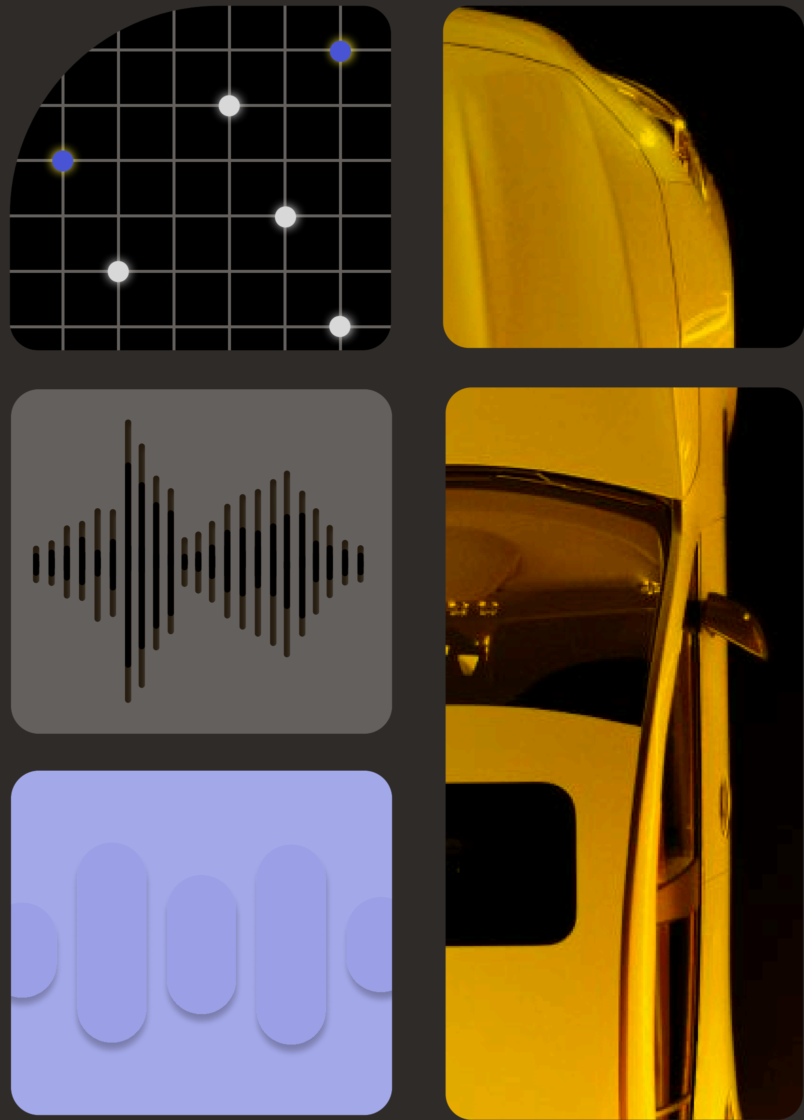
CONSUMER INSIGHTS REPORT | 2025

SHIFT INTO ACTION

VOLUME 2: RESEARCH AND ENQUIRY



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INTRODUCTION

Welcome to the second 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 explore how buyers are researching and enquiring with dealers: how are they searching, what captures their interest, what makes them enquire and if their expectations are being met.

With insights drawn from 1,449 survey responses, 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

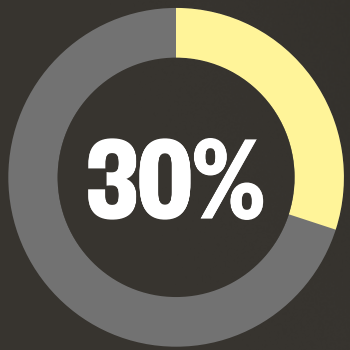
Examining budget compromises, reasons for overspending, and funding sources.

VOL. 5
POST-PURCHASE

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

TOP 3 KEY INSIGHTS

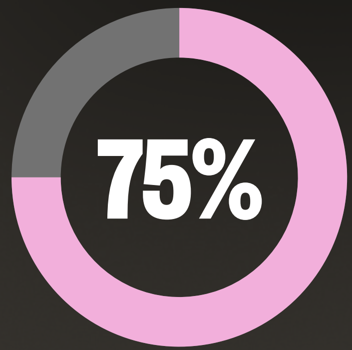
CONTACT WITH DEALERS



Almost **a third of buyers** did not contact any dealers during their last car purchase.

We explore why and how you can make changes to attract these elusive buyers.

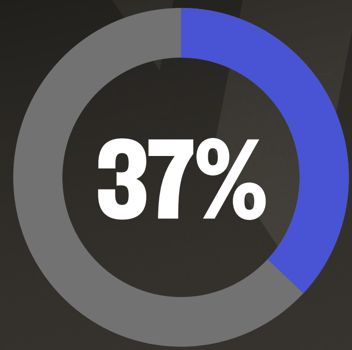
RANGE OF SEARCH



75% of buyers are searching outside their local area.

Find out how to best reach all buyers that might be interested in your stock.

FRUSTRATIONS



37% of buyers were frustrated by generic responses from car dealers.

Discover their frustrations and dealbreakers to boost your conversion rate.

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.

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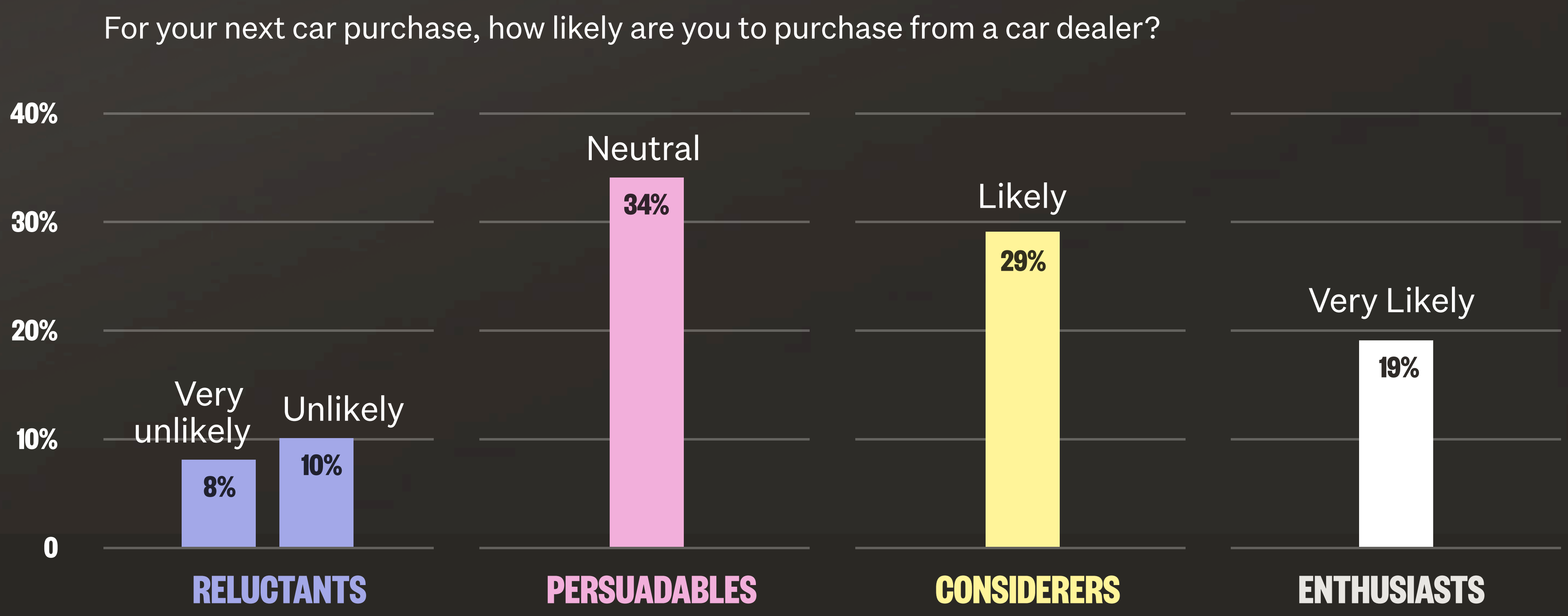
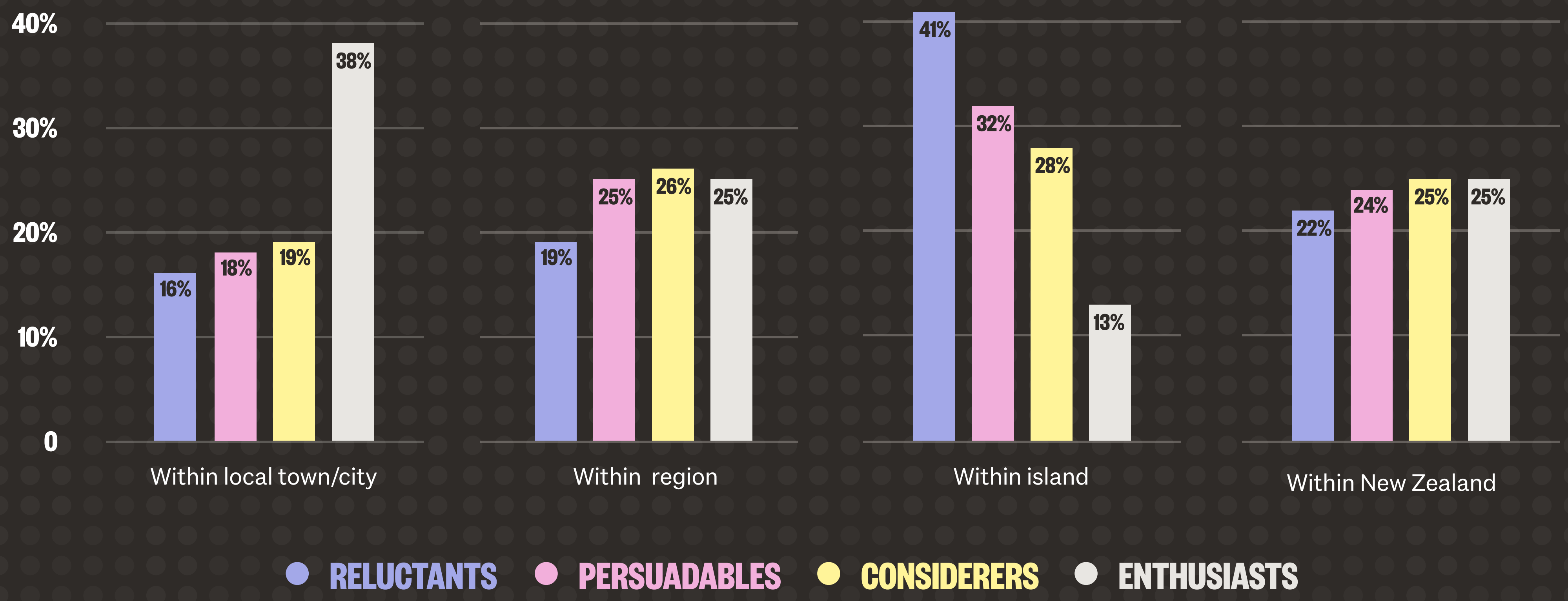
WHO CHOOSES DEALERS?

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



THE RANGE OF YOUR SEARCH

How wide is the radius or distance buyers are considering for their search?



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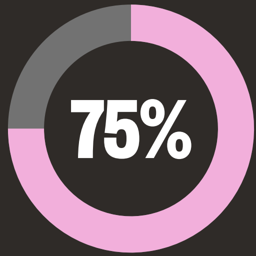
SEARCH RANGE INSIGHTS

Three out of four buyers are exploring options beyond their local town or city.

Overall 75% of buyers are looking outside their local town or city.



LOCAL TOWN/CITY SEARCHES

Enthusiasts dominate searches within their local town or city, showing a strong preference for face to face interactions and having trust in the dealer.

REGIONAL SEARCHES

The preference for searching within a region is evenly distributed among Persuadables, Considerers, and Enthusiasts.

ISLAND-WIDE SEARCHES

Out of all the options the Reluctants are most likely to search within their island.

Enthusiasts are far less focused on island-wide searches, likely due to their lack of willingness to purchase from an unknown dealer.

NATIONWIDE SEARCHES

Interest in searching across New Zealand is evenly split among Persuadables, Considerers, and Enthusiasts, it's a nationwide market.

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SEARCH RANGE
ACTIONS

Are you doing everything to attract not just the local buyers but those you might be missing out on?

KEY ACTIONS

CATER TO LOCAL BUYERS

- Focus on Enthusiasts and Persuadables who prioritise local searches by advertising hyper-locally (e.g., town/city-based campaigns).
- Highlight convenience features, such as proximity and free delivery, to appeal to this group.

EXPAND REGIONAL PRESENCE

- For regional buyers, provide comprehensive inventory information on online platforms for every car you have available for sale to attract Considerers and Persuadables.

LEVERAGE ISLAND-WIDE SEARCHES

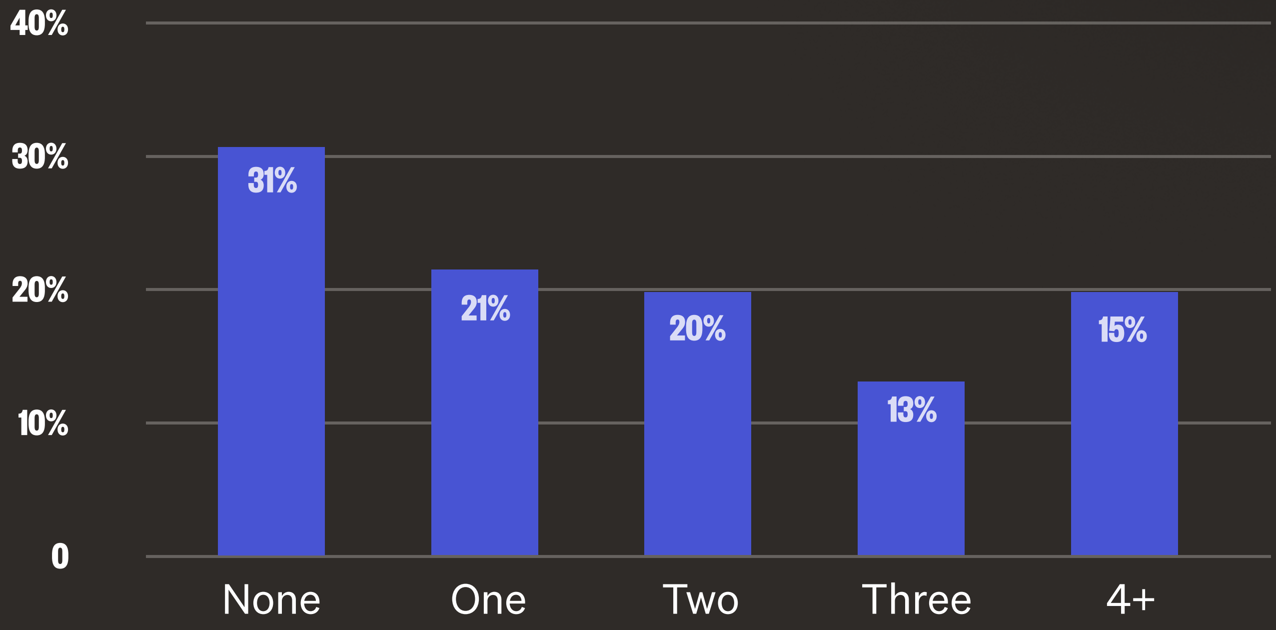
- Highlight value propositions, online reviews, ongoing support, and ease of transport or vehicle delivery to appeal to Reluctants' island-wide searches.
- Tailor marketing strategies for each island (North and South) to capture this audience.

TARGET NATIONWIDE BUYERS

- Emphasise national delivery, trade-in programs, and competitive pricing to attract Persuadables, Considerers, and Enthusiasts across New Zealand.
- Partner with transport services to ensure smooth nationwide transactions.

DEALER CONTACTS
THE NUMBERS

How many car dealers did buyers speak to/contact during their last car purchase?



DEALER CONTACTS
THE INSIGHTS

30%
NO CONTACT

Almost a **third of buyers (30%)** did not contact any dealers during their last car purchase. Many buyers rely solely on online research, private sellers, or other channels, avoiding dealerships.

21%
ONE CONTACTED

21% of buyers contacted only one dealer, showing that many buyers are focused and decisive, likely conducting research beforehand and knowing what they want to purchase.

19%
TWO CONTACTED

19% of buyers reached out to two dealers, they compare options to a limited extent but are focused on what they want to buy.

13%
THREE CONTACTED

13% of buyers engaged with three dealers, meaning they didn't quite have what they wanted, the deal wasn't right or they had an experience that put them off.

15%
4+ CONTACTED

15% of buyers contacted four or more dealers, representing the most thorough and research-intensive group.

With over 40% of buyers contacting 2 or less dealerships the need for all team members to give the best possible service is critical or you risk missing out on sales.

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DEALER CONTACTS
THE ACTIONS

Are you doing all you can to capture every possible enquiry?

KEY ACTIONS

CAPTURE BUYERS WHO AVOID CONTACTING DEALERS

- Provide detailed vehicle info, competitive pricing, and virtual tools to engage the 30% avoiding direct contact.
- Ensure a seamless online enquiry process without face-to-face or phone interaction.

MAXIMISE CONVERSION WITH ONE-DEALER BUYERS

- For the 21% who contact only one dealer, ensure that their first interaction is exceptional.
- Provide detailed, helpful responses to enquiries and offer personalised recommendations to make them feel valued.

ATTRACT COMPARISON SHOPPERS

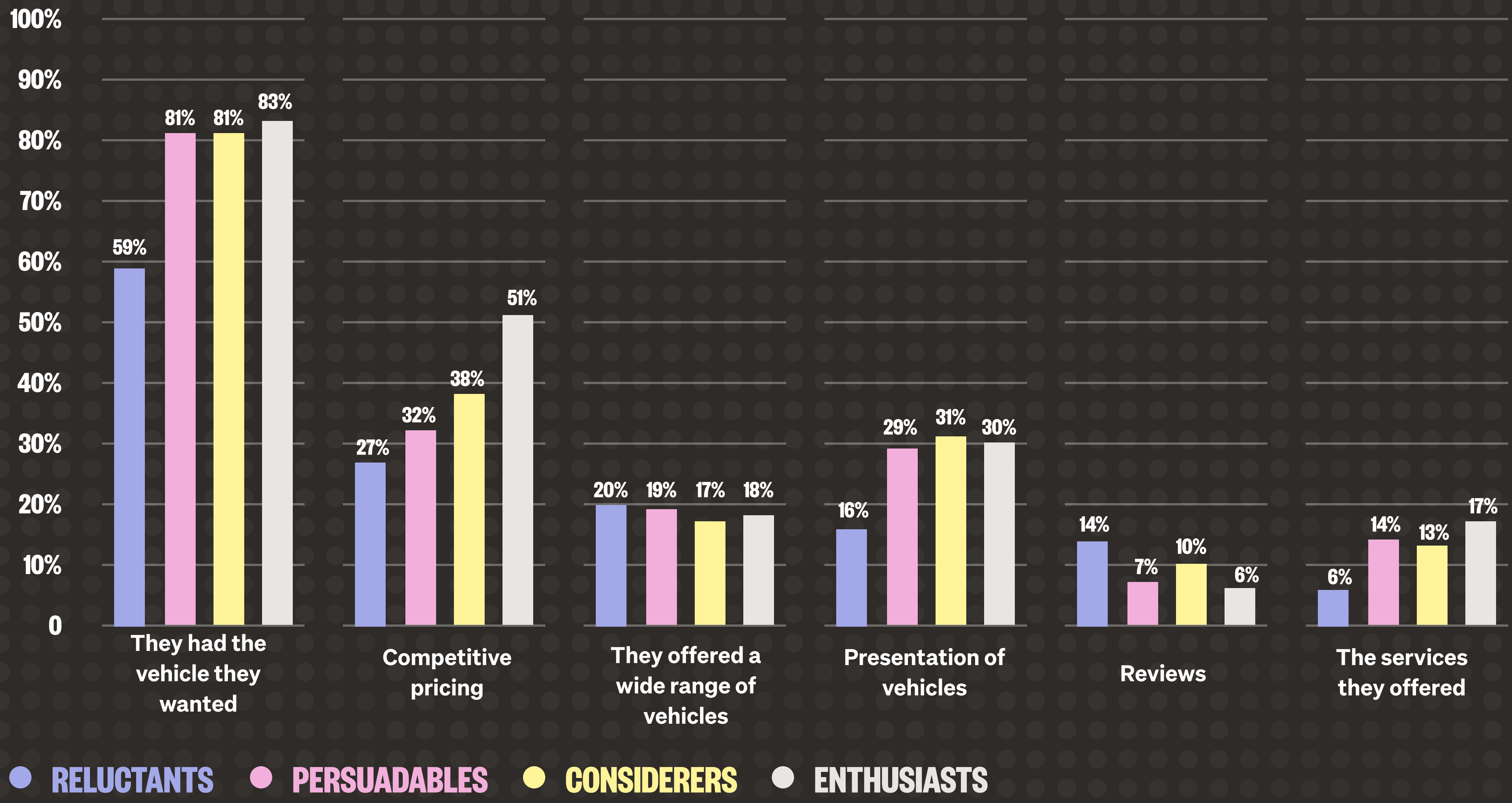
- Buyers contacting two to three dealers 32% are likely to compare options. To stand out: Follow up promptly and professionally to remain top of mind.

ENGAGE RESEARCH-INTENSIVE BUYERS

- The 15% contacting multiple dealers value exploration:
- Highlight broad inventory, transparent pricing, and vehicle history.
- Offer tools like comparisons and calculators to aid.

CONTACT REASONS THE NUMBERS

Why buyers contacted dealers



CONTACT REASONS
THE INSIGHTS

Vehicle Availability is Critical Across All Segments

- Overall **78% of buyers** contacted dealers because they had the vehicle they wanted.

Competitive Pricing Attracts

- Competitive pricing significantly influenced Enthusiasts and Considerers.
- Reluctants and Persuadables were less driven by pricing.

Wide Inventory Appeals to Considerers

- Wide Inventory Appeals to Reluctants
- Reluctants appreciated dealers offering a wide range of vehicles, while this was a smaller influence for Considerers and Enthusiasts.

Presentation is a Differentiator

- Enthusiasts and Considerers valued vehicle presentation when contacting dealers.
- Reluctants were less swayed, with only 16% finding it important.

Reviews Matter

- Reviews influenced Reluctants and Considerers, while Persuadables and Enthusiasts placed little importance on them.

Services Offered

- Enthusiasts and Persuadables were attracted by the additional services provided by dealers.

CONTACT REASONS
THE ACTIONS

If you don't have all of your stock online you can miss out on the 78% of people who contact a dealer for a specific car they have.

KEY ACTIONS

STOCK HIGH-DEMAND VEHICLES

- Ensure the inventory aligns with buyer preferences across all segments, as vehicle availability is the most significant factor for engagement.
- Regularly update online listings to reflect current stock and highlight availability prominently.

EMPHASIZE COMPETITIVE PRICING

- Target Enthusiasts and Considerers with pricing-focused campaigns, including discounts or price-match guarantees.
- Use transparent pricing strategies to appeal to cost-sensitive buyers.

EXPAND & SHOWCASE INVENTORY

- For Considerers, emphasise the variety of vehicles available by categorising inventory clearly in online and in-person settings.
- Use filters on online platforms to make searching for specific options easier.

INVEST IN VEHICLE PRESENTATION

- Improve presentation to attract Enthusiasts and Considerers
- Use professional photos, 360° views, and detailed online descriptions
- Keep dealerships clean and organised for strong first impressions

CONTACT REASONS
THE ACTIONS

If you don't have all of your stock online you can miss out on the 78% of people who contact a dealer for a specific car they have.

KEY ACTIONS

HIGHLIGHT CUSTOMER REVIEWS

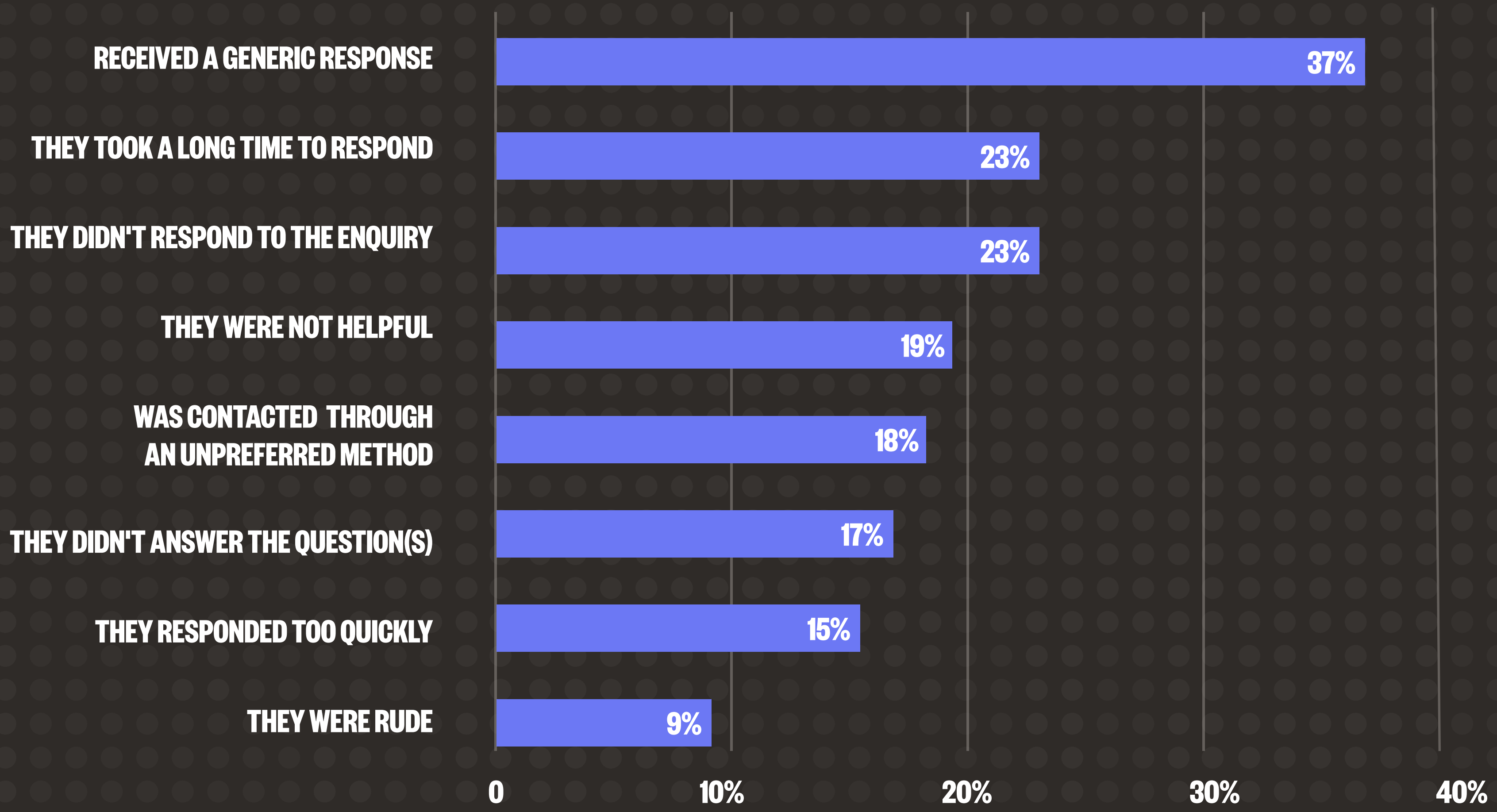
- Encourage satisfied customers to leave reviews, especially to influence Reluctants and Considerers.
- Respond to reviews (positive and negative) to build credibility and trust.

PROMOTE ADDITIONAL SERVICES

- Highlight value-added services for Enthusiasts and Persuadables.
- Promote warranties, financing, and free delivery.
- Communicate benefits in marketing and sales.

CONTACT EXPERIENCES

When contacting car dealers, has any of the following happened?



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CONTACT EXPERIENCES
THE INSIGHTS

TOP ISSUE: GENERIC RESPONSES
37%
of buyers reported receiving a generic response, indicating dissatisfaction with impersonal communication.

DELAYS IN RESPONSE
23%
of buyers mentioned that dealers took a long time to respond, showing a significant gap in timely communication.

NO RESPONSE
23%
did not receive any response to their enquiries, highlighting poor follow-up and communication practices in some dealerships.

UNHELPFUL COMMUNICATION
19%
said the dealer's response was not helpful, indicating a lack of adequate information or assistance during interactions.

METHODS MISMATCH
18%
were contacted via a different method than requested (e.g., phone instead of email), reflecting poor adherence to customer preferences.

UNANSWERED QUESTIONS
17%
reported that their specific questions were not answered, indicating a failure to address buyer concerns effectively.

RESPONDING TOO QUICKLY
15%
of buyers surprisingly felt the dealer responded too quickly, potentially suggesting that rushed responses lack quality or thoughtfulness.

RUDE INTERACTIONS
9%
experienced rudeness, although it is the least common issue, it is still significant as it can damage trust and reputation.

EXPERIENCES
THE ACTIONS

Ensure everyone in the business understand the importance of customer interactions.

KEY ACTIONS

PERSONALISE RESPONSES

- Avoid generic replies by training staff to provide personalised, detailed responses addressing specific customer enquiries.
- Use CRM tools to tailor communication based on customer history and preferences.

IMPROVE RESPONSE TIMES

- Set internal benchmarks for responding to enquiries.
- Use automated acknowledgment emails to inform customers their request has been received and provide an estimated response time.

ENSURE CONSISTENT FOLLOW-UP

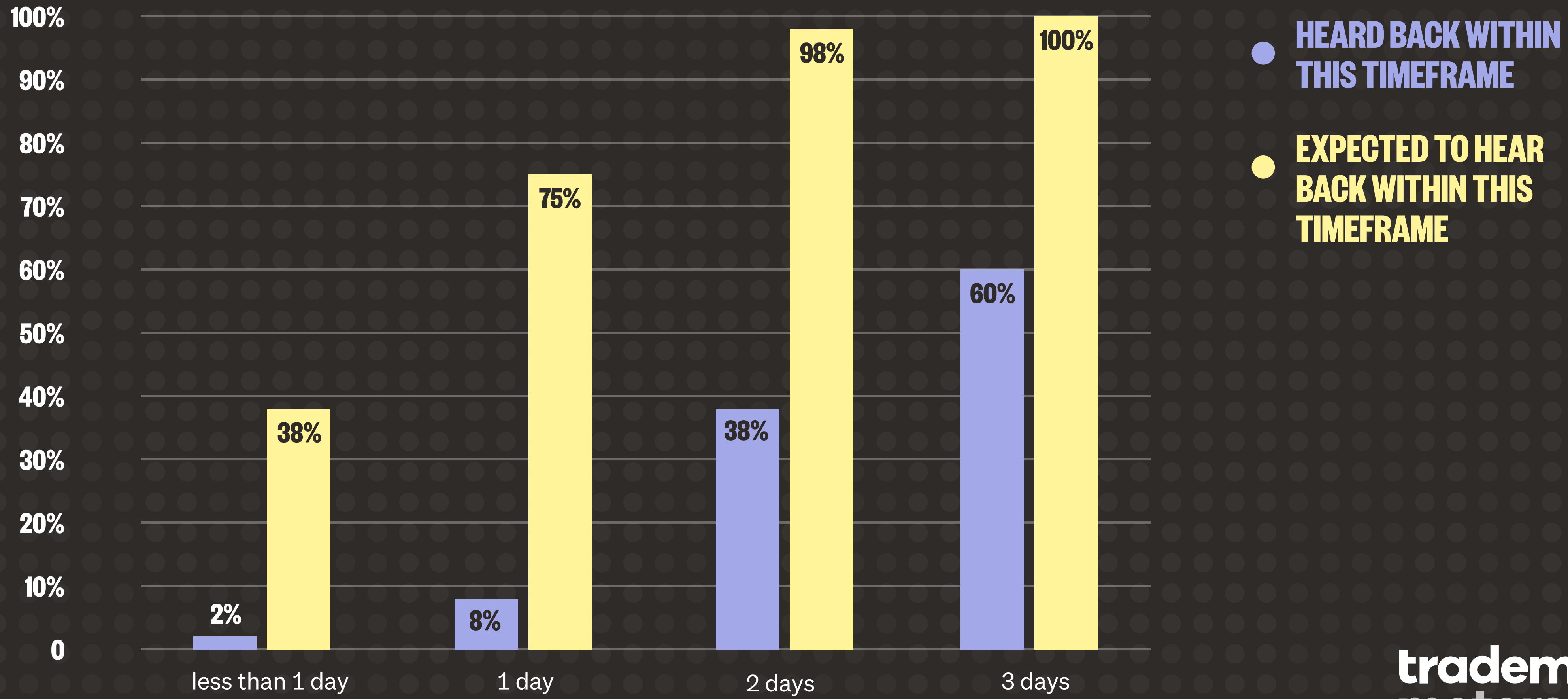
- Develop systems to ensure no enquiry goes unanswered.
- Use tools like email tracking and task reminders for staff to follow up promptly.

RESPECT CUSTOMER PREFERENCES

- Adhere to customer-specified contact methods to enhance satisfaction and build trust.
- Use CRM tools to track and manage communication preferences.

RESPONSE TIMES
EXPECTATIONS VS REALITY

When buyers heard back from dealers vs when they expected to hear



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RESPONSE TIMES
INSIGHTS

SIGNIFICANT GAP IN RESPONSE EXPECTATIONS

37%

of buyers expected to hear back within less than a day, but **only 2% actually did.**

ONE-DAY RESPONSES

75%

of buyers expected a response within a day, **but only 8% received one in this timeframe.**

TWO-DAY RESPONSES

98%

98% of buyers expected to have heard back by the two-day mark, yet **only 38% did**.

THREE-DAY RESPONSES

100%

of buyers expected a response by the three-day-mark, but **only 60% had heard back.**

This indicates that even after multiple days, 40% of these buyers were left without a response, significantly damaging customer satisfaction but most importantly losing the sales and potentially the customer for life.

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RESPONSE TIMES
ACTIONS

The key to quality customer interactions isn't new, take action to make sure your whole team understands.

KEY ACTIONS

IMPLEMENT FASTER RESPONSE SYSTEMS

- Aim to meet or exceed buyer expectations by responding within 1 day, as 75% of buyers expect this.
- Use automated acknowledgment systems to confirm receipt of inquiries immediately, reducing buyer frustration.

PRIORITISE URGENT INQUIRIES

- Develop a triage system to handle urgent inquiries first, particularly those flagged as high-priority by potential customers.

ENHANCE INTERNAL COMMUNICATION EFFICIENCY

- Train staff to prioritise timely follow-ups and reduce delays in responding to customer inquiries.
- Use customer relationship management (CRM) tools to track and manage responses within set timeframes.

SET CLEAR CUSTOMER EXPECTATIONS

- If immediate responses are not feasible, set clear expectations during the enquiry process
- Update buyers if there are delays and provide reasons, building trust and maintaining engagement.

RESPONSE TIMES
ACTIONS

The key to quality customer interactions isn't new, take action to make sure your whole team understands.

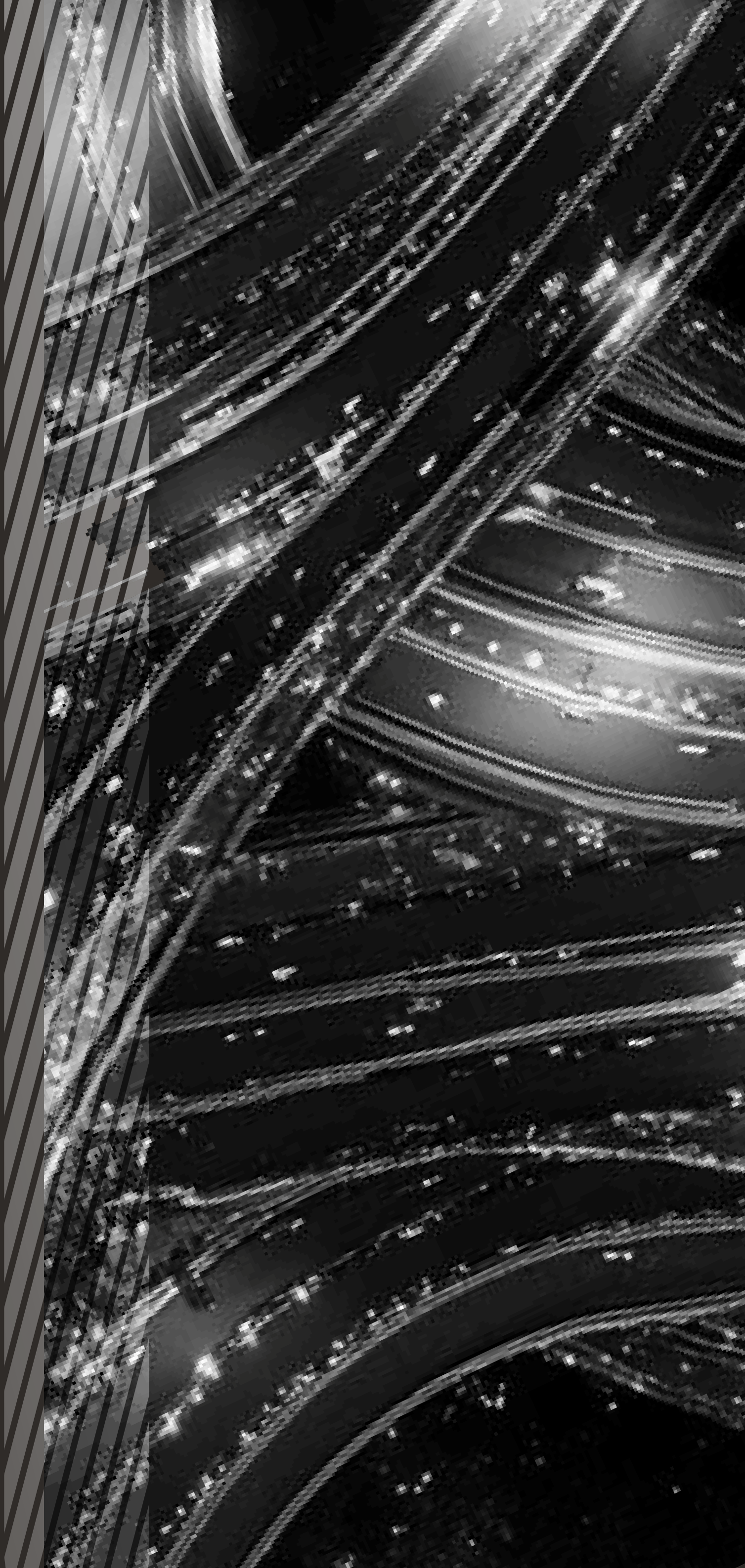
KEY ACTIONS

INCORPORATE CHAT TOOLS

- Introduce live chat or chatbot features on the dealership's website for instant communication, particularly for answering common inquiries.

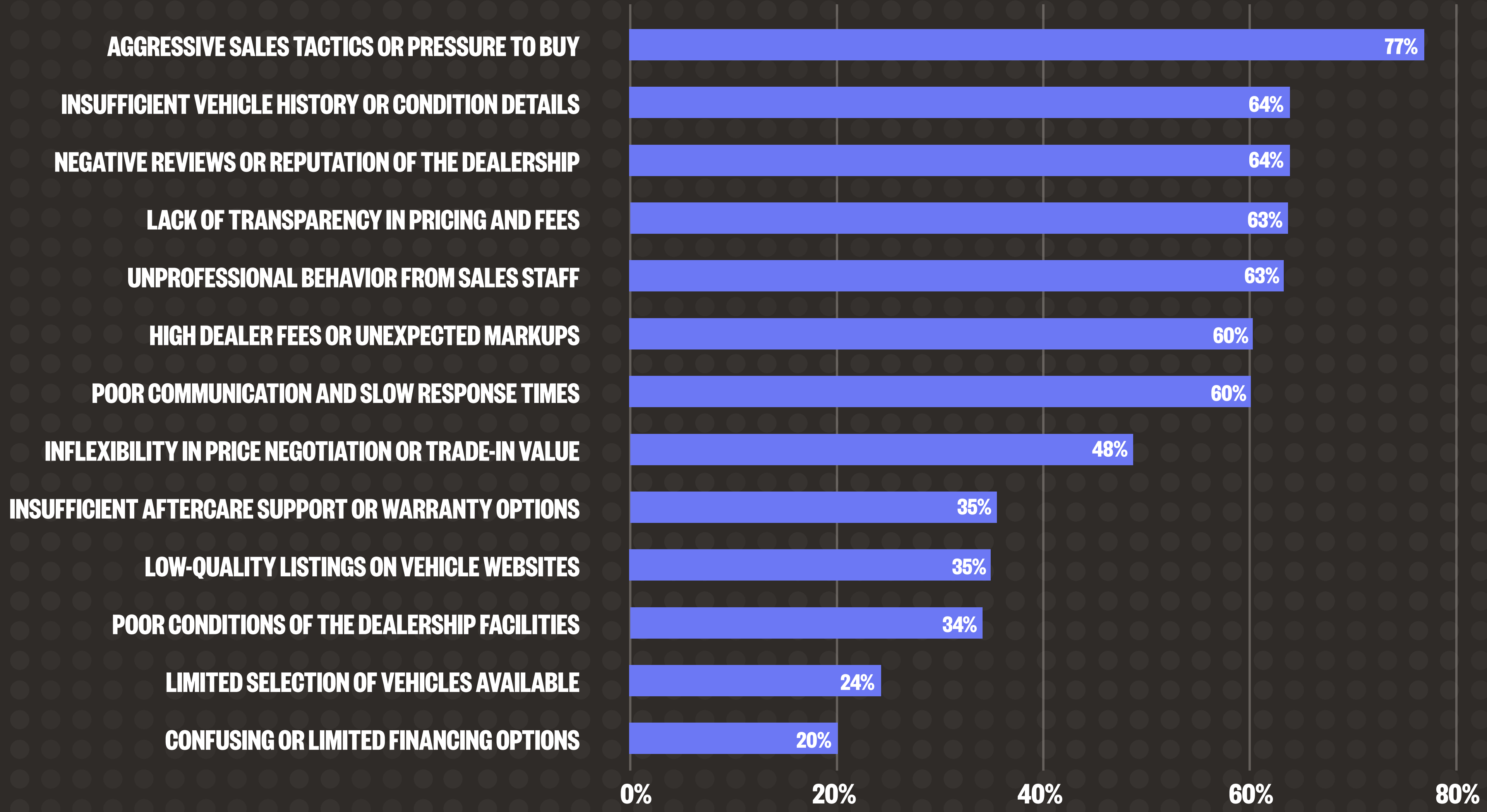
MONITOR AND IMPROVE RESPONSE RATES

- Regularly track response rates and compare them to buyer expectations.
- Use analytics from CRM systems to identify bottlenecks and streamline the communication process.



DEALBREAKERS

Which of these would be dealbreakers when speaking to car dealers?



DEALBREAKERS
INSIGHTS

AGGRESSIVE SALES TACTICS ARE THE TOP DEALBREAKER

77%

of buyers cited aggressive sales tactics as a major dealbreaker, making it the most significant factor that deters potential customers.

This shows that buyers value a low-pressure, consultative sales approach.

INADEQUATE INFORMATION AND NEGATIVE REVIEWS

64%

of buyers found inadequate information to be a dealbreaker, highlighting the importance of providing detailed and accurate vehicle details.

Similarly, 64% indicated negative reviews as a dealbreaker, showing that online reputation is critical for dealer success.

LACK OF TRANSPARENCY

63%

of buyers were deterred by lack of transparency, particularly in pricing, emphasising the importance of clear, upfront communication.

UNPROFESSIONAL BEHAVIOR

63%

of buyers said unprofessional behavior is a dealbreaker, indicating the importance of friendly and respectful staff interactions.

DEALBREAKERS
INSIGHTS

HIGH DEALER FEES AND POOR COMMUNICATION

60%

of buyers were put off by high dealer fees, while **60%** cited poor communication as a key dealbreaker, both of which impact trust and customer satisfaction.

INFLEXIBILITY IN PRICING

48%

of buyers saw inflexible pricing as a dealbreaker, showing that buyers appreciate negotiations and competitive offers.

LISTING QUALITY

35%

of buyers emphasised poor quality listings as an issue.

LIMITED INVENTORY AND CONFUSING OFFERS

24%

of buyers - a smaller percentage, were deterred by limited vehicle selection, and 20% found offers confusing or unclear.

DEALBREAKERS
ACTIONS

Take time to reflect on your processes and make change if needed towards the current buyer expectations.

KEY ACTIONS

AVOID AGGRESSIVE SALES TACTICS

- Train sales staff to adopt a consultative, customer-focused approach.
- Create a relaxed, no-pressure sales environment to make buyers feel comfortable and respected.

ENSURE CLEAR AND COMPLETE INFORMATION

- Ensure vehicle listings include detailed specifications, condition reports, pricing breakdowns, and additional fees.
- Be transparent about pricing and avoid hidden costs to build trust with buyers.

INVEST IN ONLINE REPUTATION MANAGEMENT

- Monitor online reviews and actively respond to positive and negative feedback.
- Encourage satisfied customers to leave reviews to build a positive reputation.

IMPROVE COMMUNICATION PRACTICES

- Train staff in clear and effective communication, ensuring all buyer inquiries are fully addressed.
- Use CRM systems to manage follow-ups and maintain consistent engagement.

DEALBREAKERS
ACTIONS

Take time to reflect on your processes and make change if needed towards the current buyer expectations.

KEY ACTIONS

ADDRESS PRICING FLEXIBILITY

- Offer negotiable pricing or incentives, such as discounts or bundled packages, to appeal to cost-sensitive buyers.
- Highlight price-match guarantees where applicable.

ENHANCE AFTER-SALES SUPPORT

- Develop robust after-sales services, including warranties, servicing plans, and customer support to improve satisfaction and loyalty.
- Communicate these offerings prominently during the sales process.

IMPROVE INVENTORY AND LISTINGS

- Maintain a variety of vehicles to appeal to different buyer needs.
- Invest in high-quality photos, videos, and clear descriptions for all listings to attract and retain buyer interest.

SIMPLIFY OFFERS

- Ensure all promotional offers, financing options, and terms are clear and easy to understand.
- Provide examples or tools (e.g., financing calculators) to make offers more accessible.

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 Inspection and Evaluation in March 2025. We look forward to continuing this journey with you and providing even more valuable information to support your business.

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