The Value Of Southern California Radio To The Auto Industry

February 2019
Background

Nielsen, in partnership with SCBA, measured the effectiveness of local auto dealer campaigns in Los Angeles & San Diego

The campaigns featured 60 second radio spots promoting Summer deals

The radio campaigns ran continuously through the data collection period June 29 – August 9, 2018

Nielsen surveyed 900 Radio Listeners in Los Angeles & San Diego
Methodology

Objective
The purpose of this study is to better understand the consumer impact of auto dealer ads on local Broadcast radio. Specifically, the research will evaluate the effectiveness of the radio campaigns in driving a lift in key brand metrics.

Methodology
The study was conducted through an online panel and used an exposed/control methodology.

Nielsen recruited 900 Broadcast radio listeners ages 21-64. Respondents were evenly distributed in LA & San Diego.

Respondents who listened to campaign stations in the past week were assigned to the Exposed Group.

The total sample contains 287 Auto Intenders – those planning an auto purchase in the next 12mos.

Respondents who did not listen to campaign stations in the past week were assigned to the Control Group.

Respondents took a brief screener before taking a survey used to measure lift across key brand metrics. Respondents then listened to radio creative and took a post-survey to measure creative diagnostics.

Nielsen performed Statistical Significance testing. “^” Arrows indicate statistically significant differences @ 90% confidence.
Methodology

Sample Targets

Not Exposed

312
Representative Sample of A21-64

138*
Oversample – Auto Intenders

450
Total Sample

Sample Targets

Exposed

303
Representative Sample of A21-64

149*
Oversample – Auto Intenders

452
Total Sample

*Note: 25% of the Representative Sample and 26% of Auto Intenders are Hispanic
## Demographics

### Not Exposed

<table>
<thead>
<tr>
<th>Gender*</th>
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<tbody>
<tr>
<td>Male</td>
<td>37%</td>
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<tr>
<td>Female</td>
<td>63%</td>
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<table>
<thead>
<tr>
<th>Age*</th>
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<tbody>
<tr>
<td>21 to 34</td>
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<th>Household Income*</th>
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<td>56%</td>
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<tr>
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### Exposed

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### Likelihood of buying/leasing new vehicle next 12 mos.*

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| May or may not | 35% |

| Definitely/probably will not | 52% |

| May or may not | 35% |

| Definitely/probably will not | 52% |
Important Groups

Exposed Group
Radio listeners who listened to stations airing the local Auto Dealer campaigns in the past week

Not Exposed Group (Control)
Radio listeners who did not listen to campaign stations in the past week

Auto Intenders
Radio listeners who plan to buy an auto in the next 12 months
Key Findings From This Exclusive Southern California Automotive Study

- Broadcast radio drives online research to both search engines and dealer websites
- Broadcast radio significantly improves consumer perception of dealer brand health
- Broadcast radio increases dealer visits and purchase
- Broadcast radio’s creative messaging (words and phrases) increases relevance
Automotive Purchase Funnel

Consumers make their way through the funnel on the path to purchase.
Southern California Radio
Drives Auto Dealer Brand Health & Sales

Purchase 3x
Broadcast Radio Helps SoCal Auto Dealers Stand Out From The Competition
Broadcast Radio Increases Brand Perceptions

Radio campaigns deliver significant increase in SoCal Dealer perceptions among Auto Intenders

- **Has a great selection of vehicles**: 55% vs. 78%
- **Has convenient locations**: 49% vs. 72%
- **Offers a competitive price**: 38% vs. 72%
- **Is a dealer you trust**: 37% vs. 70%
- **Offers attractive financing terms**: 34% vs. 67%

*Radio Exposed Auto Intenders vs. Un-exposed

^ = Significant difference at 90% confidence
Each Respondent Was Exposed To And Evaluated A Broadcast Radio Ad From The Campaign That Ran In His/Her Local Market

Listened to 60 second spot with the following copy points:

- Summer deals
- Large inventory
- Dealer programs
- Attractive financing
- Knowledgeable staff
- Vehicle attributes
SoCal Radio Helps Auto Dealers Stand-out

Over half of all listeners and 3-in-4 Auto Intenders felt the Radio ads made them think the dealer is different from the rest.

71% Radio Exposed Auto Intenders

57% Total Radio Listeners

It made me think the dealer was really different.
The points made in the ad were relevant to me.

SoCal Radio Dealer Ads Are Relevant

9-in-10 Auto Intenders found the auto dealer ads to be relevant

Among those who listened to the ad:
Q20. Thinking about the ad you’ve just heard for (dealer), please indicate how strongly you agree or disagree with each of the following statements. (Top 2 Box on a 5-point agreement scale)

87% Radio Exposed Auto Intenders
72% Total Radio Listeners

14
Majority of listeners felt the dealer ads contained new information

SoCal Radio Dealer Ads Were Well Branded

83%

78%

Radio Exposed Auto Intenders

Total Radio Listeners

It contained new information about the dealer.

Among: Listened to the ad
Q20: Thinking about the ad you’ve just heard for (dealer), please indicate how strongly you agree or disagree with each of the following statements. (Top 2 Box on a 5-point agreement scale)
SoCal Radio Dealer Ads Were Well Branded

9-in-10 Auto Intenders would remember which dealer the ad was for

I would definitely remember ad was for the dealer.

89%
Radio Exposed Auto Intenders

84%
Total Radio Listeners

Among: Listened to the ad
Q21. Thinking about the ad you’ve just listened to for [insert brand], which one of the phrases below applies to this ad?
Broadcast Radio Drives Auto Dealer Brand Health
Broadcast Radio Increases Auto Dealer Favorability

3-in-4 Exposed Auto Intenders have favorable opinion of the dealer

Radio Exposed Auto Intenders

75%

Not Exposed

51%

Radio Exposed Auto Intenders have higher favorability of the dealers than unexposed radio listeners

^ = Significant difference at 90% confidence

Q10: Even if you have not shopped there before, how do you view the following dealerships?
Broadcast Radio Drives Word-Of-Mouth For Dealers

Radio exposed Auto Intenders more likely to recommend the dealer

- Recommendation

72% Radio Exposed Auto Intenders
44% Not Exposed

Auto Intenders exposed to dealer ads on Radio

+64% higher likelihood to recommend the dealer than unexposed Radio listeners

^ = Significant difference at 90% confidence

Among: Aware of Dealer
Q12. If asked by someone, how likely are you to recommend each of the following automotive dealerships? (Top 2 Box)
Broadcast Radio Boosts Consideration for Auto Dealers

4-in-5 radio exposed Auto Intenders are likely to consider the dealer for their next vehicle.

Consideration

80%  44%

Radio Exposed Auto Intenders  Not Exposed

+82% higher consideration for the dealers than unexposed radio listeners

^ = Significant difference at 90% confidence

Among: Aware of Dealer
Q12. How likely are you to consider each of the following automotive dealerships the next time you are in the market for a vehicle? (Top 2 Box)
Local Radio Drives Online Activity For SoCal Auto Dealers
Broadcast Radio Drives Digital Action

1-in-2 Auto Intenders went online to search for more information after hearing the ad

According to Nielsen Scarborough, there are 4,600,000 Auto Intenders in Southern California

Used A Search Engine OR dealer website

Radio Exposed Auto Intenders

Not Exposed

53%

25%

Auto Intenders who recall hearing the dealer ads on Radio

2x more likely to use search engine or dealer website vs. unexposed listeners

^ = Significant difference at 90% confidence
Broadcast Radio Drives Digital Action

1-in-3 Auto Intenders went online to search more information after hearing the ad

Among: Recalled radio advertising for dealer
Q15. Which of the following actions, if any, did you take after recently hearing the radio advertising for (dealer)?

Used A Search Engine To Get Info

38% 14%

Radio Exposed Auto Intenders ^
Not Exposed

Auto Intenders who recall hearing the dealer ads on Radio
2.5x more likely to search online for more info vs. unexposed listeners

According to Nielsen Scarborough, there are 4,600,000 Auto Intenders in Southern California

^ = Significant difference at 90% confidence

Among: Recalled radio advertising for dealer
Q15. Which of the following actions, if any, did you take after recently hearing the radio advertising for (dealer)?
Broadcast Radio Drives Digital Action

1-in-3 Auto Intenders visited the dealer’s website after hearing the ad

Went To The Dealer’s Website

33% Radio Exposed

Auto Intenders ^

14% Not Exposed

According to Nielsen Scarborough, there are 4,600,000 Auto Intenders in Southern California

^ = Significant difference at 90% confidence

Auto Intenders who recall hearing the dealer ads on Radio

2.5x more likely to visit the dealer’s website vs. unexposed listeners

Among: Recalled radio advertising for dealer
Q15: Which of the following actions, if any, did you take after recently hearing the radio advertising for (dealer)?

Radio Exposed
Auto Intenders ^

Not Exposed

33%

14%
Broadcast Radio Delivers
Buyers For SoCal Auto Dealers
Among recalled radio advertising for dealer
Q15. Which of the following actions, if any, did you take after recently hearing the radio advertising for (dealer)?

According to Nielsen Scarborough, there are 4,600,000 Auto Intenders in Southern California

Radio Delivers Listeners To The Dealership
1-in-4 Auto Intenders visited the dealer after hearing the ad

Auto Intenders who recall hearing the dealer ads on Radio
7x more likely to visit the dealer’s location vs. unexposed listeners

Went To The Dealer’s Location

Radio Exposed Auto Intenders
23%

Not Exposed
3%

^ = Significant difference at 90% confidence

Radio Exposed
Auto Intenders
^
Among: Recalled radio advertising for dealer
Q15. Which of the following actions, if any, did you take after recently hearing the radio advertising for (dealer)?

According to Nielsen Scarborough, there are 4,600,000 Auto Intenders in Southern California

Auto Intenders who recall hearing the dealer ads on Radio

3x more likely to have purchased a vehicle from the dealer vs. unexposed listeners

According to Nielsen Scarborough, there are 4,600,000 Auto Intenders in Southern California

^ = Significant difference at 90% confidence

Broadcast Radio Drives Purchase

Better than 1-in-10 Auto Intenders purchased a vehicle from the dealer after hearing the ad

Purchased A Vehicle From The Dealer

13% Radio Exposed Auto Intenders ^

4% Not Exposed

Broadcast Radio Drives Purchase

Better than 1-in-10 Auto Intenders purchased a vehicle from the dealer after hearing the ad

Purchased A Vehicle From The Dealer

13% Radio Exposed Auto Intenders ^

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Southern California Radio
Drives Auto Dealer Brand Health & Sales among Auto Intenders
## Takeaways

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<th>#1</th>
<th>#2</th>
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<th>#4</th>
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<td>Auto Intenders* are most responsive to Dealer ads (*those in the market for a vehicle)</td>
<td>Radio drives significant branding results for SoCal auto dealers</td>
<td>Radio also improved dealer perceptions</td>
<td>Most important, radio caused listeners to take action after hearing the ads:</td>
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- Searching for more information online
- Driving traffic to the dealer website
- Visiting the dealership
- Purchasing a vehicle

Nielsen Campaign Effect Study – SCBA/Automotive Radio Campaign
Always-On Media Strategy

Utilize Multiple Platforms

Drive Sales With Radio

Individualize The Message

Optimize With 80% Broadcast

2017 Automotive Path To Purchase Study
Implications

** ALWAYS-ON MEDIA STRATEGY **

** UTILIZE MULTIPLE PLATFORMS **

** DRIVE SALES WITH RADIO **

** Recency Matters **

Intenders recently exposed on radio are impacted the most

Intenders recently exposed on radio take most action

** Media Mix Is Important **

AM/FM Radio drives digital activity

Radio ads push buyers to search engines & dealer website

** Local Radio Delivers Results **

Radio brings Intenders to the dealership

Intenders exposed to dealer ads on radio are more likely to purchase a vehicle