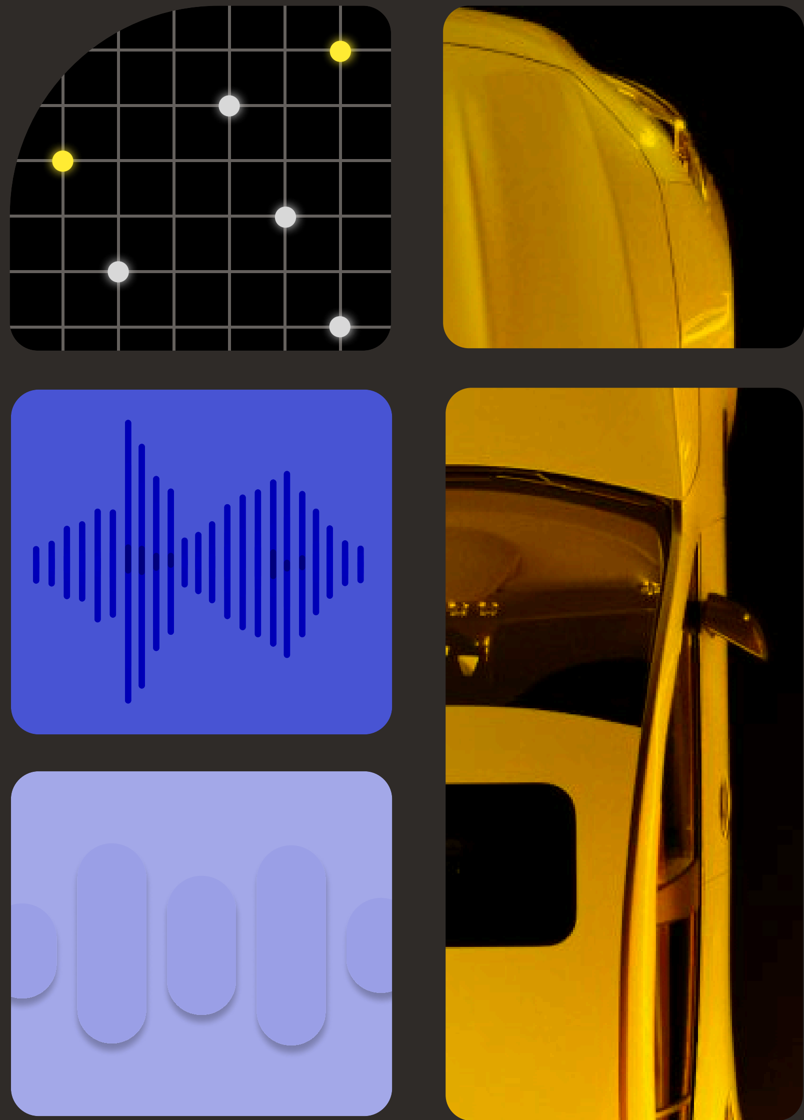
CONSUMER INSIGHTS REPORT | 2025

SHIFT INTO ACTION

VOLUME 3: INSPECTION AND EVALUATION



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INTRODUCTION

Welcome to the third 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 buyer behaviour during test drive and what they are looking for and if their needs are being met.

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

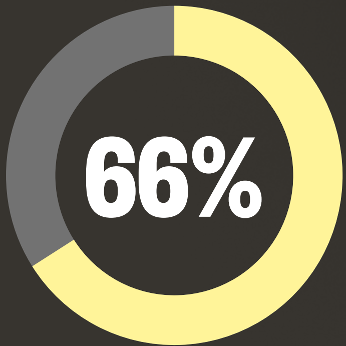
Examining budget compromises, reasons for overspending, and funding sources.

VOL. 5
POST-PURCHASE

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

TOP 3 KEY INSIGHTS

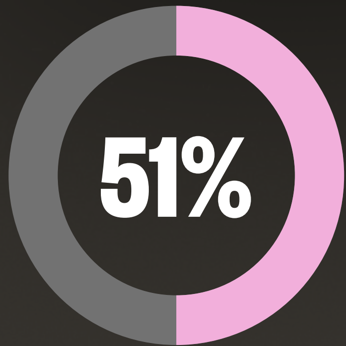
PRE-PURCHASE INSPECTION



66% of buyers noted that a pre-purchase inspection was the **#1 thing** that would make them consider purchasing without a test drive.

Address buyer confidence to purchase without a test drive by exploring key influencing factors.

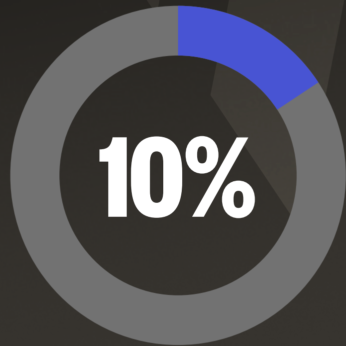
NUMBER OF TEST DRIVES



51% of buyers drove no more than 2 vehicles before making their decision to purchase.

Maximize sales during test drives by understanding buyer expectations and needs.

BUYERS' TEST DRIVE PREFERENCE



Only **10% of buyers** are considering purchasing without a test drive.

Discover how their mindset changes as they go through the buyer journey.

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

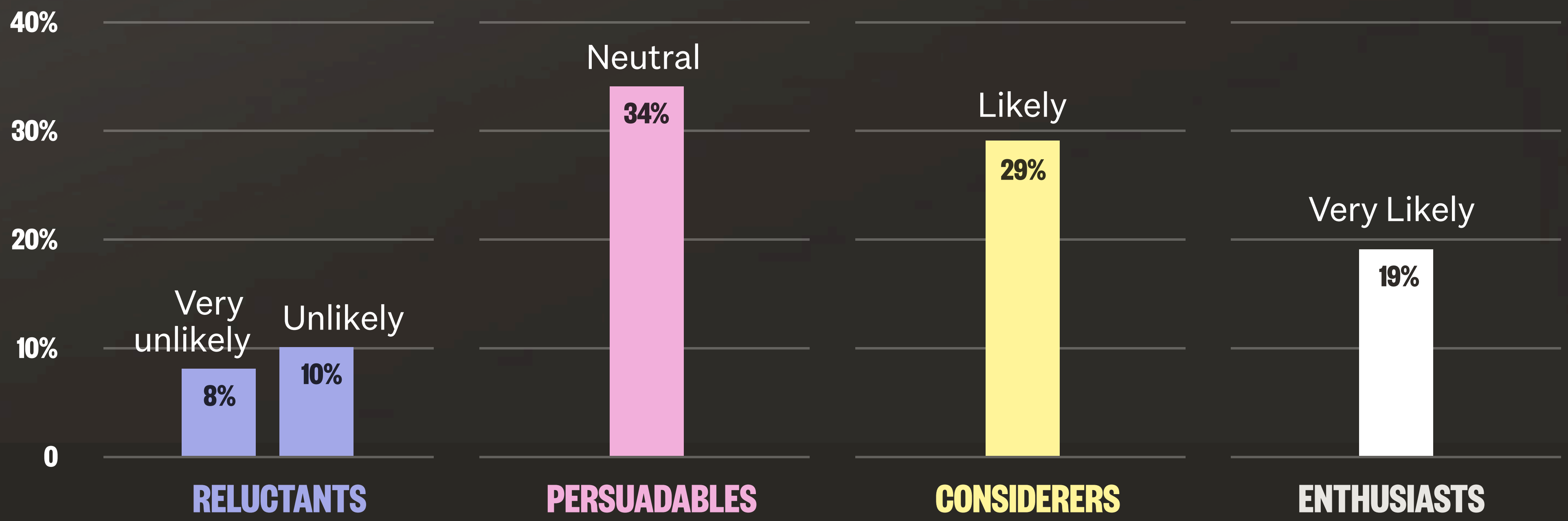
Firmly prefer private purchases and would only consider a dealer under very specific circumstances.

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?

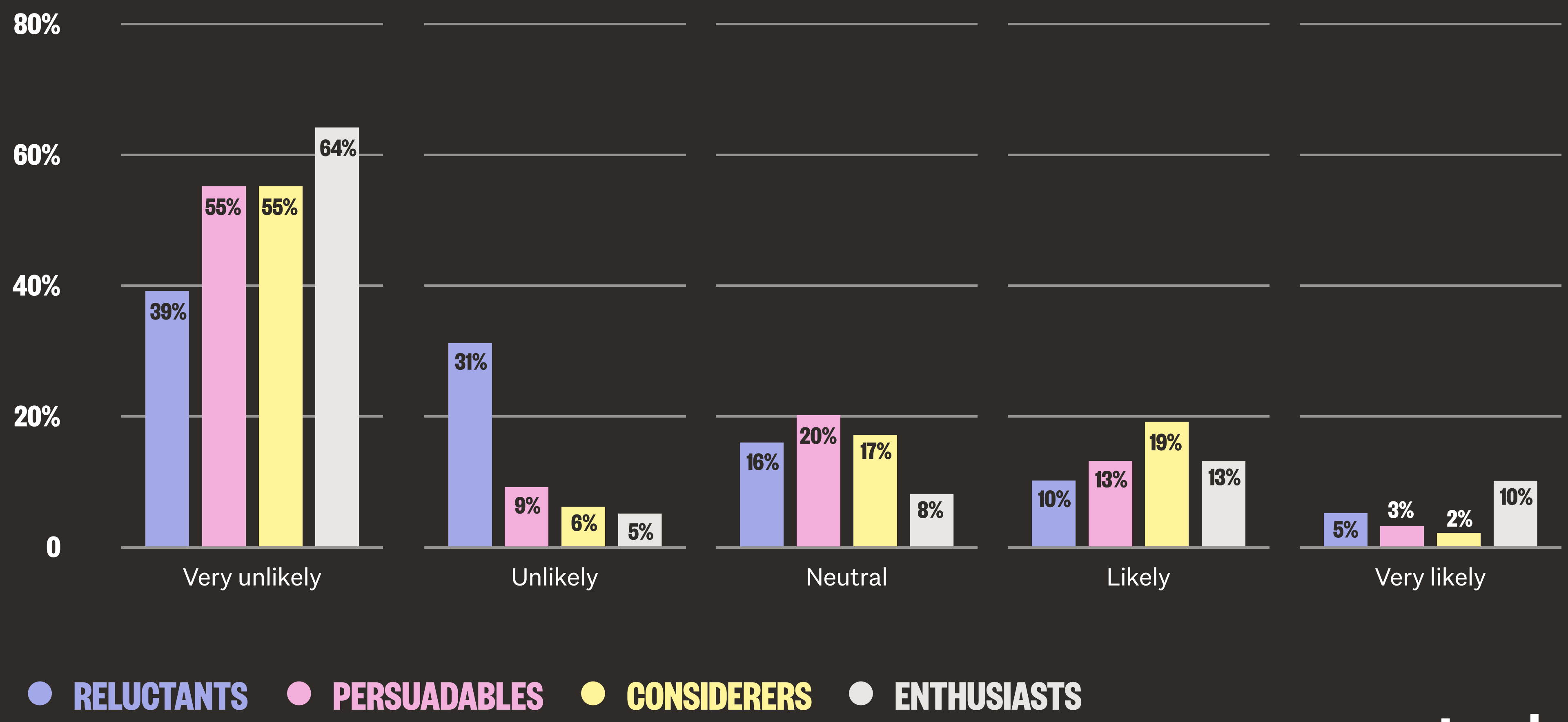
The graph highlights which groups are more inclined to buy from a dealer and which tend to favour private sellers.

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



IMPORTANCE OF TEST DRIVES

How likely are you to purchase a car without test driving it?



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IMPORTANCE OF TEST DRIVES
INSIGHTS

While most buyers prefer test drives, a few are open to alternatives. Offering virtual demos and detailed reviews can help build confidence in these consumers.

MOST BUYERS ARE UNWILLING TO PURCHASE WITHOUT A TEST DRIVE

- A significant percentage across all buyer segments fall into the "Very Unlikely" category.
- Enthusiasts (64%), Considerers (55%), and Persuadables (55%) strongly prefer test driving before purchasing.
- Reluctants (39%) are less rigid but still largely opposed to skipping a test drive.

PERSUADABLES AND CONSIDERERS SHOW SOME OPENNESS

- Around 20% of Considerers and 17% of Persuadables are Neutral on buying without a test drive.
- A smaller percentage (19% Considerers, 13% Enthusiasts) are Likely to buy without test-driving, indicating some flexibility.

SOME ENTHUSIASTS ARE OPEN TO BUYING WITHOUT A TEST DRIVE

- Enthusiasts have the highest percentage in the "Very Likely" category (10%), meaning they may be more confident in their knowledge of cars and trust in dealerships.

RELUCTANTS ARE THE LEAST DECISIVE GROUP

- This group has a significant percentage in "Unlikely" (31%) but also a small fraction in "Neutral" and "Likely" categories, showing they may need more persuasion.

IMPORTANCE OF TEST DRIVES

THE ACTIONS

EMPHASISE TEST DRIVE EXPERIENCE

Since most will test drive before buying, ensure the dealership has a smooth and hassle-free test-driving process.

Offer flexible scheduling and multiple car options where needed to enhance the experience.

PROMOTE AT-HOME TEST DRIVES

Some customers may hesitate to visit the dealership.

Offering home test drives where the car is delivered to their location could increase conversions.

LEVERAGE VIRTUAL TEST DRIVES

For the small percentage of customers willing to buy without a test drive, provide high-quality virtual test drives using videos, 360-degree interior views, and real customer testimonials to build confidence.

FLEXIBLE RETURN POLICIES

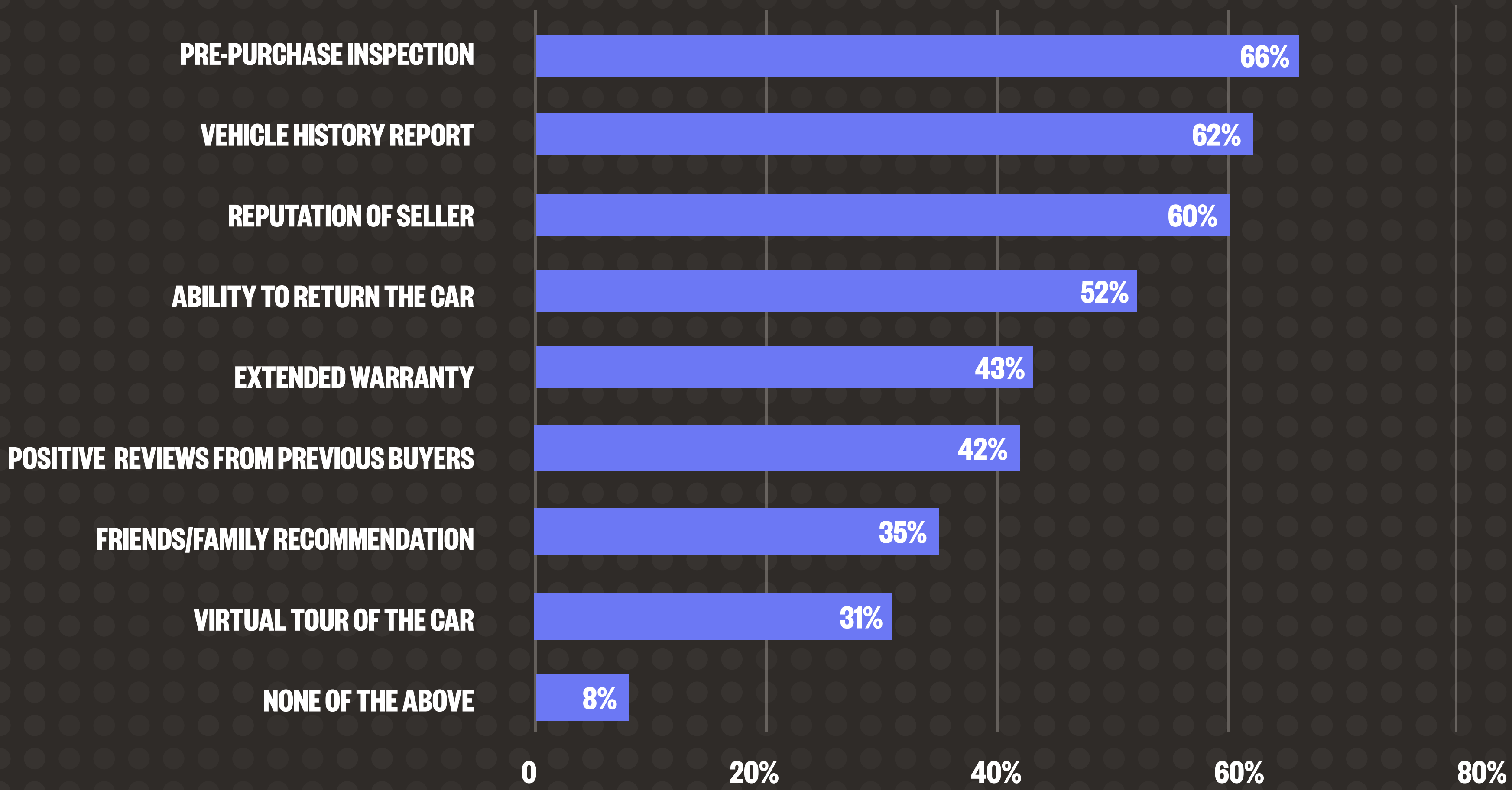
Introduce risk-free return policies (e.g., a 7-day return window) to ease concerns of those unsure about buying without a test drive.

HIGHLIGHT CUSTOMER REVIEWS AND FEATURES

For buyers unable to test drive your car, emphasise positive customer experiences and showcasing vehicle features through online content to help bridge the trust gap.

BOOSTING CONFIDENCE

Which of these would give you more confidence purchasing a car without test driving?



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BOOSTING CONFIDENCE

THE INSIGHTS

INSPECTIONS

Pre-Purchase Inspections Are Crucial – The highest percentage of respondents, over 66%, indicated that a pre-purchase inspection would boost their confidence in buying without a test drive.

HISTORY

Vehicle History Reports Matter – a significant percentage values a vehicle history report, highlighting the importance of transparency.

REPUTATION

Seller Reputation is Key – Trust in the dealership or individual seller is a major factor, emphasising the need for strong branding and credibility.

RETURN POLICIES

Return Policies Increase Confidence – Many respondents feel more secure knowing they can return the car within a specific timeframe for a full refund.

WARRANTIES

Extended Warranties and Online Reviews Hold Weight – Buyers also consider long-term security (warranties) and feedback from previous customers when deciding to purchase without a test drive.

BOOSTING CONFIDENCE

THE ACTIONS

OFFER CERTIFIED PRE-PURCHASE INSPECTIONS

Partner with third-party services to provide trusted, thorough inspections and prominently advertise this service.

ENSURE ACCESS TO VEHICLE HISTORY REPORTS

Offer free Vehicle Information Reports (VIR's) and integrate them into online listings.

STRENGTHEN BRAND REPUTATION

Build trust through customer testimonials, high ratings on Google, Actively request satisfied customers to leave reviews and feature them on the website and social media.

EMPHASISE EXTENDED WARRANTY OPTIONS

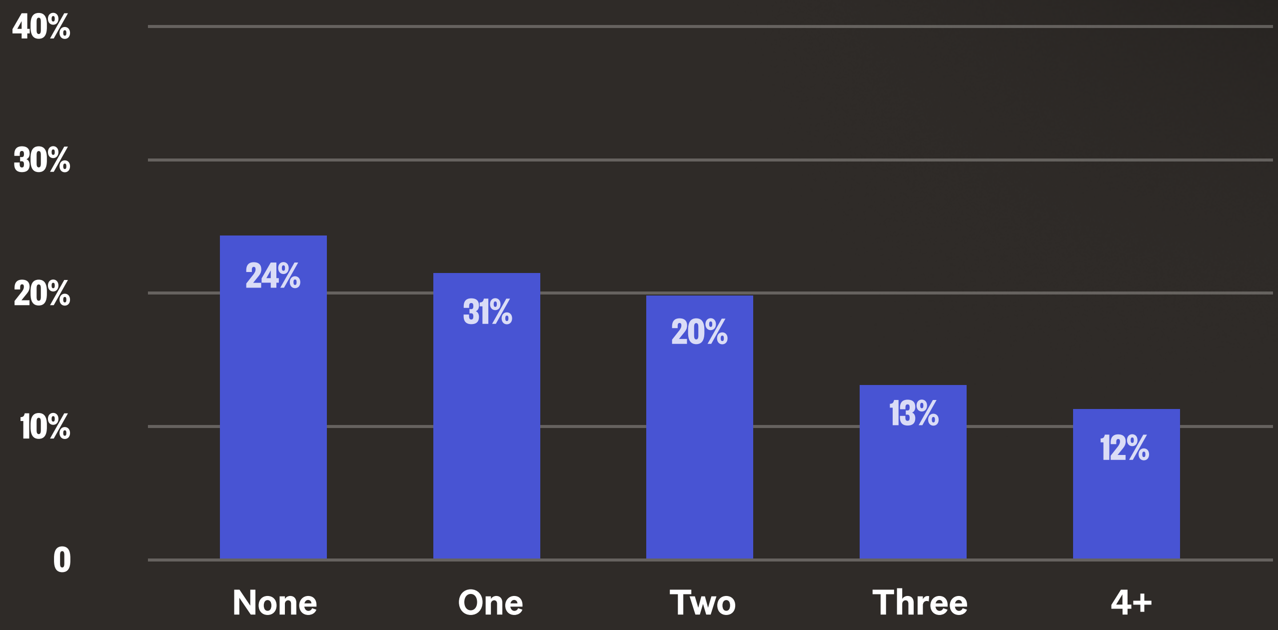
Offer comprehensive warranties and highlight them in marketing materials.

OPTIMISE ONLINE LISTINGS FOR TRANSPARENCY

Include high-quality images, and detailed descriptions to compensate for the potential lack of a test drive.

TEST DRIVE BEHAVIOR

How many cars did you test drive when purchasing your last car?



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TEST DRIVE BEHAVIOR
THE INSIGHTS

OVER 50% OF BUYERS TEST DROVE 1-2 CARS

This suggests that many customers already have a strong preference before visiting the dealership.

A SIGNIFICANT PORTION DIDN'T TEST DRIVE AT ALL

Only 10% of buyers planned to purchase without a test drive, however over 24% purchased their car without one, highlighting the significance of online research and dealership trust.

SOME BUYERS EXPLORE MULTIPLE OPTIONS

Only 25% of buyers test drove more than 2 cars before purchasing, getting the right car presented in the right way the first time is crucial.

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TEST DRIVE BEHAVIOR

THE ACTIONS

STREAMLINE THE TEST-DRIVE PROCESS

Since most buyers test-drive no more than 2 cars, ensure that the experience is efficient and informative.

Offer flexible scheduling, quick paperwork, and a hassle-free test-drive setup.

ENHANCE ONLINE LISTINGS FOR NO-TEST-DRIVE BUYERS

Promote the things that will make buyers more comfortable, Pre-purchase inspections, VIR, your dealerships reputation to gain their trust and help convert sales easier.

OFFER AT-HOME TEST DRIVES

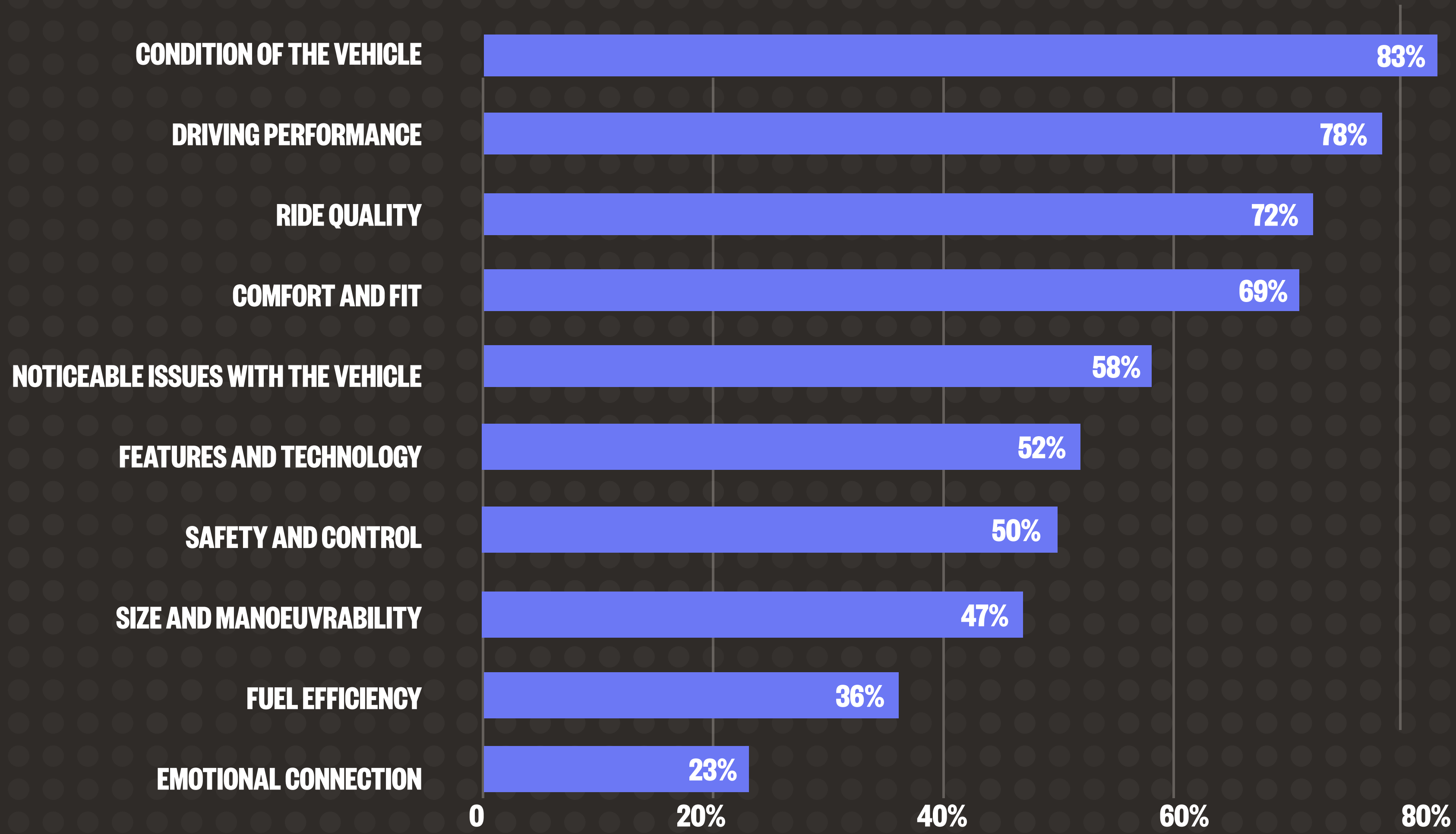
For hesitant buyers, allowing a test drive from home could encourage more sales.

PROMOTE SIDE-BY-SIDE COMPARISONS

Since some buyers test multiple vehicles, provide in-depth comparisons between similar models to keep those buyers at your dealership.

EVALUATING TEST DRIVES

Which of these were you evaluating when test driving?



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EVALUATING TEST DRIVES

THE INSIGHTS

VEHICLE CONDITION IS THE MOST IMPORTANT FACTOR (83%)

The majority of buyers prioritise the overall **condition of the vehicle**, making it the most critical factor during a test drive.

DRIVING PERFORMANCE IS ALSO HIGHLY VALUED (78%)

Acceleration, handling, and braking are crucial considerations, showing that buyers care about how the car feels on the road.

RIDE QUALITY AND COMFORT MATTER TO MANY BUYERS (72% & 69%)

Suspension, noise levels, and smoothness of the ride are key concerns. **Comfort and fit** are nearly as important, indicating ergonomics and driving experience are key decisions.

MECHANICAL AND COSMETIC ISSUES ARE NOTICED (58%)

Many buyers actively look for **mechanical, electrical, or cosmetic problems**, meaning transparency and quality assurance are essential.

FEATURES AND TECHNOLOGY INFLUENCE OVER HALF OF BUYERS (52%)

Tech-savvy buyers pay attention to **infotainment systems, driver assistance, and connectivity features.**

SAFETY AND CONTROL ARE PRIORITIES (50%)

Half of the respondents check for **safety features and driving control**, making this a key selling point.

SIZE AND MANEUVERABILITY MATTER FOR SOME BUYERS (47%)

Parking ease, turning radius, and practicality influence purchasing decisions, especially in urban environments.

FUEL EFFICIENCY IS A MID-LEVEL CONCERN (36%)

While not a top priority, over a third of buyers factor in **fuel economy**, suggesting some focus on cost savings.

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EVALUATING TEST DRIVES

THE ACTIONS

ENSURE CARS ARE IN TOP CONDITION BEFORE TEST DRIVES

Perform thorough pre-test-drive inspections to guarantee that vehicles are clean, easily accessible, tire pressures are correct, and free from noticeable issues.

EMPHASISE RIDE COMFORT

Plan a test drive route or encourage the customers to take the car where they would normally drive it on a daily basis. buyers to experience different driving conditions (smooth roads, bumps) to demonstrate ride quality and comfort.

ADDRESS COMMON MECHANICAL CONCERNS PROACTIVELY

Provide a detailed pre-inspection checklist to reassure buyers about the vehicle's and be transparent about what you needed to do to the vehicle to make it ready for sale.

SHOWCASE TECHNOLOGY AND SAFETY FEATURES

Ensure test drives include a demo of advanced features like lane assist, infotainment, and crash prevention as a lot of these features are new to buyers.

OFFER MULTIPLE TEST-DRIVE SCENARIOS

Since maneuverability and size are factors, allow test drives in various conditions, including highways and tight urban areas, wherever they are most comfortable.

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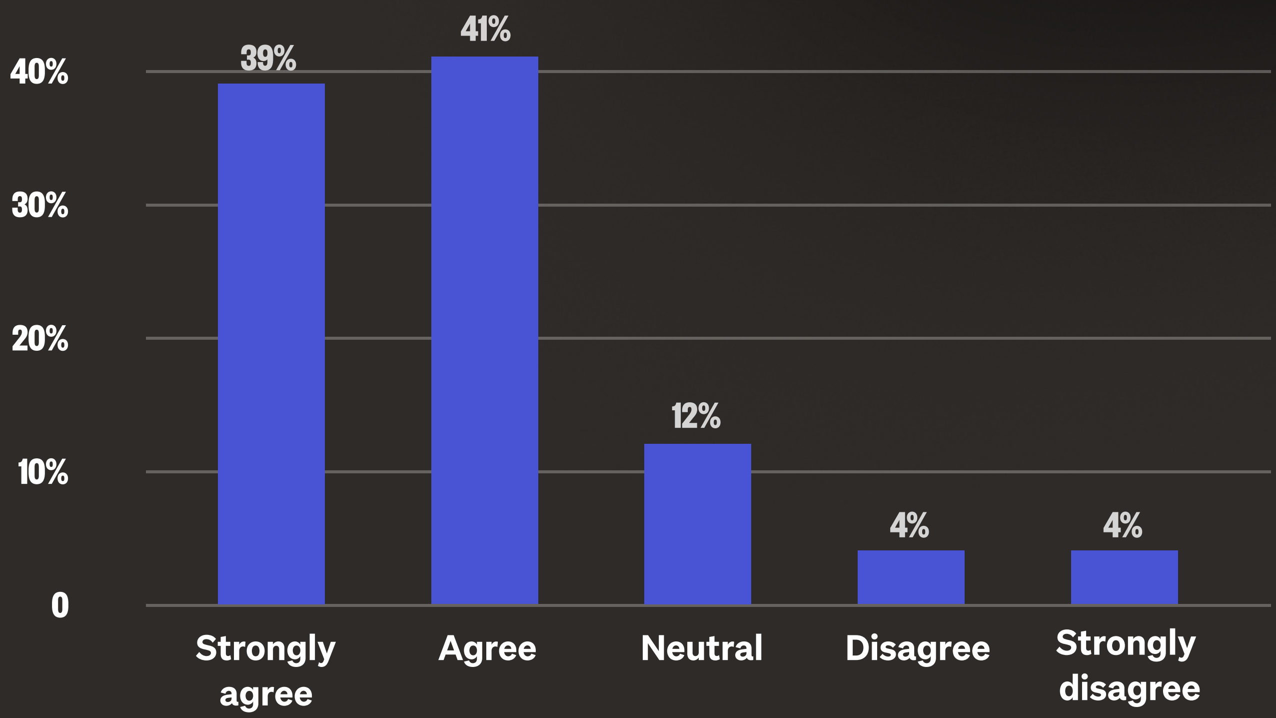
BUYER PREPAREDNESS
THE NUMBERS

I knew what to ask the seller about the vehicle.



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BUYER PREPAREDNESS
THE INSIGHTS

MOST BUYERS FEEL CONFIDENT IN ASKING QUESTIONS

A significant majority (41% "Agree" and 39% "Strongly Agree") knew what to ask sellers about the vehicle, suggesting that buyers are well-researched and informed.

A SMALL PERCENTAGE LACKED CONFIDENCE

Only 3% "Strongly Disagree" and another 3% "Disagree," indicating a minimal number of buyers felt unprepared.

SOME BUYERS REMAIN NEUTRAL

12% were neither confident nor unsure, meaning they might not have strong preferences or needed additional guidance.

BUYERS ARE PROACTIVE AND RESEARCH-DRIVEN

Most customers come prepared with knowledge before visiting the dealership.

BUYER PREPAREDNESS
THE ACTIONS

KEY ACTIONS

ENHANCE DIGITAL EDUCATION MATERIALS

Since customers conduct research before visiting, provide comprehensive online resources, such as FAQs, video guides, and downloadable checklists on what to ask during a visit.

TRAIN SALES STAFF FOR HIGH-LEVEL CONVERSATIONS

With buyers being more informed, sales teams should be prepared to answer detailed and technical questions, rather than just focusing on basic features.

OFFER A PRE-VISIT CONSULTATION

Introduce a digital or phone-based pre-visit session where potential buyers can ask questions before coming in, ensuring a smoother in-person experience.

CREATE BUYER GUIDES FOR LESS CONFIDENT SHOPPERS

While most feel confident, the small percentage that doesn’t could benefit from a "What to Ask Your Dealer" guide, available in-store and online.

LEVERAGE TRANSPARENCY TO BUILD TRUST

Given that buyers do their homework, the more information you can provide the better. Leverage your website testimonials and google reviews, particularly around experience pre and post sale will really drive confidence.

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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 Purchase and Fulfillment in April 2025. We look forward to continuing this journey with you and providing even more valuable information to support your business.

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