT PERCENTAGE DELAYED INSURANCE EVEN FURTHER

12% only considered insurance after bringing the car home.

7% did not organise insurance at all.

This highlights potential risks where customers may drive uninsured or rush their insurance decisions.

SOME BUYERS CONSIDER INSURANCE EARLIER IN THE PROCESS

13% looked into it after test driving the vehicle, and 14% while searching.

This indicates that a portion of buyers factor in insurance costs before finalising their purchase.

ONLY A SMALL PERCENTAGE PLANNED INSURANCE IN ADVANCE

7% researched insurance before they even started searching for a vehicle.

This suggests that proactive insurance planning is not common among most buyers.

THE INSURANCE STEP

THE ACTIONS

ADD INSURANCE ASSISTANCE

Since 45% consider insurance after purchase, integrating an insurance consultation at the dealership can ensure buyers get proper coverage.

EDUCATE BUYERS ON INSURANCE EARLIER IN THE JOURNEY

Since only 7% plan insurance before searching, provide information on estimated insurance costs alongside vehicle listings.

PROVIDE BUNDLED INSURANCE PACKAGES

Partner with insurance companies to offer convenient packages, helping buyers streamline their purchase and coverage in one step.

EMPHASISE THE RISKS OF DRIVING WITHOUT INSURANCE

Since 8% didn't arrange insurance at all, educate customers on the legal and financial consequences of being uninsured.

ENCOURAGE PRE-APPROVAL FOR INSURANCE ALONGSIDE FINANCING

As buyers seek pre-approval for car loans, offering a seamless pre-approval process for insurance at the same time can make the entire process more convenient.

WHAT'S NEXT

We hope the insights have been helpful in better understanding the diverse needs of today's buyers. By tailoring your approach, you'll be well-positioned to drive conversion of buyers to buy from you.

Stay tuned for the next chapter in our journey, where we'll dive into Post Purchase in May 2025.

We look forward to continuing this journey with you and providing even more valuable information to support your business.

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