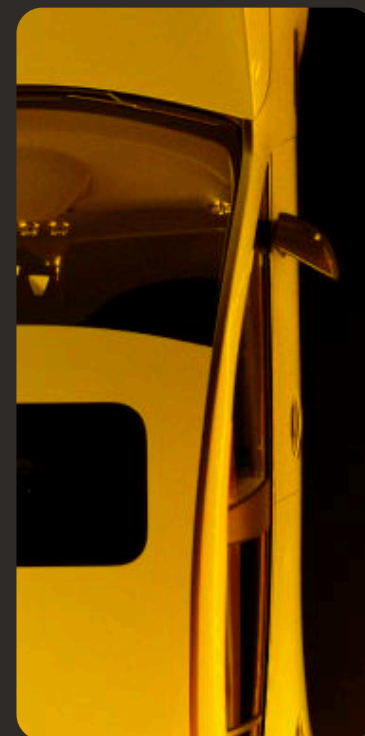
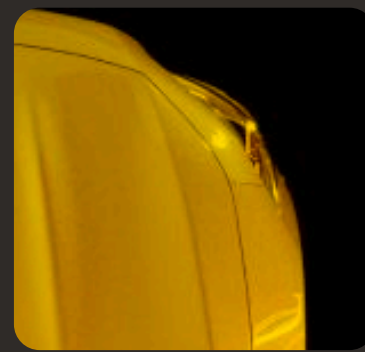
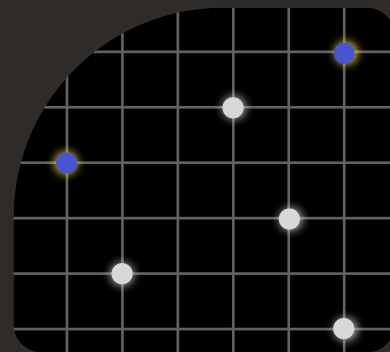


CONSUMER INSIGHTS REPORT | 2025

# SHIFT INTO ACTION

VOLUME 1: BUYER MINDSET

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# INTRODUCTION

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

This comprehensive series will include five distinct volumes, each shedding light on different aspects of the current car buyer journey. It will conclude with a summary of all volumes, offering additional insights into buyer behaviour and year on year trends.

In this first edition, we explore the buyer mindset: what they are considering, how they are feeling, and the key factors influencing their decisions when buying a car.

Drawing on insights from 1,449 survey responses, this report provides a data-driven view of 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**

Analyzing buyer behaviors 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**

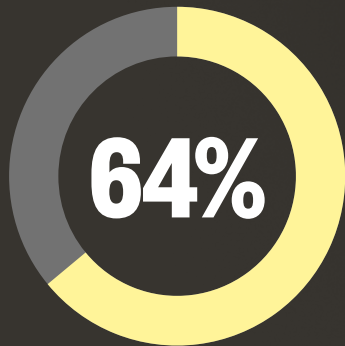
### **POST-PURCHASE**

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



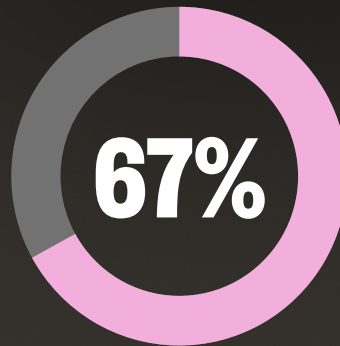
# TOP 3 KEY INSIGHTS

## READY TO PURCHASE



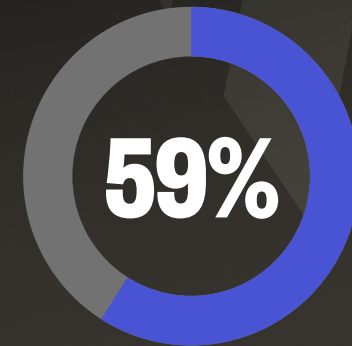
**64%** of buyers plan to make a purchase within the next three months.

## TRUST DRIVES CHOICE



Trust in the specific brand of the vehicle was the most critical factor, influencing **67%** of buyers.

## STRICT BUDGET FOCUS



**59%** operate within a strict budget, showing a clear need to stay within their financial constraints.

# 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

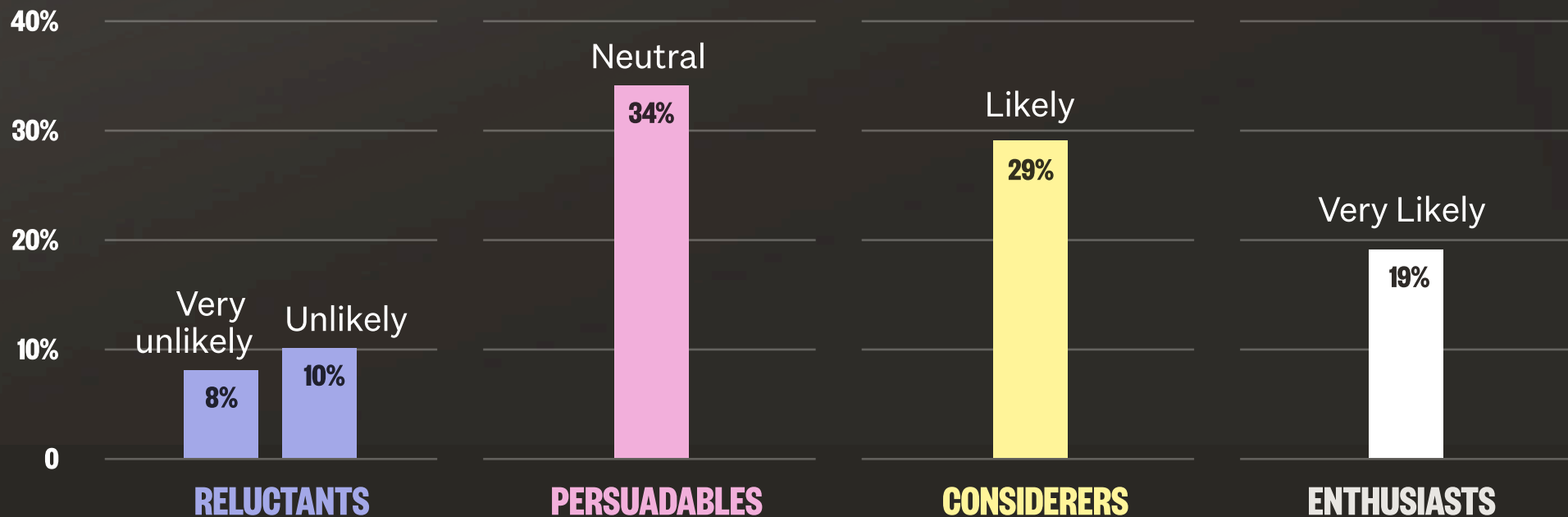
Firmly prefer private purchases and would only consider a dealer under very specific circumstances.

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?



# WHY BUYERS CHOOSE OR AVOID DEALERS?

For **ENTHUSIASTS** and **CONSIDERERS**, the top three reasons for choosing to buy from a dealer are:

1. Security in the purchase – Confidence in the legitimacy and quality of the transaction
2. Trust in the seller – Reliability and reputation play a significant role
3. Service and support – Access to post-sale assistance and warranties

In contrast, **PERSUADABLES** place greater emphasis on:

**Price** – Value for money is a critical deciding factor

**Vehicle specifics and availability** – The car's condition, features, and accessibility heavily influence their decisions

## BUYER QUOTES:

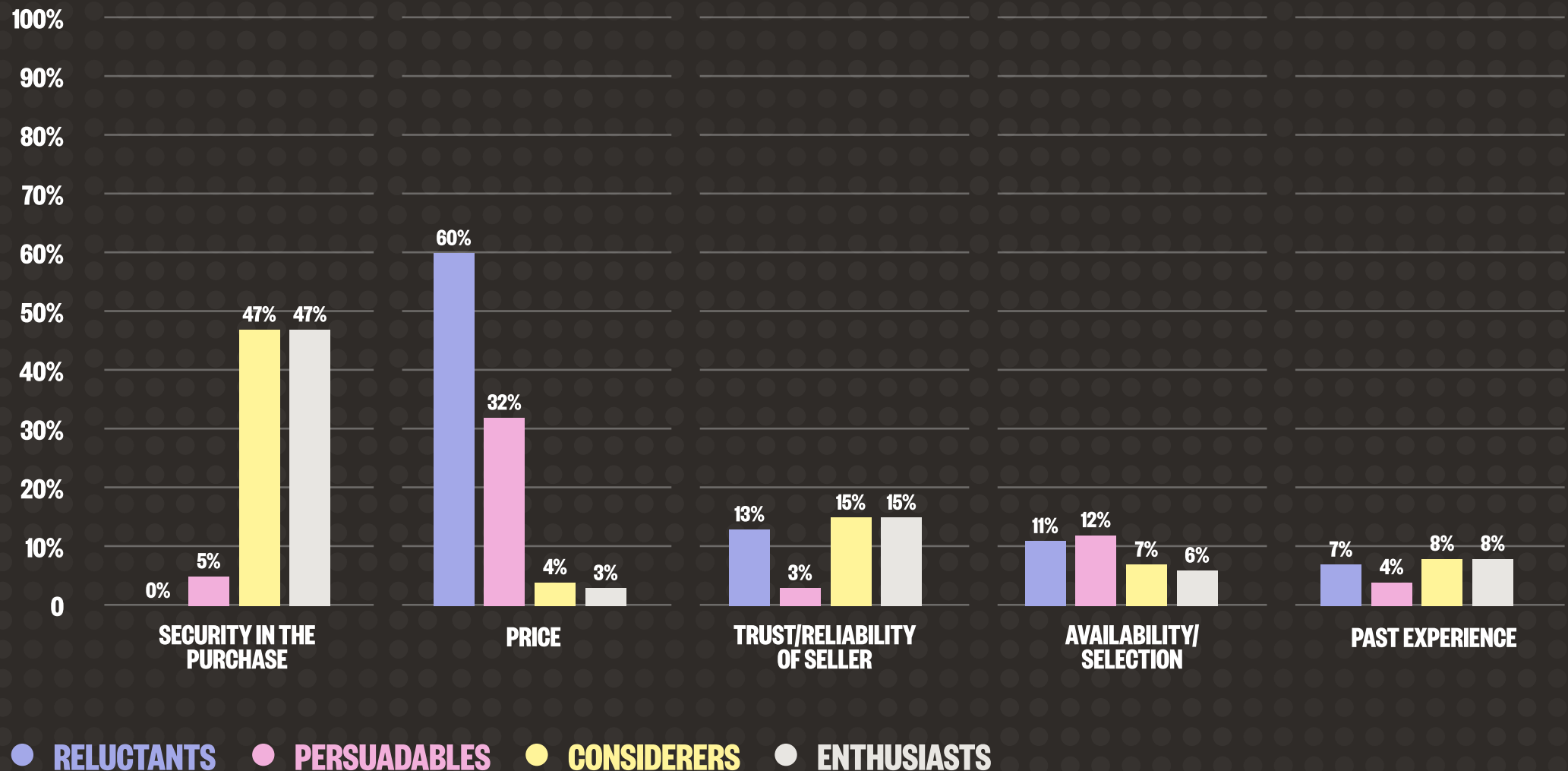
“If the right car was available at a dealership then I might purchase from them rather than privately”

“Stock availability, competitive pricing, warranty”

“I choose a model first, then find the best deal available”

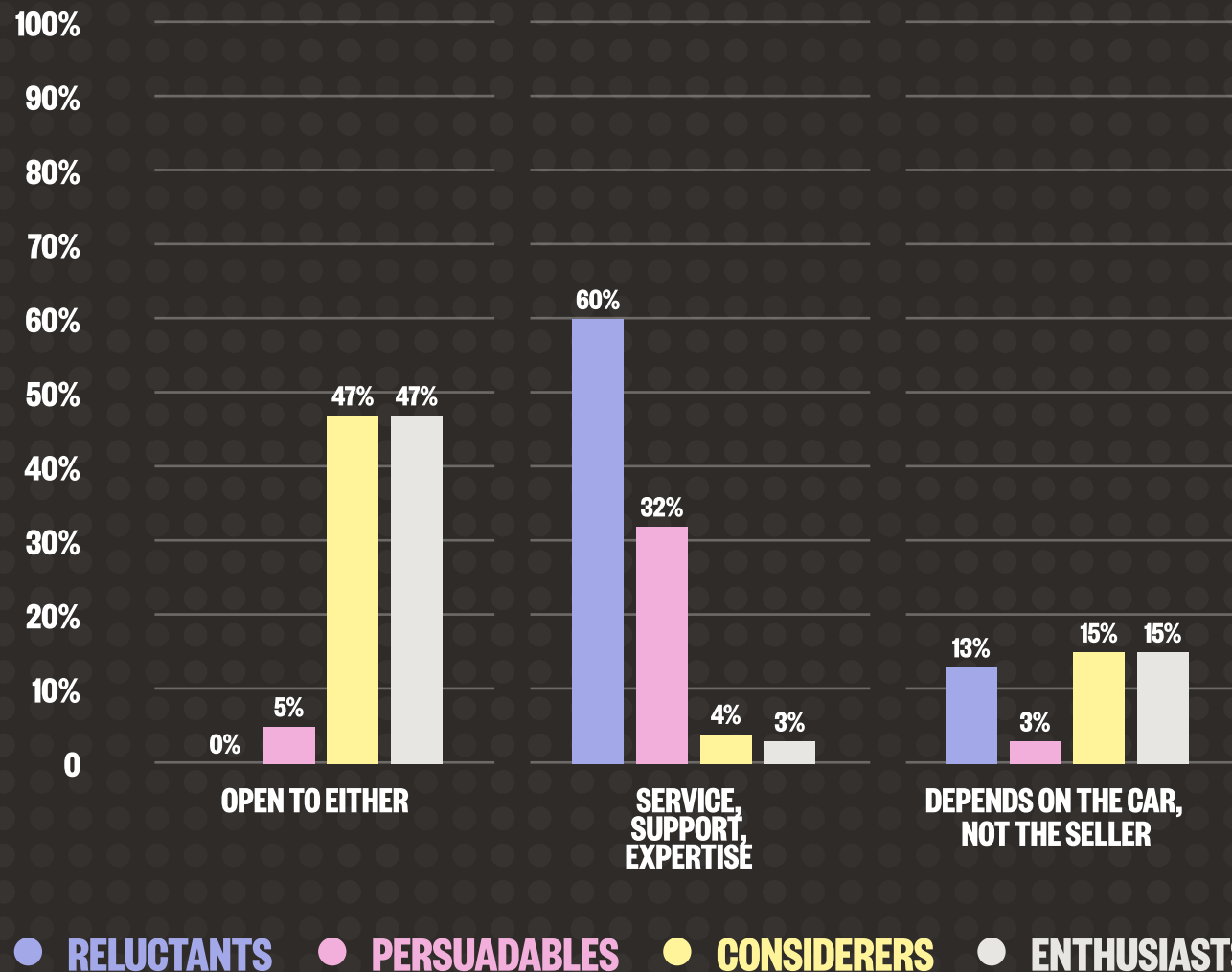
# INFLUENCING FACTORS

What drives buyer decisions



# INFLUENCING FACTORS

What drives buyer decisions



# BUILD TRUST, SHOW VALUE

## DRIVE SALES [1 OF 2]

Align with the priorities of each buyer group to convert more leads into sales.

For **ENTHUSIASTS** and **CONSIDERERS**:

- Highlight your dealership's reputation, certifications, and transparent business practices to instill confidence in buyers.
- Promote post-sale benefits such as warranties, service packages, and customer support as part of the dealership experience.
- Use testimonials and success stories to showcase the reliability and trustworthiness of your dealership.

For **PERSUADABLES**:

- Focus on competitive pricing by clearly communicating promotions, offers, discounts, or financing options.
- Highlight key vehicle features, condition, and availability to meet their specific needs.
- Ensure your inventory is easily searchable and well-documented, both online and at the dealership, to showcase the options available.

# **BUILD TRUST, SHOW VALUE**

## **DRIVE SALES** [2 OF 2]

**Build trust, emphasise value, and align with the priorities of each buyer group to convert more leads into sales.**

Tailor Marketing Messages by Segment:

- Create campaigns that emphasise security and trust for **ENTHUSIASTS** and **CONSIDERERS**.
- Develop targeted ads showcasing deals, features, and availability for **PERSUADABLES**.

Invest in Communication:

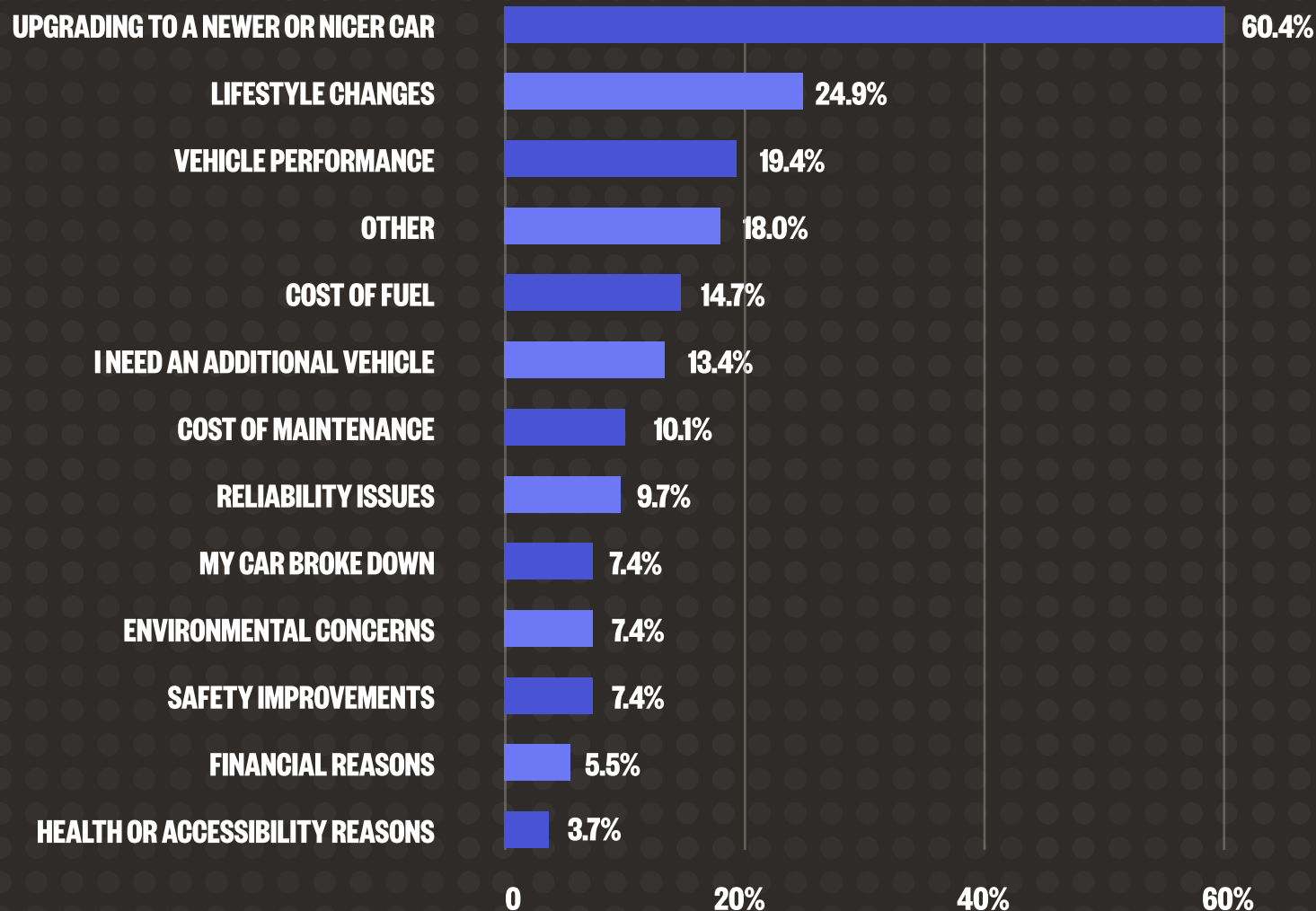
- Train sales teams to address buyer concerns, focusing on trust-building for **ENTHUSIASTS** and value-focused discussions for **PERSUADABLES**.
- Ensure your digital platforms and in-person sales processes reflect professionalism.

**By understanding these priorities and tailoring your approach, you can better address the unique concerns of each segment and position your dealership as the top choice for all buyer types.**



# ASPIRATION OVER NECESSITY

What are the main reasons you want to purchase a car?



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# WHAT MOTIVATES CAR BUYERS?

**A significant 60% of buyers are motivated by a "want" rather than a "need."**

This reflects a preference for upgrading to a more desirable vehicle, rather than out of necessity driven by lifestyle changes or financial constraints.

**The data reveals that most buyers are prioritising:**

- Upgrading their current vehicle
- Improving vehicle performance
- Adapting to lifestyle changes

Other factors such as the cost of fuel, maintenance, or reliability issues also play a role but are less influential compared to the desire for a better or newer car.

**This highlights a market driven by aspiration rather than necessity.**



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# CAR PURCHASE DRIVERS

## THE ACTIONS

### FOCUS ON THE BENEFITS OF UPGRADING:

- Highlight features that elevate the driving experience, such as advanced tech, safety upgrades, and improved fuel efficiency.
- Use aspirational language to emphasise the emotional appeal of owning a more desirable car.

### PROMOTE PERFORMANCE AND LIFESTYLE FIT:

- Showcase high-performance vehicles for different lifestyles (e.g., family SUVs, sleek sedans, or powerful trucks).
- Share testimonials or success stories from customers who upgraded through your dealership.

### CREATE UPGRADE INCENTIVES:

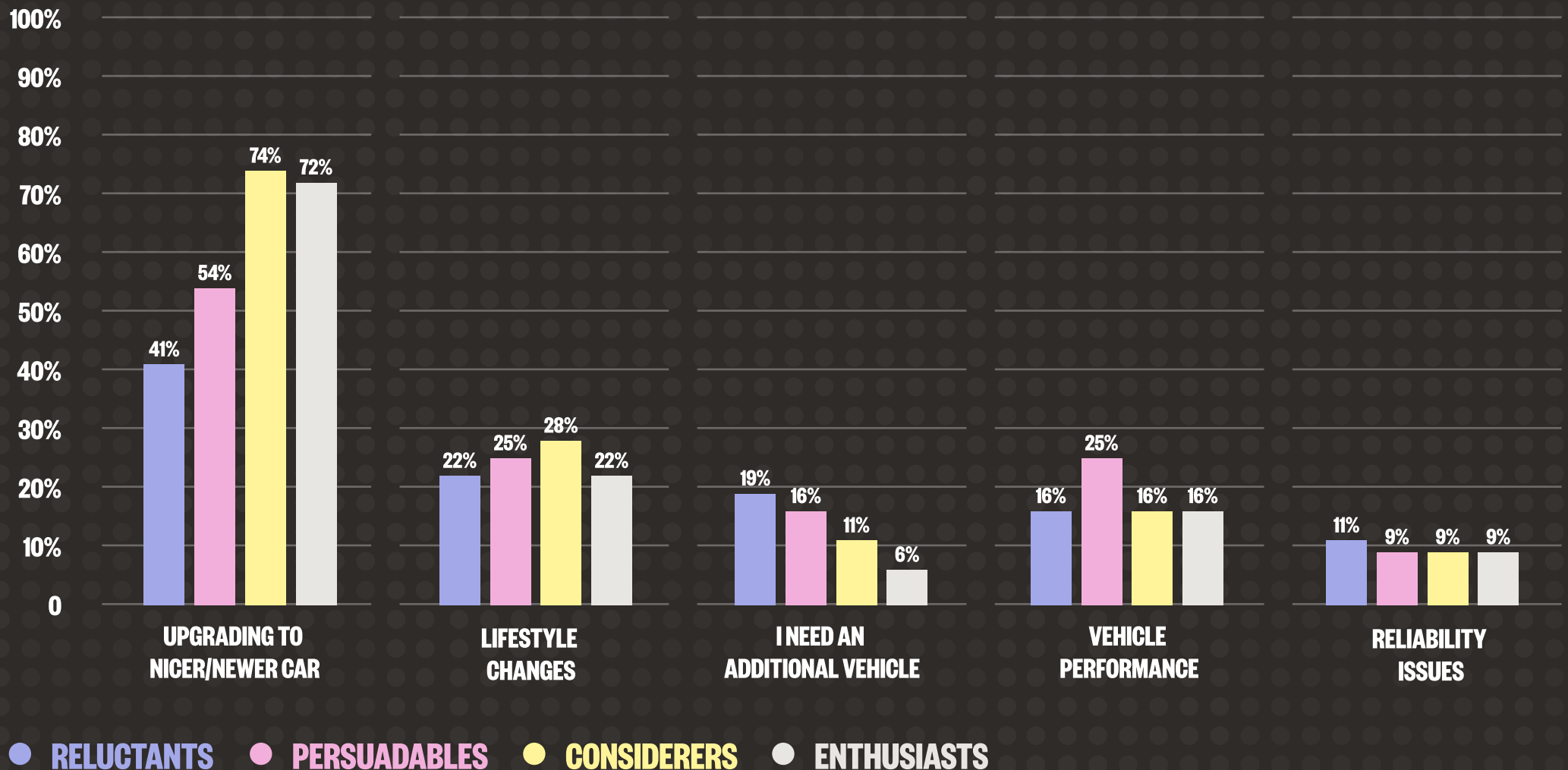
- Offer trade-in bonuses or financing plans that make upgrading more accessible.
- Develop marketing campaigns centered around “It’s Time to Upgrade” messaging to tap into buyer aspirations.

### TARGET ASPIRATION-DRIVEN BUYERS:

- Use digital ads and email campaigns to focus on features and benefits that resonate with those driven by “want” rather than “need.”
- Position your dealership as the destination for high-quality upgrades with competitive offers.

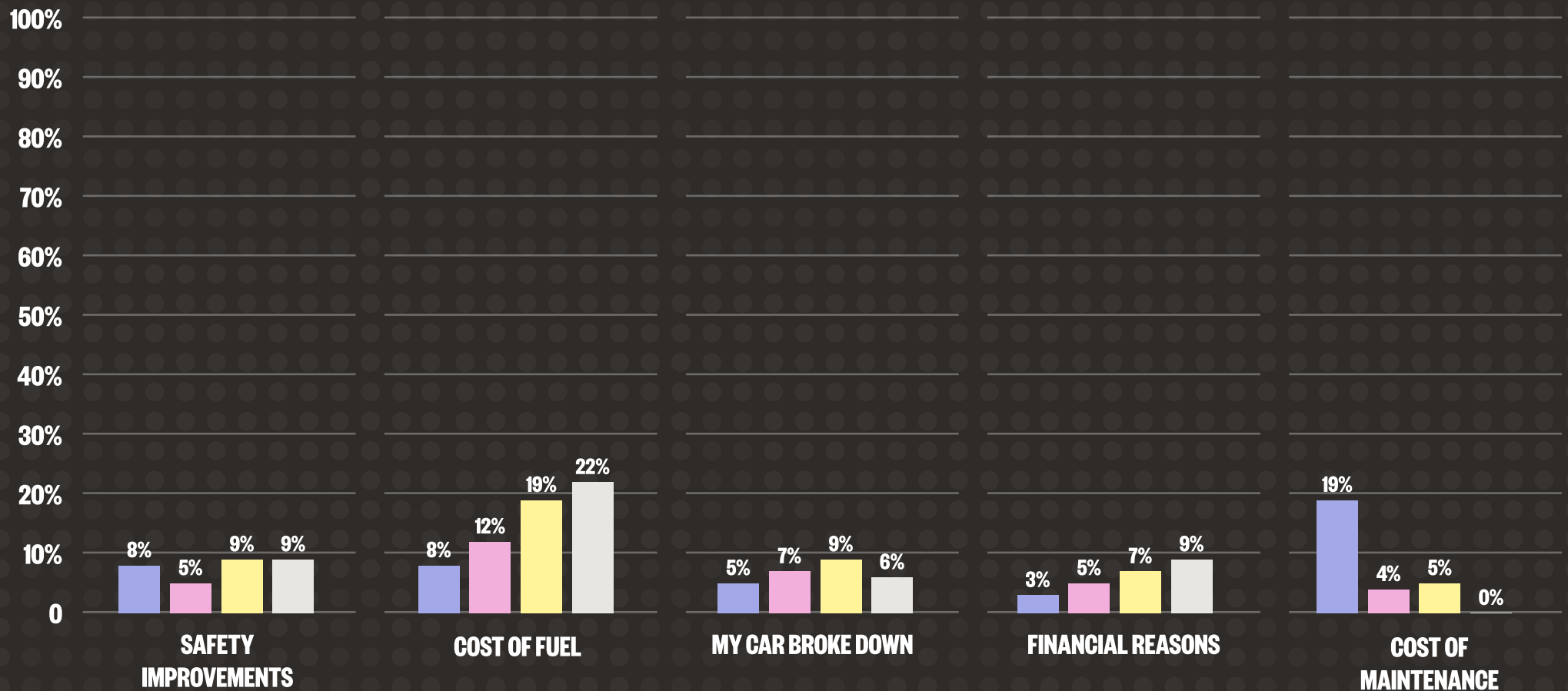
# WHAT BUYERS WANT

What drives buyer decisions



# WHAT BUYERS WANT

## What drives buyer decisions



● RELUCTANTS ● PERSUADABLES ● CONSIDERERS ● ENTHUSIASTS

# WHAT BUYERS WANT

## THE INSIGHTS

### Main Reasons for Purchasing a Car – By Buyer Category

While upgrading to a nicer car or addressing lifestyle changes are the most common reasons for purchasing, different buyer categories reveal unique priorities driving their decision



Cost of fuel and cost of maintenance are significant concerns for **ENTHUSIASTS** and **CONSIDERERS** who are more inclined to purchase from a dealer, emphasising practical and economic factors.



**PERSUADABLES**, on the other hand, are more focused on vehicle performance and are often in the market for an additional vehicle, showcasing their desire for functionality and added value.

# WHAT BUYERS WANT

## THE ACTIONS

Address the unique motivations of each buyer category to create targeted value propositions that resonate with their priorities.

### BUYERS CONCERNED ABOUT COSTS

- Feature fuel-efficient vehicles with low maintenance costs.
- Provide transparent cost breakdowns and maintenance plans to build trust.
- Promote trade-ins or incentives for affordable upgrades.

### PERSUADABLES FOCUSED ON PERFORMANCE AND FUNCTIONALITY

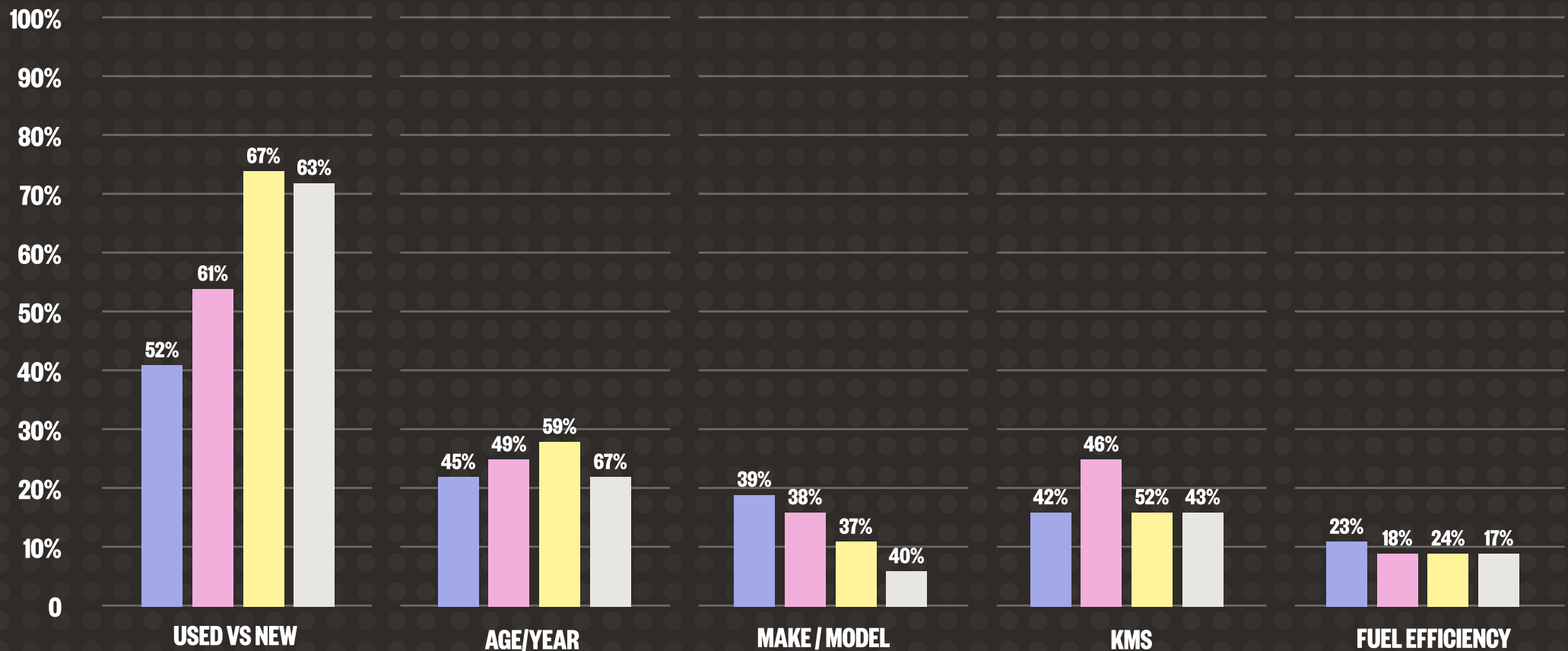
- Highlight performance features like horsepower, towing capacity, and advanced tech.
- Feature other vehicles with added value-focused attributes.
- Offer performance bundles or test drives to showcase specific models.

### USE BUYER MOTIVATION TO CREATE SEGMENTED CAMPAIGNS

- Offer trade-in bonuses or financing for easier upgrades.
- Create “It’s Time to Upgrade” campaigns to inspire buyers.

# WHERE BUYERS BEND

What do you feel you would compromise on?

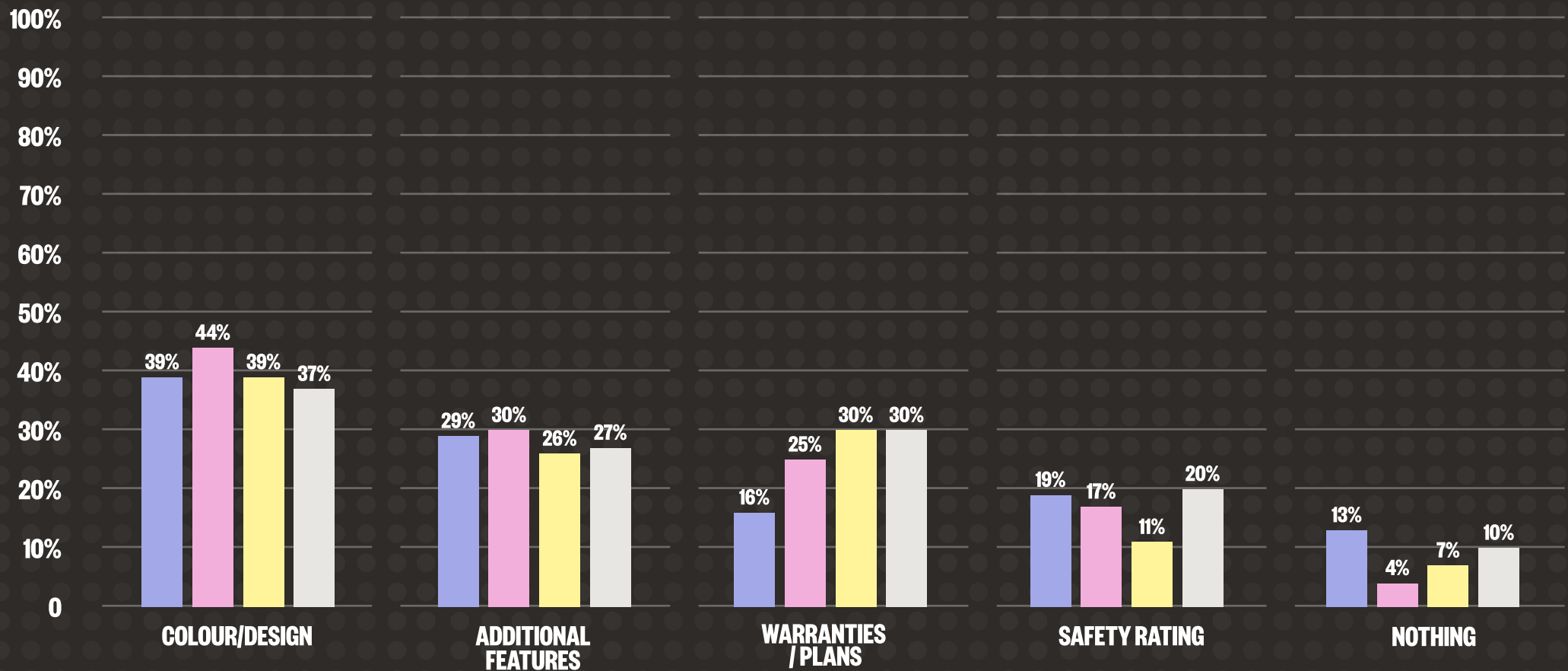


● RELUCTANTS ● PERSUADABLES ● CONSIDERERS ● ENTHUSIASTS



# WHERE BUYERS BEND

What do you feel you would compromise on?



● RELUCTANTS ● PERSUADABLES ● CONSIDERERS ● ENTHUSIASTS

# WHERE BUYERS BEND

**ENTHUSIASTS** are the most likely to compromise on the age of the vehicle, prioritising other aspects over its year of manufacture.

**CONSIDERERS** lean towards opting for a used vehicle rather than a new one, showcasing their openness to balancing quality and affordability.

Where it becomes particularly intriguing is with the **PERSUADABLES**—those on the fence.

While the "used vs. new" decision remains a consideration for them, they are uniquely the most willing to compromise on the **colour and design** of the vehicle, placing higher importance on other features.

**This data highlights how each buyer segment weighs trade-offs differently, providing opportunities for dealers to tailor their approaches and meet varying priorities.**

# WHAT BUYERS WANT

## THE ACTIONS

Tailor your offerings to match what each buyer segment values most.

### KEY ACTIONS

#### ENTHUSIASTS

Emphasize the quality, reliability, and features of older vehicles in your inventory, minimizing focus on their age while showcasing their overall value.

#### CONSIDERERS

Highlight the benefits of used vehicles, such as affordability, certified pre-owned options, and extended warranties, to appeal to their cost-conscious mindset.

#### PERSUADABLES

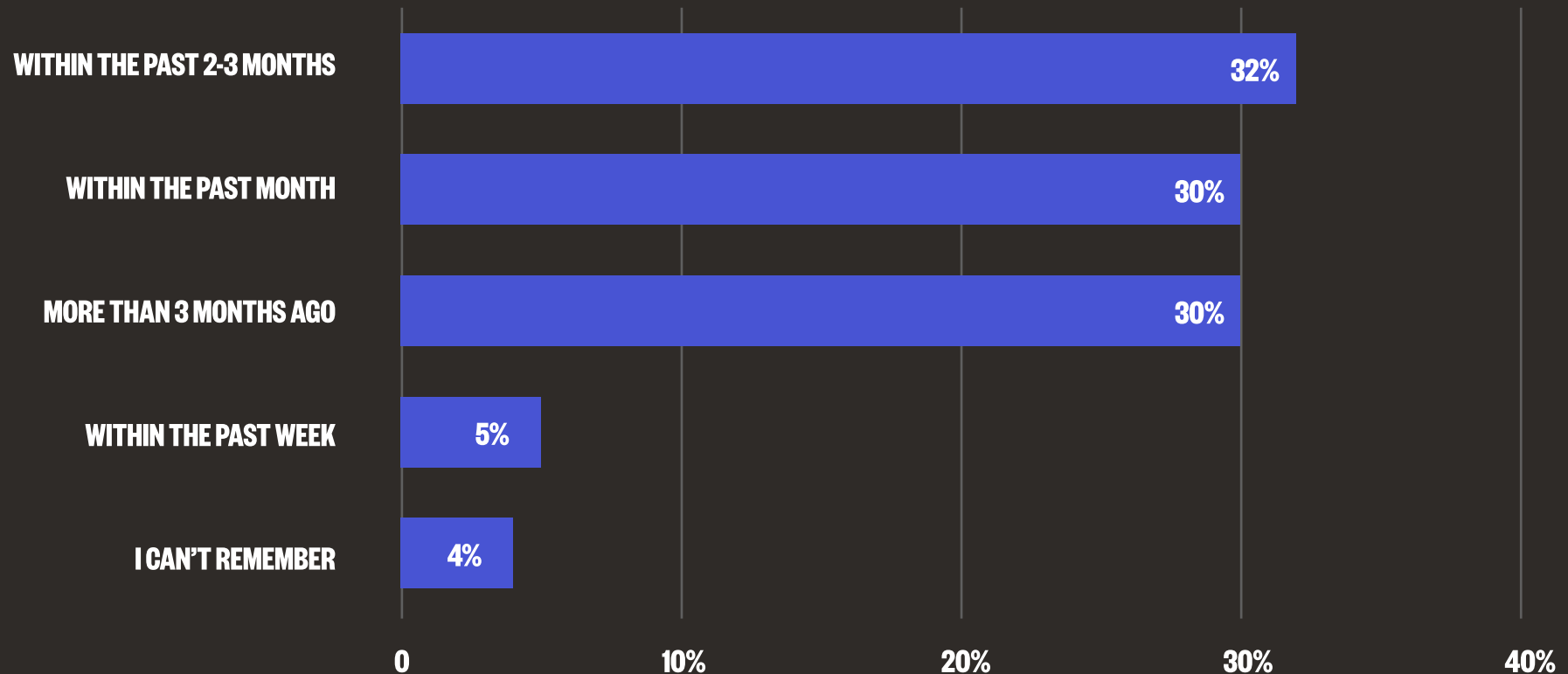
Promote inventory flexibility by offering choices in color and design while emphasizing the performance and functional features that matter most to this group.

### TARGETING

Leverage personalised marketing campaigns to address the distinct preferences of each segment, ensuring the right message reaches the right audience.

# TIME SPENT LOOKING

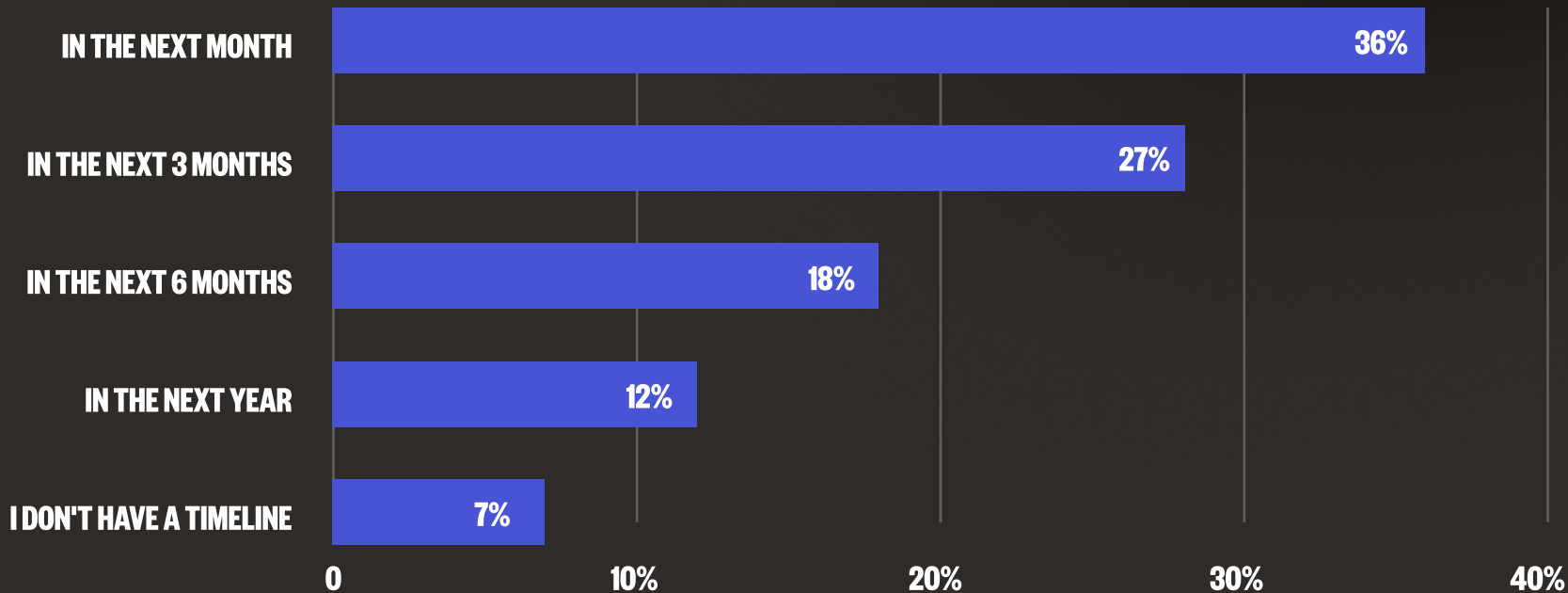
Over 60% of active buyers have been in the market for more than two months, indicating a longer decision-making process for the majority.



This highlights the importance of consistent engagement and follow-ups, as many buyers are taking their time to research and evaluate before committing to a purchase. Understanding this timeline can help dealers align their strategies with the buyer journey.

# BUYER READINESS

How Soon Are Buyers Planning to Purchase a Car?



64% of buyers plan to make a purchase within the next three months.

This insight highlights the importance of engaging with buyers early in their decision-making process.

By understanding their timelines, dealers can better align their outreach efforts, promotional strategies, and inventory offerings to meet this demand.

# BUYER READINESS

## THE ACTIONS

Act quickly to capture buyers ready to purchase within the next three months by streamlining your sales process and engaging buyers early.

### TARGET IMMEDIATE BUYERS:

- Target short-term buyers with ready-to-go inventory and fast financing.
- Use digital ads, email, and retargeting to deliver time-sensitive offers.

### SHOWCASE AVAILABILITY AND EASE:

- Highlight vehicles that are immediately available for purchase.
- Promote hassle-free services like pre-approvals, trade-ins, or test drives to encourage fast decision-making.

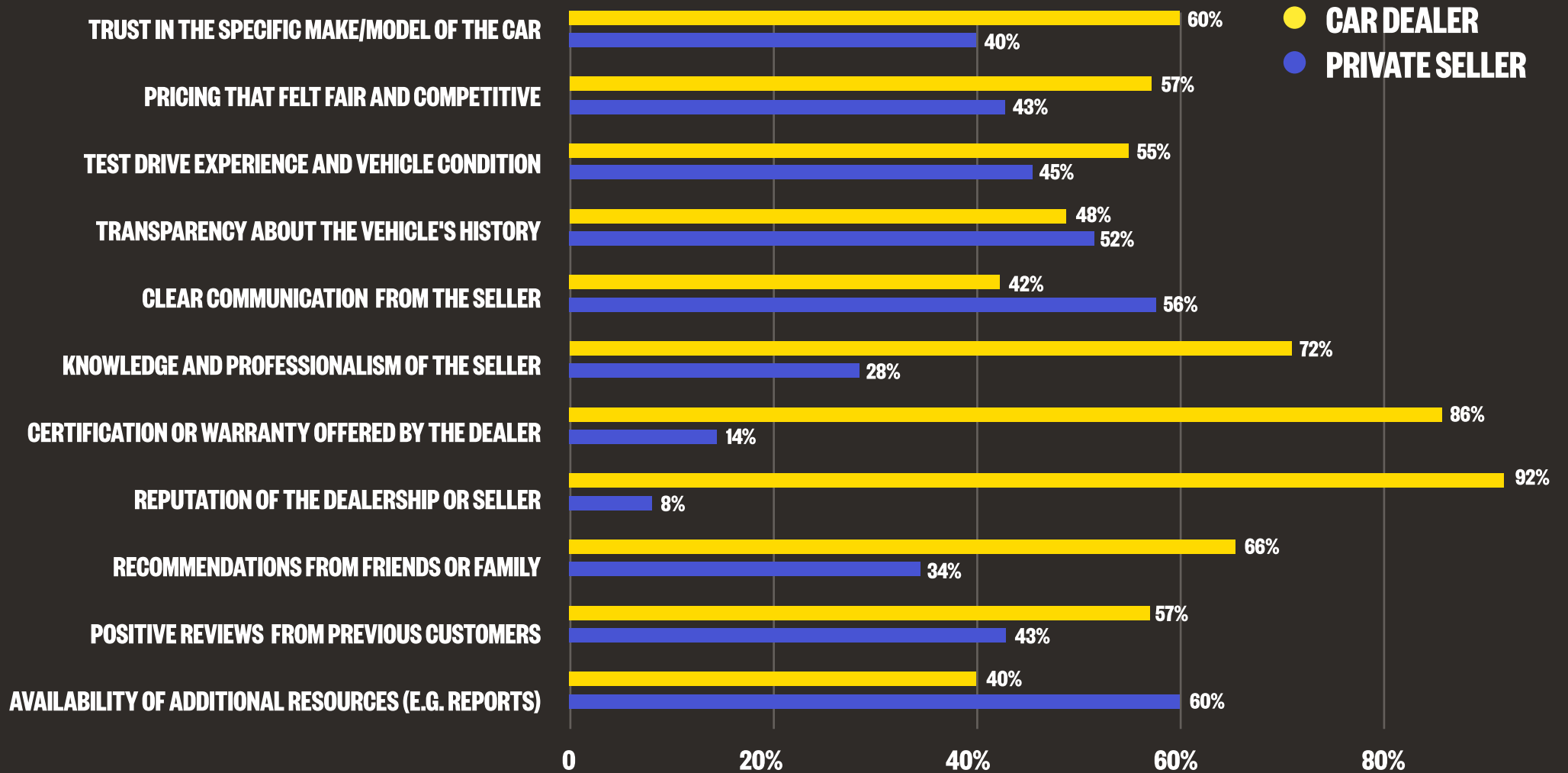
### PROVIDE TIMELY FOLLOW-UPS:

- Respond promptly to inquiries to stay top-of-mind with buyers.
- Train your sales team to follow up effectively and provide personalised options that align with buyers' needs and timelines.

### CREATE A SENSE OF URGENCY:

- Offer limited-time discounts or special promotions to incentivise buyers to act sooner.
- Use messaging like “Perfect for Immediate Purchase” or “Ready for Delivery Today” in listings and ads.

# BUILDING BUYER TRUST





# BUILDING BUYER TRUST

## INSIGHTS

### What were the most important factors in building buyer trust during their last purchase?

When examining trust factors for buyers choosing between private sellers and dealers, the following insights emerged:

- **Trust in the specific brand of the vehicle** was the most critical factor, influencing **67% of buyers**.
- **Fair pricing** ranked second, with **47% of buyers** identifying it as a key trust factor.
- **Test drive experience and vehicle condition** rounded out the top three, cited by **44% of respondents** as essential in building trust.

Interestingly, the **reputation of the dealership or seller** was only a top-three factor for **14.4% of buyers**, indicating that other elements, such as tangible experiences and transparent pricing, carry greater weight in fostering buyer confidence.

This data underscores the importance of focusing on the vehicle itself, clear pricing strategies, and offering opportunities for buyers to experience the car firsthand to establish trust and credibility.



# BUILDING BUYER TRUST

## ACTIONS

Focus on transparency, tangible experiences, and clear pricing to build trust and close sales.

### EMPHASISE VEHICLE QUALITY AND TRANSPARENCY:

- Provide detailed information on the vehicle's history, including service records and accident reports.
- Highlight the specific features and reliability of the brand or model to instill buyer confidence.

### OFFER FAIR AND COMPETITIVE PRICING:

- Clearly communicate pricing structures, including any added value like warranties or certifications.
- Use promotions or financing options to demonstrate affordability and fairness.

### ENHANCE THE TEST DRIVE EXPERIENCE:

- Ensure that test drives are convenient, stress-free, and personalised to the buyer's preferences.
- Use this opportunity to showcase the vehicle's condition, performance, and features.

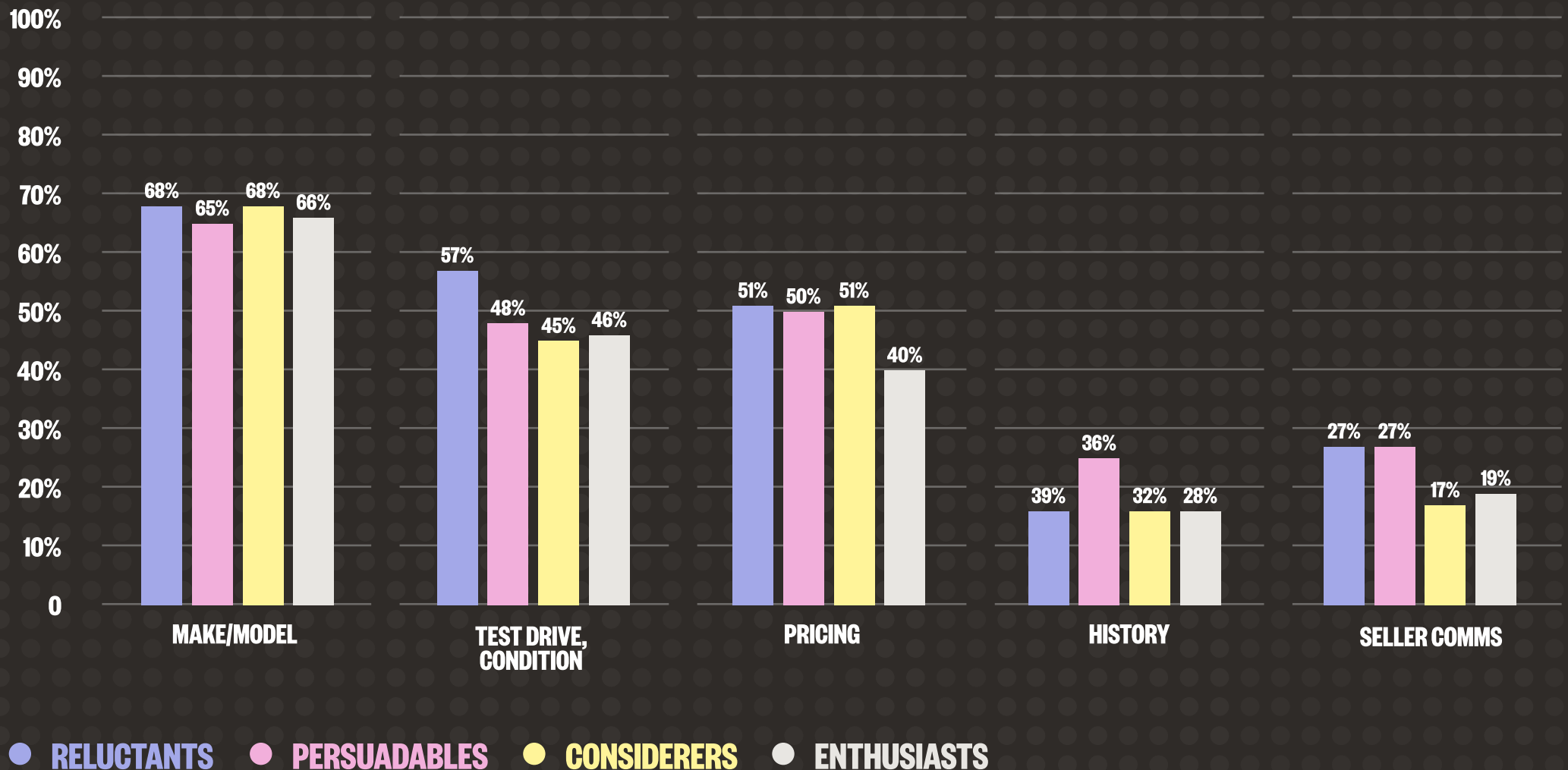
### STRENGTHEN CUSTOMER COMMUNICATION:

- Train sales teams to communicate effectively, with a focus on transparency and professionalism.
- Share positive reviews and testimonials to support the dealership's credibility.

By addressing what buyers value most—trust in the vehicle, fair pricing, and test drive experiences—dealers can better meet customer expectations and build lasting relationships.

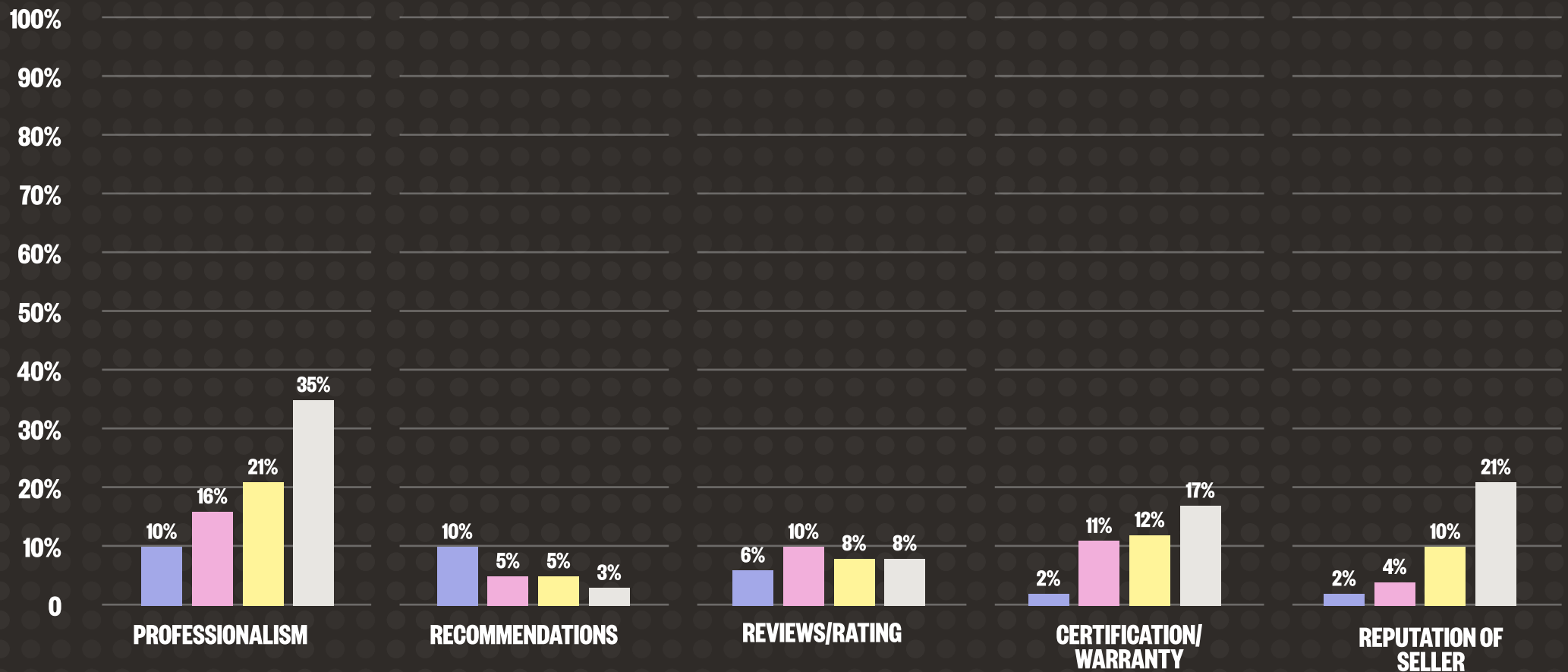
# KEY TRUST FACTORS

What were the most important factors in helping you trust the seller/vehicle during your last purchase?



# KEY TRUST FACTORS

What were the most important factors in helping you trust the seller/vehicle during your last purchase?



● RELUCTANTS ● PERSUADABLES ● CONSIDERERS ● ENTHUSIASTS

# KEY TRUST FACTORS

## INSIGHTS

**Vehicle trust drives buyer decisions, with trust factors varying by category.**

Transparency in vehicle history and effective seller communication are foundational for trust across all groups.

- For buyers more likely to purchase from a dealer, factors such as professionalism, warranty options, and the seller's reputation carry significant weight.
- Test drives and the condition of the vehicle are among the top priorities, particularly for those less price-sensitive.

Pricing remains a key driver of trust for many buyers, while others place greater emphasis on the seller's ability to communicate knowledgeably and transparently.

This data highlights the importance of tailoring trust-building strategies to meet the unique expectations of each buyer group, with a strong emphasis on transparency, professionalism, and communication.

### BUYER QUOTES:

**"Dealer gives a warranty, and often their prices are no dearer than the unrealistic prices public want."**

**"Car dealers are an easy source of cars, less driving around to different locations and the car would have some warranty and even finance"**

**"Buying from a reputable dealership removes many worries. They stand behind their vehicles, provide reliable ownership and service history, and ensure no outstanding loans. A quality dealership offers peace of mind."**

# KEY TRUST FACTORS

## ACTIONS

Build trust by focusing on transparency, professionalism, and clear communication tailored to your buyer segments.

### KEY ACTIONS

#### TRANSPARENCY:

- Provide detailed vehicle history, including accident and service records, for all listings.
- Use digital tools to make this info easily accessible.

#### TEST DRIVE EXPERIENCE:

- Ensure seamless test drives that highlight the vehicle's condition.
- Follow up with personalised insights to address any concerns.

#### PROFESSIONALISM:

- Showcase positive reviews to build credibility.
- Train your team to communicate clearly and demonstrate expertise.

#### RESPONSIVENESS:

- Proactively address inquiries with transparent, timely responses.
- Ensure that communication—whether online or in-person—focuses on understanding and addressing buyer priorities.

#### RELIABILITY:

- Emphasise the value of dealership warranties and certifications to differentiate from private sellers.
- Use these features as trust builders for buyers who prioritise security in their purchase.

By addressing these trust factors, dealers can better align with buyer expectations, build stronger relationships, and close more sales.

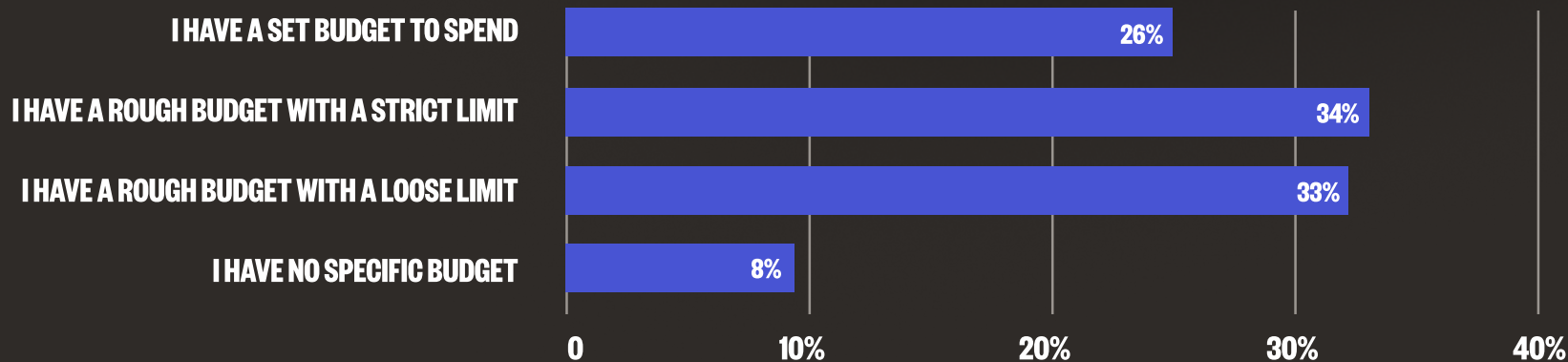


# PLANNED BUYER SPEND

**A significant 91% of active buyers have a budget in mind for their next vehicle purchase.**

- **59%** operate within a strict budget, showing a clear need to stay within their financial constraints.
- However, **32%** have a loose budget and prioritise finding the right car over adhering to a fixed spending limit.

This data highlights the importance of understanding buyer budget flexibility and tailoring offers to meet both strict and loose financial preferences.



Understanding the variation in buyer budgets is key. While many are budget-conscious, others prioritise finding the right vehicle, even if it means stretching their budget. Tailoring offers to these needs can help meet the preferences of all buyers.

# KEY TRUST FACTORS

## ACTIONS

Adapt your sales approach for budget-conscious and flexible buyers, emphasising value and tailored options.

### FOR BUYERS WITH STRICT BUDGETS:

- Showcase vehicles with great value in common price ranges.
- Emphasise affordability with financing, trade-ins, and clear pricing.
- Highlight deals and promotions to maximise buyers' budgets.

### FOR BUYERS WITH LOOSE BUDGETS:

- Emphasise premium features, upgrades, and quality for buyers prioritising the "right car" over price.
- Provide personalised recommendations based on lifestyle.
- Highlight benefits like warranties and service packages.

### USE BUDGET NEEDS TO SEGMENT YOUR OFFERS:

- Target budget-conscious buyers with cost-saving options and competitive financing.
- Attract flexible-budget buyers with messaging focused on quality, features, and the "best fit" for their needs.

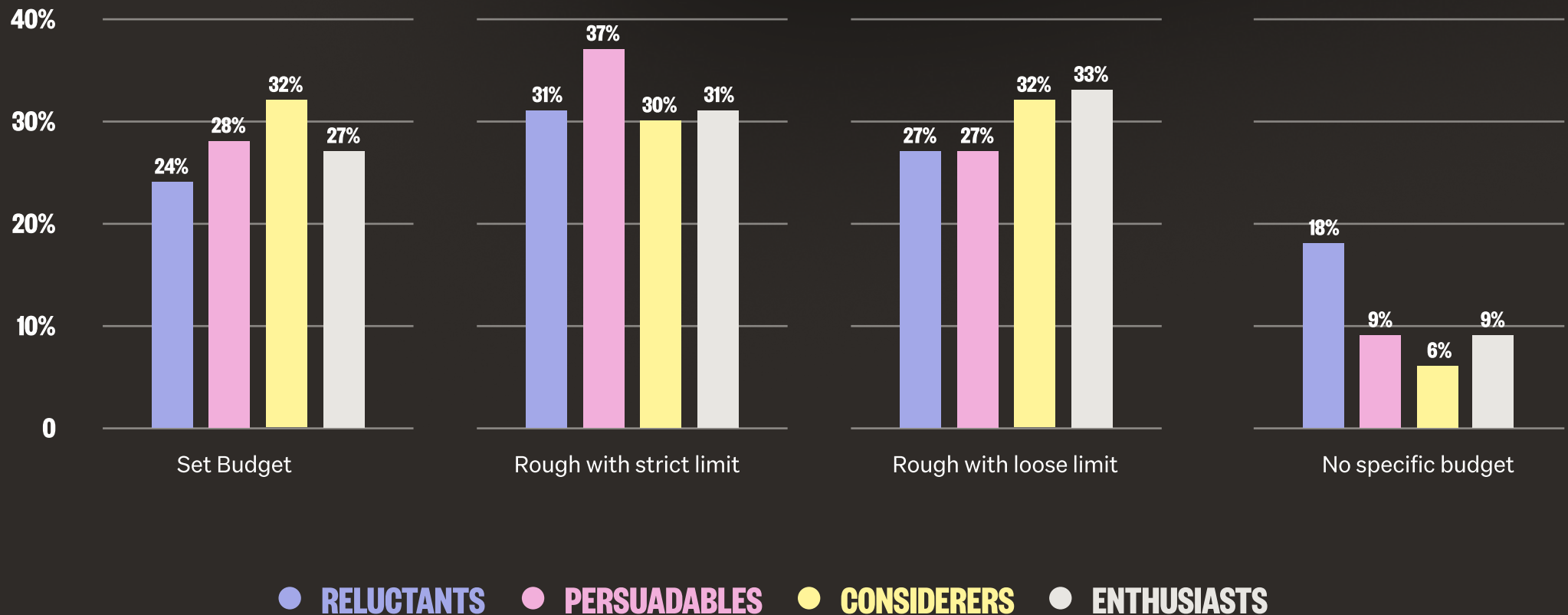
### TACKLE BUDGET NEEDS VIA COMMUNICATION:

- Train your sales team to ask the right questions to understand buyer budget constraints or flexibility.
- Tailor conversations to align with what matters most to each group—be it affordability or added value.

By understanding and addressing these distinct budget mindsets, dealers can better align their inventory and sales strategies to meet buyer expectations and close more deals.

# BUYER BUDGET PROFILES

What Best Describes Buyers' Budgets for Their Next Purchase? – By Buyer Category





# BUYER BUDGET PROFILES

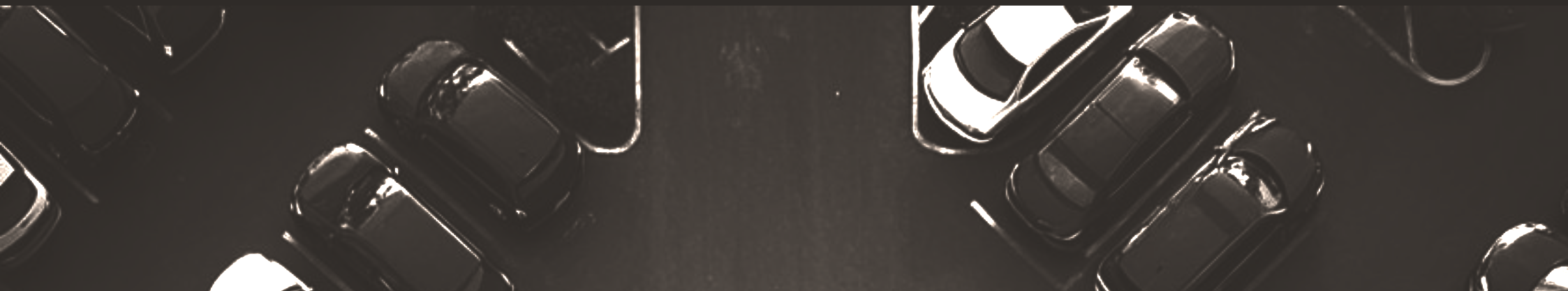
## INSIGHTS

### What best describes buyers' budgets for their next purchase? – by buyer category

This data highlights the **PERSUADABLES** mindset, where price remains a key factor in their decision-making process. With 64% operating within a strict budget, they are highly influenced by finding the right vehicle at the right price, making them open to offers from any seller that meets their financial needs.

In contrast, buyers who are more likely to purchase from a dealer tend to have greater flexibility in their budgets, with a higher proportion leaning toward rough budgets with loose limits. This demonstrates their willingness to prioritise the right vehicle over strict price constraints.

Understanding these differences allows dealers to tailor their approach to better engage both budget-sensitive and more flexible buyers.



# BUYER BUDGET PROFILES

## ACTIONS

Tailor your pricing and messaging to capture both price-sensitive buyers and those with more budget flexibility.

### FOR BUDGET-CONSCIOUS BUYERS

- Highlight affordable options, pricing, and financing.
- Showcase “best value” vehicles with transparent pricing.
- Offer targeted promotions to position your dealership as cost-effective.

### FOR BUYERS WITH FLEXIBLE BUDGETS:

- Emphasise premium features, upgrades, and quality for buyers prioritising the "right car" over price.
- Provide personalised recommendations based on lifestyle.
- Highlight benefits like warranties and service packages.

### SEGMENT YOUR MARKETING:

- Use digital advertising to target Persuadables with budget-friendly messaging and financing options.
- Target flexible buyers with campaigns showcasing premium inventory and added value, such as extended warranties or service plans.

### LEVERAGE YOUR SALES TEAM:

- Train staff to quickly identify a buyer's budget preferences and tailor recommendations accordingly.
- Offer transparent, budget-aligned solutions while building trust through clear communication.

By addressing the distinct budgetary priorities of each group, dealers can position themselves as the top choice for all buyers, maximizing conversion opportunities.

# 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 **RESEARCH AND ENQUIRY** in February 2025. We look forward to continuing this journey with you and providing even more valuable information to support your business.

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