



The National In-Car Study

Can Radio Defend Its Turf?



How the In-Car Study Was Conducted

1,505 telephone interviews were conducted in July 2003

- National U.S. random sample
- Spring 2003 Arbitron diarykeepers age 12+
- 98.4% of the sample had driven or ridden as a passenger in non-public transportation vehicles (car/truck/van, etc.) in the last month



Questions About In-Car Listening

- How important is in-car listening to overall radio listening?
- Is radio losing ground in-car? Are satellite radio and other new devices impacting AM/FM radio?
- Is in-car listening only a major-market concern?
- How important are presets to in-car listening?



Questions About In-Car Listening

(continued)

- How high of a priority should traffic reports be?
- How valuable is the in-car listener to advertisers?
- How large an impact is cell phone use having on in-car radio listening?
- Can radio defend its turf?

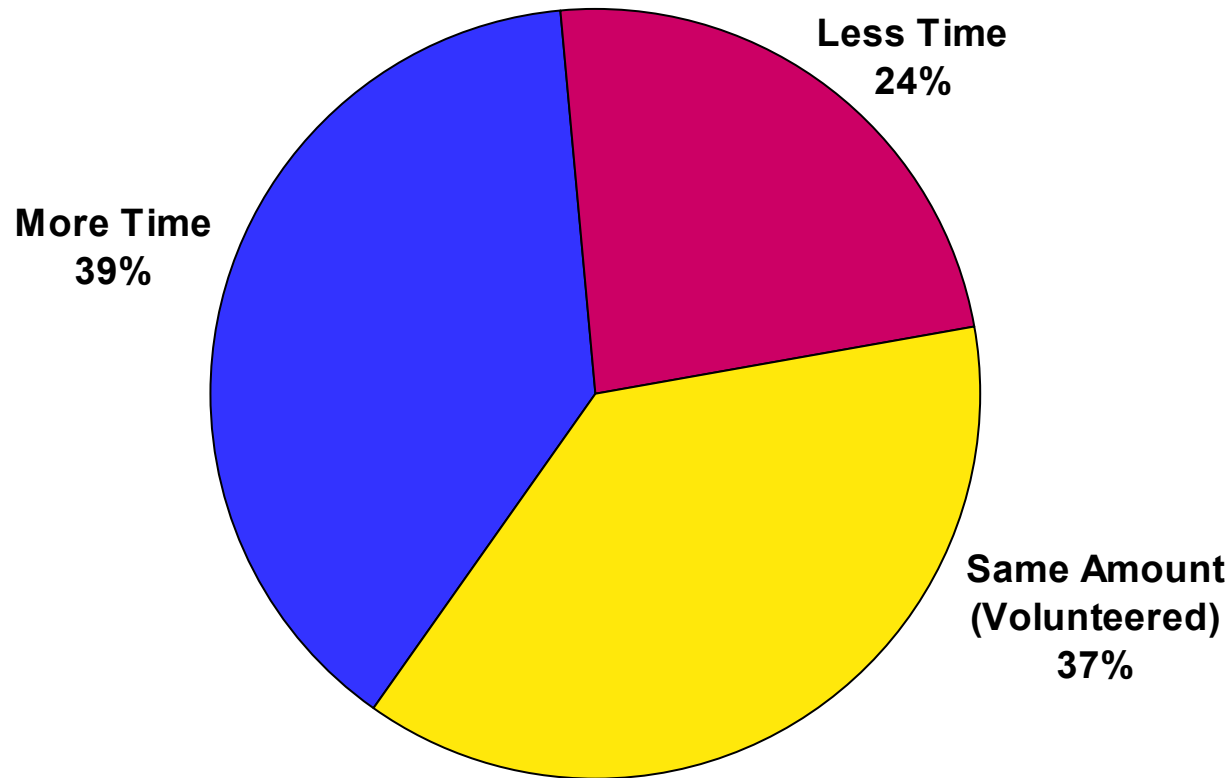


In-Car Trends



Americans Are Spending More Time In-Car

“In general, are you spending MORE or LESS time in cars than you were one year ago?”

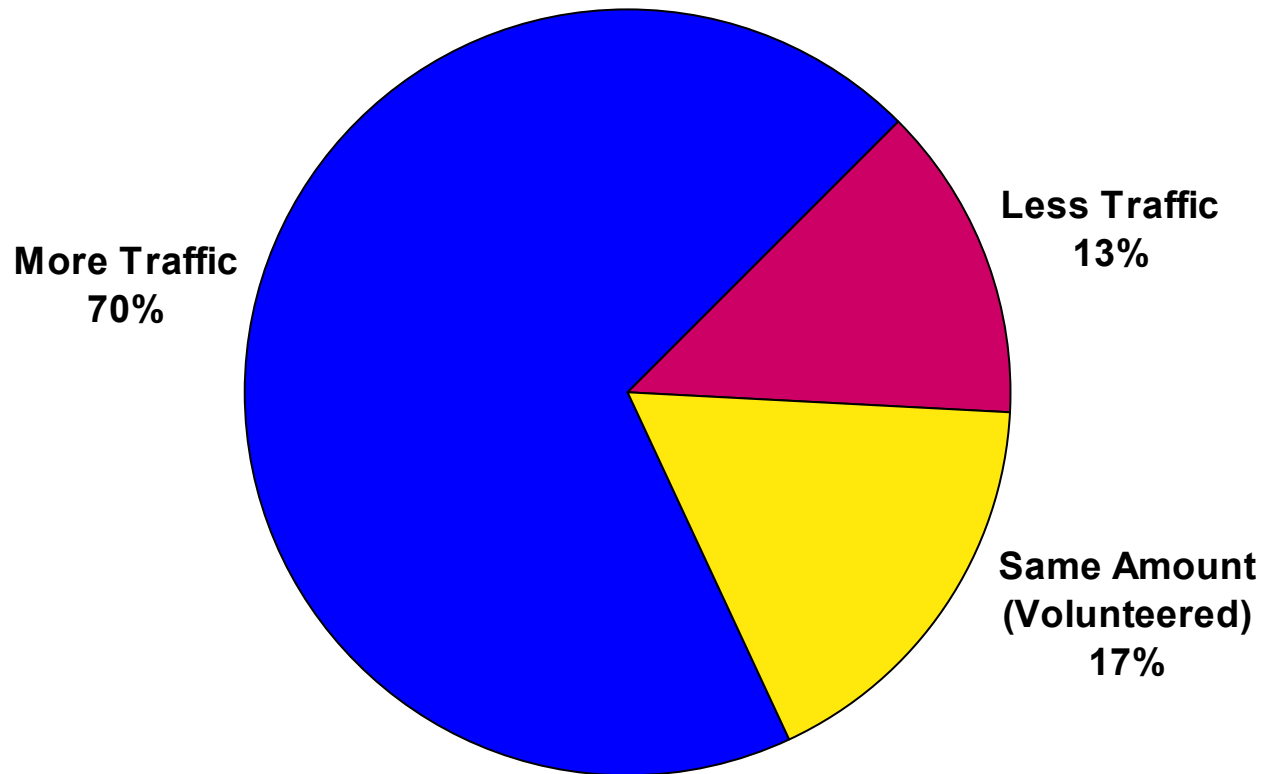


Base: Driven/Ridden In a Car in Last Month



Traffic Is Getting Worse

“Would you say you personally are encountering MORE TRAFFIC or LESS TRAFFIC than you were one year ago?”

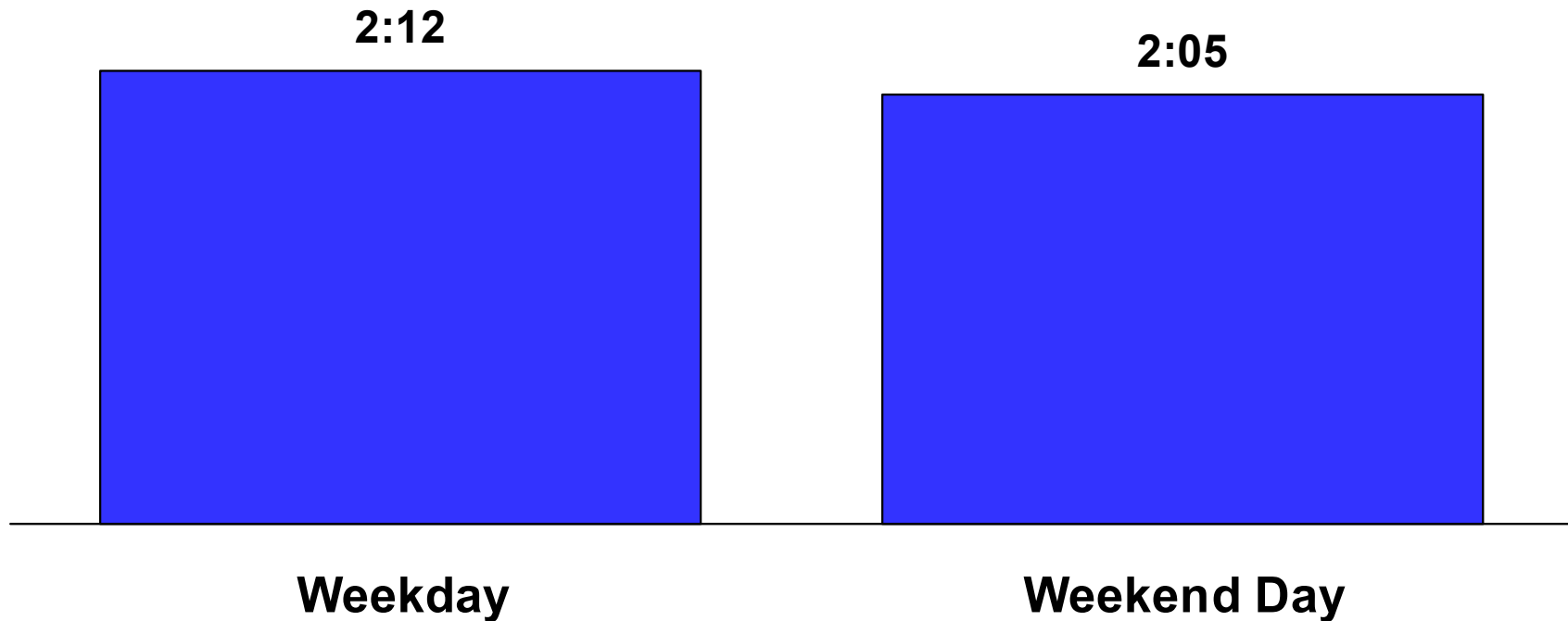


Base: Driven/Ridden In a Car in Last Month



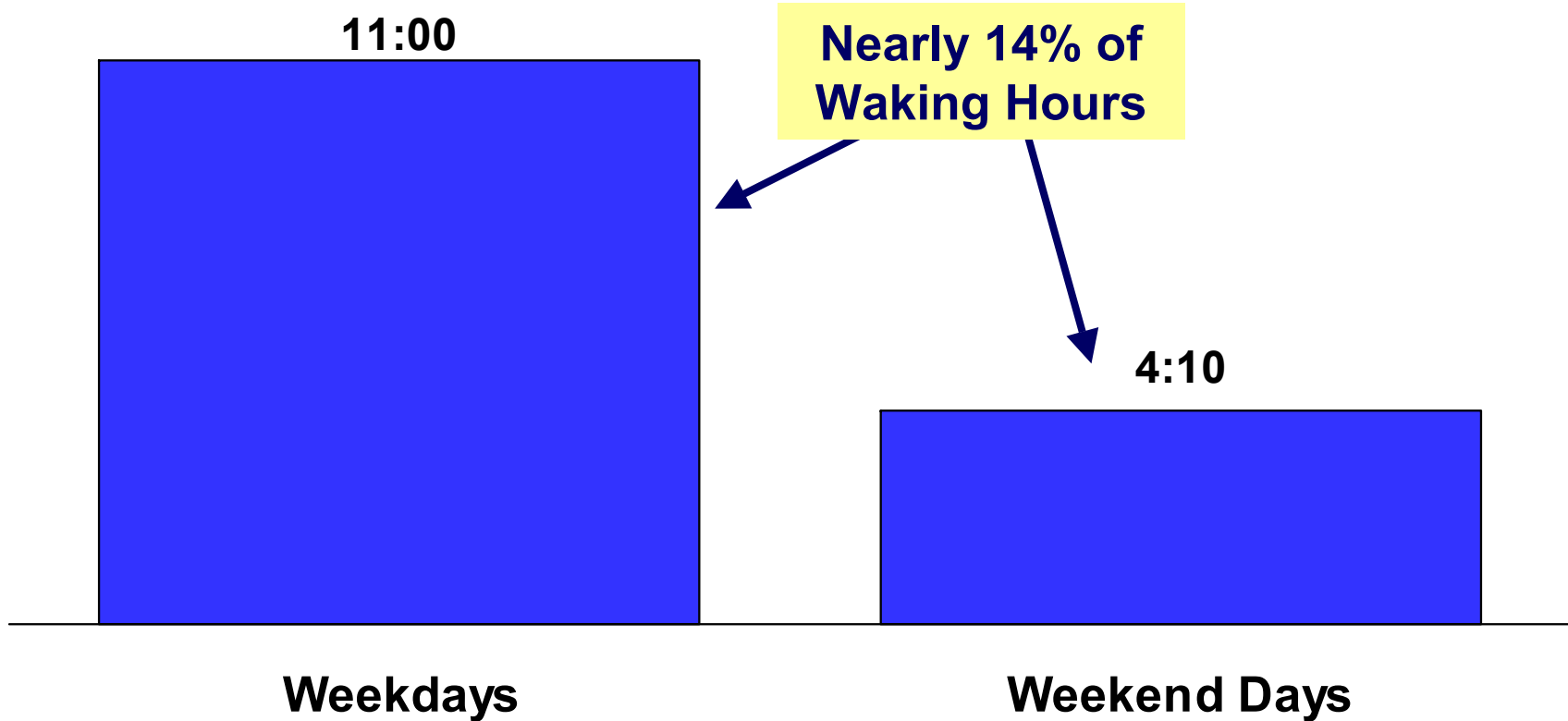
Nearly as Much Time Spent In-Car on Weekends as Weekdays

Time Spent In-Car (as Driver or Passenger) Per...
(Hours:Minutes)



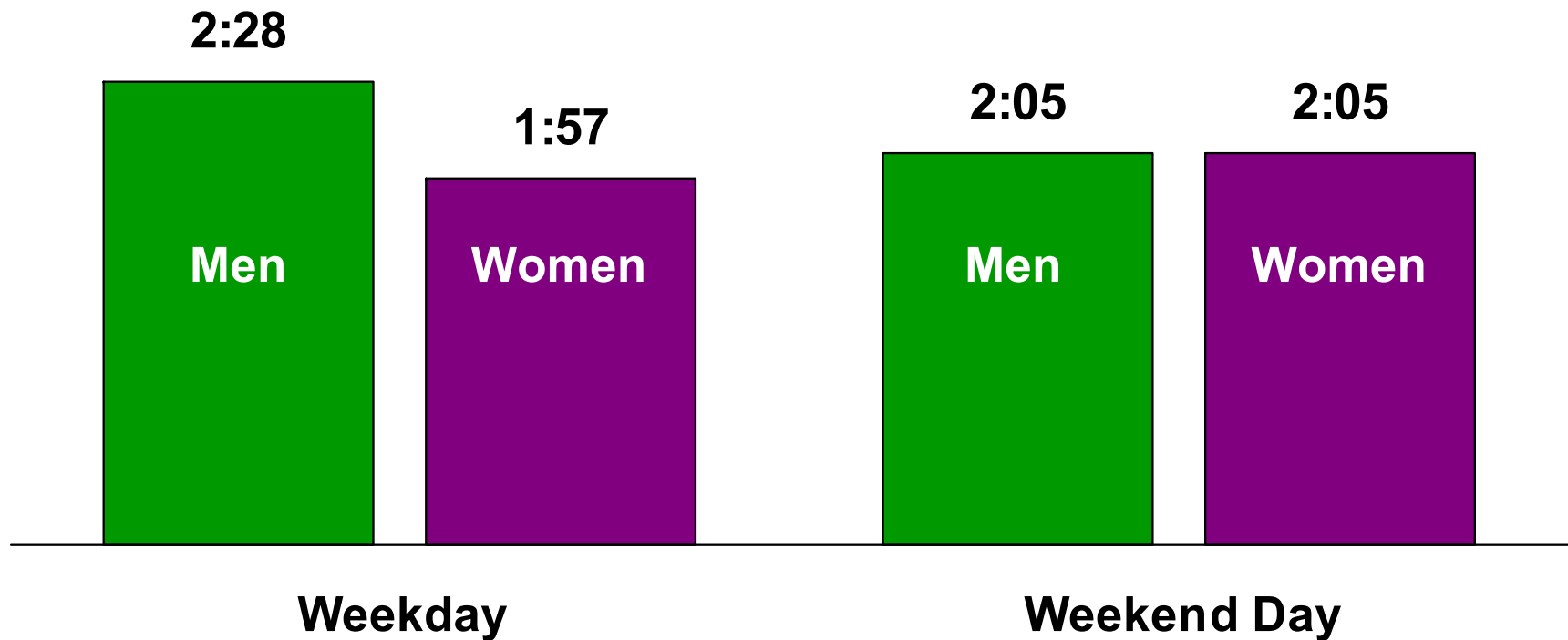
On Average, People Spend More Than 15 Hours Per Week In-Car

Total Time Spent In-Car (as Driver or Passenger) During...
(Hours:Minutes)



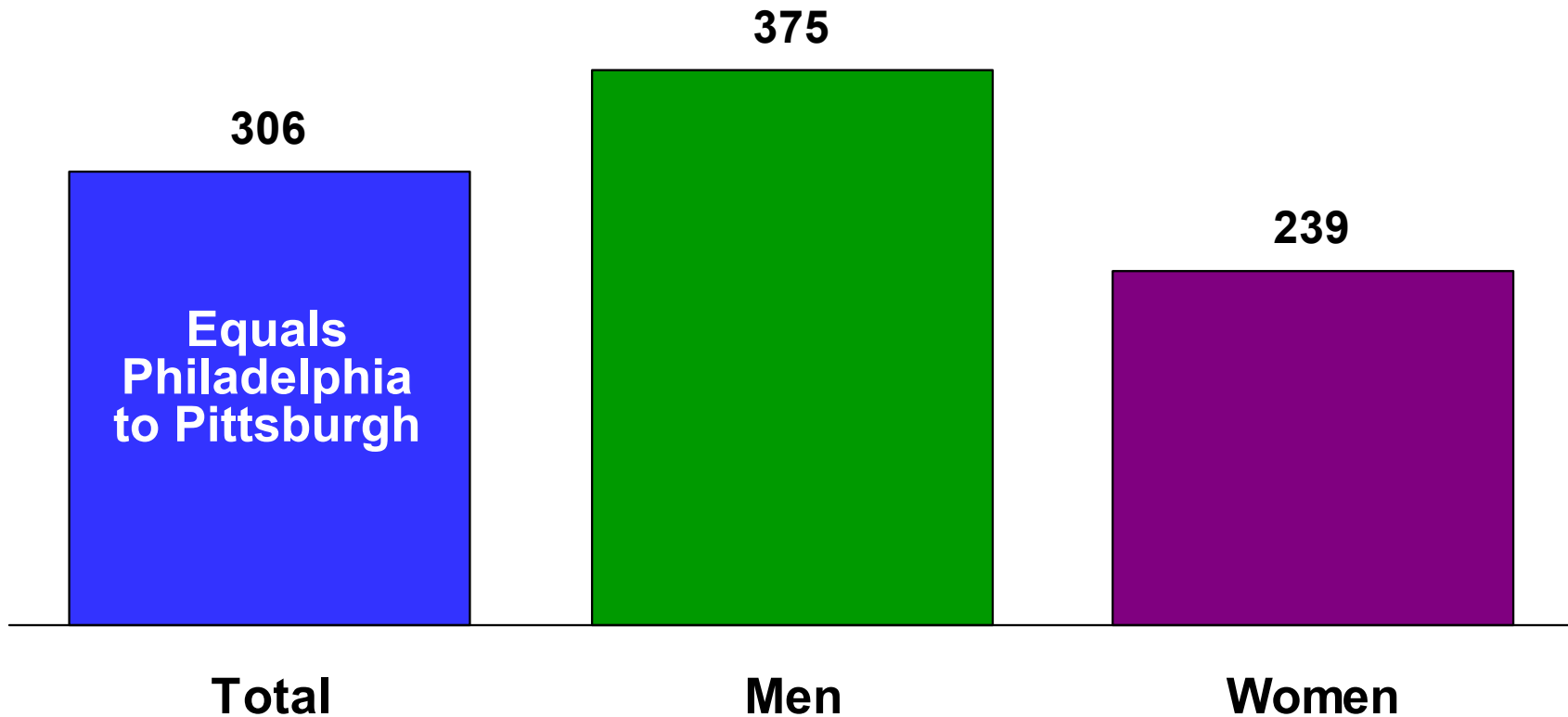
Men Report More Time In-Car Than Women During Weekdays

Time Spent In-Car (as Driver or Passenger) Per...
(Hours:Minutes)



People Cover Plenty of Ground In-Car

Miles Traveled In-Car (as Driver or Passenger) in Last Seven Days

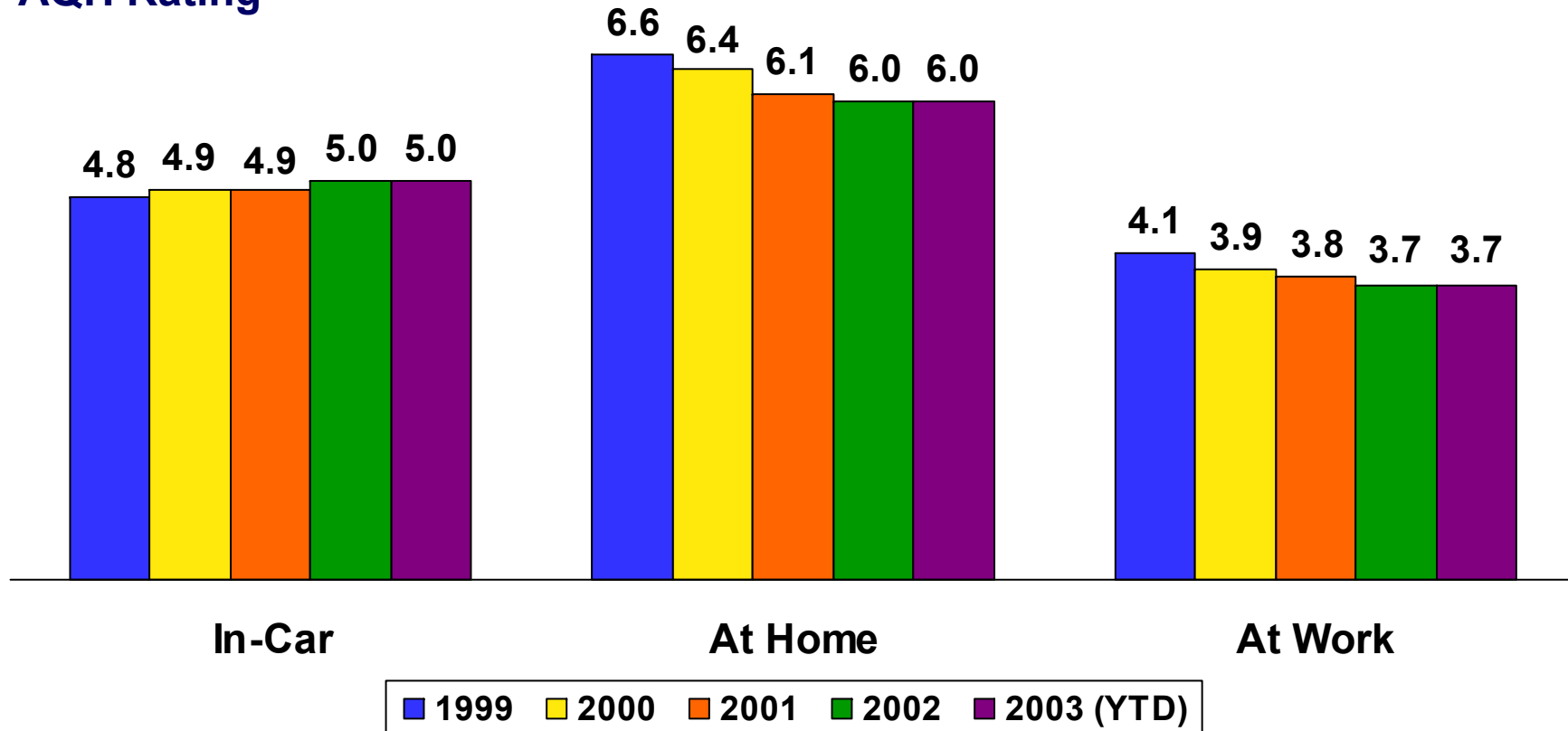


Base: Driven/Ridden In a Car in Last Month



In-Car Listening Up, While Home and Work Listening Decrease...

AQH Rating*



Monday-Sunday 6AM-12Mid

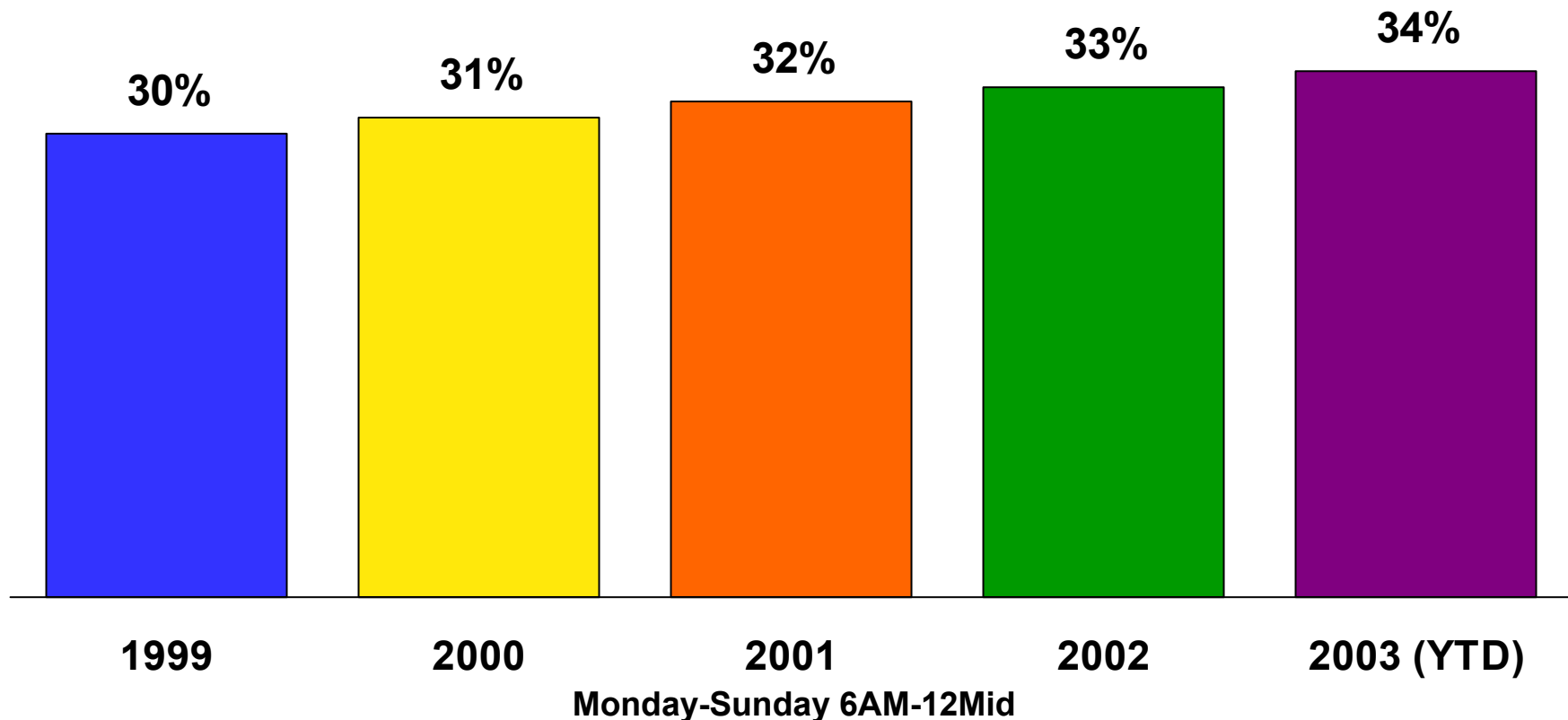
* Rating based upon all continuously measured markets

Base: Total Population 12+



...As a Result, In-Car Listening Is Gaining as Percent of Total Listening

% of Total Listening Done In-Car

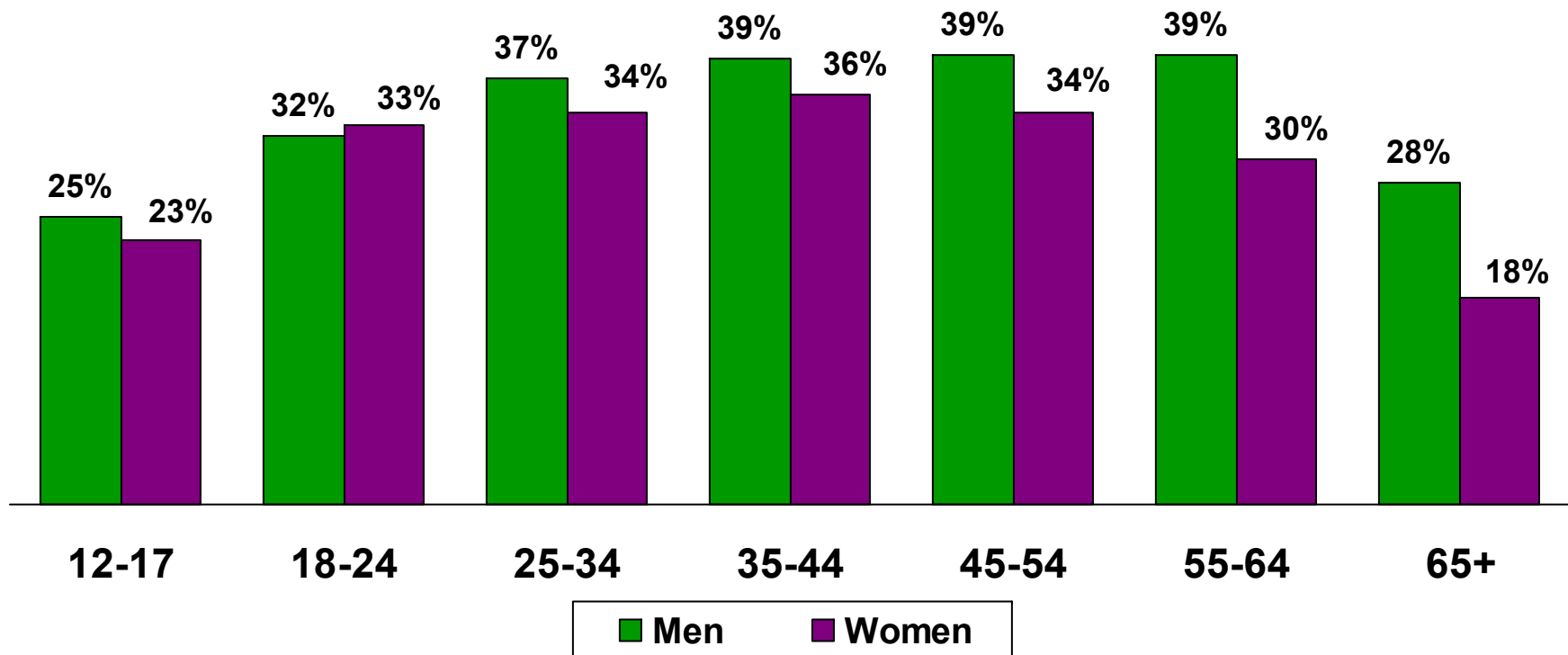


Base: Total Population 12+



Men Are Heavier In-Car Radio Users Than Women

% of All AQH In-Car by Demo



Monday-Sunday 6AM-12Mid



Base: Total Population 12+



In-Car Listening Is NOT Only a Major-Market Concern

% of Total Radio Listening Done In-Car

1. Sussex, NJ	45%
2. Fredericksburg, VA	45%
3. Frederick, MD	43%
4. Nashville, TN	42%
5. Panama City, FL	42%
6. Elizabeth City-Nags Head, NC	42%
7. Albany, GA	42%
8. Danbury, CT	42%
9. Ft. Smith, AR	41%
10. Jackson, TN	41%
251. Los Angeles, CA	30%

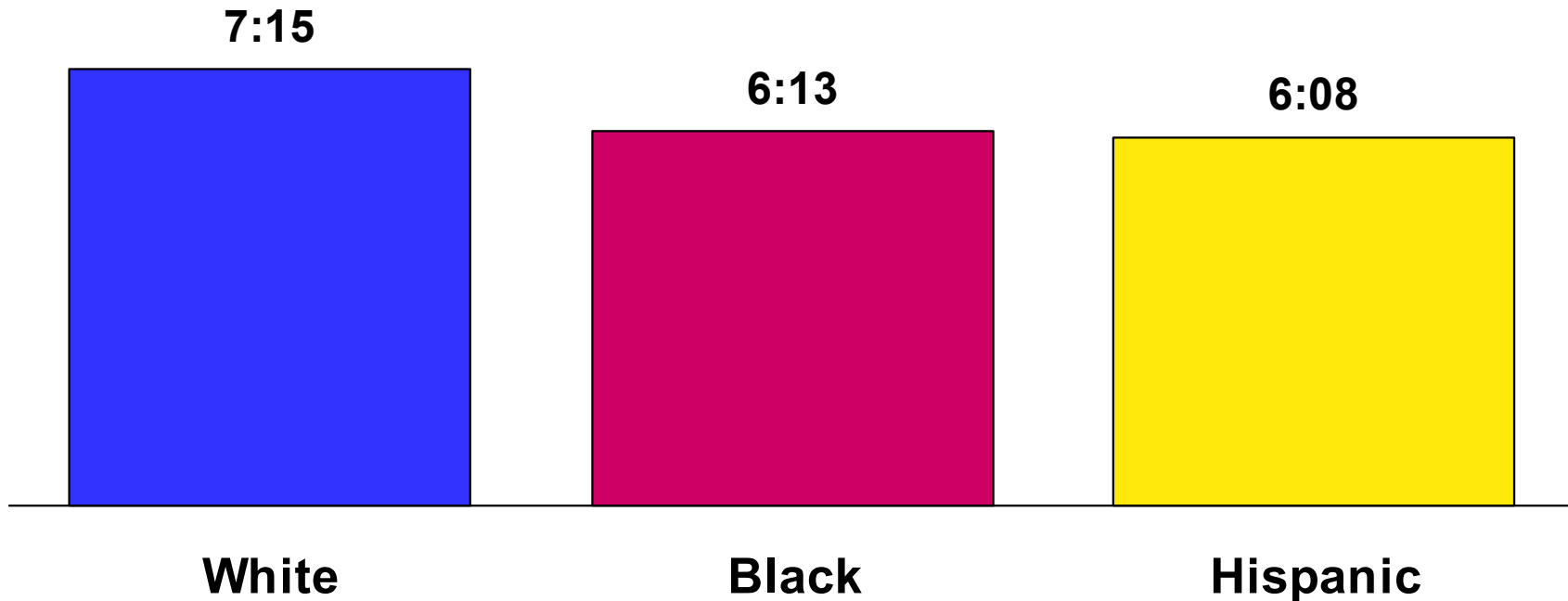


Monday-Sunday 6AM-12Mid
Fall 2002



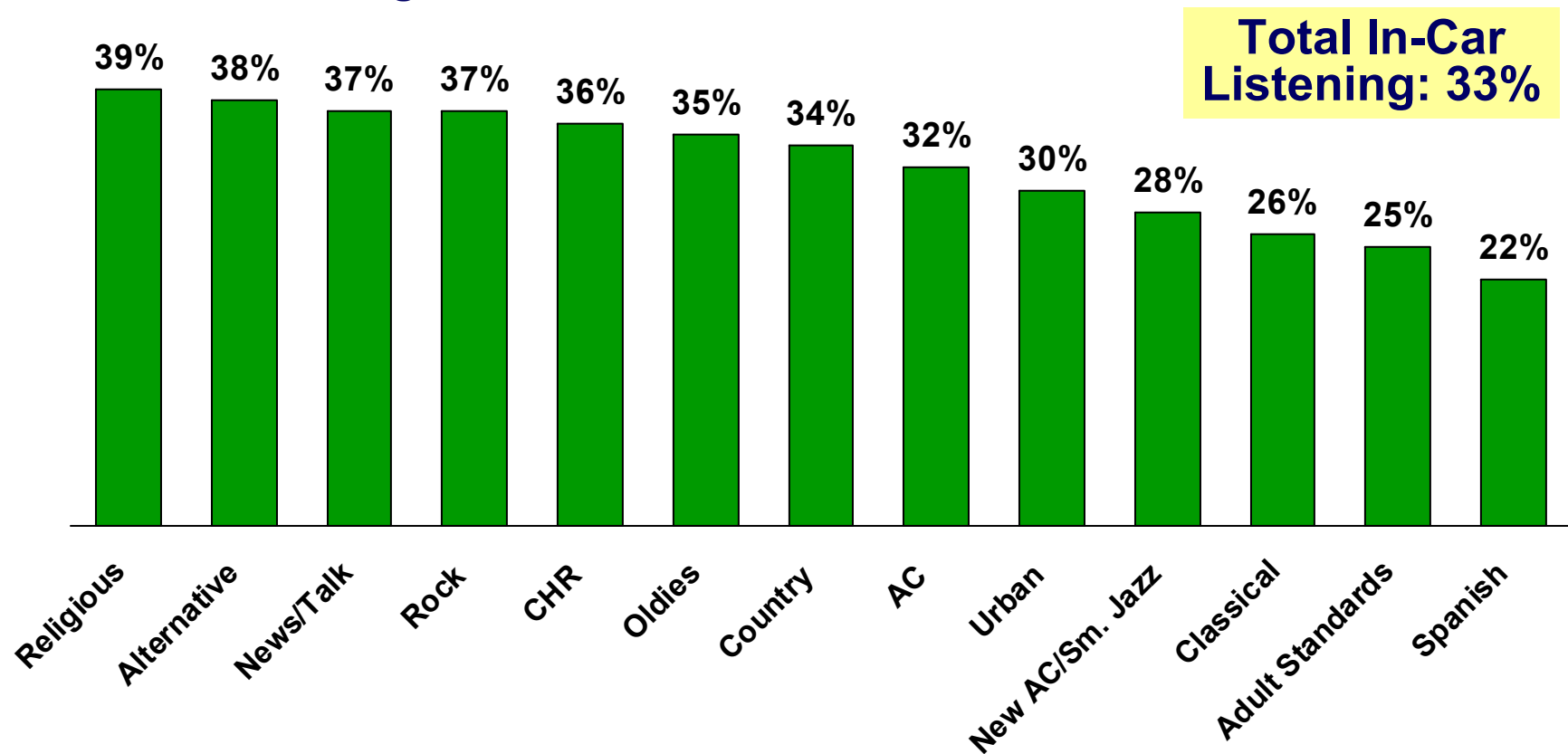
Whites Spend More Time Listening In-Car Than Do Blacks and Hispanics

Average Time Spent Listening to Radio In-Car Per Week
(Hours:Minutes)



In-Car Listening Is Crucial to All Formats

% of Total Listening Done In-Car



Monday-Sunday 6AM-12Mid
Fall 2002



Base: Total Population 12+

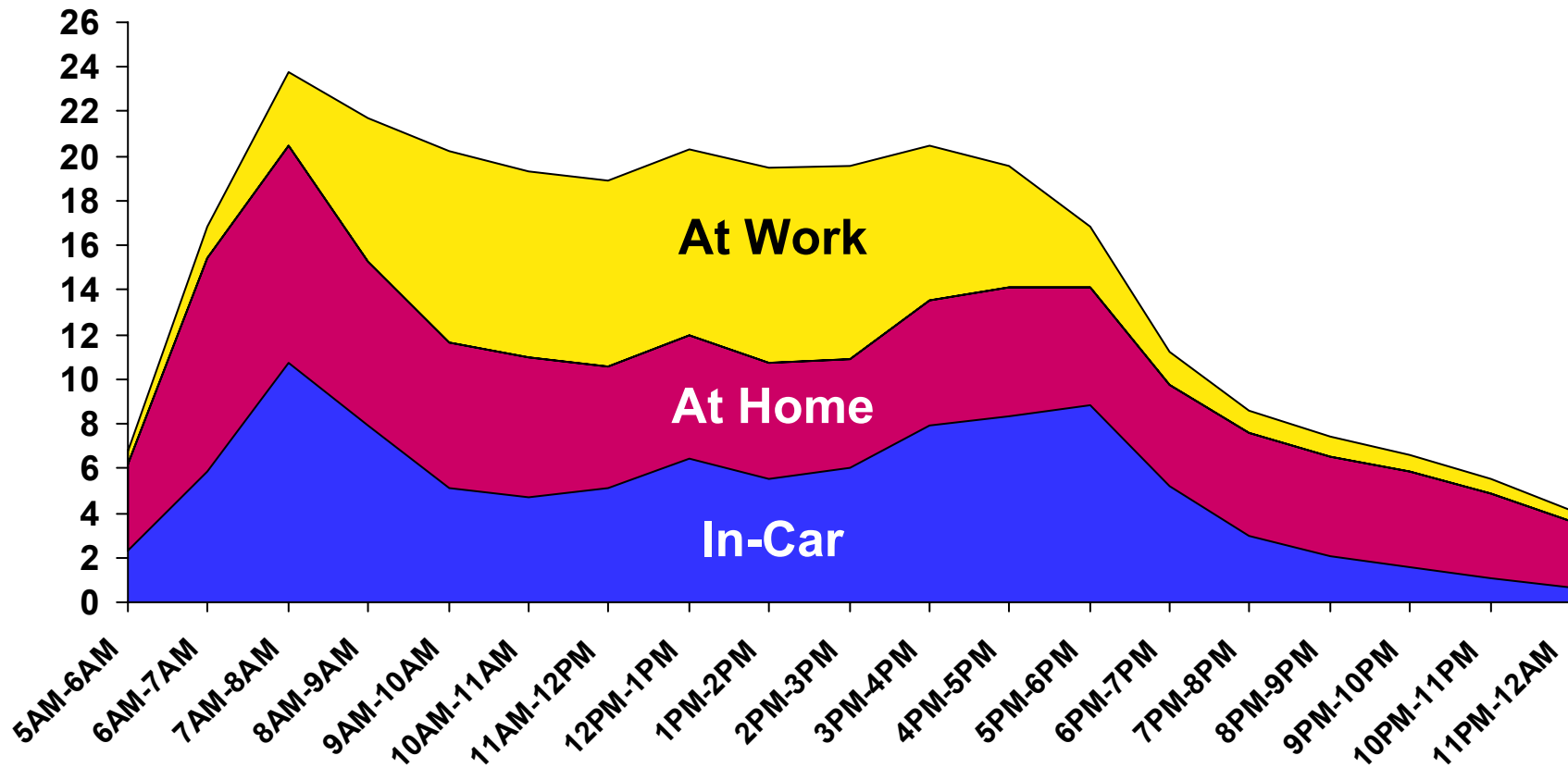


Work Commute: When Is *Drive Time*?



Audiences Move Through the Course of a Day

Total AQH Rating by Hour



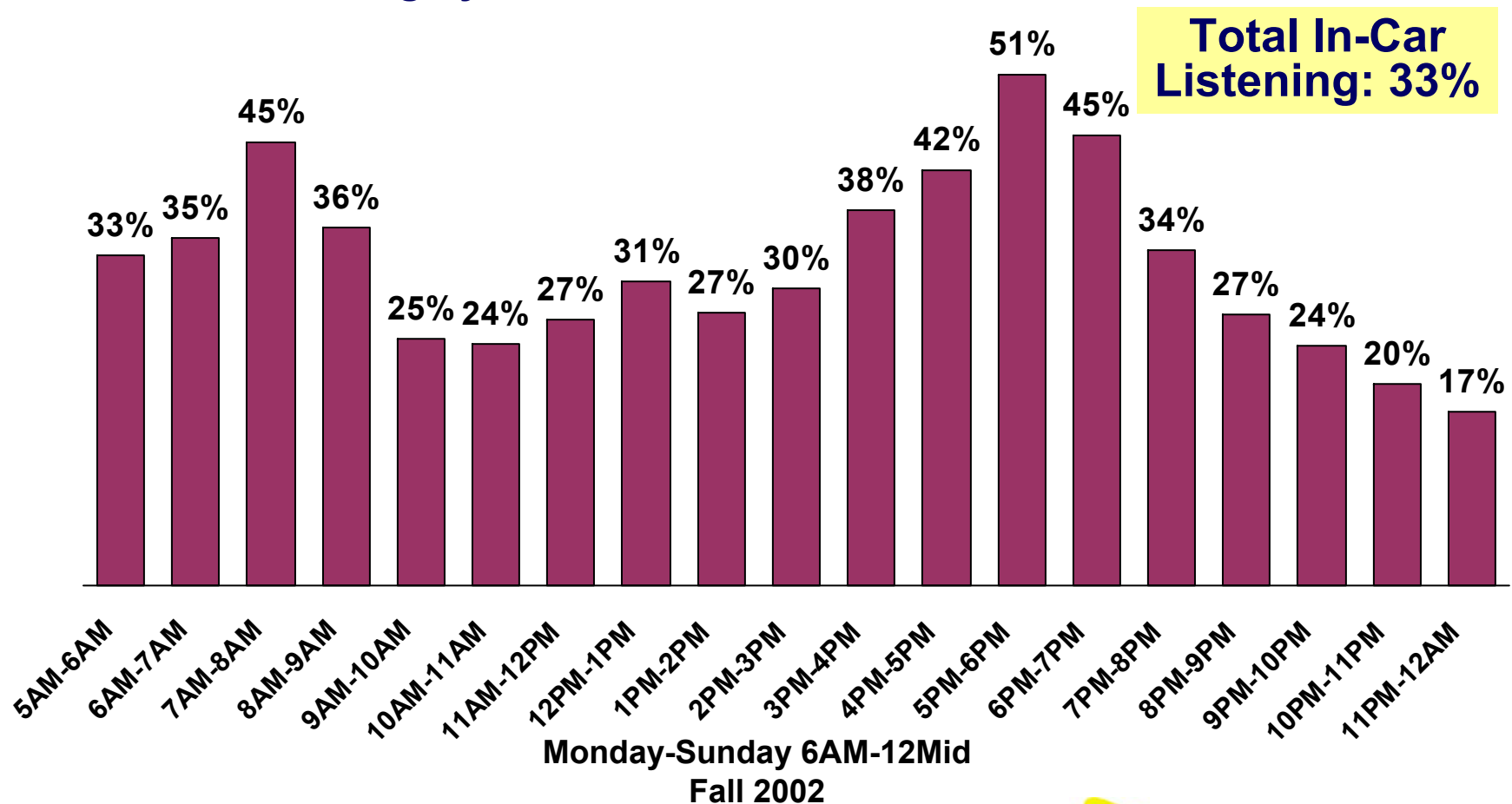
Monday-Sunday 6AM-12Mid
Fall 2002

Base: Total Population 12+



In-Car Is More Than Half of All Listening from 5PM to 6PM

% of In-Car Listening by Hour

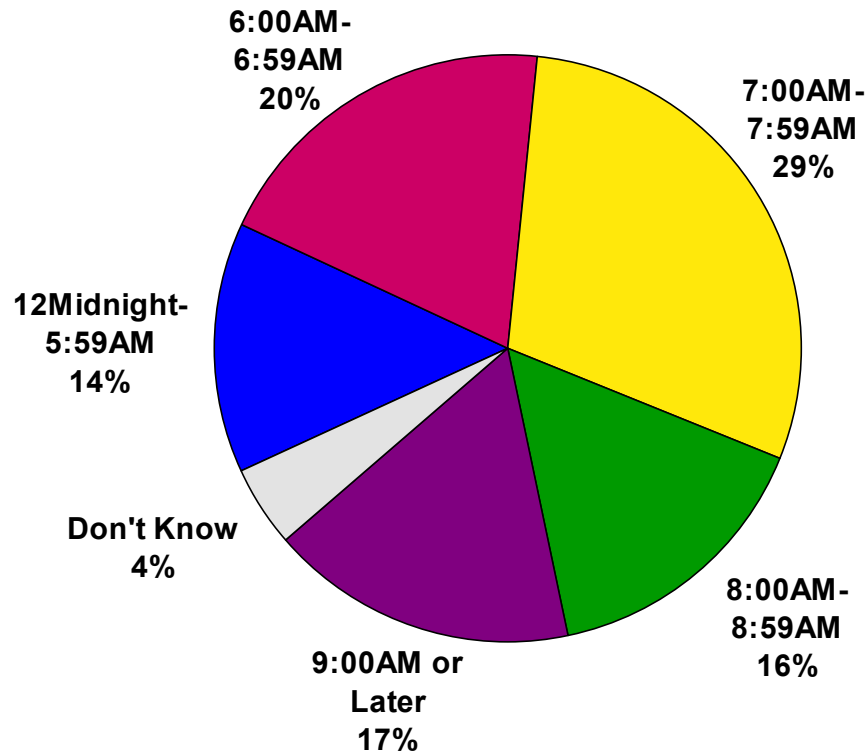


Base: Total Population 12+

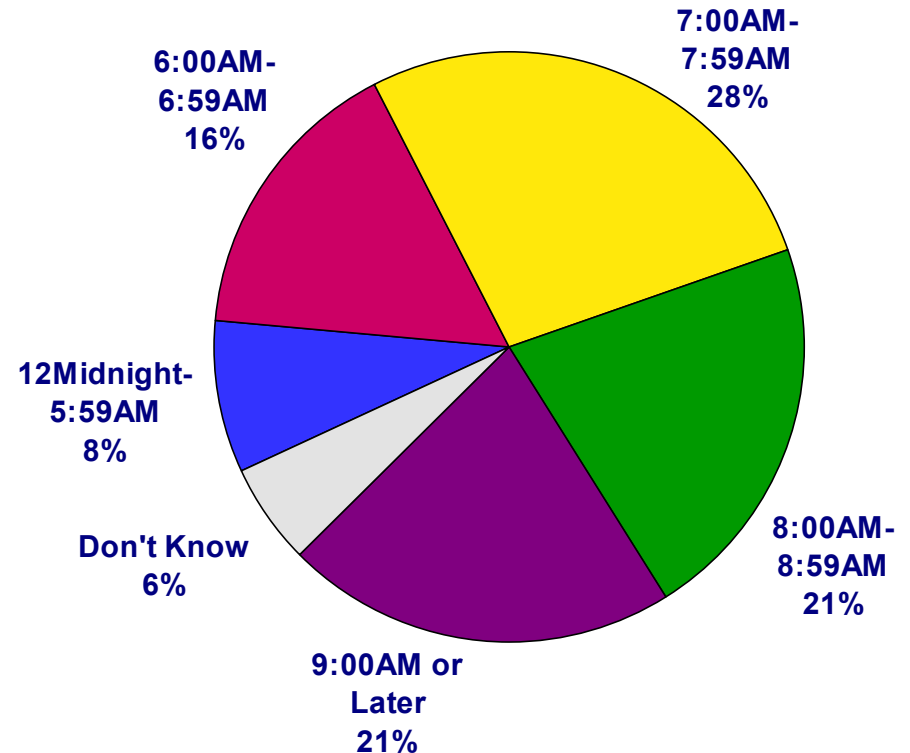


More Than Half of Workers' Drive Time Is Over Before 8AM

“What time do you usually leave home to go to your primary job?”



“What time do you usually arrive at your primary job?”

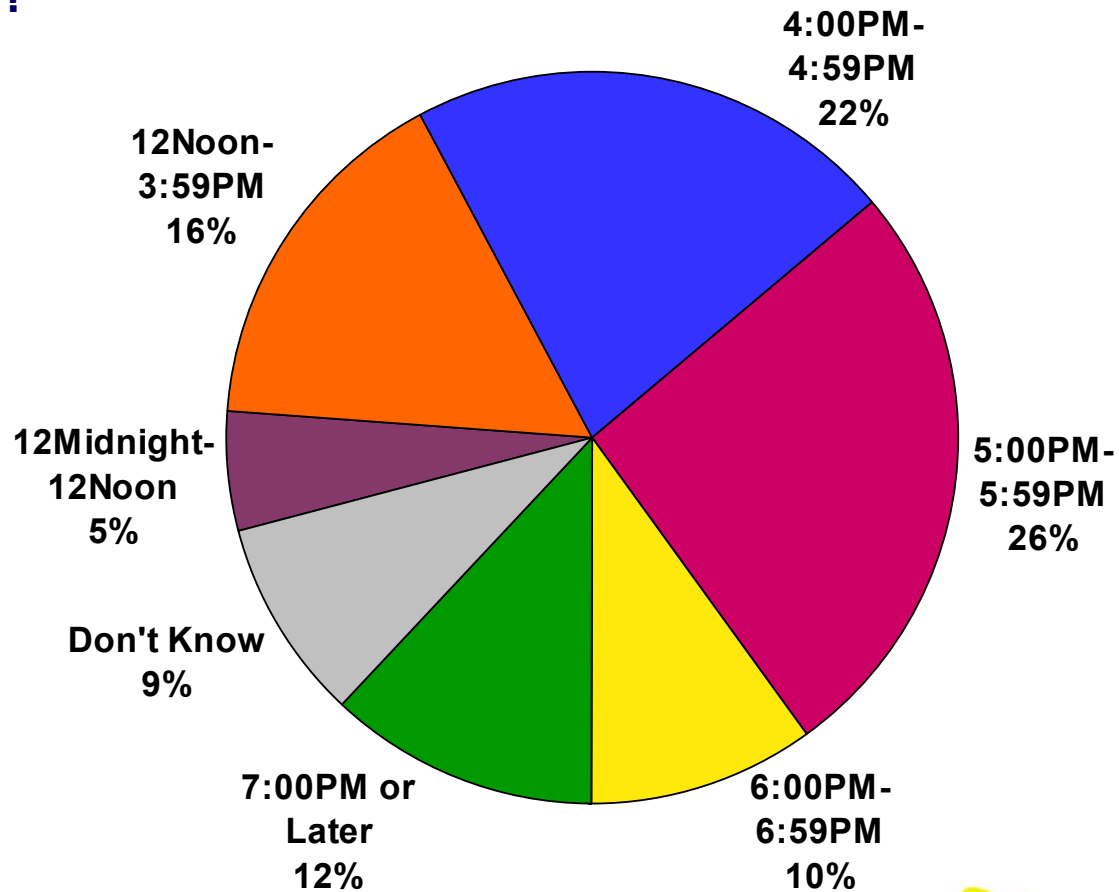


Base: Work Outside the Home



Nearly Half of Workers Leave Work Before the “Five O’Clock Whistle”

“What time do you usually leave your primary job at the end of the workday?”



Base: Work Outside the Home

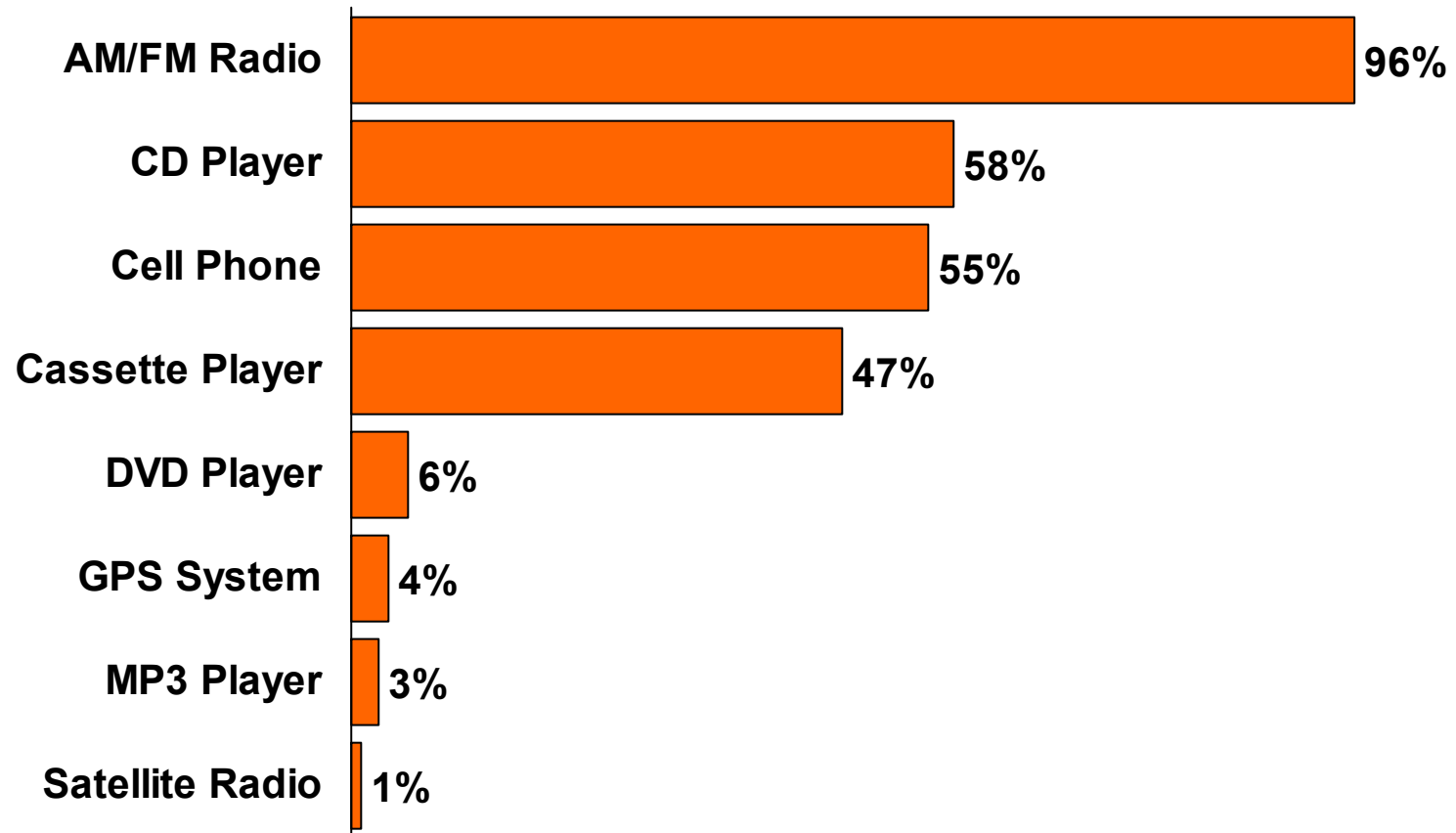


Defending the Turf



Radio Reigns In-Car

% Using Device In-Car

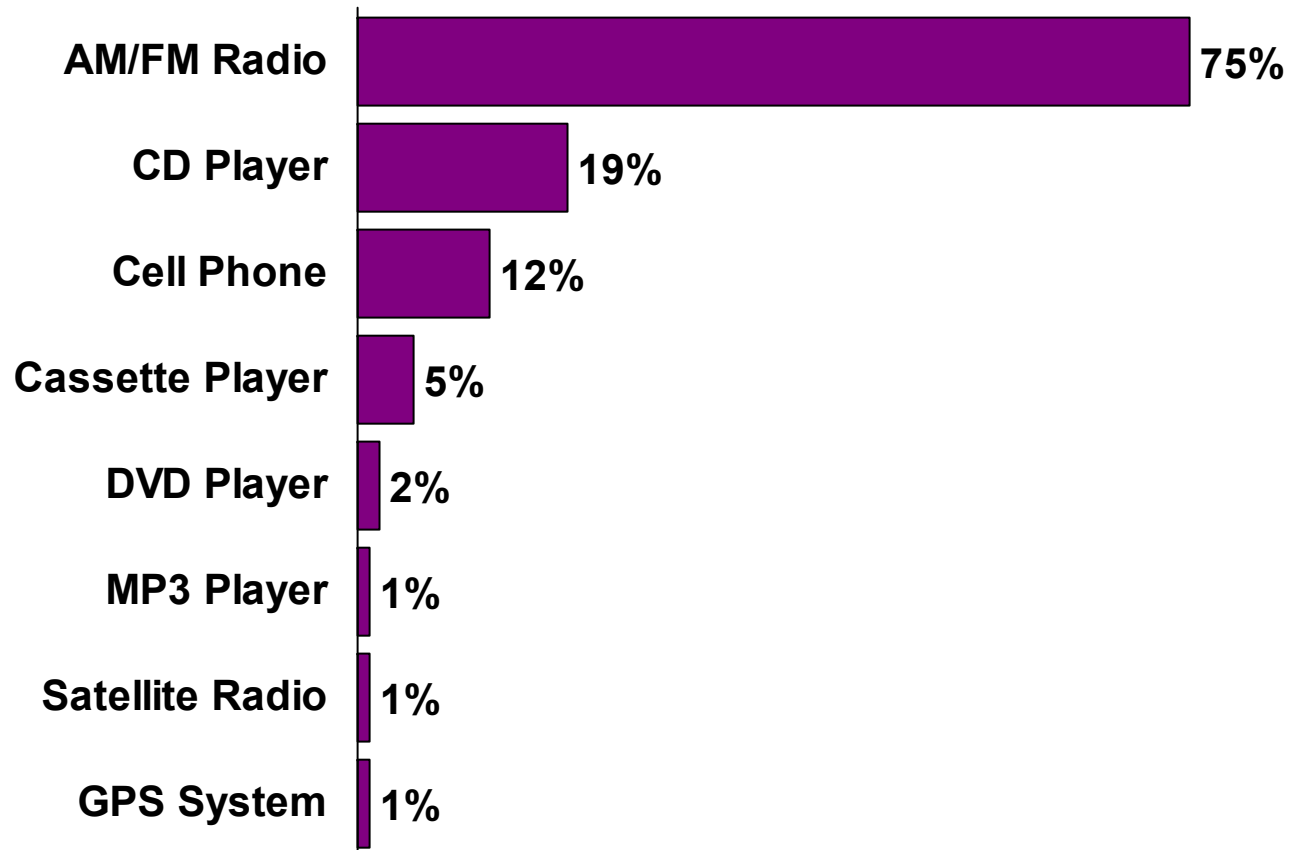


Base: Driven/Ridden In a Car in Last Month



Radio Is Overwhelmingly the Device Most Used In-Car

% Using Device In-Car Almost All or Most of the Times In-Car

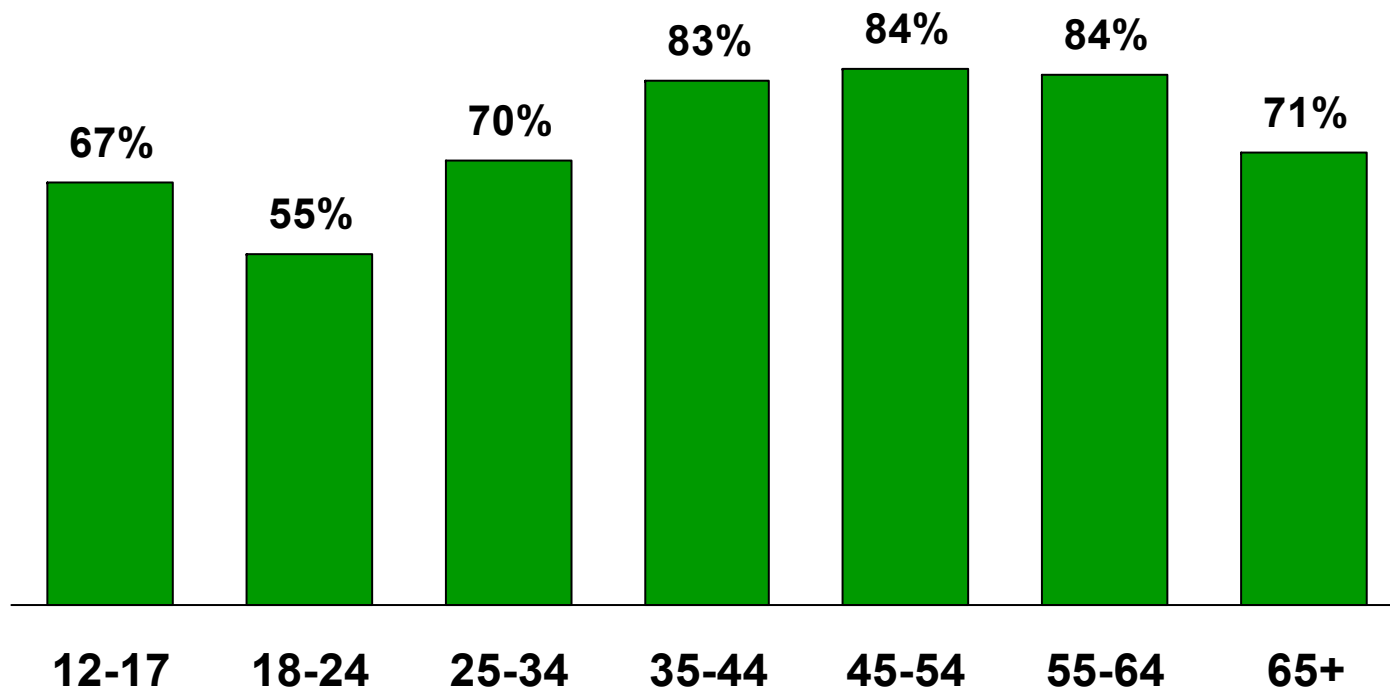


Base: Driven/Ridden In a Car in Last Month



But All Is Not Well—Radio Is Less Dominant In-Car Among 12-24s

% Spending Most Time with Radio In-Car

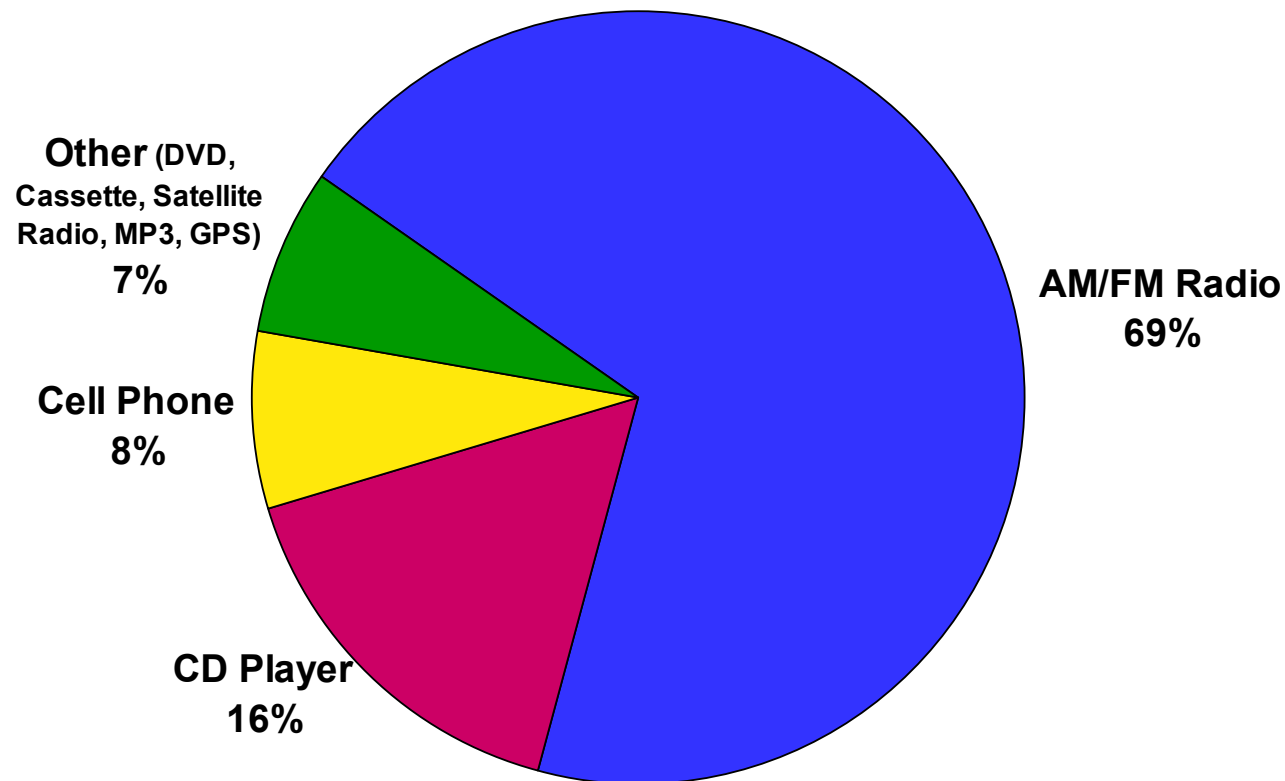


Base: Driven/Ridden In a Car in Last Month



Radio Is Most Essential In-Car Device for a Large Majority

“If you could **ONLY EVER** use **ONE** device in your primary car, which one device would you choose?”



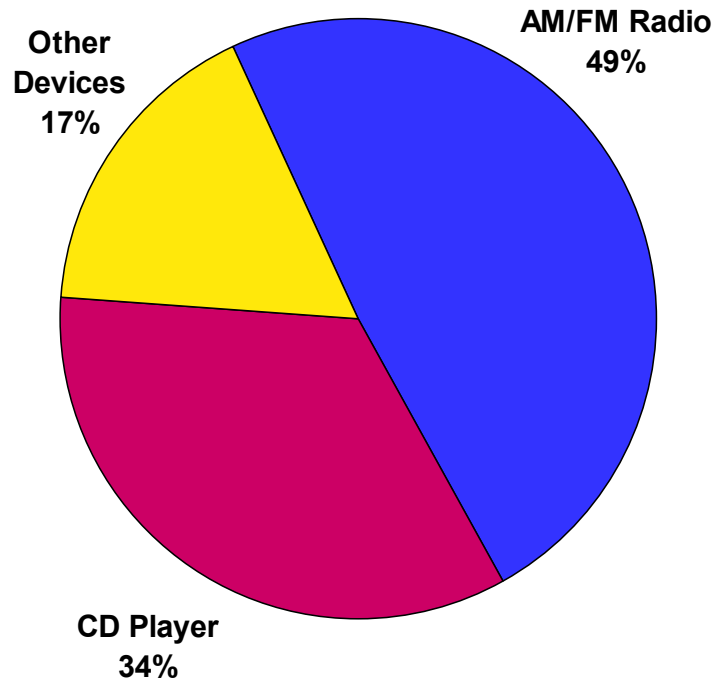
Base: Driven/Ridden In a Car in Last Month



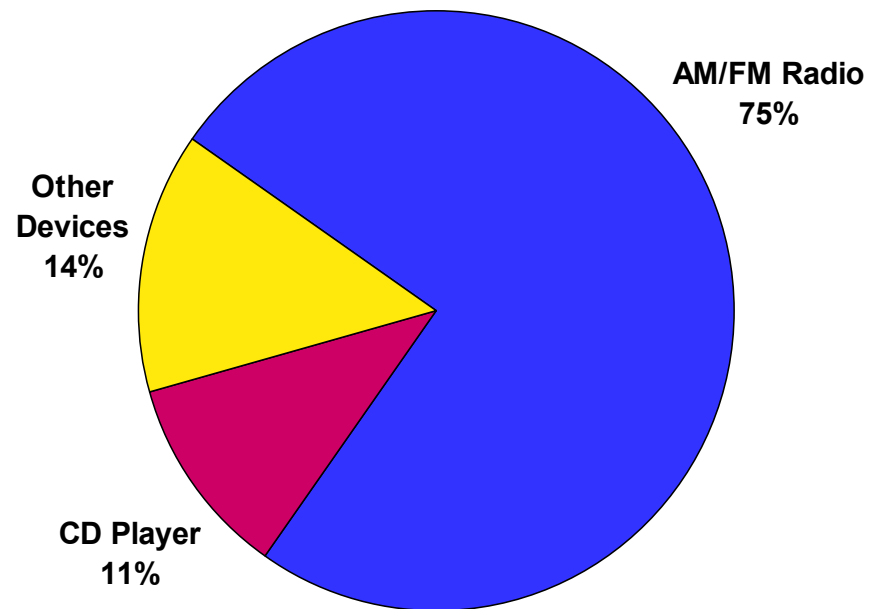
Radio Is Much Less Essential In-Car Among 12-24s

“If you could **ONLY EVER** use **ONE** device in your primary car, which one device would you choose?”

Age 12-24



Age 25+

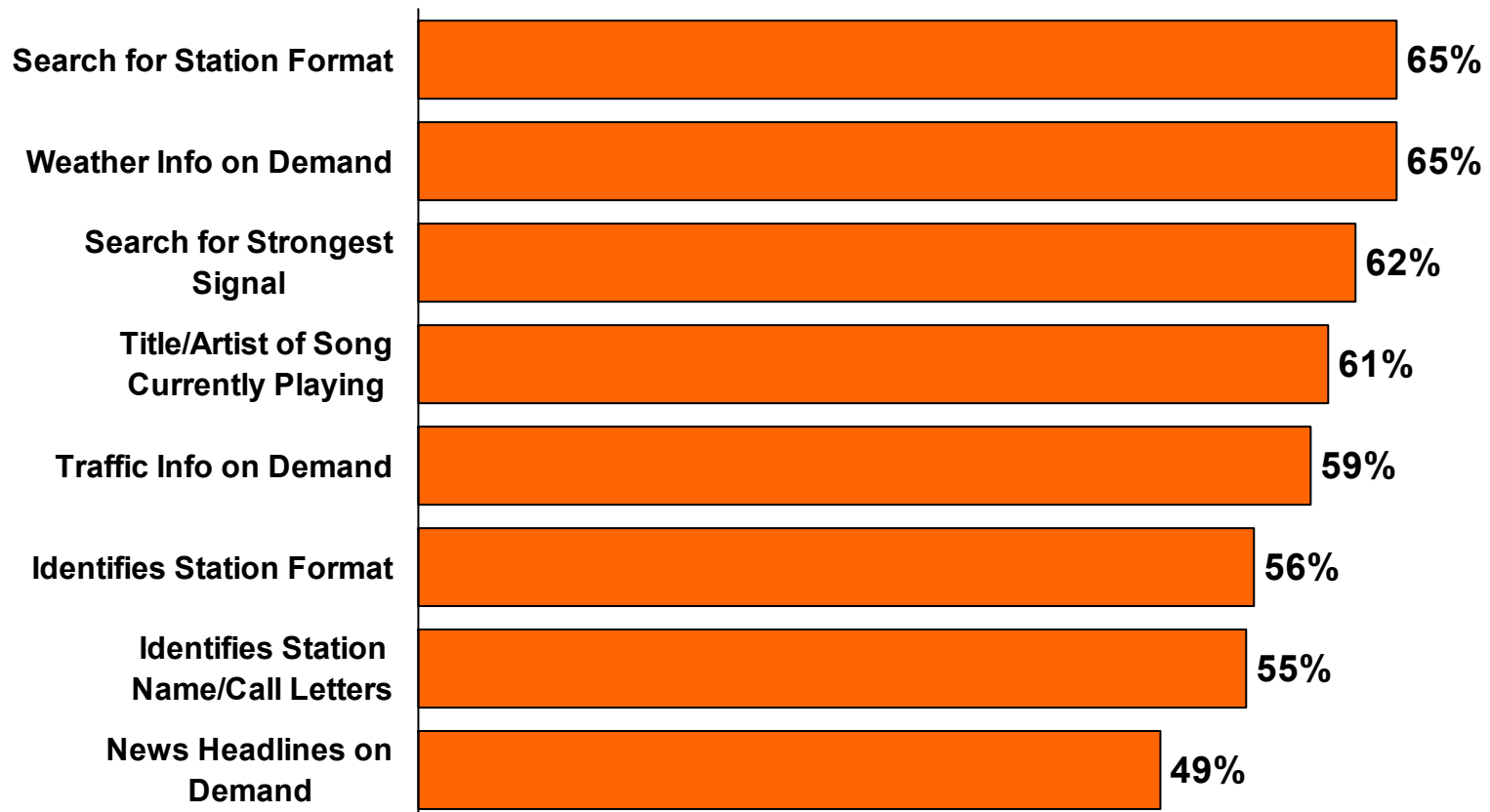


Base: Total Population 12+



High Interest in Current and Future Radio Display Technologies

% “Very” or “Somewhat” Interested in Car Radio Display Function

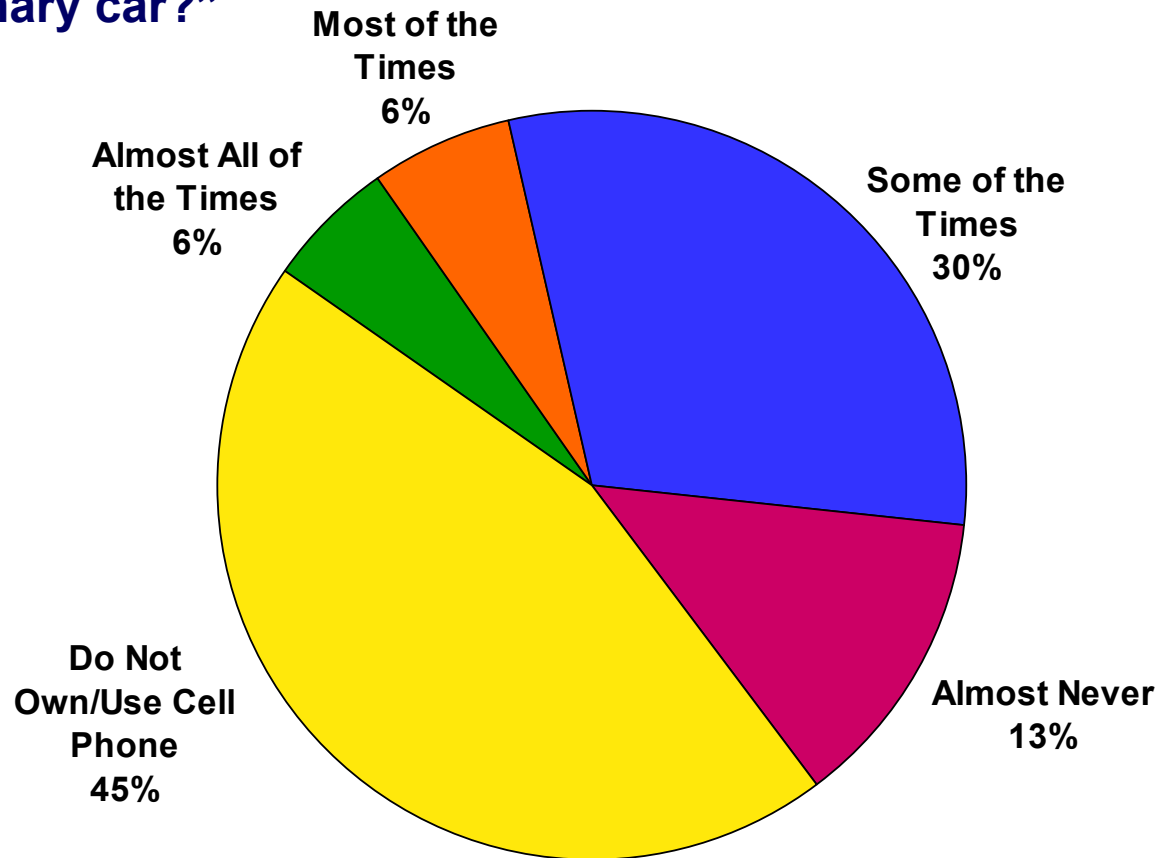


Base: Total Population 12+



Only a Small Fraction Regularly Use Cell Phone While In-Car

“How often do you use a cell phone while driving or riding as a passenger in your primary car?”



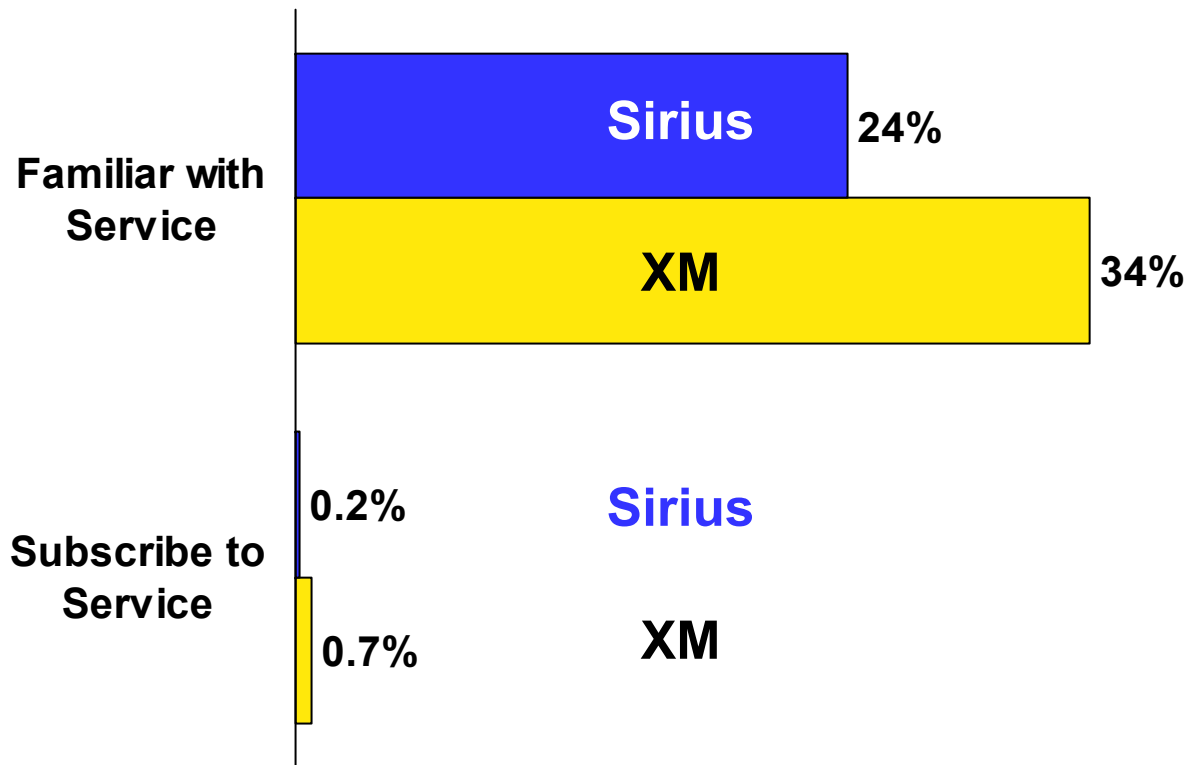
Base: Driven/Ridden In a Car in Last Month



Satellite Radio



Satellite Radio Familiarity Has Not Yet Translated into Mass Subscriptions

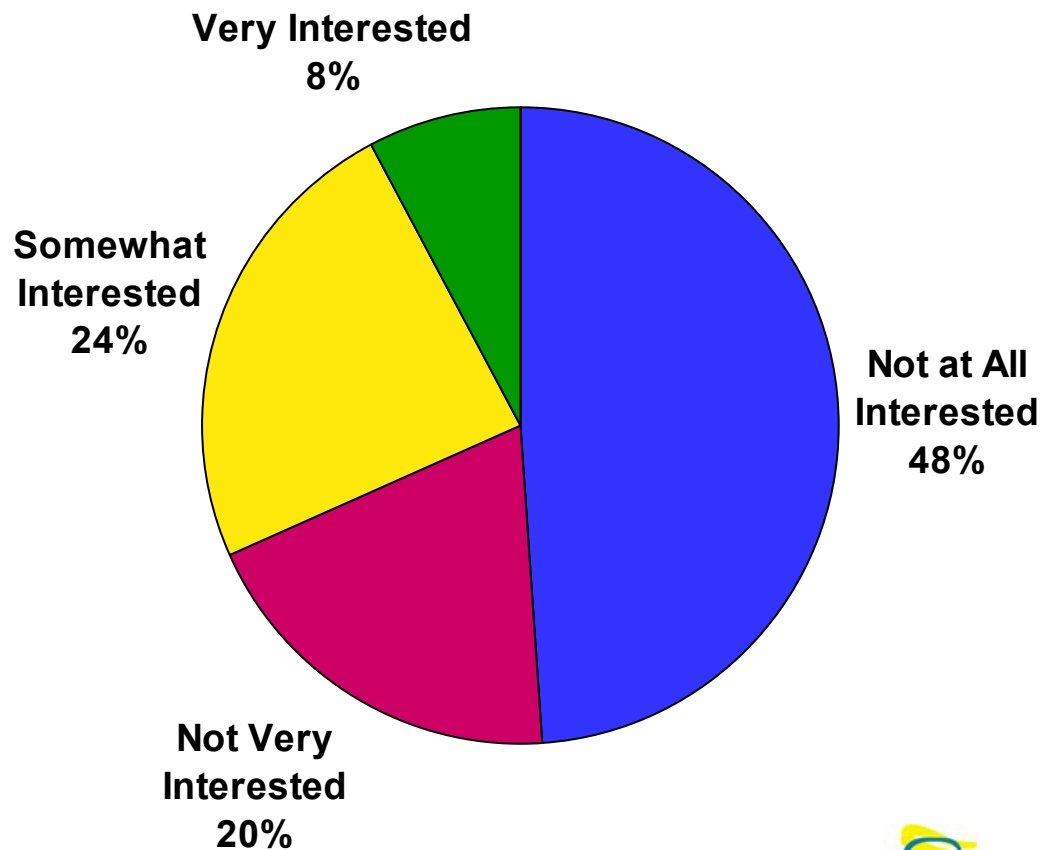


Base: Total Population 12+



Almost One-Third Indicate Interest in Satellite Radio

“How interested would you be in a new service that provides digital audio from a satellite directly to your car all over the USA?”

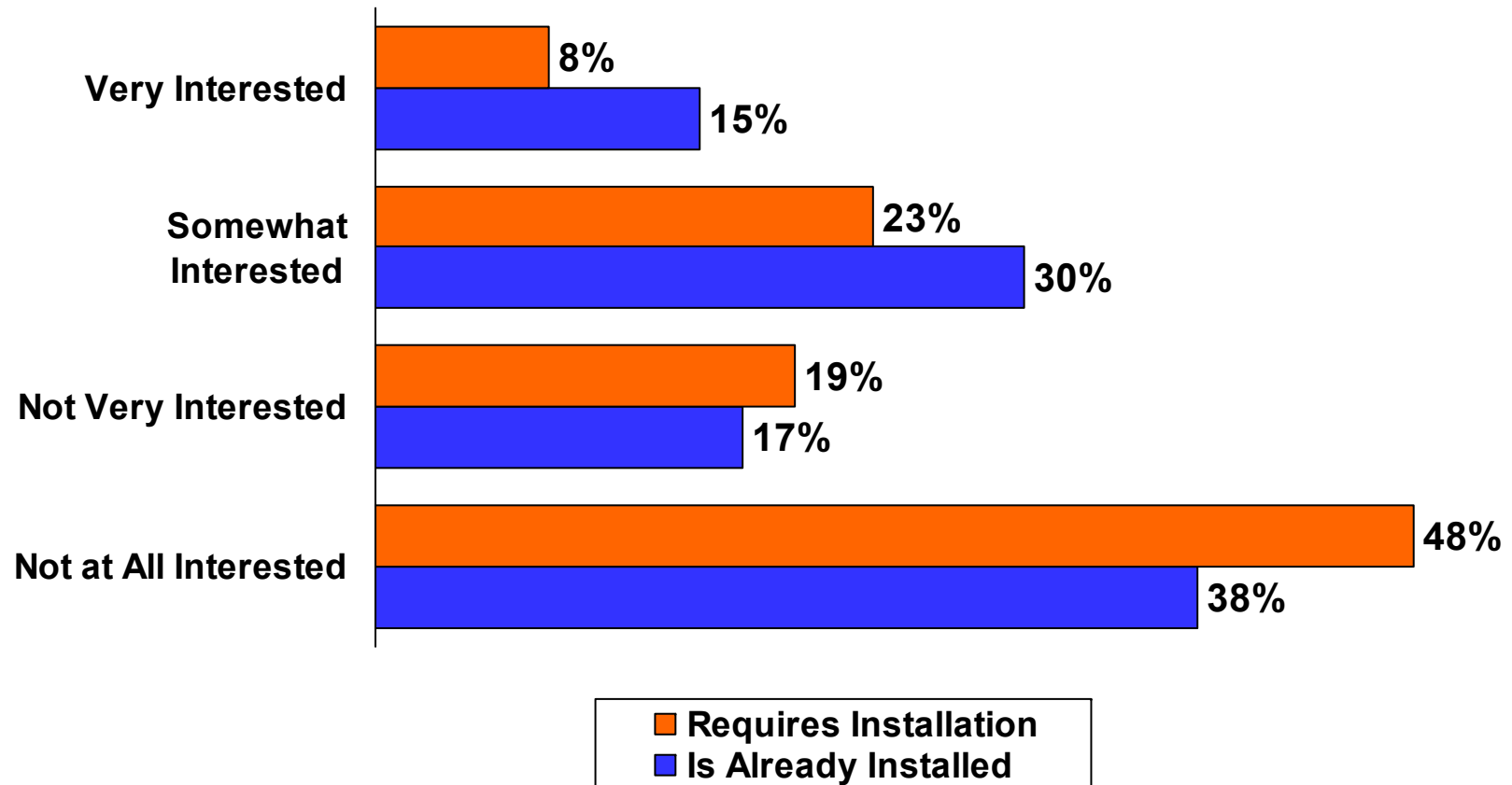


Base: Total Population 12+



Interest in Satellite Radio Increases with Preinstall Option

Interest Level in Satellite Radio Which...

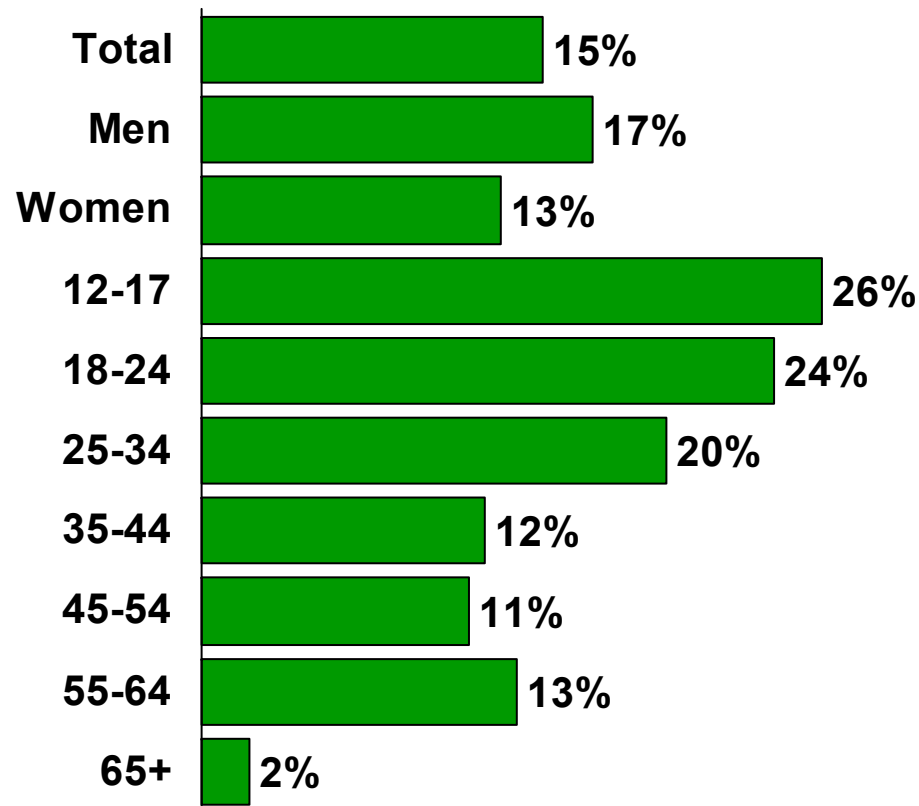


Base: Total Population 12+



Interest in Satellite Radio Highest Among Men and 12-24s

% “Very Interested” in Satellite Radio with Receiver Already Installed In-Car

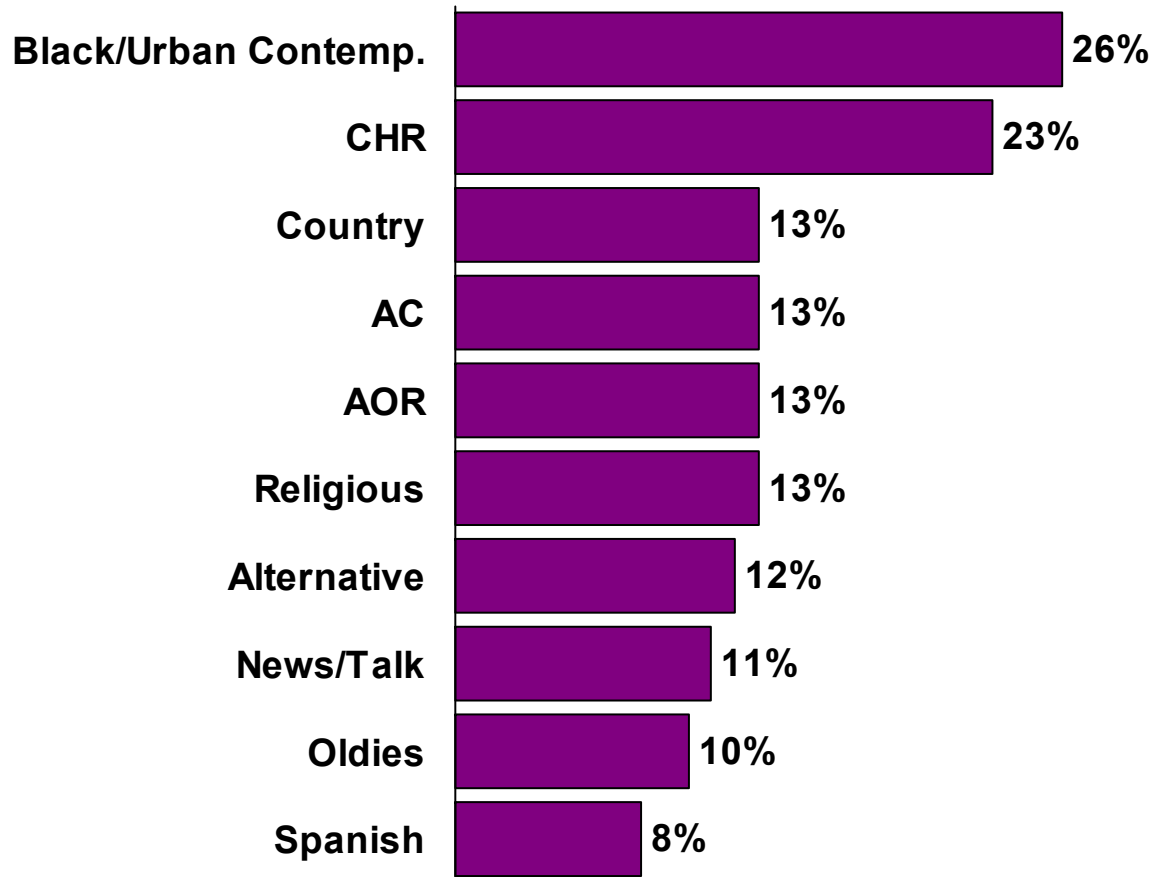


Base: Total Population 12+



Widely Varying Interest in Satellite Radio by Format Preference

% "Very Interested" in Satellite Radio with Receiver Already Installed In-Car

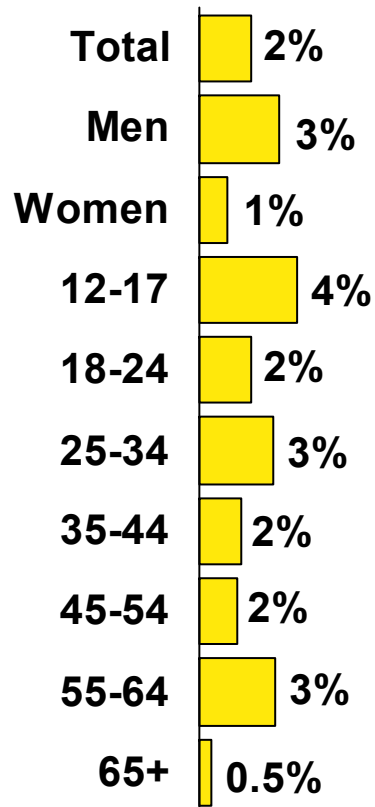


Base: Total Population 12+



Very Few Say They Are Likely to Subscribe to XM/Sirius in Next 12 Months

% “Very Likely” to Subscribe to Satellite Radio in Next 12 Months



Base: Total Population 12+

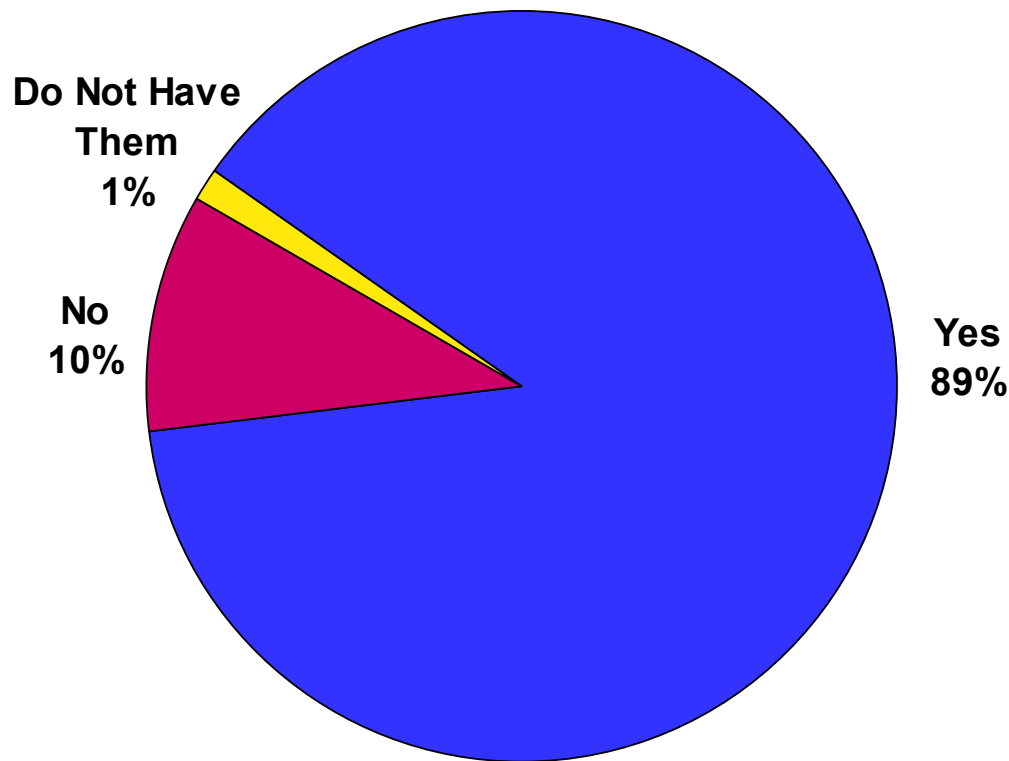


Radio Preset Buttons



Preset Buttons In-Car Are Nearly Universally Programmed

“Are the preset buttons in your primary car programmed/set to specific stations?”

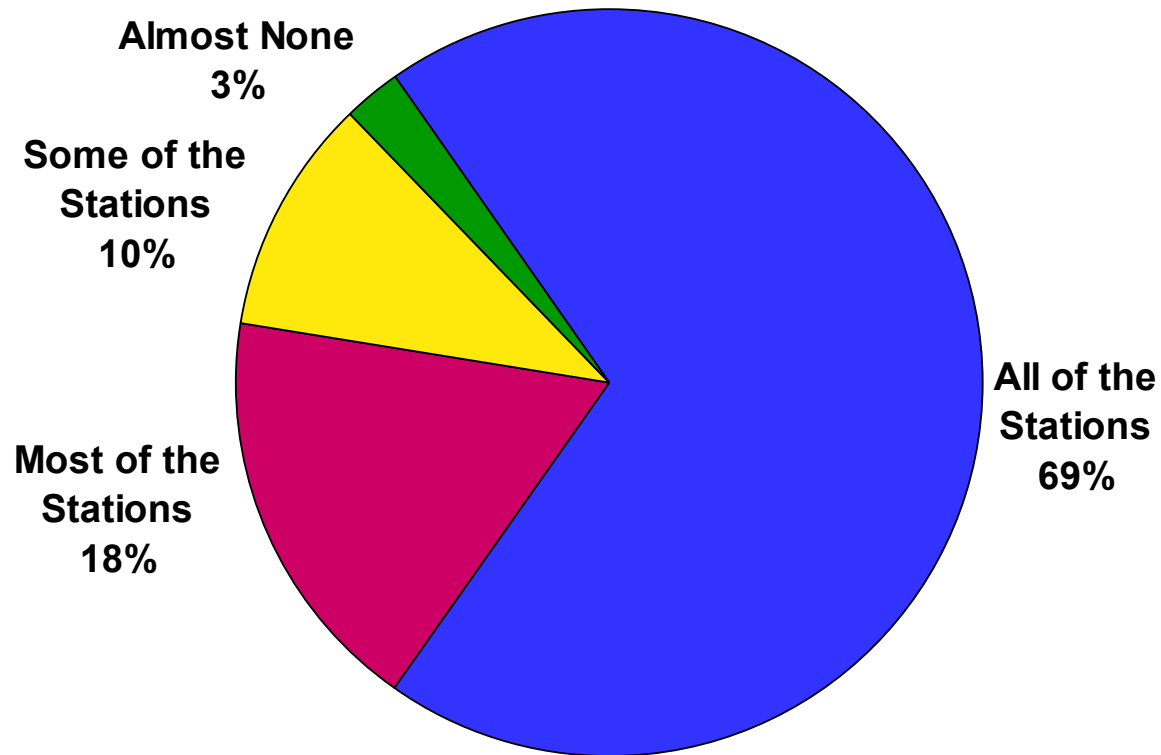


Base: Driven/Ridden In a Car in Last Month



Almost All In-Car Listening Goes to Preset Radio Stations

“Of the stations you normally listen to on your car radio, how many of those stations are programmed on your car radio preset buttons?”

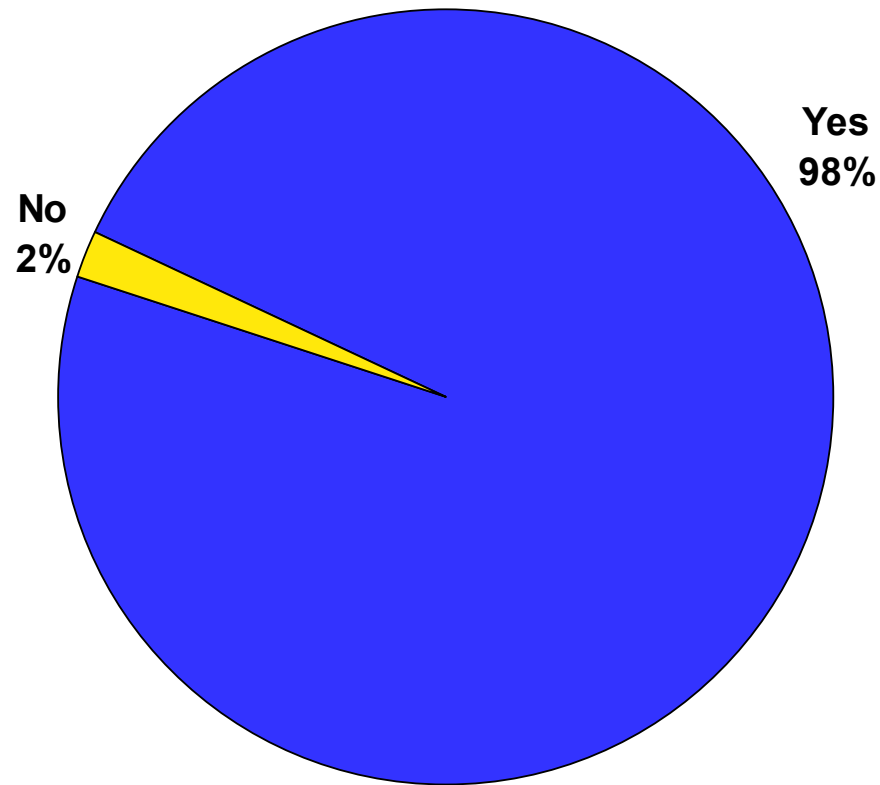


Base: Have Programmed Preset Buttons



P1 Stations Are Overwhelmingly Programmed on Preset Buttons

“Thinking about the station you listen to most, is that station programmed on your preset buttons?”



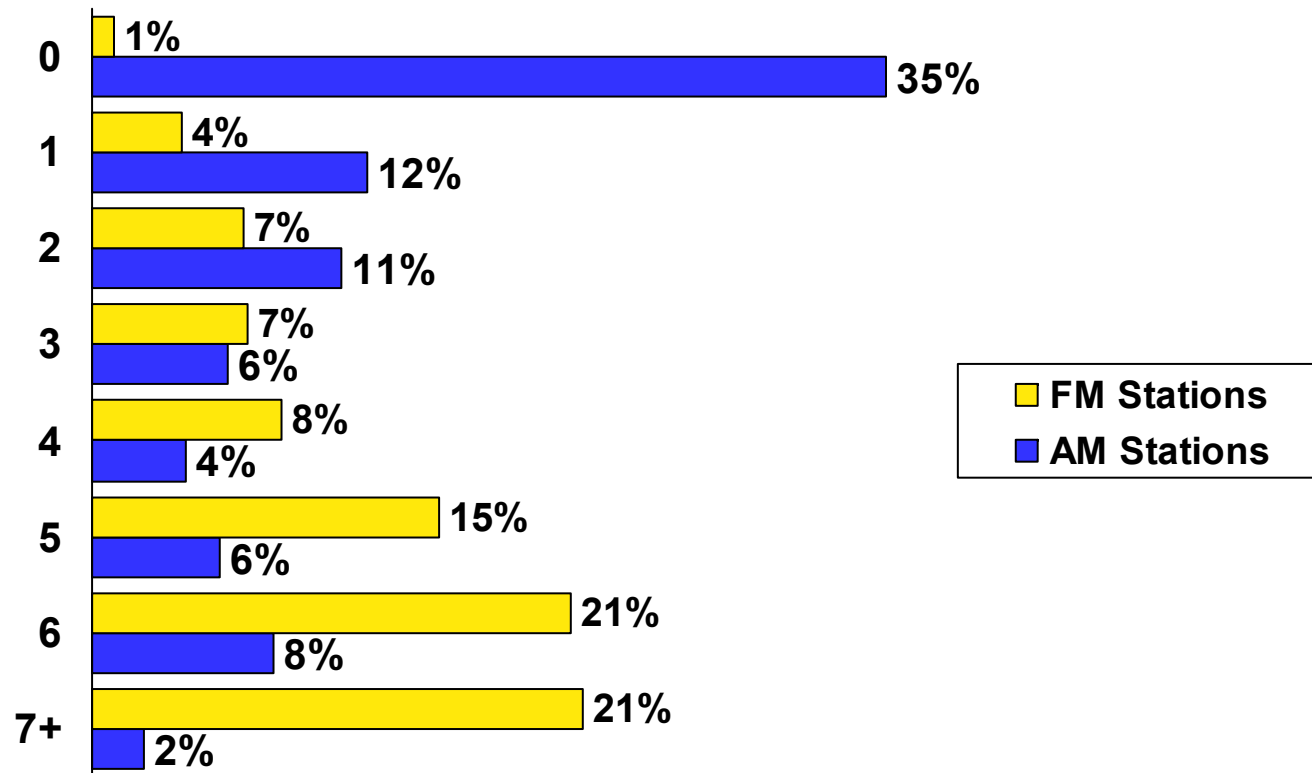
Base: Have Programmed Preset Buttons



Preset Buttons Are Programmed to Far More FM Stations Than AM

Number of Preset Stations Reported

Average # of
FM Stations: 5.01
Average # of
AM Stations: 1.68

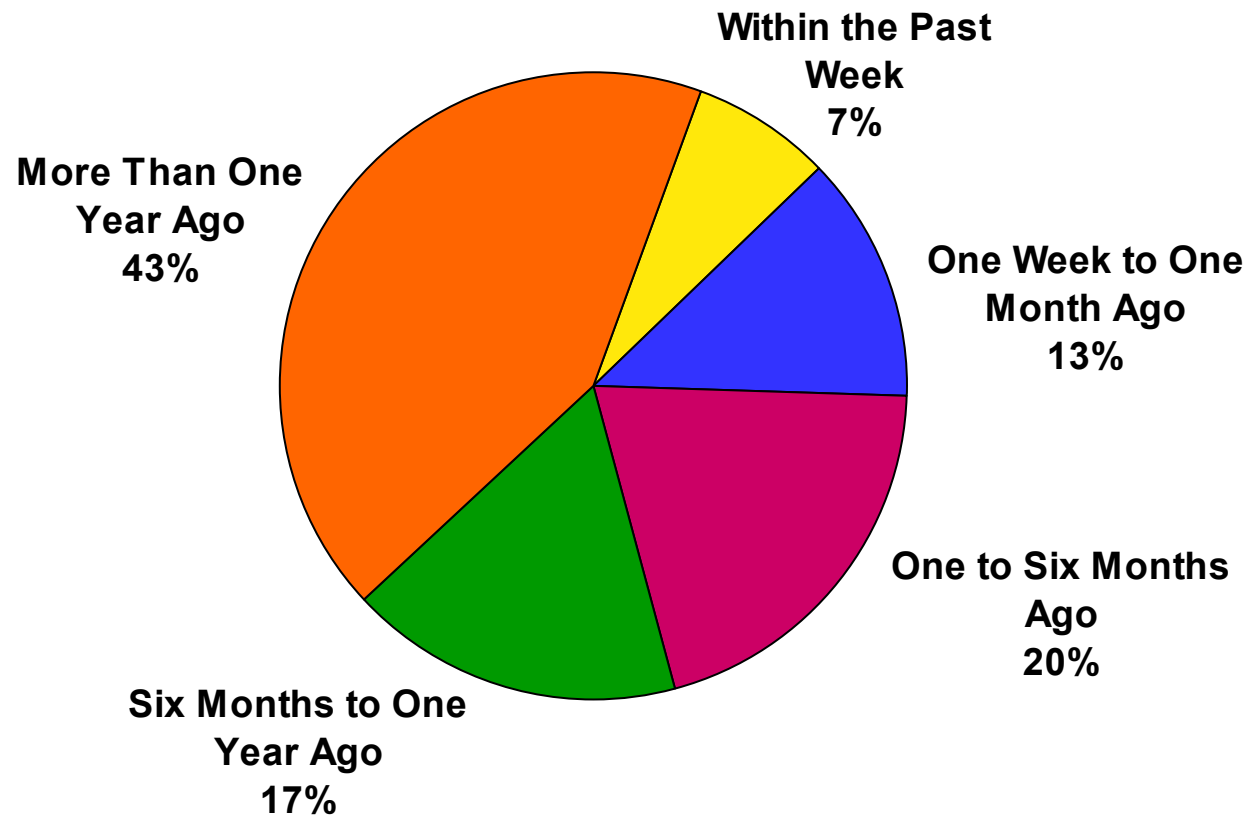


Base: Driven/Ridden In a Car in Last Month



Most Presets Stay Set

“When was the last time any of the preset buttons on your car radio were changed?”

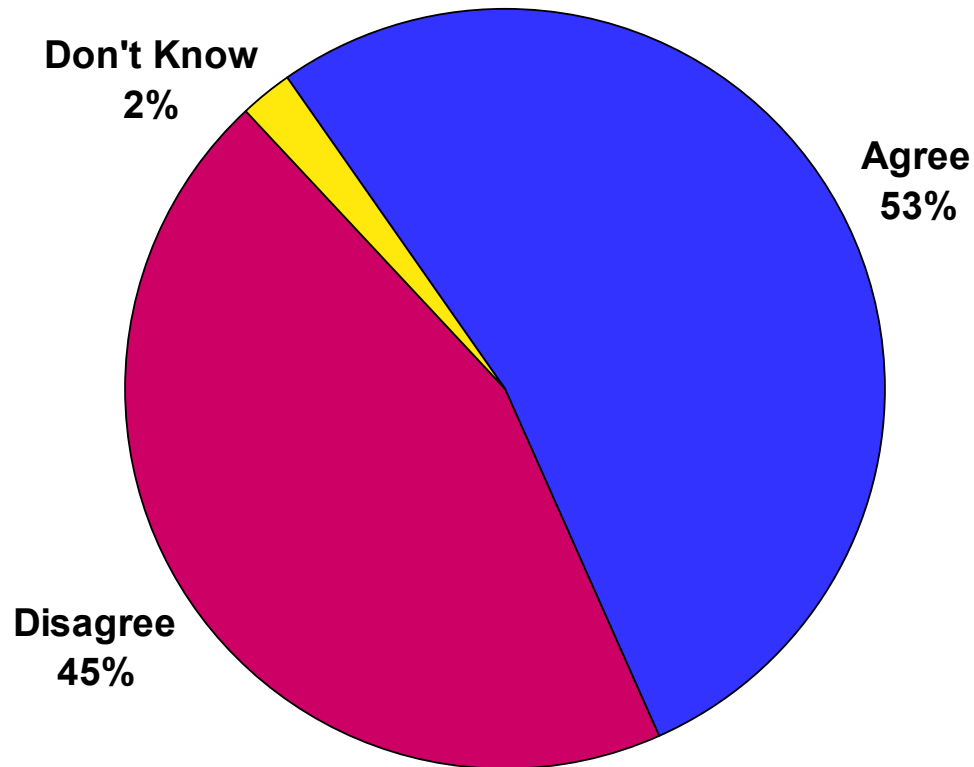


Base: Have Programmed Preset Buttons



Once Programmed, Most Agree It Is Not Worth the Hassle to Change Preset Buttons

“Agree or disagree: Once you have the preset buttons programmed, it’s not worth the hassle to change them again.”

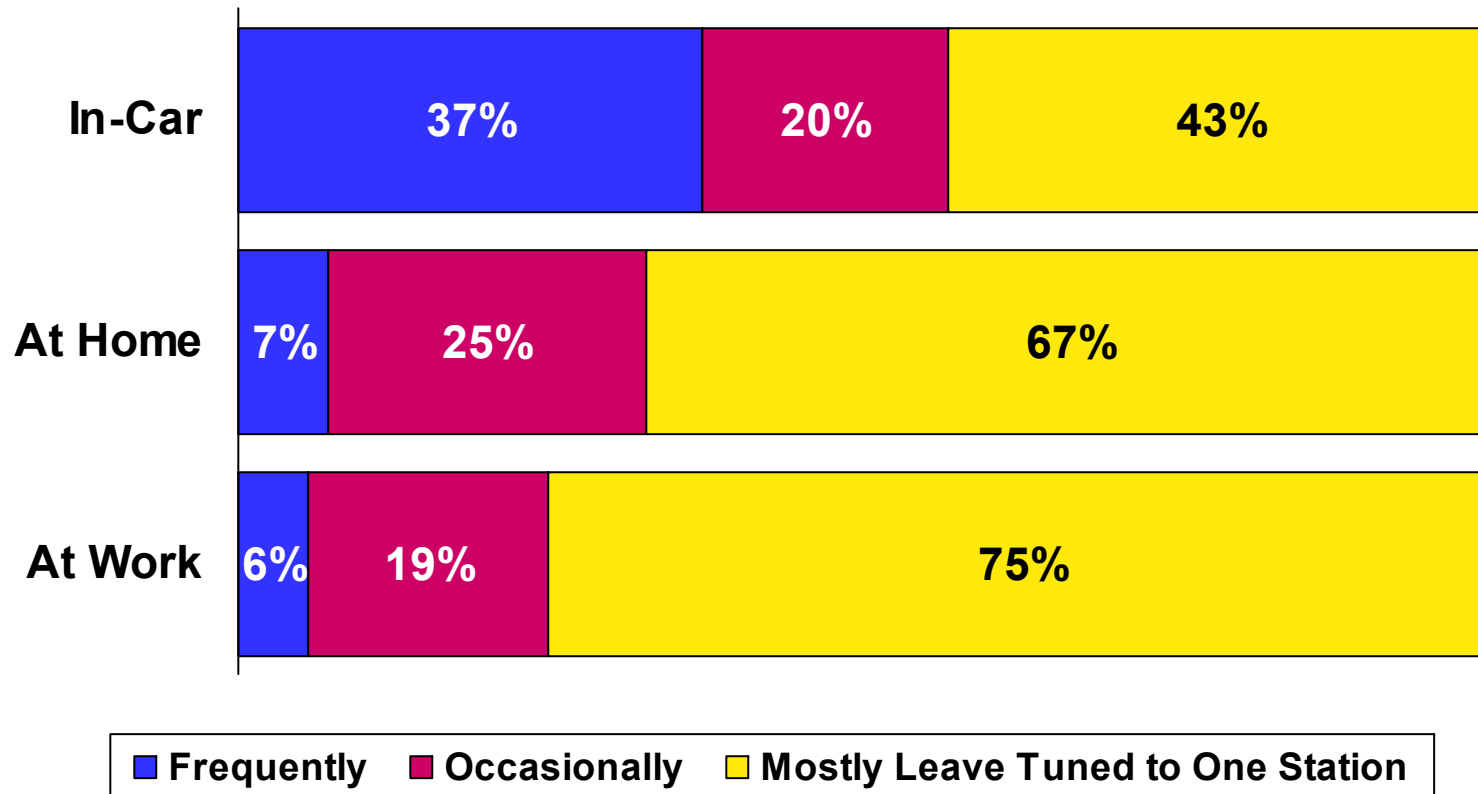


Base: Have Programmed Preset Buttons



Those In-Car Change the Radio Station Most Often

Frequency of Changing Radio Station in Each Location

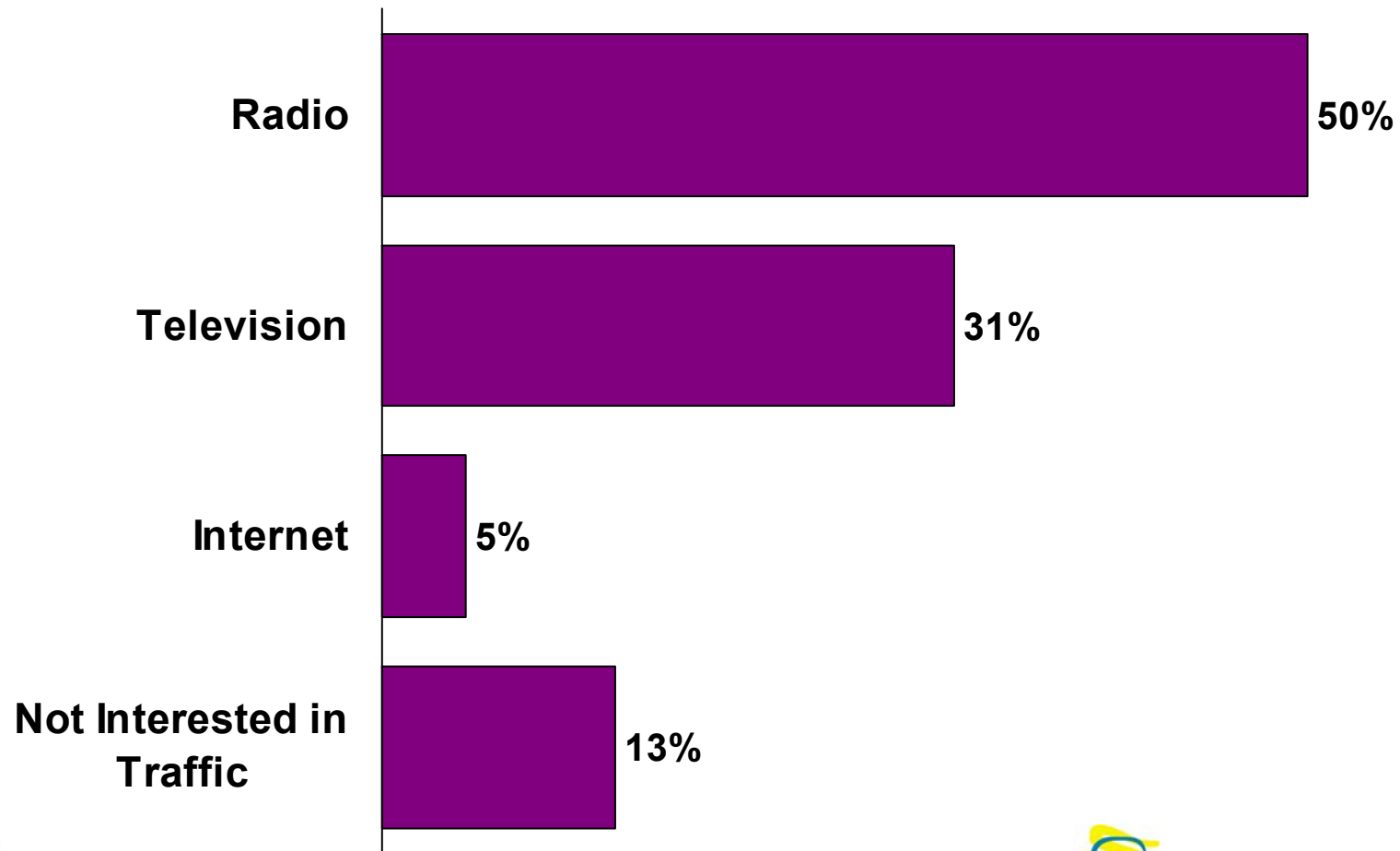


Traffic Reports



Almost One-Third of Consumers Go to Television for the Latest Traffic

“When you want the latest traffic information, where do you go first?”

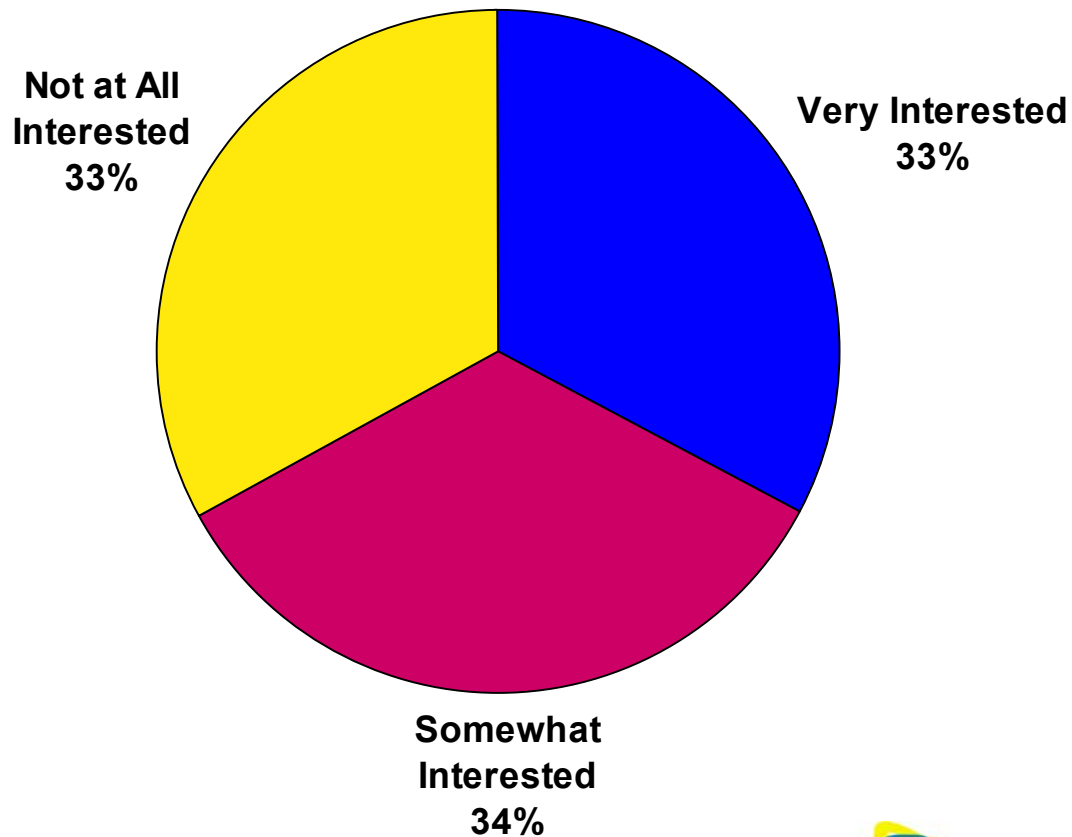


Base: Driven/Ridden In a Car in Last Month



Two-Thirds Are at Least Somewhat Interested in Rush Hour Traffic Reports

“How interested are you in hearing traffic reports during time periods when there is heavy traffic on the roads, such as rush hours?”

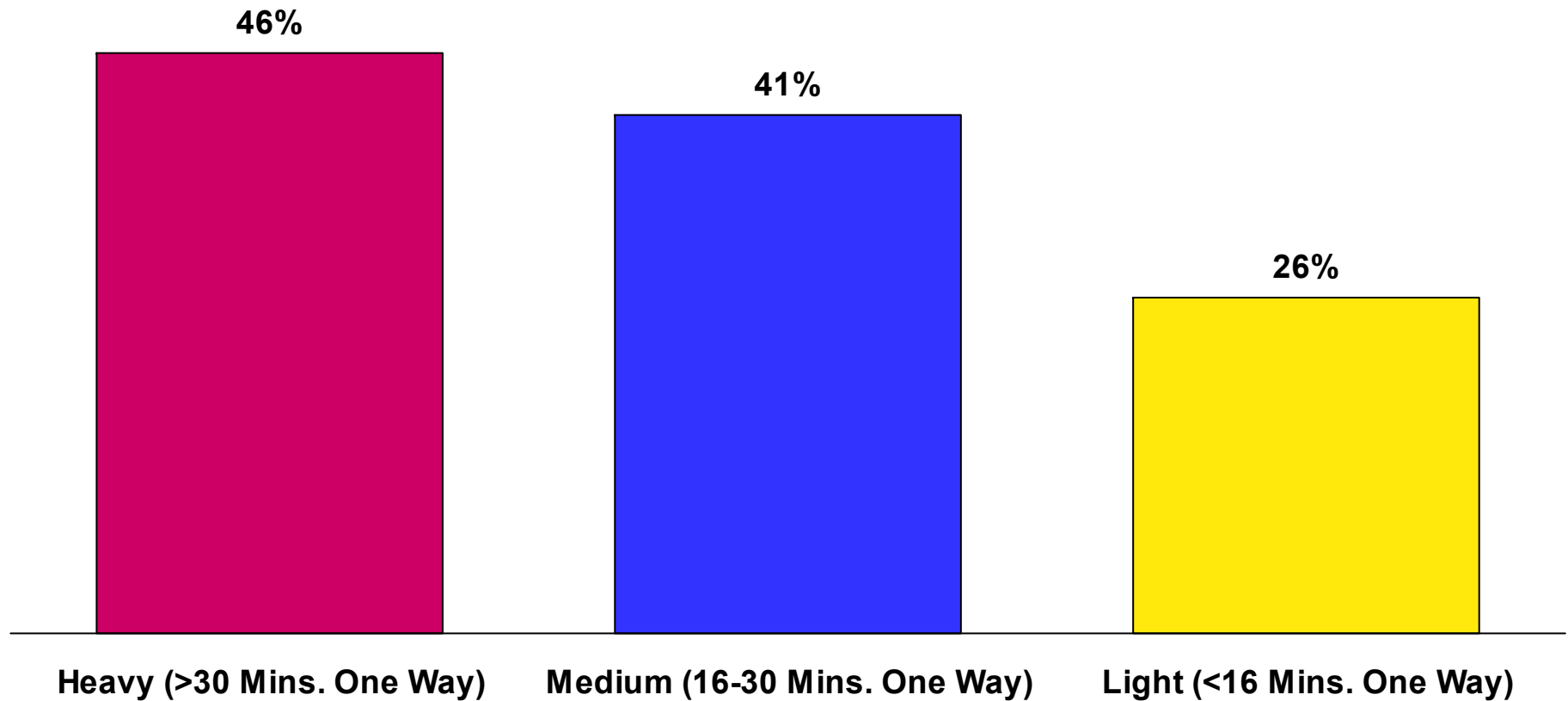


Base: Have Heard Radio Traffic Report in Last Month



Heavy Commuters More Likely to be Interested in Traffic Reports Than Light

% "Very Interested" in Traffic Reports During Rush Hours

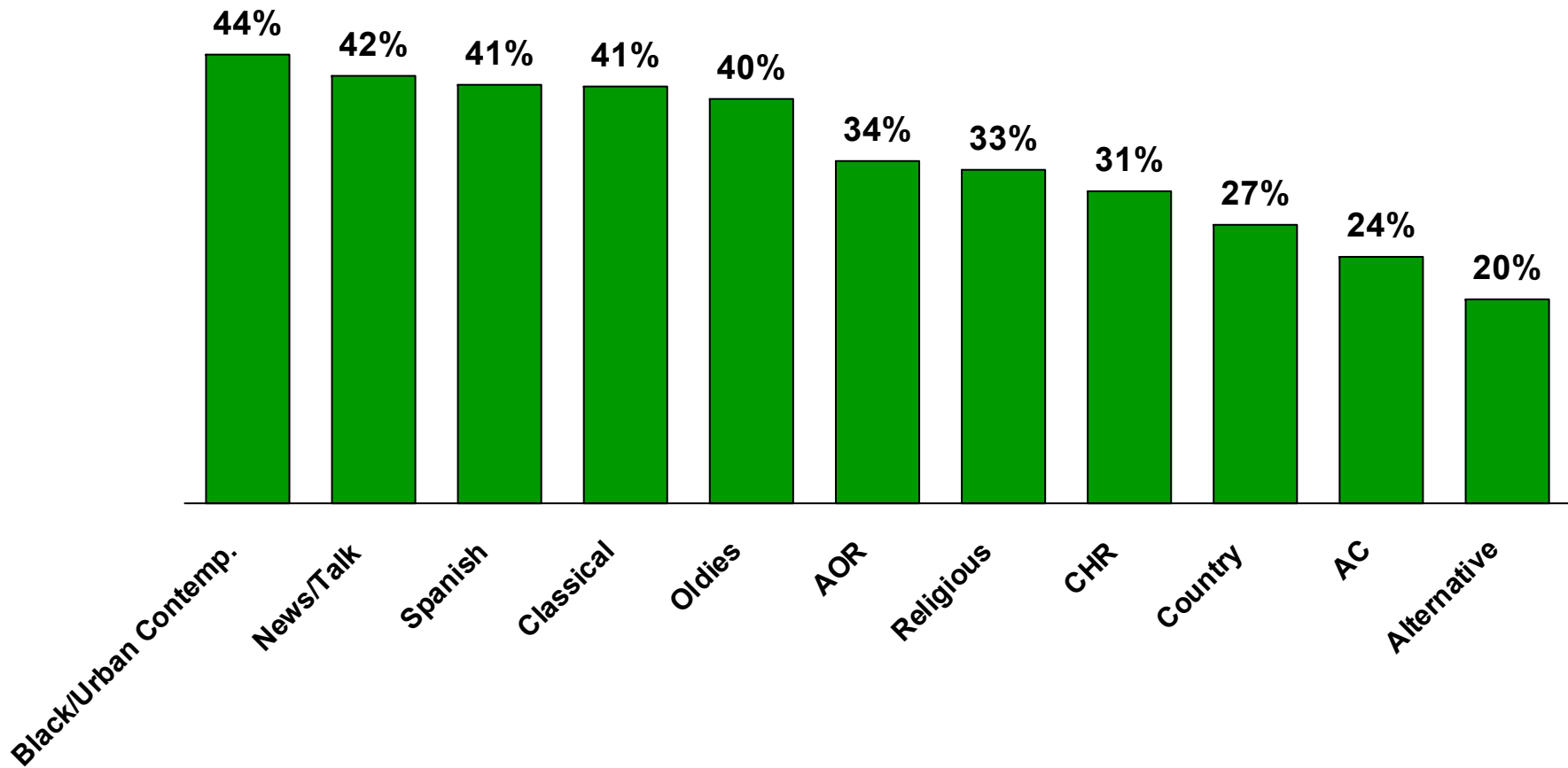


Base: Have Heard Radio Traffic Report in Last Month



Which Format's Listeners Care Most About Traffic Reports?

% "Very Interested" in Traffic Reports During Rush Hours



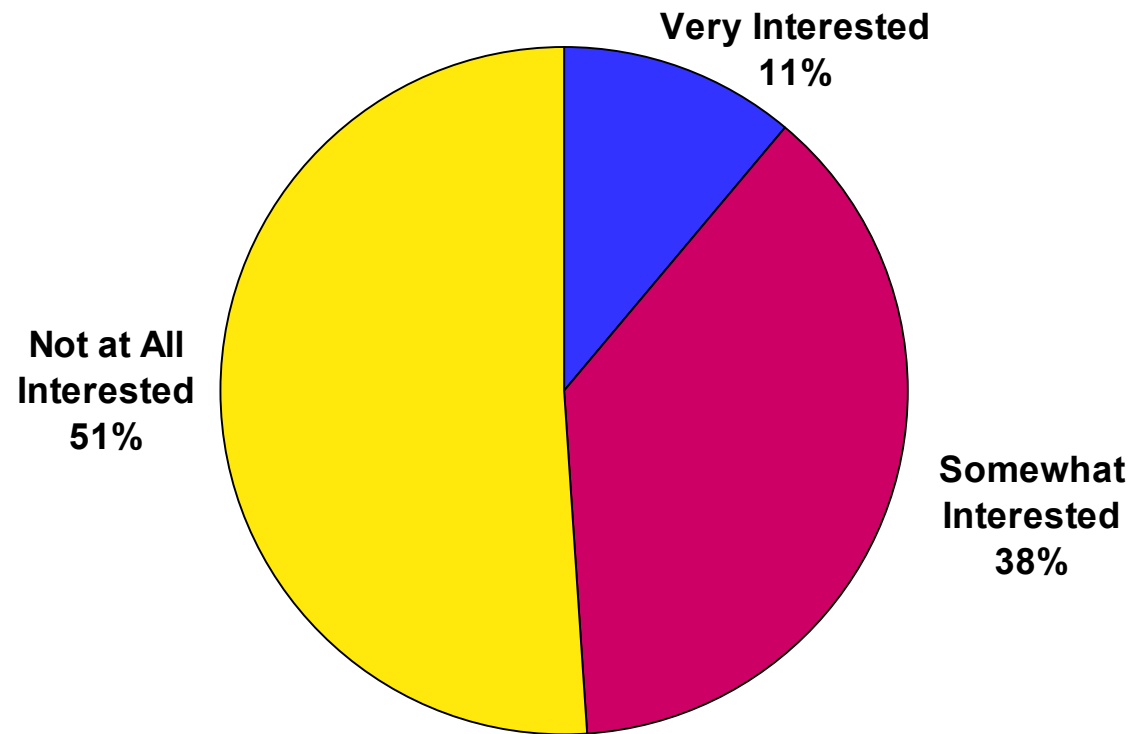
Base: Have Heard Radio Traffic Report in Last Month



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Half of Listeners Have Interest in Traffic Reports Outside of Rush Hours

“How interested are you in hearing traffic reports during time periods OTHER THAN rush hours?”

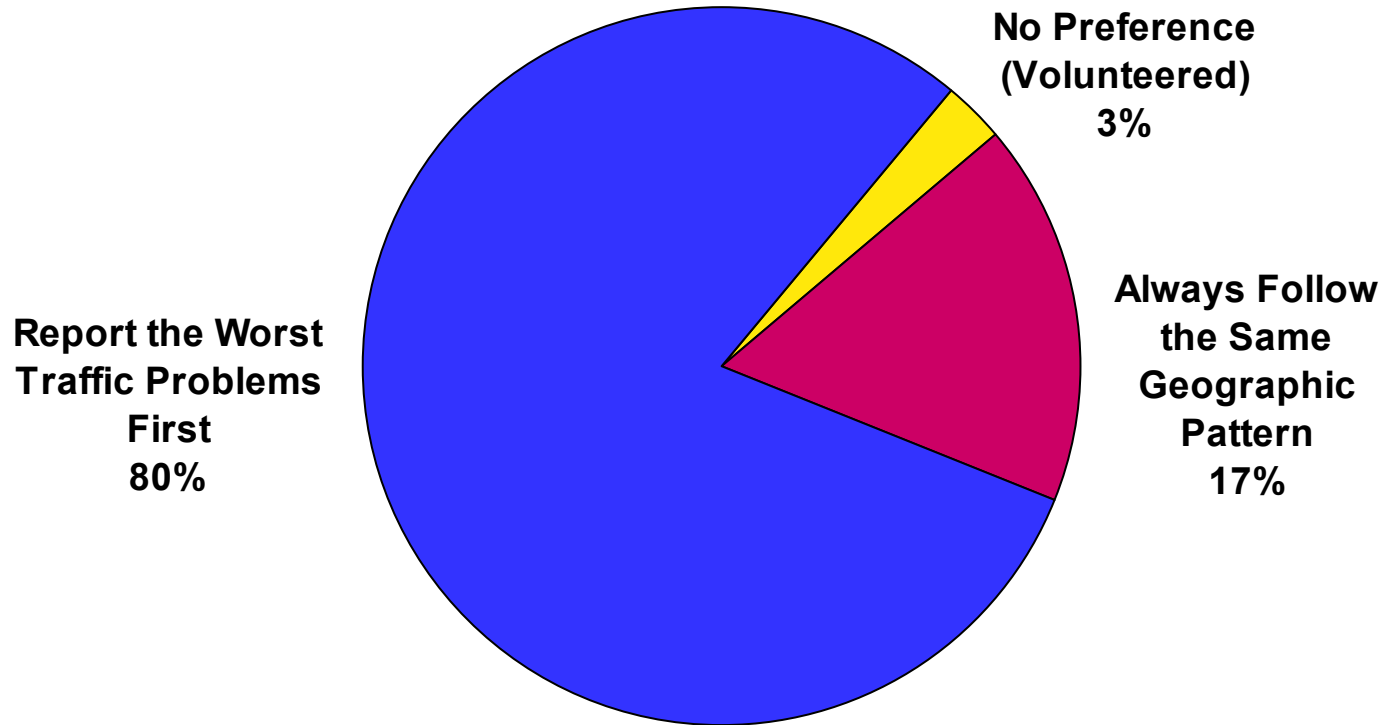


Base: Have Heard Radio Traffic Report in Last Month



Listeners Care About the Structure of Radio Traffic Reports

“Different radio stations report traffic problems in different ways. In your opinion, how should traffic be reported on the radio?”

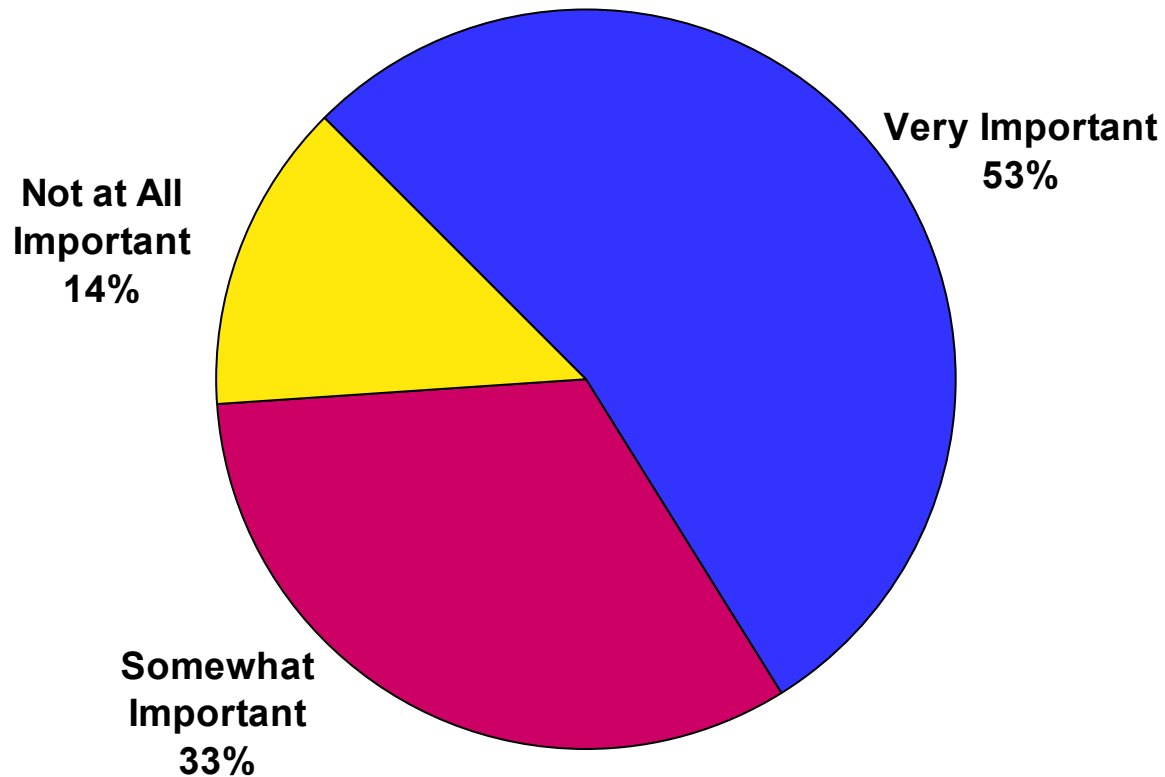


Base: Have Heard Radio Traffic Report in Last Month



Listeners Want to Know the Best Ways to Avoid Traffic Problems

“How important is it that traffic reporters tell you about alternate routes when there are problems on the road?”



Base: Have Heard Radio Traffic Report in Last Month



In-Car Buying Decisions



Exploring the Power of Recency for In-Car Advertising

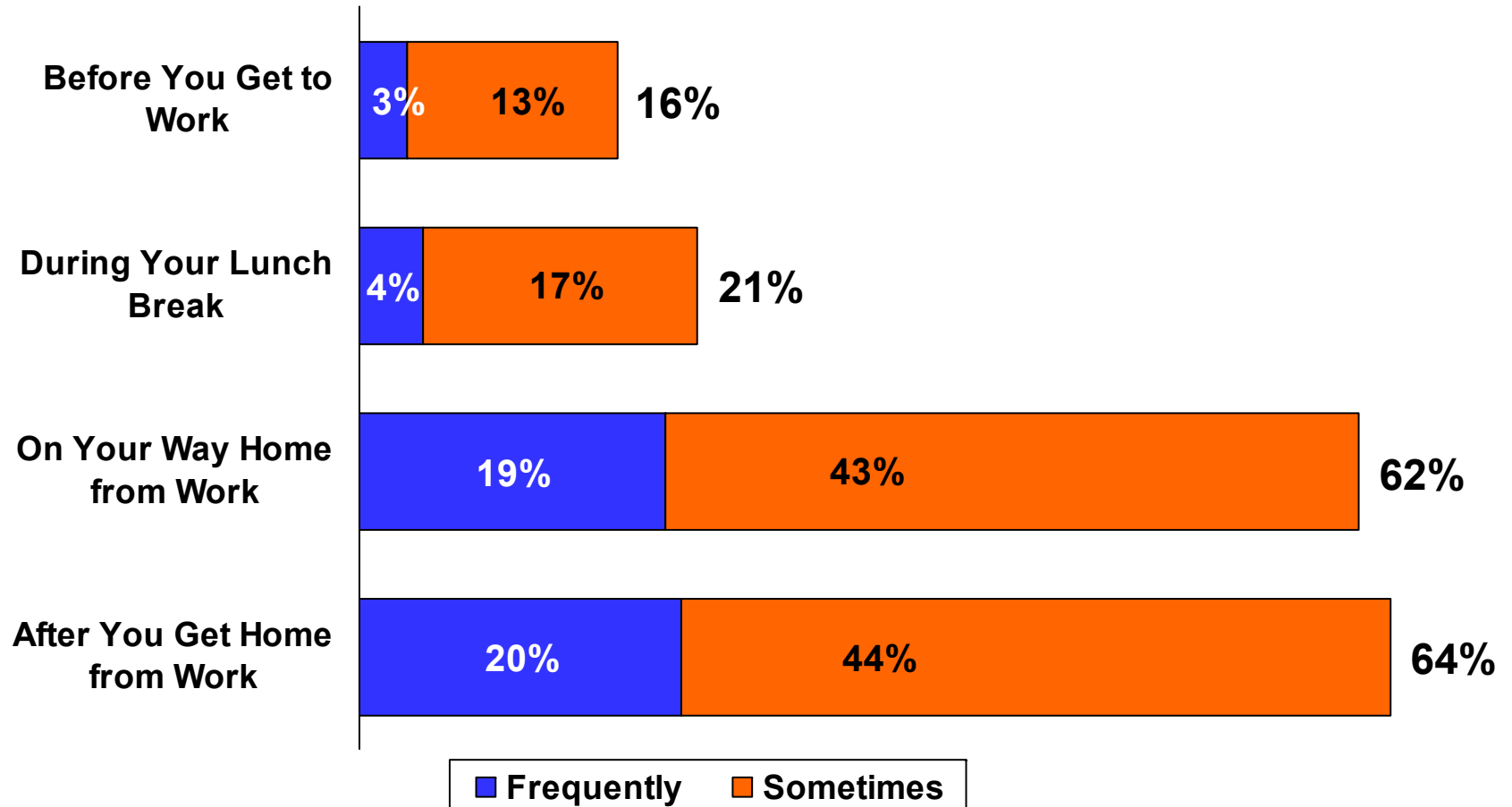
- **Recency** planning starts with the idea that *when* is the critical variable rather than *how many*—in other words, advertising effects can also be controlled by *when* the message is received.

How Important Is It to Reach a Consumer in the Car?



Targeting Consumer Close to Purchase? The Real Value Is in the PM

“In the course of a typical workweek, how often do you shop...?”

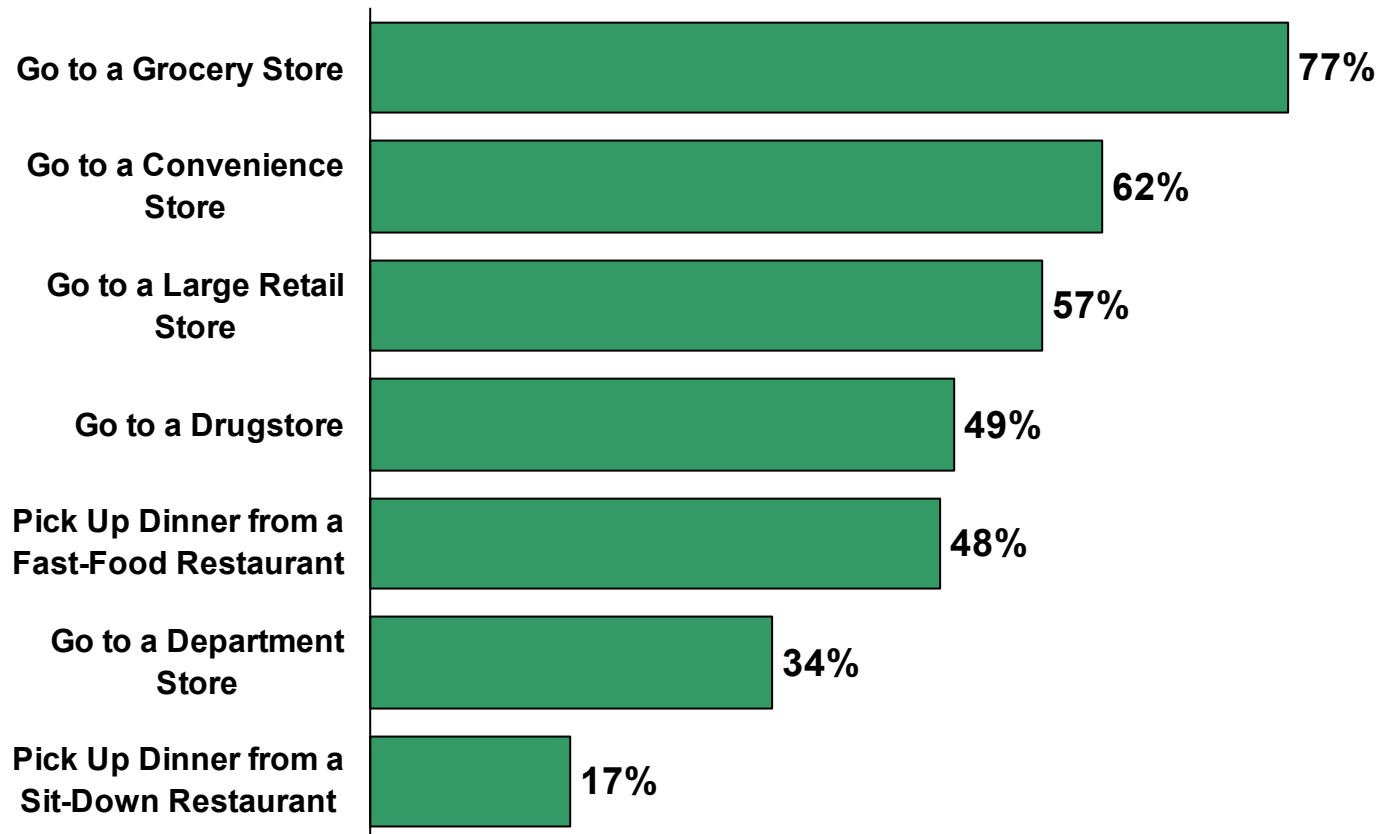


Base: Work Full/Part Time



Workers Make Many Stops on the Commute Home

“In the last month, have you stopped on your way home from work to...?”

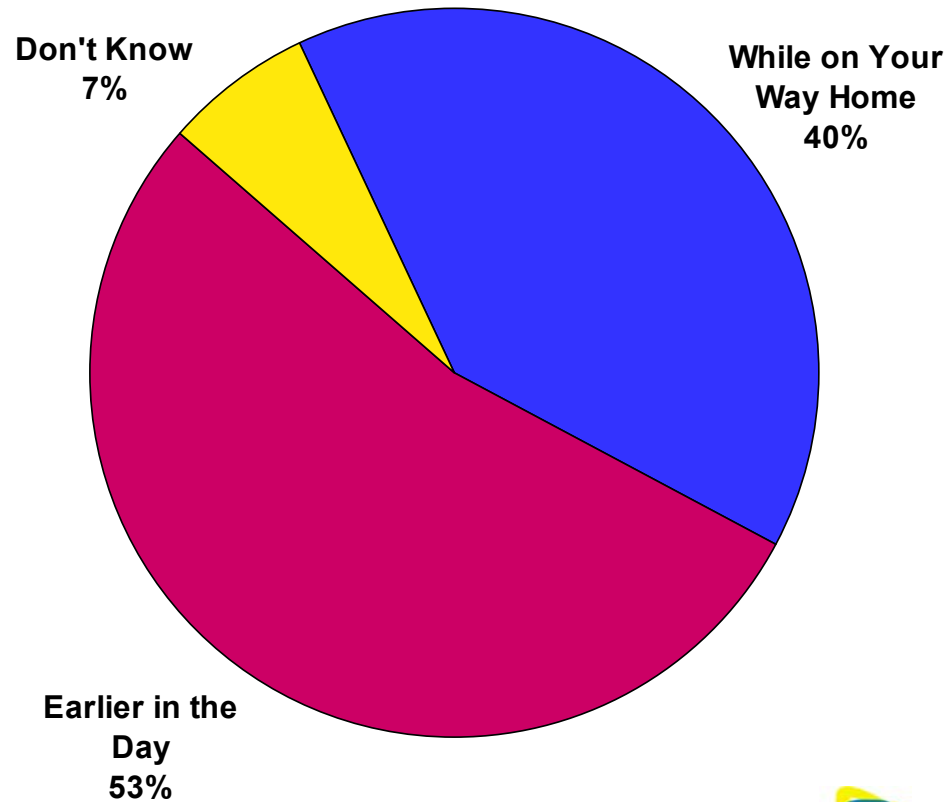


Base: Work Full/Part Time



Two Out of Five Consumers Don't Make the Decision to Shop Until the Last Minute

“In general, when do you usually make the decision to stop at a store on your way home from work?”

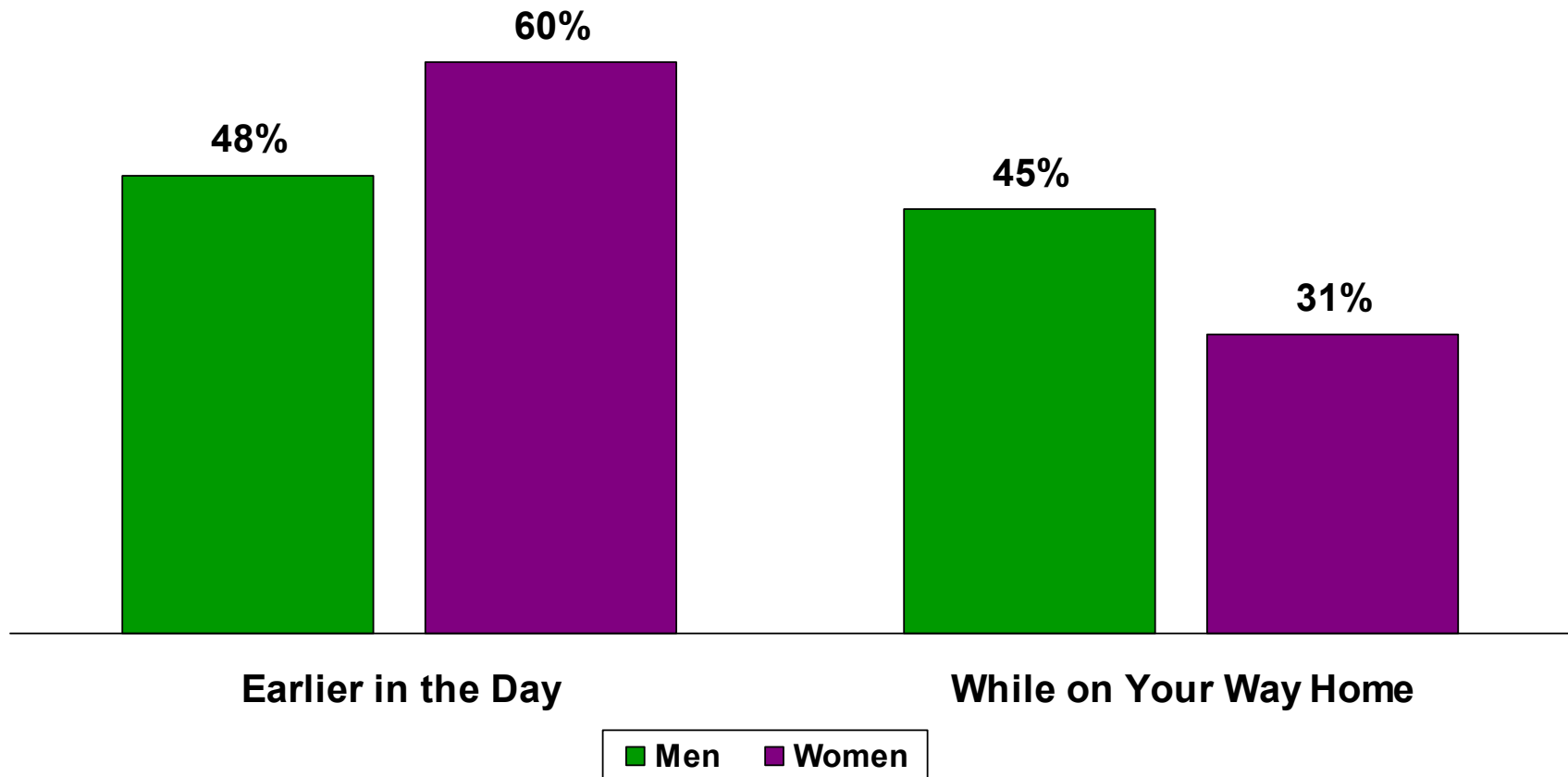


Base: Work Full/Part Time



Men Are More Likely to Be Last-Minute Shoppers

“In general, when do you usually make the decision to shop at a store on your way home from work?”

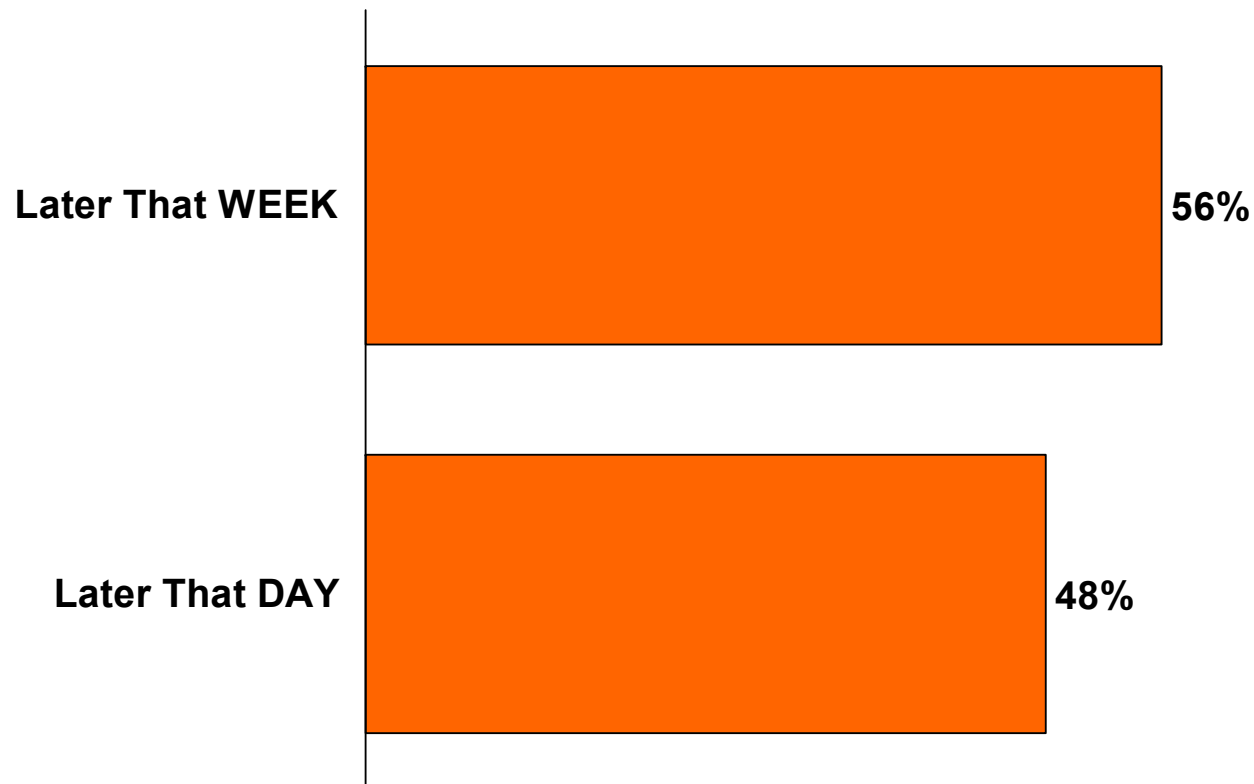


Base: Work Full/Part Time



In-Car Commercials Can Deliver Immediate Results for an Advertiser

“While listening to the radio while in a car, have you ever heard of a sale or special that motivated you to visit a certain store...?”



% Saying "Yes"

Base: Total Population 12+



Who Is the Heavy In-Car Consumer?

Category	Index
\$100K+ HH Income	142
In-Car Radio Listening (Quarter-Hours)	137
Male	131
Age 35-54	131
Four-Year Degree or Higher Education	112
TV Time Spent Viewing	92



Base: Drive/Ride in Car More than 260 Miles Per Week



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Recommendations/ Issues to Consider



Recommendations/ Issues to Consider

1. In-car listening is important to all stations

- Large and small markets
- All formats

Recommendations/ Issues to Consider

2. Know the in-car listening patterns of your market and your audience

Stations in markets with especially heavy in-car listening might need to rethink their strategies:

- Traffic report implications
- The way your station programs its stop sets
- People frequently change the station in the car; consider long sweeps in high in-car listening hours



Recommendations/ Issues to Consider

3. Consider radio preset button strategies

- Most people seldom change their preset buttons
- Almost all in-car listening is to preset stations
- What has your station done to get listeners to give you a preset (especially after a format change)?
- Consider creative preset strategies (e.g., potential partnerships with local car dealerships?)

Recommendations/ Issues to Consider

4. Sales staffs need to promote to advertisers the concept of shopping “prime time”

Take advantage of the fact that many are shopping on their way home from work. Consider strategies to help advertisers target the in-car listener and after-work shopper.

Recommendations/ Issues to Consider

5. Radio must increase its investment in in-car technology to defend its turf

People want to know the title and artist of a song and to be able to search for a station by format. Satellite radio offers these features now.



Recommendations/ Issues to Consider

6. Advertisers should target radio and outdoor more aggressively

People are spending more and more time in cars

Recommendations/ Issues to Consider

7. Radio must expand its appeal among 12- to 24-year-olds

Today's young consumer is not learning the radio habit, in-car or elsewhere, in nearly the numbers of previous generations. Radio groups must aggressively target this vital segment.

