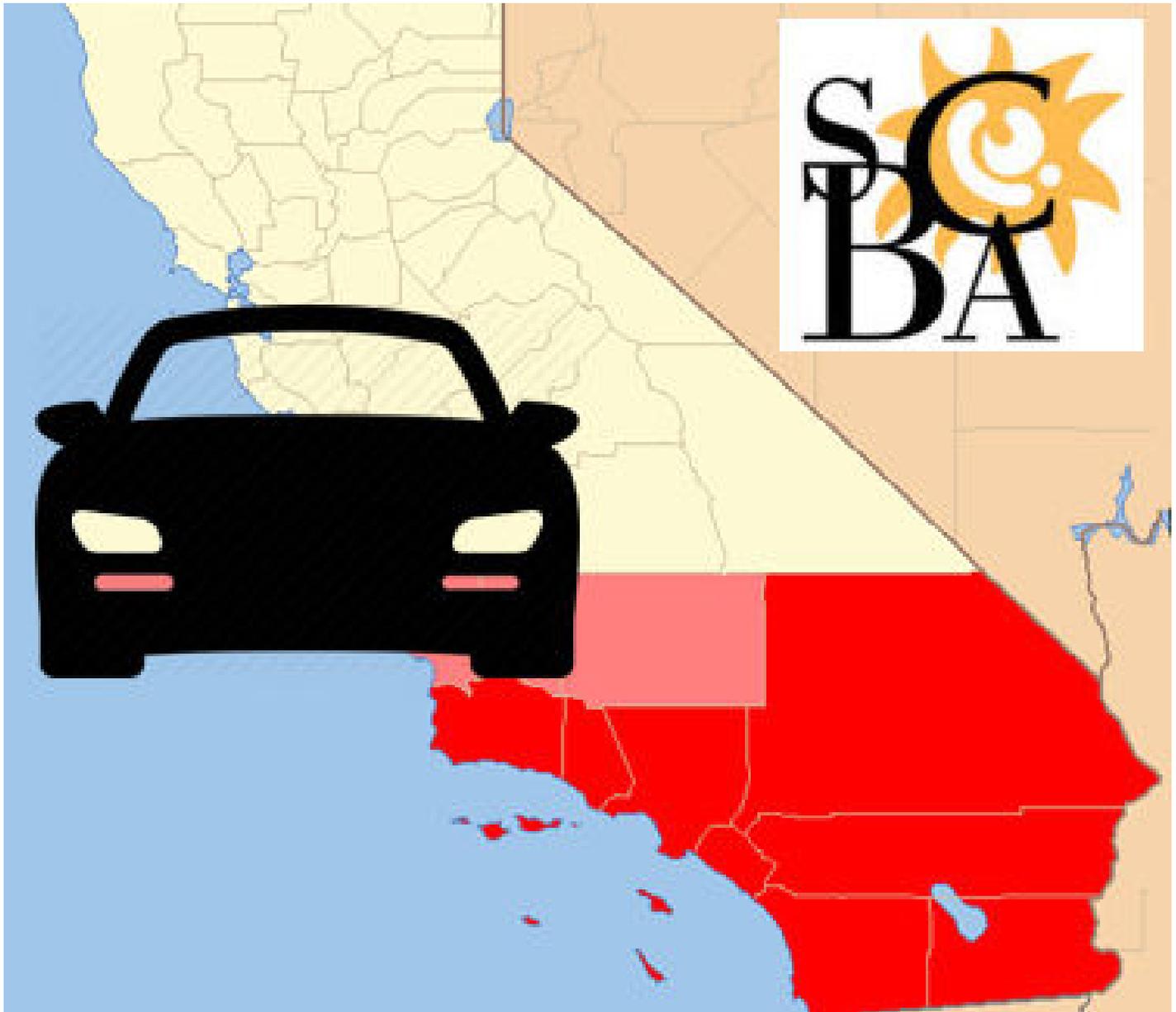


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# Study: Radio Drives Auto Buyers To Dealer Websites, Showrooms.

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A new study gives broadcasters an arsenal of firepower in their battle to maintain and grow shrinking automotive ad dollars. Released today by Nielsen and the Southern California Broadcasters Association, it shows that people in the market to buy a new car who were exposed to dealer ads on

the radio, visited dealerships and their websites and ultimately bought vehicles in strikingly high numbers. Just as important, the study found broadcast radio significantly improves consumer perceptions of auto dealerships and that radio's creative messaging for auto marketers is right on target.

Fielded in the commuter-clogged Southern California region, the online survey set out to measure the effectiveness of radio campaigns to lift key brand metrics. In a headline-making finding, the research reveals that better than 1-in-10 people (13%) who were planning to make an auto purchase in the next 12 months actually bought a vehicle from the dealer after hearing the radio ad. That's three times higher than the 4% who did not hear the ads.

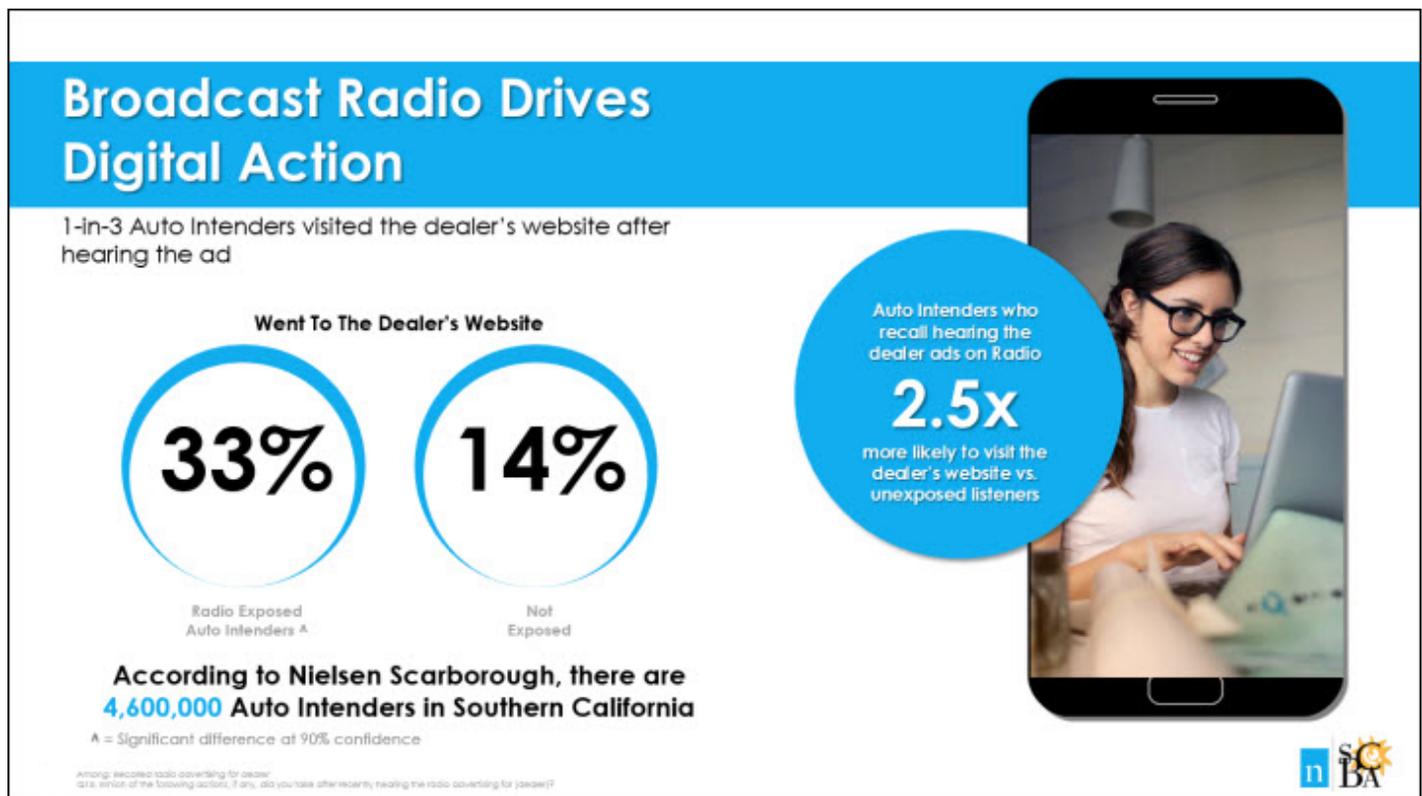


This jaw-dropping stat has broad implications for auto dealers in SoCal, where there are an estimated 4.6 million so-called auto intenders—the key customer dealers are targeting—during a 12-month period. “Radio once again proves it is an enormous motivator for people in the market to buy new and used vehicles,” SCBA president Thom Callahan tells **Inside Radio**. “This research study will change minds, hearts and budgets for broadcast radio.” The results so dramatically exceeded expectations, Callahan says, that Nielsen conducted portions of the survey a second time to ensure their validity.

Entitled “The Value Of Southern California Radio To The Auto Industry,” the 32-page study is the second joint project conducted by Nielsen and the radio trade group in the past 15 months. The new project measured the effectiveness of local auto dealer campaigns in Los Angeles and San Diego. These campaigns, which use 60-second spots promoting summer deals, ran continuously through the data collection period of June 29-Aug. 9. Nielsen surveyed a total of 900 radio listeners, ages 21-64, across the two markets, including 287 “auto intenders” – those planning to buy a vehicle in the next 12 months. Survey participants who listened to the campaign stations in the past week were assigned to the exposed group; those who didn't were labeled the control group.

## Digital Driver

While the money-grabbing revelation is how effectively radio drove purchases, it also had a profound impact at other stops along the purchase funnel – the journey consumers take from perception and opinion to consideration, shopping and buying. As the auto industry continues to shift billions of marketing dollars to digital channels, the Nielsen-SCBA study makes clear that radio is driving web searches for info on models and dealers. Auto intenders who recall hearing dealer ads on radio were two times more likely to use a search engine or a dealer website vs. unexposed listeners. More than half (53%) of radio-exposed auto intenders used a search engine or dealer website compared to 25% of those not exposed. And 1-in-3 auto intenders (33%) went online to search for more information after hearing the ad, 2.5 times greater than the 14% of the “not exposed” camp that did so.



Callahan believes these stats demonstrate that radio serves as a “directional barometer” for listeners. “We tell them what to do and who to trust, or ‘here’s the vehicle you may be interested in’ and ‘here’s the website to go look at.’ And the recall is just incredible.”

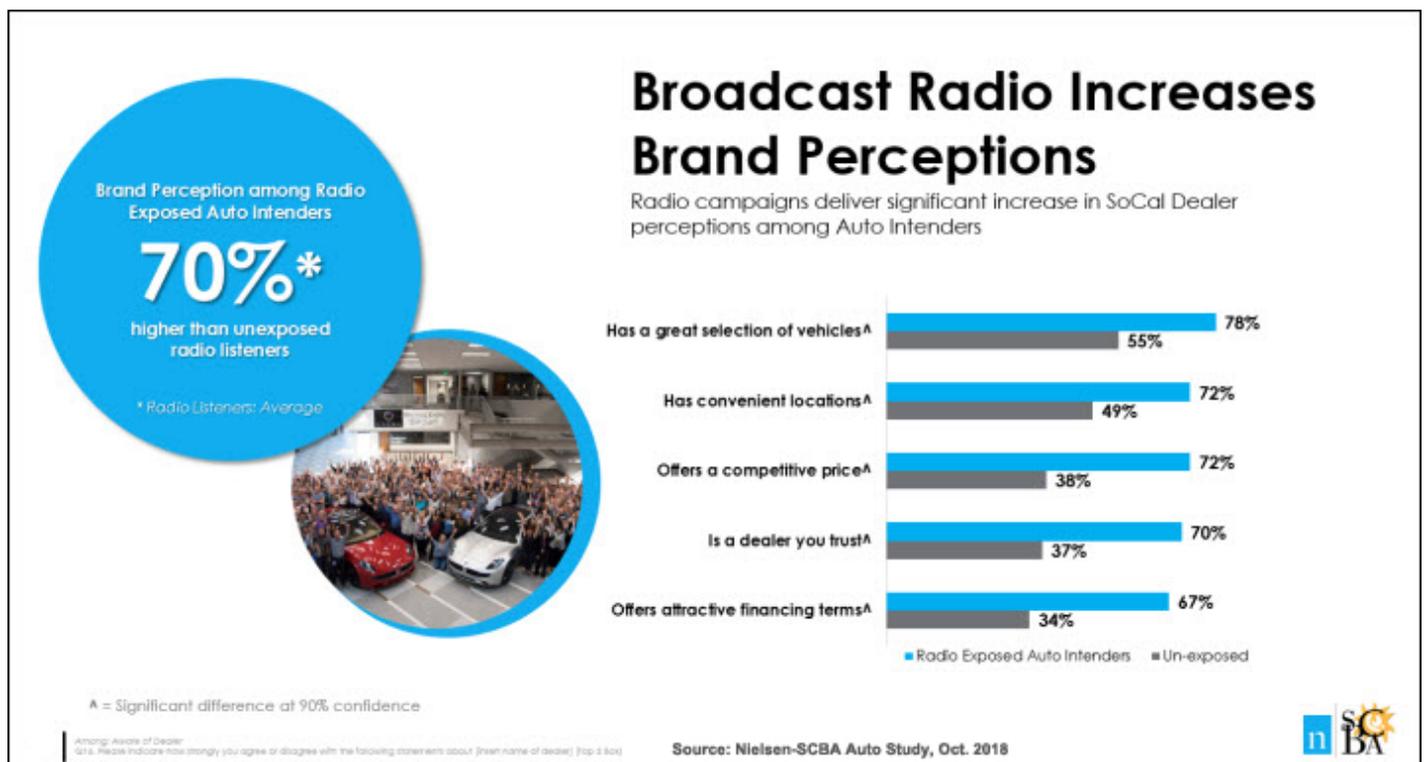
The research arrives as digital media is capturing from 50% to 75% of dealer ad budgets. Callahan compares it to a bygone advertising era, when Yellow Pages directories received much of the credit for delivering customers to dealer doors. “Yet everyone knew it was radio that was driving people to the Yellow Pages. Now we’re doing the same thing for digital.”

## Testing Spot Creative

Diving deeper into the study’s methodology, survey respondents took a brief screener before taking a survey used to measure lift across key auto dealership brand metrics. Respondents then listened to a broadcast radio spot from the campaign that ran in their local market and took a post-survey to

assess spot creative. This helped the researchers evaluate key words and phrases used in the campaigns in an effort to improve auto ad creative. The conclusion: Broadcast radio helps SoCal auto dealers stand out from their competitors. Over half of all listeners and 3-in-4 auto intenders felt the radio ads made them think the dealer stood apart from the rest. "It made me think the dealer was really different," said one survey participant. Nine-in-10 auto intenders and 7-in-10 total radio listeners found the auto dealer ads to be relevant and about 8-in-10 of all listeners felt the dealer ads contained new info about the dealer. More than 80% of all radio listeners said they would remember which dealer the ad was for.

In addition, auto intenders exposed to the radio ads had perceptions of the dealers that were 70% higher and 47% more favorable than unexposed listeners. For example, 55% of the unexposed group agreed the dealer has a "great selection" compared to 78% of the exposed listeners in the market to buy a new vehicle; and 38% of unexposed listeners said the dealers offered a "competitive price" compared to 72% of the radio-exposed auto intenders. Percentages nearly doubled for "dealer you trust" and "offers attractive financing terms" among the exposed intenders.



"If you're in the market for a vehicle, radio makes your intention and consideration and your opinion jump even higher," Callahan says. "We're setting that ground stage for people to come in, test drive a vehicle and buy one," he adds, pointing to how the radio campaigns improved "perceptions of the dealership, purchase consideration, motivation and response."

There may be no greater form of marketing than what a friend tells you about a product or service and the Nielsen SCBA study found that the radio ads drove word-of-mouth for the dealers that advertised. Auto intenders exposed to the dealer ads on radio had a 64% higher likelihood to recommend the dealer than unexposed radio listeners. And 4-in-5 radio exposed auto intenders are likely to consider the dealer for their next vehicle.

Brad Kelly, managing director, Nielsen Audio, said the study shows broadcast radio “drives interest and research, improves consumer perception and increases brand awareness, delivering consumers to auto dealers and driving purchases. The car culture of Southern California is the perfect proving ground for radio's far-reaching influence on one of the biggest purchases a consumer will make over the course of their lifetime.”

*Read part two: Does SCBA Have Right Study At Right Time For Right Industry?*