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Consumer Survey 2023

From In-Vehicle Entertainment to Integrated In-Cabin Experience

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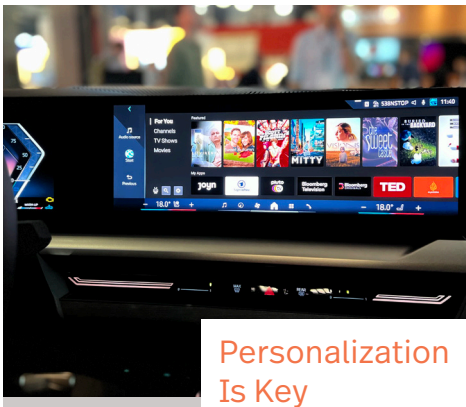
Consumer Survey 2023

From In-Vehicle Entertainment to Integrated In-Cabin Experience

Today's Consumers Want Much More Than a Cell Phone on Wheels

This new study of U.S. car owners/lessees reveals that, as the importance of the vehicle as a third space grows, U.S. consumers are highly valuing in-vehicle entertainment, especially if personalized and comprehensive; that AM radio is indispensable to most, and video increases the likelihood to buy a particular vehicle.

This report, commissioned by DTS, Inc., presents the findings of a survey conducted by Censuswide among 1015 U.S. Consumers who currently own or lease a vehicle (17+). The survey was fielded between 09.29.2023 - 10.03.2023. 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.



As the role of the personal vehicle continues to evolve into much more than just a way to get from point A to point B, what consumers want from the interior of that vehicle, particularly when it comes to its role as an important third space, versus the home and office, is becoming more complex. While, in many ways, consumers want the transition from their home to vehicle to be seamless – a place that knows them as well as their favorite chair and instantly adapts not only to their comfort and wellness needs, but also to their entertainment preferences from video to music – they also want it to be another space entirely, distinct from home, work, library, coffee shop and their mobile device – and this is particularly true of younger consumers.

This report explores what it is consumers want in the vehicle cabin of today and tomorrow.

56%

Want Their Dashboards to Be More Than a Mirror of Their Phones



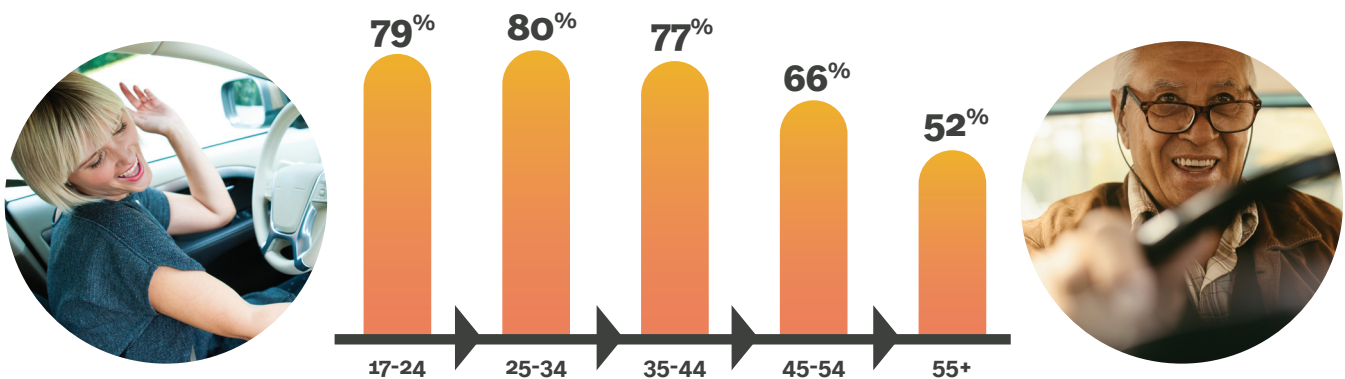
In-Vehicle Entertainment Important to Majority of Consumers Surveyed, Especially Those Younger Than 44

While today's dashboards are often a mirror of the consumer's cell phone, 56% of today's car owners reject that, saying they want much more from their in-cabin entertainment experience than just a cell phone on wheels.

They want it to “be personalized to their entertainment preferences, offer the highest quality audio experiences, make all content easily discoverable, adjust the in-cabin environment (seat position, temperature, etc.) to their comfort and wellness preferences, incorporate safety technology that sends alerts (e.g., distracted/drowsy driving) and constantly update to meet digital advances and evolving needs.” And these results are especially compelling among younger consumers, with well over 2/3rds of those aged 25-34 (71%) and two-thirds of those aged 35-44 (66%) agreeing with this vision of the dashboard¹.

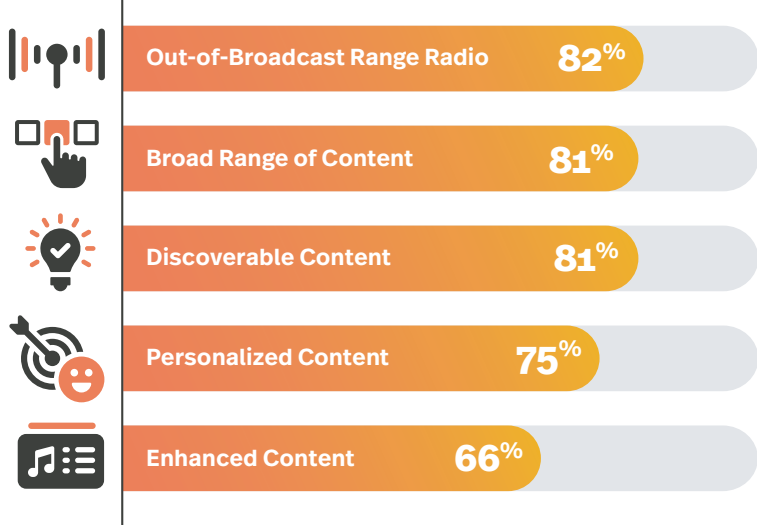
So, it is not surprising that the vast majority (65%) of consumers surveyed – and around 80% of those 44 and under – say in-vehicle entertainment is important to them².

In-Vehicle Entertainment Is Important, By Demographic



Consumers Want Rich, Comprehensive, Discoverable, Personalized, and Seamless Content

What Do Consumers Want In-Vehicle Entertainment to Look Like?



Of those who say the in-vehicle entertainment is very important or important, having a broad range of content (local radio, streaming, podcasts, audio books, etc.) is key, with 81% saying that this is important or extremely important.

An equal number (80%) say that accessing relevant, easily ‘discoverable’ content (i.e., recommended in the dashboard) without looking for it, such as local radio, streaming, podcasts, audio books, etc., is important or extremely important. And nearly as many, 75%, indicated that content being personalized, i.e. suggested content that recognizes individual preferences or past choices, is important or extremely important.

Enhancing that content with rich visual/textual information (i.e. album cover images, biographical info) about the artist and song listened to is important or extremely important to over 3 in 5 (63%), while being able to continue listening to a radio station digitally when the vehicle has gone out of broadcast range is important or extremely important to the vast majority – 82%.

In-Cabin Video Interest Is High, Especially for Under 44s; Video Influences Purchase Decisions Positively

Over two-thirds of those surveyed between the ages of 17 and 44 (67% of those 17 - 34/68% of those 35-44) are interested in having video, including live TV and on-demand streaming available as part of their vehicle dashboard/screen entertainment choices; and, of significance to automakers, around the same percentage of that younger demographic (70% of those 17-24, 66% of those 25-34 and 65% of those 35 - 44) say that having high-quality video capability in the dashboard/screens in a specific vehicle model/brand would make them more likely to purchase that vehicle. Overall, across

In-Cabin Video Increases Likelihood to Purchase a Vehicle for Younger Consumers



all demographics, nearly half (46%) are interested in video and more likely to purchase a specific brand if it is included³.

And, consumers want that video safely: over a third (37%), the most, said that if the video only operates when the vehicle is parked and/or only on passenger screens, it would make them *more likely* to want video as part of the dashboard/infotainment experience. Having children (29%) and being able to watch video while charging their vehicle/taking a break (28%) are positive influencers for over one-in-four overall.

So, if consumers want in-vehicle video, that means radio is dead, right?

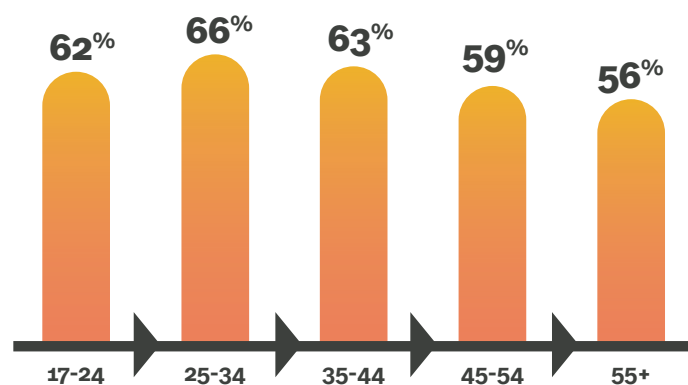
Absolutely not, in fact AM radio is deemed *essential* to the in-vehicle experience by the vast majority.

AM Radio Is Essential – Especially to Younger Consumers

Consumers, overall, agree (60%) that AM radio, which offers emergency/weather disaster updates, local content, community news, sports, and live, real-time traffic reports, is an indispensable part of their vehicle's dashboard. Interestingly, it is most important¹ to those 17 – 44 than to those 45 and over.



AM Radio Is Indispensable, By Demographic



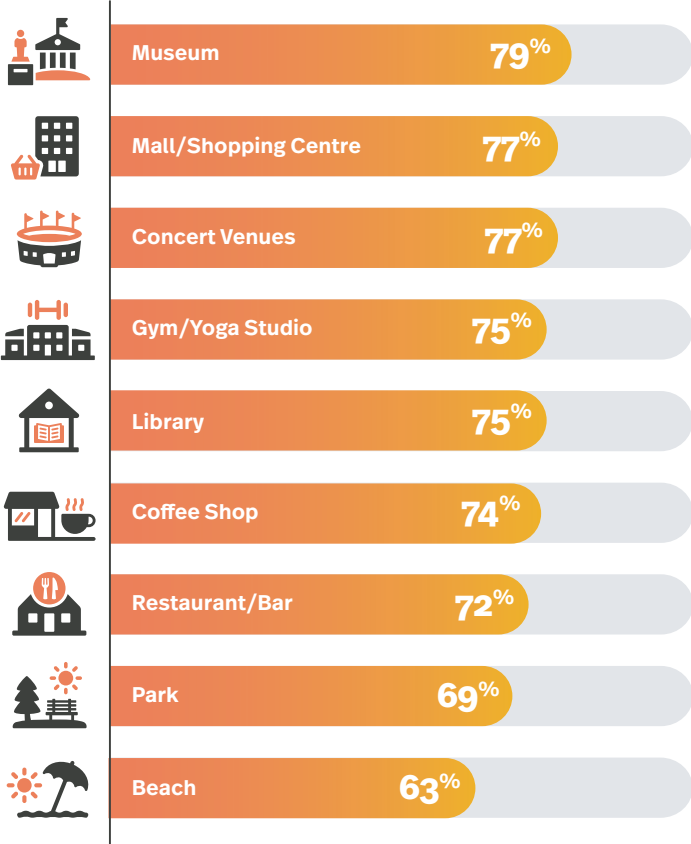
Vehicle as a Third Space Increasingly Important, Rivaling or Outpacing Traditional Third Spaces

The importance placed on in-vehicle entertainment by consumers, the survey indicates, could be an outgrowth of its increasing importance as a third space. Survey takers were asked if they viewed their vehicle as a third space (a place to relax, escape the stresses of work versus where they live or work) and, in turn, to compare it in importance to traditional third spaces (coffee shop, park, etc.). Fifty percent said they viewed their vehicle as a third space. Strikingly, those between 25 and 34 indexed the highest, with 74% of those viewing their vehicle as a third space.

And the vehicle is definitely on a par with, or outpacing, other third spaces, with the majority saying that their vehicle is *equally as*, or *more* important, as their third space than a coffee shop, library, park, gym/yoga studio, shopping mall, beach, museum, restaurant/bar and concert venue.

This comfort with the vehicle as a third space appears to be leading consumers to be even more forward-thinking as they ask more of the in-cabin experience, from medical diagnostics to personal preferences.

Percentage of consumers who view their vehicle as a third space that say their vehicle is more important or as important as these third spaces⁴:



70%

Agree That Personalization of Entertainment Is Important



A Vehicle That Knows Me

Having an in-vehicle, built-in entertainment experience that automatically personalizes to a consumer's particular tastes/interests is important to 70%⁵ of those surveyed – and the largest number (35%) say it is very important because it means that they 'don't have to fiddle with controls when they are driving,' followed by those saying it is important 'because there is so much content clutter, which makes it hard to find what they are looking for' (23%) and because 'they are used to having relevant content pushed to them on other digital platforms' (17%).

Top 3 Reasons Why Entertainment Personalization Is Important



Very Important Because It Means I don't Have to Fiddle with Controls When I am Driving



Very Important Because There Is So Much Content Clutter, It Is Hard to Find What I Like



Very Important Because I am Used to Having Relevant Content Pushed to Me on Other Digital Platforms

CONCLUSION

Adaptable, Progressive Technology is Key to Automakers Evolving with Customer Needs



No one knows for sure what the future holds, but, as this report illustrates, today's consumers are making it clear that the innovation of in-cabin entertainment must go well beyond a jumble of apps from Big Tech on the dashboard – and provide experiences that are integrated and personalized. This offers major opportunities for automakers to take ownership of the dashboard experience, enhancing and solidifying their relationship with their car owners by offering more robust, personalized and progressive entertainment platforms.

Video in the dash is a big part of this and automakers would do well to heed that over two-thirds of their most important demographic (across all those aged 17–44) say that having high-quality video capability in the dashboard/screens would positively influence their vehicle purchase choice³. But, survey takers were also clear that radio remains the essential anchor for the dashboard, especially among the younger cohort who will drive what the next generation of in-vehicle entertainment will look like.

As these consumers raise their hands for an experience that makes the vehicle cabin a customizable, content-rich and comfortable third space, today's technology offers automakers a unique opportunity to adopt progressive in-cabin platforms that can adapt rapidly to meet the evolving needs and preferences of their customers.

Endnotes

¹ 'Strongly agree' and 'Agree' responses combined

² 'Very important' and 'Important' responses combined

³ 'Much more likely' and 'Slightly more likely' responses combined

⁴ Data does not include those who say they don't know or N/A and combines 'Equally as important' and 'Less important' responses

⁵ All 'Very important' and 'Somewhat important' responses



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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