

# GM tracked radio listening habits for 3 months: Here's why

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Whether you're using your cellphone or listening to your car radio, it's likely that someone is paying attention.

That someone might be General Motors. The automaker wants to make money from understanding its drivers' car [radio](#) listening habits.

In a three-month test, GM used in-car Wi-Fi to track the habits of some of its drivers in hopes of seeing whether there is a relationship between what drivers listen to and what they buy.

GM said the whole notion is theoretical for now. But a spokesman said connected vehicle data from its test could help GM develop a better way to measure radio listenership. And that might be valuable to advertisers.

GM, with 10 million cars on the road, is one of the first automakers to undertake such a study. About 90,000 drivers in Los Angeles and Chicago agreed to participate in a "proof of concept" late last year. The data collected could possibly lead to more targeted radio advertising.

One commuter, for example, listened to a country and western channel often and stopped at a Tim Horton's restaurant. GM wondered whether that driver might be influenced to stop at a McDonald's instead if advertisers pitched, say, a new coffee drink there, on that same radio channel.

GM leaders believe actual listening habits are more predictive of consumer behavior than what the automaker can glean from surveys.

"Current ratings systems rely on diaries or Personal People Meters, which have many limitations, including small sample sizes," said Jim Cain, GM spokesman. "Connected radios generate data that could allow for more radio markets to be measured and provide other valuable insights."

Marketing experts said the concept is similar to the loyalty cards customers sign up for at local drugstores or grocery stores.

"Their shopping behavior is analyzed so that they get more customized coupons," said Aradhna Krishna, professor of marketing at the Ross School of Business at the University of Michigan. "Here, people are voluntarily signing up for the radio listening program and then the ads can be more customized."

## Privacy

GM is careful with how it collects and uses the data, saying that customers who use connected services must first opt in by accepting GM's terms of use and its privacy statement, said GM's Cain.

"This data is then aggregated and anonymized and would represent the results over a very large sample size and would not include any personally identifiable information," said Cain.

Still GM's move carries the risk that GM could "offend or irritate" GM drivers, said Mike Ramsey, research director at global research and advisory firm Gartner Inc.

"If you use Facebook, you know that it's kind of creepy how it knows certain things about you," said Ramsey. "But you also can be scrolling along there and find something on it that's interesting" because Facebook's algorithm delivered customized content and ads.

Many automakers are reluctant to even ask customers whether the automaker can monitor their in-vehicle habits, he said.

"Toyota has pretty much said they're not going to do it," said Ramsey. "So GM is positioning itself as one of the only ones right now to actively monetize their data from their connected vehicles."

Ramsey said GM wants to analyze the data and then use it or share it

with other businesses. If the data helps produce better ads that lift an advertiser's revenue, GM would then ask for compensation, he said. Ramsey is familiar with GM's plans. He said GM sees it as a potential consulting business of sorts.

Cain confirmed that is one possible opportunity, but said "each situation would be unique."

One thing GM will not do is "put a 'for sale' sign on data," said Ramsey. But he said, "There are some third parties that are collecting car data and will sell it to anyone."

## **GM's methods**

U-M's Krishna questions how audio listening habits would connect to purchasing habits.

"In grocery stores there is a direct relationship to what's being sold," Krishna said. "In radio, this information will be what specific radio stations people are listening to and what times. But what's being listened to and what's being advertised—that connection is a little nebulous to me right now."

GM presented its concept at the Association of National Advertisers' 2018 Data & Measurement Conference earlier this month.

WARC, a global digital subscription service that offers advertising best practices and other insights to global companies, attended the conference and prepared a report that it shared with the Detroit Free Press.

WARC's report said GM is using 4G LTE Wi-Fi in participating GM vehicles to look at audio listening habits. That's the same technology that gives drivers information about their speed, gas consumption and tire

pressure.

Saejin Park, GM's director of global digital transformation, the report said, explained that by matching audio feeds from AM, FM, and digitally driven XM radio, GM plans to study the alignment between radio cues and consumer behavior.

"We sampled (the behavior) every minute just because we could," Park explained.

The report said GM considered station selection, volume and ZIP codes of vehicle owners.

## **Outcomes**

Here's what GM learned, according to Park:

The owner of a Cadillac Escalade large SUV might be more inclined to listen to a radio station that is different from someone driving a GMC Yukon, even though that also is a large SUV.

"Even in this world of crude radio-station entertainment, different types of people listen to different stations in different kinds of vehicles," said Park. "And you can start testing (that) by sending them different kinds of advertising to see some kind of behavior in the (listening) patterns."

The study did find a pattern created by drivers during such events as rush hour, the middle of a storm or, she said, the day after Thanksgiving.

"Everybody's at the mall, and from one vehicle to the next, their radio choices are consistent."

Park said one way to study how the data might be used to customers' advantage is with GM's in-vehicle Marketplace, which the automaker

introduced 18 months ago. Marketplace lets drivers make purchases from the car through partners including Dunkin', ExxonMobil, Applebee's and more. Drivers can make restaurant reservations through Marketplace, too.

"It's a commercial platform that lets drivers access some of these merchants," Park said. "If you happen to be going home and you pass by a fast-food fried chicken place where you've eaten before, there's a chance that (this represents) a pattern."

The results are still a "work in progress," Park said.

Cain added, "We now know that we can glean important insights on radio listening habits. It has generated interest in the advertising and broadcast communities. But we don't have any new projects to announce at this time."

## **Big Brother?**

While it all might seem a bit invasive, the benefit is that the advertising might evolve into something the consumer is actually interested in, said Ramsey.

This collected data also will be more accurate than any survey of people's listening habits because it is monitoring real behavior, said Michelle Krebs, executive analyst at Autotrader.

"Data allows them to more effectively target advertising and spiffs to specific consumers. Facebook, Amazon and others pay close attention to [consumer behavior](#) to target advertising and products to users," said Krebs.

Most automakers look to get the most bang from their advertising

dollars, said Krebs, adding, "Consumers may be concerned about the privacy, but that's not just an auto company issue."

Krishna and Ramsey agree that nearly all industries are studying consumer habits to create customized advertising toward people's consumption habits, and it can be intrusive.

"As long as we're collecting [data](#) from consumers, it is a little Big Brotherly; there's no way around it," said Ramsey. "But if it's implemented to improve the service we get, that's a trade-off and most people are willing to give to get."

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