OEM Audio: Broadcast & Connected
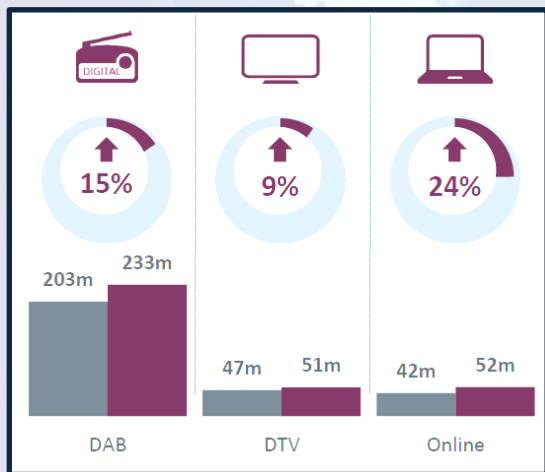
SBD

Source: IAB EUROPE, 2013

Internet radio

Broadcast

0% 20% 40% 60% 80%
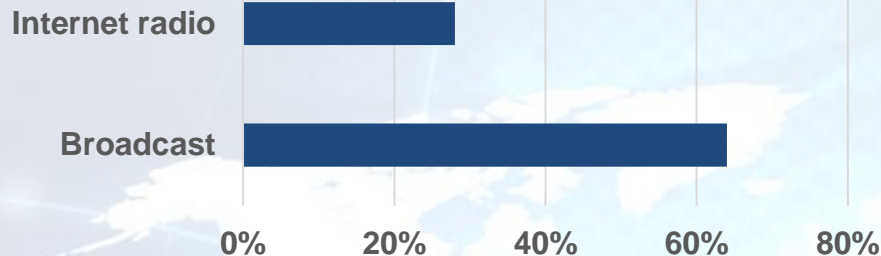
Across Europe only **28%** listen to internet radio compared to **64%** who listen to broadcast radio.

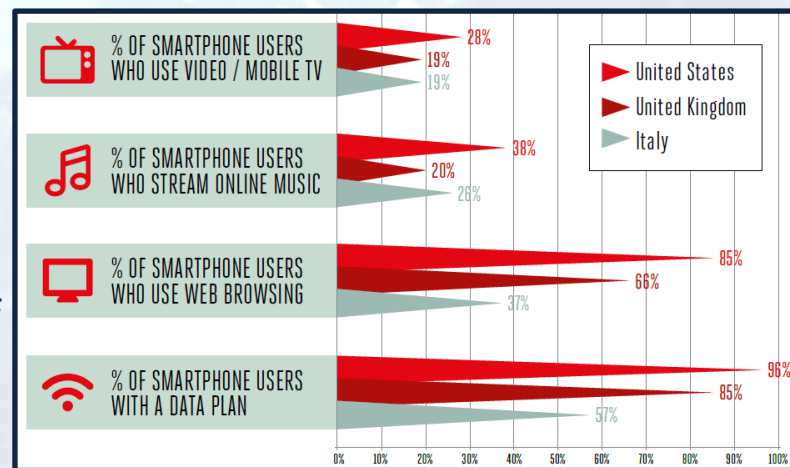## But online listening is increasing

15%   9%   24%

203m 233m   47m 51m   42m 52m

DAB   DTV   Online

Source: RAJAR, 2013

Online audio listening has grown **24%** in the last year.

Up to **38%** of smartphone users stream music

% OF SMARTPHONE USERS WHO USE VIDEO / MOBILE TV — 28% / 19% / 19%

% OF SMARTPHONE USERS WHO STREAM ONLINE MUSIC — 38% / 20% / 26%

% OF SMARTPHONE USERS WHO USE WEB BROWSING — 85% / 66% / 37%

% OF SMARTPHONE USERS WITH A DATA PLAN — 96% / 85% / 57%

- United States
- United Kingdom
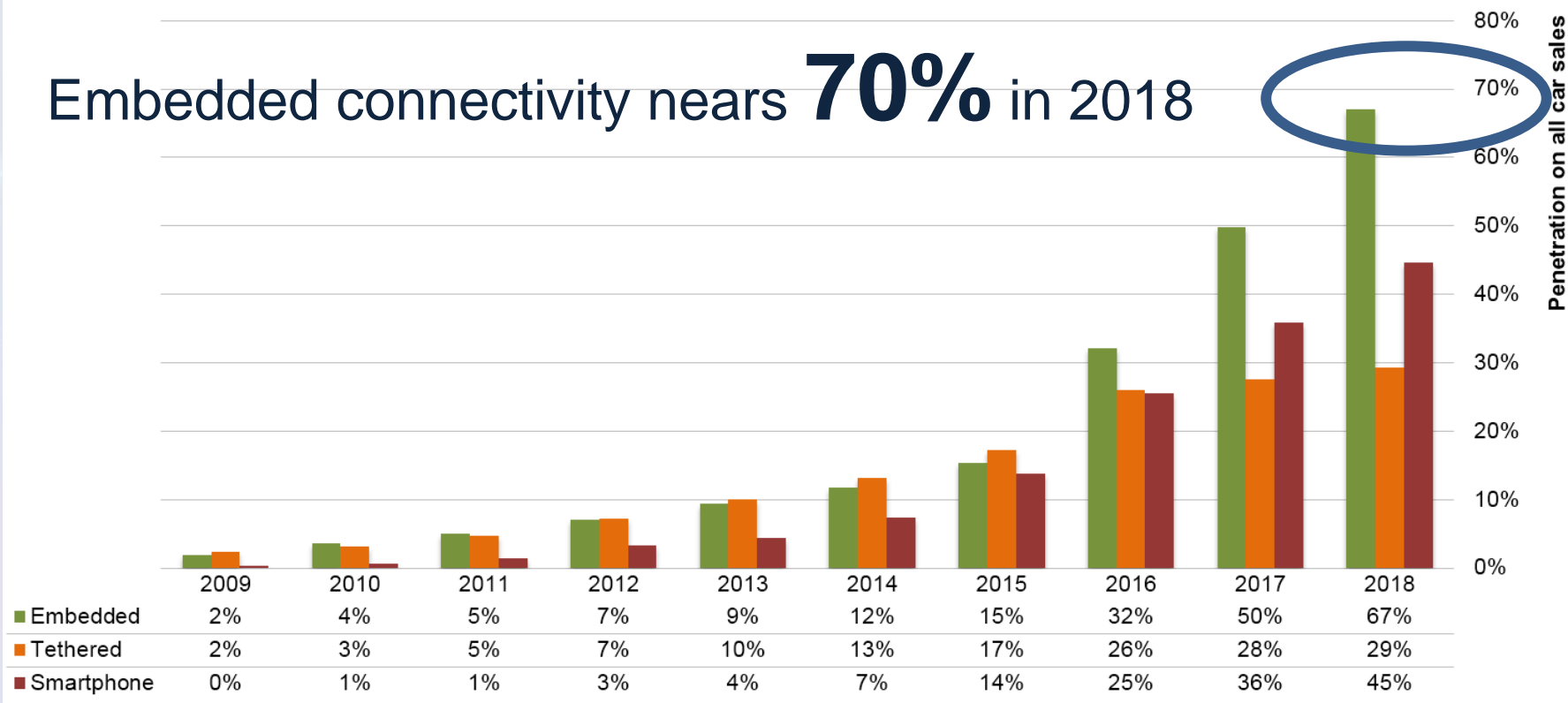- Italy

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

Source: GSMA, 2013

65% of OEMs in Europe offer internet audio apps.

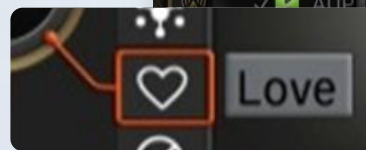But embedded connectivity has only **10%** penetration.

Embedded connectivity nears **70%** in 2018

Penetration on all car sales

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
■ Embedded	2%	4%	5%	7%	9%	12%	15%	32%	50%	67%
■ Tethered	2%	3%	5%	7%	10%	13%	17%	26%	28%	29%
■ Smartphone	0%	1%	1%	3%	4%	7%	14%	25%	36%	45%

Connected Vehicle Forecast - W.Europe. Source: SBD, 2013

Huge content choice.

Flexible content filters.

Self-learning content based on user feedback

Internet radio usage is increasing.

Vehicle connectivity is increasing.

Will internet audio become the preferred source in car?

Latest SBD **User Interface Benchmarking** Study revealed worrying usability statistics:

43 **Seconds** - average time taken to navigate to internet audio source.
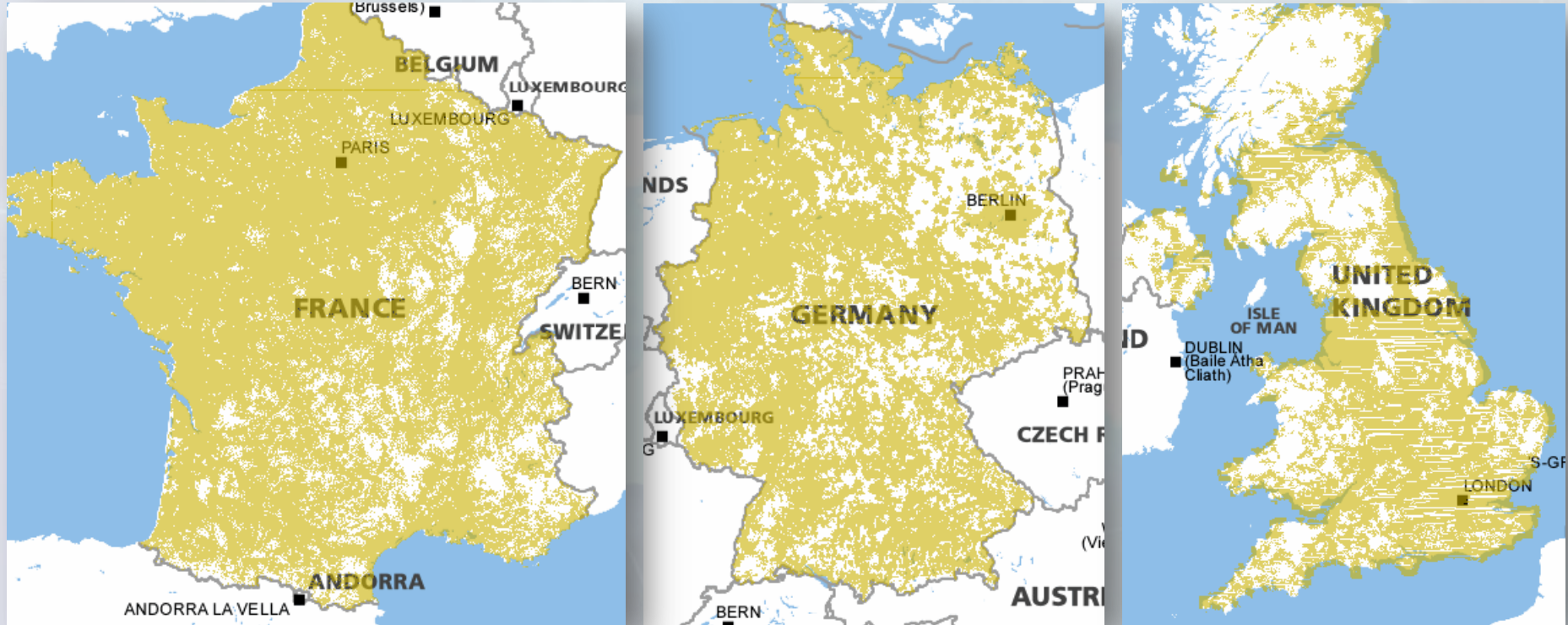
5 **Seconds** – best time.

98 **Seconds** – worst time.

Embedded systems tend to have **best** user interface

Best available 3G coverage. Source: GSMA, November 2013

Streaming audio requires constant data coverage.

There are **significant gaps** in coverage.

Download services are **less affected** – eg Music On Demand, traffic, weather, news.

Although streamed & on-demand audio services are gaining popularity, listening hours are still a fraction of broadcast listening hours.

OEMs are developing connected audio services and will continue to respond to user adoption.

For traffic, weather, news etc, the trend is for OEMs to offer connected data services rather than data receivers.

Fragmented approach to connectivity & user interface for connected audio will keep broadcast audio as the preferred source in-car for the near future.