

Automakers try to tune more customers to digital radio

By CHRIS WOODYARD • USA Today • July 10, 2008

More carmakers are adding digital radio tuners in their bid to woo audiophiles and add electronics.

The latest is Hyundai, which this month will offer digital radio — known as HD Radio — in a package on its new Genesis sedan. Among others, BMW already offers an HD tuner as a stand-alone option, and Volvo is going to offer HD Radio standard on most models early next year.

"Some of the automakers known for innovation are picking up on this," said Diane Warren, executive vice president of the radio industry's HD Radio Alliance. "The rest of the industry will follow."

More than 1,700 AM and FM stations also broadcast an HD digital signal, as well as traditional analog signal, up from 11 in 2002, the Alliance said. Because digital uses less of a station's allotted bandwidth, many also air second or third signals of specialized shows.

Built-in capability for free digital radio could boost the format's acceptance because the car is a major radio venue. That could make HD a bigger threat to \$12.95-a-month XM and Sirius satellite radio. Sirius CEO Mel Karmazin cited HD Radio's "significant strides" in congressional testimony for federal approval of the pending XM-Sirius merger.

Still, many consumers have never heard of it.

"They have a terrific product," said Ben Oh, editor of Car Audio & Electronics magazine. But "it needs to be better known."

Some of the automakers making HD available:

- Hyundai. Factory-installed HD Radio is included in the \$4,000 electronics options package on Hyundai's new top-of-the-line flagship, the Genesis. The bundle includes a 17-speaker audio system, navigation system and other goodies. "Customers are going to love it," said spokesman Miles Johnson.
- BMW. HD Radio is now a \$350 option on most models, down from about \$500 when introduced last year. "People are still trying to figure out what it is," BMW spokesman Tom Plucinsky said. It's also offered for \$500 on BMW's Mini Cooper brand.

- Volvo. The Swedish brand said it will be the first to offer standard HD Radio, starting in early 2009. The sole exception will be the S60 sedan. "No other premium manufacturer offers this as standard," said Volvo spokesman James Hope.

Also, parent Ford Motor will make factory-installed HD standard or optional on its U.S. brands next year. It has been offered dealer-installed.

- Mercedes-Benz. Mercedes-Benz will make HD an option on three models this fall.