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Consumer Survey 2023

The Evolution of In-Car Experiences

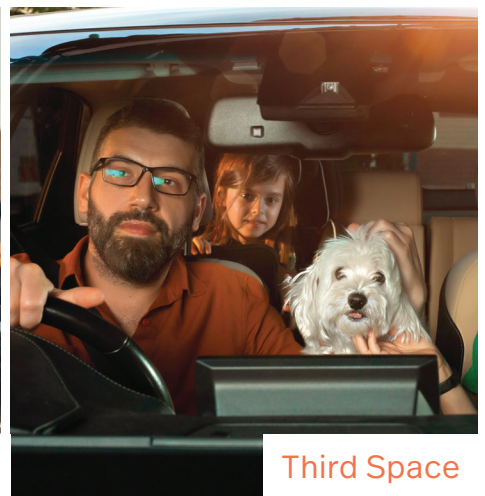
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Consumer Survey 2023

The Evolution of In-Car Experiences

This report stems from a survey commissioned by DTS in collaboration with market research consultants, Censuswide. The study – conducted between November 29th and October 3rd, 2023 – engaged 1,006 UK consumers aged 17 and above who presently own or lease a vehicle. Censuswide abides by and employs members of the Market Research Society and follows the MRS code of conduct which is based on the ESOMAR principles.

To provide a nuanced understanding, the findings in this report are examined both collectively and through a more granular lens that considers variables such as gender, age, and geographic location within the UK.



The Shift from Transportation to Personal Retreats

Our cars have undergone a remarkable evolution, transforming from utilitarian vessels to personalised, technology-filled environments. The once bare-bones interiors have given way to spaces that equal – and sometimes exceed – the comforts of our living rooms.

As our homes constitute the ‘first space’ and our workplaces the ‘second space,’ the car interior emerges as our ‘third space’ – a mobile place for us to relax and escape the stresses on us. The interiors of our vehicles have become a canvas for innovation and personalisation for a third space like no other.

With the fusion of cutting-edge technology and enhanced comfort features, today’s cars are poised to elevate the driving and getaway experience to new heights, adapting to the diverse needs and preferences of their occupants.

Charting Generational Variances in Third Space Perception

The survey results regarding the perception of vehicles as third spaces unveil a compelling generational trend. A notable 42% of respondents resonate with the idea that their vehicles are a sanctuary – a third space for relaxation and stress relief.

What becomes particularly apparent is the pronounced enthusiasm for this concept among the younger demographic. Almost two-thirds (65%) of respondents aged 17-24 affirm the significance of their vehicles as a third space closely followed by 61% of those in the 25-34 age bracket and 60% among the 35-44 age group.

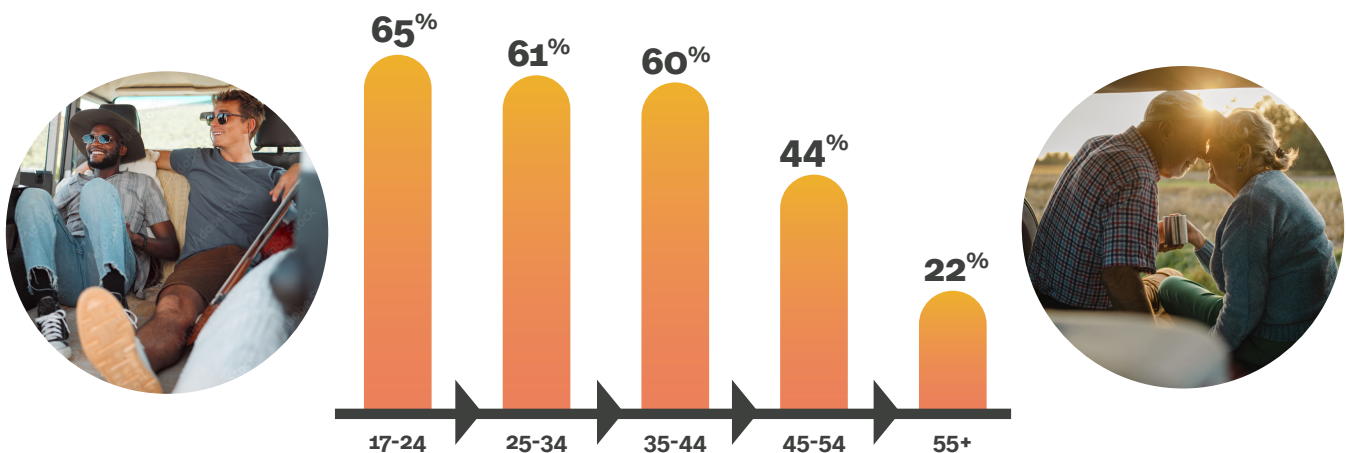


This progressive inclination sharply contrasts with the responses from individuals aged 55 and above, with just 22% identifying their vehicles as a third space.

It's also worth mentioning a gender-based difference in perception, with 46% of men – compared to 36% of women – identifying their vehicle as a third space. Although not as stark a difference as we see across the different age demographics, this still implies an affinity or higher prioritisation of vehicle interiors and experiences among male consumers.

This divergence in responses not only underscores the evolving role of cars in our daily lives but also stresses their growing importance, particularly among the younger generations. The car is no longer merely a mode of transportation – it has become a dynamic and integral part of personal space and leisure.

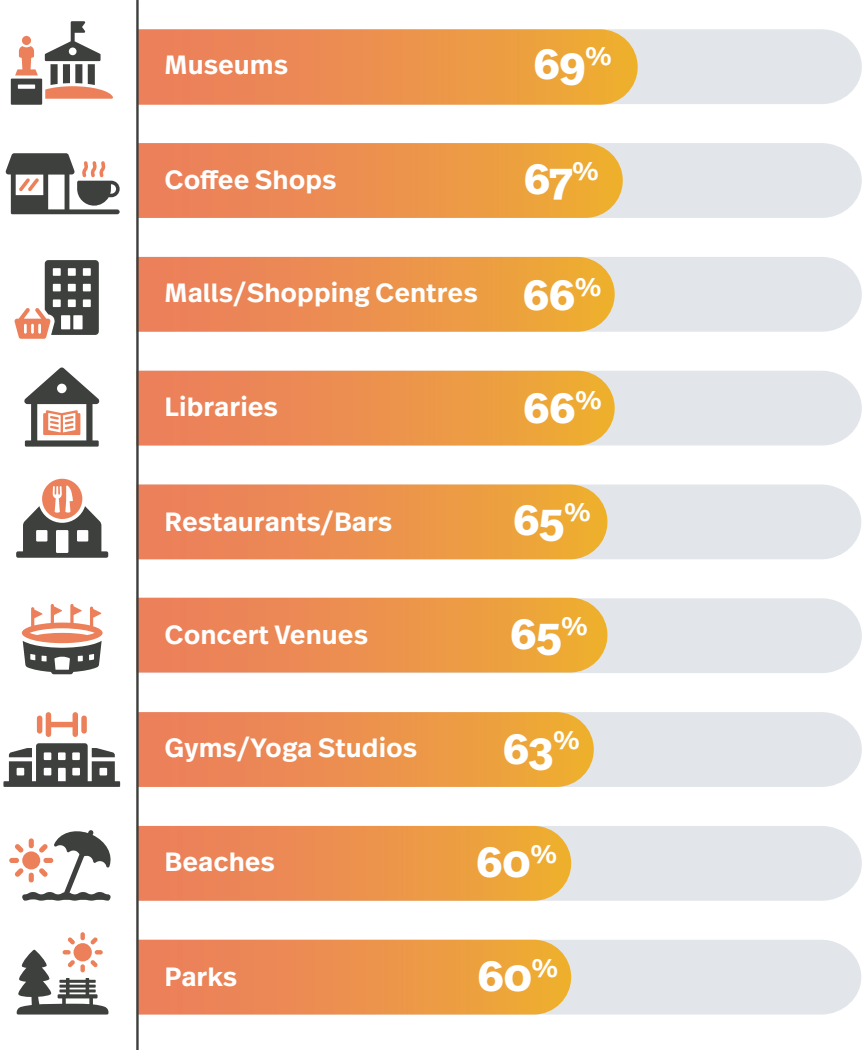
Those who view their vehicle as a third space



It's interesting to note that respondents who consider their vehicles as third spaces express a distinct preference for it over other commonly frequented third spaces. These include coffee shops, libraries, parks, and more.

When asked to evaluate the importance of these spaces in terms of relaxation and stress relief, a majority of UK consumers who view their vehicle as a third space rated their vehicles 'higher' or 'equal to' traditional alternatives. Notably, 69% for museums, while 67% regarded coffee shops and 66% malls/shopping centres as important or less important than their vehicles.

Percentage of consumers who rated their vehicles 'higher' or 'equal to' other third spaces:



We can see that a significant portion of respondents have been influenced by the personalisation and comfort offered by their vehicles. This elevates them to a level of importance, surpassing other conventional third spaces.

67%

say the in-car entertainment is important or very important to them.



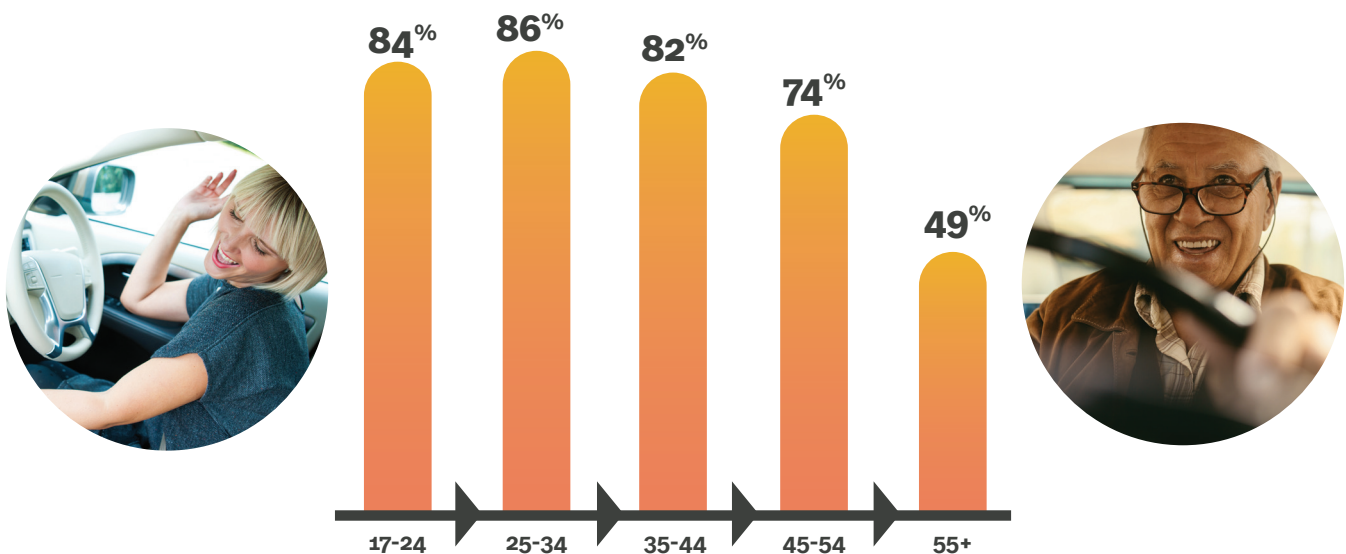
The Crucial Role of In-Car Entertainment

When thinking of vehicles as a third space, the significance of in-car entertainment systems takes centre stage in shaping the modern connected car experience. The evolving nature of this personal haven demands not only next generation technology but also a comprehensive range of entertainment options to cater to diverse preferences.

The survey unveils the integral role of in-car entertainment, with a resounding 67% expressing its utmost importance. Notably, this sentiment intensifies among the younger demographics, increasing to on average 84% for those aged 17-44, underscoring the growing significance of in-car entertainment for future generations buying cars.

Additionally, male respondents value the in-car entertainment experience more than females, with 73% expressing its importance, compared with 60% of female respondents.¹

In-car entertainment experience is either important or very important



81%

of 35-44 year olds
prioritise discovery
and personalisation.



Respondents who said the entertainment experience in their vehicle is 'Very important' or 'Important' underscored specific features that significantly influence their ideal in-car entertainment experience. Topping the list is the desire for uninterrupted digital radio access – even beyond traditional broadcast ranges – regarded as a priority for 72% of participants. This feature resonates most strongly with those aged 35-44, with 78% expressing its importance.



As well as digital radio, the demand for a broad spectrum of content remains a paramount consideration, with 67% of respondents emphasising its importance. Once again, this preference is most pronounced among the 35-44 age group, where 77% express a desire for a diverse range of options, ranging from local radio and streaming to podcasts and audiobooks.²

For two pivotal aspects that elevate the entertainment experience – discovery and personalisation – respondents express a desire for a seamless discovery process, with 64% emphasising the importance of having content relevant to their preferences readily 'discoverable' on the dashboard.

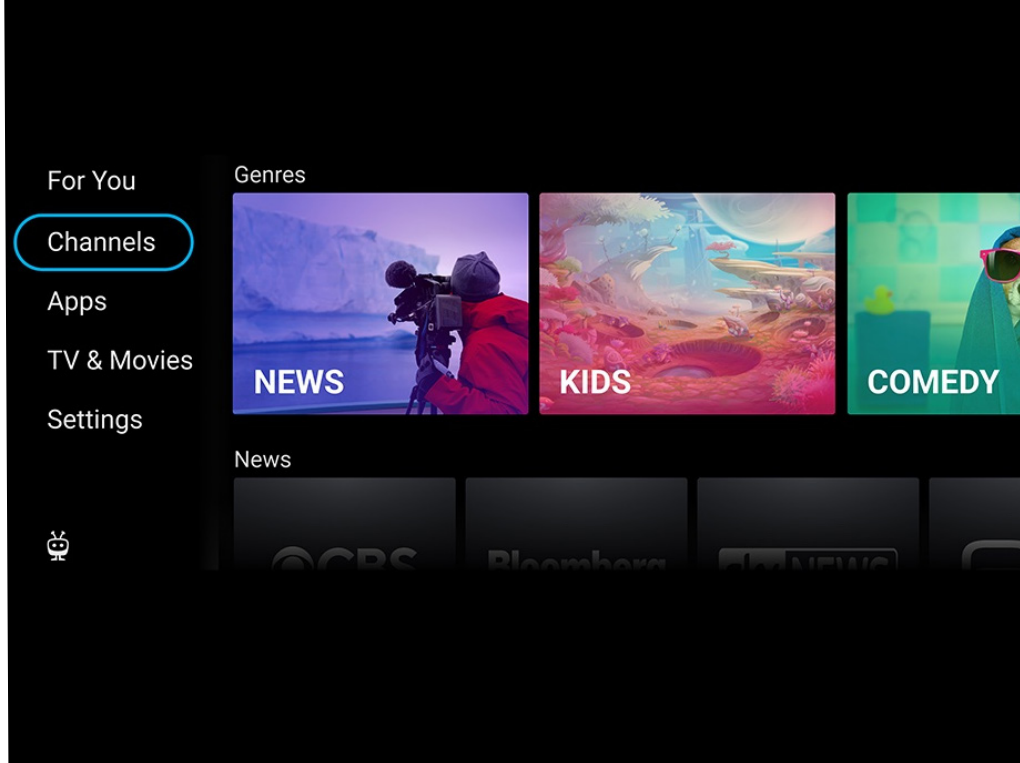
This is particularly pronounced in the 35-44 age group, where 74% prioritise this feature. Even among the older demographic – aged 55 and above – a significant 60% acknowledge the importance of effortless content discovery without the need for manual searching.³

This is where a video consumption experience that is enriched with metadata and functionality, makes it easy for users to discover what entertainment they are in the mood for thanks to algorithms primed to their preferences.

Favourites can be pushed to drivers and passengers (adjusting content for any children), all without any need to fiddle with the dashboard or search while driving – adding to the safety of the experience too.

59%

expressed a keen interest in **suggested content** that recognises their individual preferences or past choices.



Truly Personalised Experiences and Relationships

In fact, the quest for personalised content takes centre stage, with 59% of respondents expressing a keen interest in suggested content that recognises their individual preferences or past choices.

These findings highlight the increasing significance of tailored content curation and seamless discovery mechanisms, underlining the evolving expectations of users.

The survey underscores the significance of enriched content, emphasising the desire for visually and textually stimulating information about the music they enjoy. 58% express the importance of having rich details such as album cover images and biographical information about the artist and song they are listening to.

Within this preference, the 35-44 age group emerges as the most ardent advocates, with 74% expressing the importance of enriched content, followed by 70% of 25-34 year olds⁴.

This growing emphasis on enriched content aligns with the broader trend observed in this survey – a shift towards a more dynamic and personalised in-car entertainment offering. These features resonate strongly with millennials, a demographic currently in their prime spending years.

It's clear that in-car entertainment needs to become an extension of the home entertainment we have all gotten used to, to make vehicles even more captivating and enjoyable experiences.

The fact dashboards of the future will be able to continuously refresh with over-the-air updates presents a significant opportunity. As the in-vehicle infotainment landscape evolves, a personal connection between consumer and automotive manufacturer can be established beyond the initial car purchase.

The more users are enjoying the vehicle entertainment system, the more time they will spend in their vehicle, and the more opportunities car brands have to offer additional features and options to extend that relationship.

42%

expressed a desire for an in-vehicle entertainment experience that goes beyond mirroring their smartphone.



Unleashing Extraordinary Experiences in Your Vehicle

In the pursuit of a vehicle that transcends mere transportation, the aspirations of the modern consumer extend beyond the ordinary. Millennials, in particular, stand out in their inclination to invest in a vehicle that promises not just mobility but an immersive and tailored experience.

Half (50%) of millennials express a preference for a vehicle model that recognises and automatically adjusts driver and passenger preferences – from seat and temperature adjustments to steering wheel alignment and mood-enhancing music – prioritising optimal ergonomics, comfort, and overall wellness within the vehicle.

The evolution of in-car entertainment also takes centre stage, with 46% expressing a preference for a dashboard entertainment platform that autonomously and continuously updates to keep pace with the digital and virtual evolution. This desire reflects a keen interest in a dynamic entertainment system that not only stands the test of time but also remains at the forefront of technological advancements throughout the vehicle's lifespan.

Smart, Safe and Enjoyable Mobility



Respondents envision a comprehensive in-vehicle built-in experience that fulfils the uniqueness of their third space and goes beyond replicating a smartphone system. This sentiment is echoed by 42%⁵ of respondents who express a desire for an in-vehicle entertainment experience that goes beyond mirroring their smartphone. This includes a personalised, high-quality audio experience, easily discoverable content, adaptive in-cabin environment adjustments, and integrated safety technologies that provide alerts for distracted or drowsy driving.

To deliver on this future, automotive companies should consider how best to avoid giving up control of the prime real estate in the dash to big tech companies that want to own the consumer relationship. The car companies that will maximise their business opportunities in the future are those which can maintain that critical relationship between car owner and automaker through offering modern, bespoke, personalised content and safety experiences in the vehicle.

Driving into a Future of Unparalleled Experiences

As we navigate the evolution of in-car experiences, this survey illuminates a shift in the way we perceive our vehicles – not merely as modes of transportation, but as dynamic and immersive third spaces that uniquely blend personalisation and entertainment.



The car has emerged as a sanctuary, offering a retreat from the mundane, transforming into a haven where individuals can truly tailor their experiences.

Our findings resonate with the understanding that the car, with its carefully crafted interiors and attention to detail – constitutes the best audio environment most individuals possess. In an era dominated by the attention economy, the car stands as a unique and captivating space, commanding the undivided attention of its occupants.

Crucially, the survey highlights that the younger generations – especially males – armed with

disposable income and a taste for immersive experiences are at the forefront of this transformative wave. Their demands for personalisation, engagement – and a seamless blend of entertainment – are driving the industry toward new frontiers. This demographic shift not only heralds exciting opportunities for monetisation but also opens up endless new markets for car companies.

Looking ahead, the future of in-car entertainment lies in versatility. Bringing together independent, connected radio, audio and video, in vehicles will deliver a globally scalable solution. This adaptable ecosystem is poised to adjust rapidly to the changing automotive landscape, offering a continuously evolving third space experience.

Endnotes

1. 'Very Important' and 'Important' responses combined
2. 'Extremely Important' and 'Important' responses combined
3. 'Extremely Important' and 'Important' responses combined
4. 'Extremely Important' and 'Important' responses combined
5. 'Strongly Agree' and 'Agree' responses combined



About DTS, Inc.

Since 1993, DTS has been dedicated to making the world sound better. Through its pioneering audio solutions for mobile devices, home theater systems, cinema and beyond, DTS provides incredibly high-quality, immersive and engaging audio experiences to listeners everywhere. For more information, please visit www.dts.com.

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