SATELLITE
RADIO

XM Satellite Radio
Customer Satisfaction Study
Final Report

Proprietary & Confidential

FINAL

SX Trial Ex. 1

XMCRB 00058047

Executive Summary

SATELLITE RADIO

Overall Programming and Channels

- Overall, programming and channels ratings indicates an improvement opportunity for XM since Sirius has a satisfaction advantage.
- Music programming still remains the most important programming genre for nearly all Satellite Radio Listeners, despite investment in alternative and differentiating content such as sports and talk.
- XM Subscribers are satisfied with both music programming, but directionally lower than Sirius.
  - Hard Rock and Alternative music represent two genres that are relatively weaker for XM, with Hard Rock creating significantly higher satisfaction among Sirius listeners (overall 'Rock" genres receives lower ratings among XM subscribers than Sirius). Pop music ratings should be paid close attention to.
  - Generally, lower satisfaction ratings by music genre tend to reflect niche programming that likely appeals to sub-segments of listeners (such as World music, Contemporary Christian, Punk).
- Even though Sirius has the exclusive programming rights for NFL, by far the most important sports programming genre to both Sirius and XM Subscribers, XM and Sirius Subscribers are similarly likely to be satisfied with sports programming overall. NFL programming may be a more useful acquisition than retention tool for Sirius.
- Investment in radio personalities appears to have paid off more for Sirius in terms of generating relatively higher satisfaction levels for this content among their Subscribers. However this is still a relatively low driver of satisfaction for both XM and Sirius relative to channel variety and music related issues. Note, Talk Five (with Ellen DeGeneres) has just launched when we fielded the study.
- Local traffic and weather represents the most significant gap between XM subscriber importance and satisfaction, while it generates a relatively high level of satisfaction among Sirius Subscribers.
- XM Subscribers are turned off by what they perceive as a high level of commercials on XM, which may include advertising on non-music channels, as well as advertising for XM programming and services that occurs on music and non-music channels. Given that in many cases the commercial free claim has attracted Satellite Radio Subscribers away from traditional media it is critical that this dissatisfier is addressed.
  - The majority of Sirius Subscribers say the amount of commercials is just right.
- DJ's knowledge of music and the frequency of live music performances are significantly more likely to satisfy Sirius Subscribers than XM Subscribers.

XMCSB 00058048

Recommendations

SATELLITE RADIO

- XM also needs to review programming content where there remains opportunities to improve satisfaction:
  - XM should continue to make investments in ensuring music programming meets the needs of not only mainstream, but niche genres, where satisfaction among core listeners tends to be lower.
  - Opportunities to improve core listener satisfaction with sports may be through expanding and improving college sports programming.
  - Local traffic and weather represents is also a programming area that should be focused on since there is a significant gap between XM subscriber importance and satisfaction.

- XM should address listener's perceptions of the balance between programming and commercials by:
  - ensuring that expectations are clearly set by both marketing and at the POS that commercial free programming only applies to music
  - experimenting with different ways of inserting commercials into programming to learn what is most tolerable to listeners without alienating advertisers
  - being aware that Subscribers consider advertising for XM programming and products as commercials too.

XMCRB 00058049

Reasons for Overall Satisfaction

SATELLITE RADIO

- Both XM and Sirius Subscribers were likely to cite programming, especially the variety of stations and commercial-free broadcasting, as a reason for being satisfied with their Satellite Radio service.
  - Sirius Subscribers were more likely to mention programming as source of satisfaction.
- More than a quarter of satisfied XM Subscribers cited dissatisfaction with programming. This is driven by Subscribers explaining a less than perfect rating of 8 or 9 or 10.

	XM Total (n=1,268) (A)	Sirius Total (n=108) (B)
Satisfied reasons	86%	94%
Programming (Net)	64%	79% A
Like the music	10%	11%
Like the news	4%	2%
Like the stations/ programming	11%	9%
Variety of choices/ stations	17%	17%
Variety of music	8%	7%
No commercials	16%	18%
I like it/ satisfied (unspecified)	18%	32% A
Like the talk shows	3%	3%
Has something for everyone/ always something to suit tastes	4%	6%
Like that there is little talking/ few DJs	1%	3%
Specific program (Subnet)	***8%***	***8%***
Like a specific host/ program	6%	6%
I like Howard Stern	0%	3% A
I like Opie and Anthony (XM Radio)	2%	0%
Sports programs (Subnet)	***7%***	***7%***
Like the sports	3%	5%
I like baseball/ Major League Baseball (MLB)	3%	0%
I like football/ NFL football	0%	2% A
Coverage and Reception (Net)	**17%**	**13%**
Good sound quality	3%	5%
Can listen to it anywhere/ everywhere	3%	4%
Coast-to-coast reception/ continuous reception of the same stations while travelling	7%	3%
Good reception	7%	5%
Other Mentions (Net)	**9%**	**8%**
Like internet features/ can listen online	1%	2%
Better than regular radio/ don't listen to regular radio anymore	5%	6%
Other Satisfied reasons	1%	6% A
Dissatisfied reasons	14% B	20%
Programming (Net)	28% B	12%
Coverage and Reception (Net)	11%	8%
Radio Receiver (Net)	6%	2%
Cost and Payment Terms (Net)	3%	3%
Prefer other brand (Net)	1%	2%
Customer service (Net)	2%	0%
Other (Net)	3%	5%

A2. (Top3Box Summary) Why did you rate your overall satisfaction with XM/Sirius as you did?
Letters indicate the value is significantly higher than the value in the corresponding column at the 95% confidence level.

Base: All respondents Rating 8,9,10

CRB DSTRA.

XMCRB 00058050

Reasons for Overall Dissatisfaction

SATELLITE RADIO

- XM and Sirius Subscribers cited similar reasons for being dissatisfied with their Satellite Radio Service.
- The most commonly cited cause for dissatisfaction for both XM and Sirius Subscribers was programming.
- XM Subscribers specifically mentioned too much advertising and the need for more music and more or different programming selections.
- XM Subscribers also mention customer service.

	XM Total (n=133) (A)	Sirius Total (n=18*) (B)
Dissatisfied reasons	89%	67%
Programming (Net)	53%	22%
Too much advertising/ supposed to be commercial-free	14%	0%
Repetitive programming	5%	0%
Don't like the DJs/ too much talk from DJs	5%	0%
Would like more/ different/ improved selections (stations, programming)	11%	0%
Cancelled a show / station I liked	9%	17%
Music related reason (Subnet)	***21%***	***6%***
Doesn't play the type of music I like	7%	0%
Would like more music/ music station variety (all mentions)	14%	6%
Sports related reason (Subnet)	***5%***	***0%***
NASCAR is moving to Sirius	2%	0%
Coverage and Reception (Net)	21%	28%
Bad reception (unspecified)	9%	22%
Poor sound quality	3%	0%
Lost signal	13%	17%
Radio Receiver or Device (Net)	13%	28%
Receiver problems	9%	28%
Installation problems	1%	6%
Problems with website/ online services/ channels not available or only available online	2%	0%
Difficult to use (all mentions)	2%	0%
Cost and Payment Terms (Net)	15%	0%
Billing/ account issues	4%	0%
Too expensive	8%	0%
Have to pay for station I don't listen to	2%	0%
Price increase	2%	0%
Prefer other brand (Net)	8%	6%
Prefer Sirius	7%	0%
Prefer other brand	1%	6%
Customer service (Net)	14%	0%
Poor customer service	14%	0%
Other (Net)	14%	11%
Don't use the service often/ as much as I anticipated	5%	6%
Will not renew subscription/ considering not renewing subscription	11%	6%
Other Dissatisfied reasons	7%	17%
Satisfied reasons	24%	44%

A2. (Low5Box Summary) Why did you rate your overall satisfaction with XM/Sirius as you did?
Letters indicate the value is significantly higher than the value in the corresponding column at the 95% confidence level.

Base: All respondents rating 1-5

XMCRB 00058051

Reason for Initial Subscription

SATELLITE RADIO

- Aftermarket subscriptions are largely attributed to programming for both XM and Sirius.
  - Sirius AM subscribers are more than twice as likely to have initially subscribed for specific programming content, mainly Howard Stern or football.
  - Sirius AM Subscribers are also more likely to have subscribed because they dislike commercial radio.
- XM OEM subscriptions were driven by a free trial or simply being available in the vehicle purchased.

	XM AM (n=420) (A)	XM OEM (n=403) (B)	Sirius AM (n=66) (C)
Programming (Net)	**44% B**	**30%**	**56%**
Preferred programming/ better stations	10% B	4%	9%
Variety of programming	8%	7%	4%
No commercials	6%	9%	4%
For the music	4%	3%	4%
For the variety of music	4%	4%	4%
Specific program - Subnet	8% B	2%	18% A
For Howard Stern	0%	0%	18% A
For Opie & Anthony	4% B	1%	0%
For a particular host/ program	4% B	2%	0%
Sport Programs Reason - Subnet	12% B	6%	20%
For NASCAR	4%	2%	0%
For baseball	5%	3%	0%
For the sports content	2%	1%	6%
For Football	1%	0%	18% A
Cost (Net)	**13% C**	**18% A**	**2%**
Cost/ price (unspecified)	5% B	1%	2%
Lower cost/ price dropped	5%	3%	0%
Free trial	2%	15% A	0%
Recommended (Net)	**9% B**	**2%**	**6%**
Coverage and Reception (Net)	**11%**	**12%**	**4%**
Continuous service when traveling/ coast-to-cost reception	5%	7%	0%
Radio Receiver/ Device (Net)	**9% BC**	**0%**	**0%**
Liked the receiver (any mentions)	6% B	0%	0%
Other (Net)	**29%**	**64% A**	**29%**
Curiosity/ to try it	2%	5% A	0%
Came with my vehicle	5%	54% A	0%
Was the only one available/ wasn't aware of options	6% B	3%	2%
Better than local/ AM/ FM radio	4%	5%	0%
Dislike commercial radio	9% B	1%	20% A
It was a gift	9% B	1%	20% A

A14. Thinking back to the time you initially subscribed to XM/Sirius Satellite Radio, what was the main reason you subscribed to this service?
Letters indicate the value is significantly higher than the value in the corresponding column at the 95% confidence level.

Base: Tenure than 12 months
Columns tested: A/B – A/C

XMCRB 00058052

SATELLITE RADIO

Identifying Drivers of Dissatisfaction and Delight and Prioritizing Improvement Opportunities

Introduction and Explanation

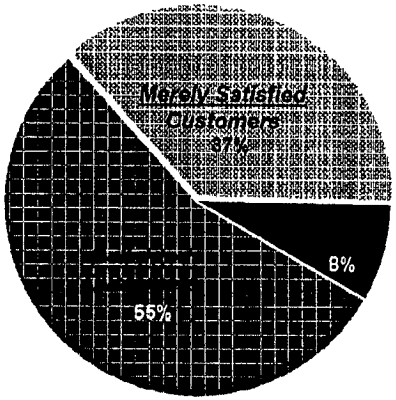
Proprietary & Confidential

XMCRB 00058053

Identifying Delighted and Dissatisfied XM Subscribers

SATELLITE RADIO

- Customers are divided into three unique sub-groups based on their overall satisfaction with XM:
  - '**Delighted**' customers whose base expectations are generally exceeded. Members of this group are most likely to be loyal, be advocates, and may have higher spending levels. The majority of XM Subscribers are delighted. (Defined as those who rated 9 or 10 on Overall Satisfaction with XM).
  - Customers who are **merely satisfied**, and whose needs are only 'adequately' met. (Defined as those who rated 6-8 on Overall Satisfaction with XM)
  - **Dissatisfied** customers whose 'must-have' needs are not being met. Membership in this group is often a reliable predictor of customer defection. Very few XM Subscribers are dissatisfied. (Defined as those who rated 1-5 on Overall Satisfaction with XM)



Delighted Customers are more loyal

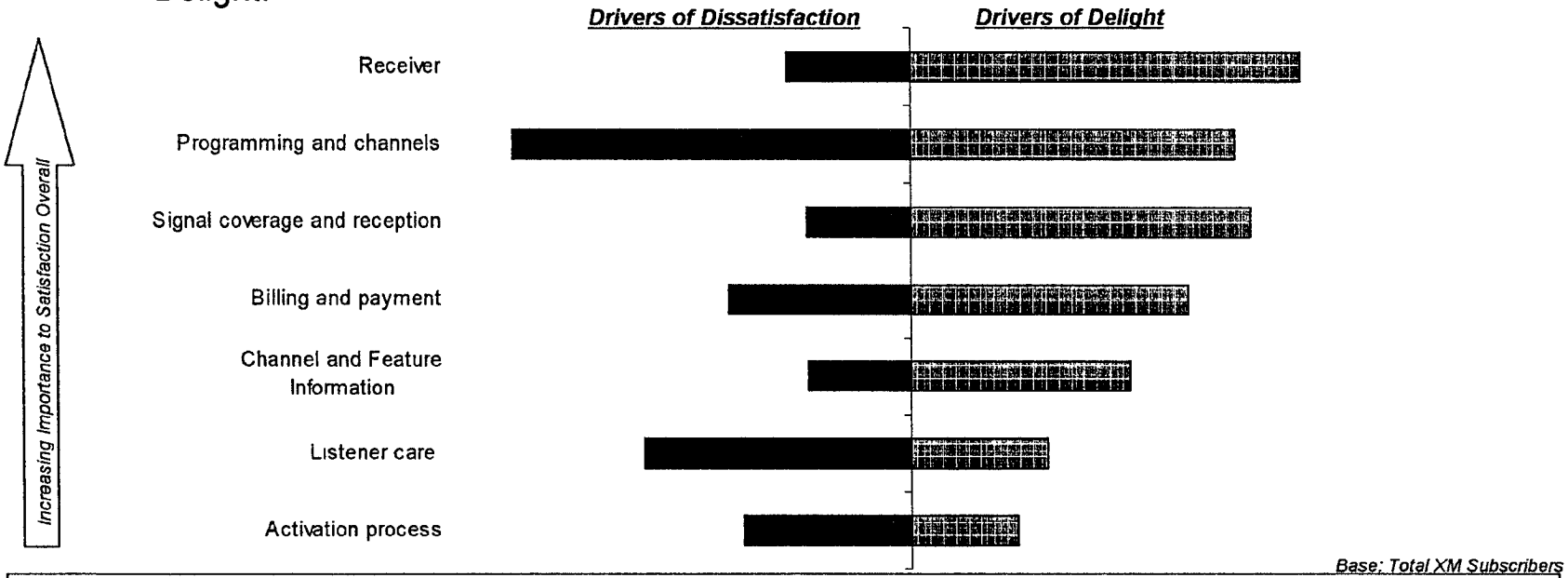
		Merely Satisfied (6-8) (n=619) (6)	
Definitely Will Continue		49%C	
Definitely Will Recommend		45%C	
More than 1 Receiver		50%C	
% of listening time spent listening to Satellite Radio		68%B	

XMCRB 00058054

Identifying Drivers of XM Delight and Dissatisfaction -Penalty/Reward Analysis*

SATELLITE RADIO

- A Penalty/Reward analysis is used to determine the key drivers of delight and dissatisfaction.
  - Programming and Listener Care are the top two areas driving XM Subscribers' Dissatisfaction.
  - Receiver, Coverage and reception and Programming are the areas driving XM Subscriber Delight.

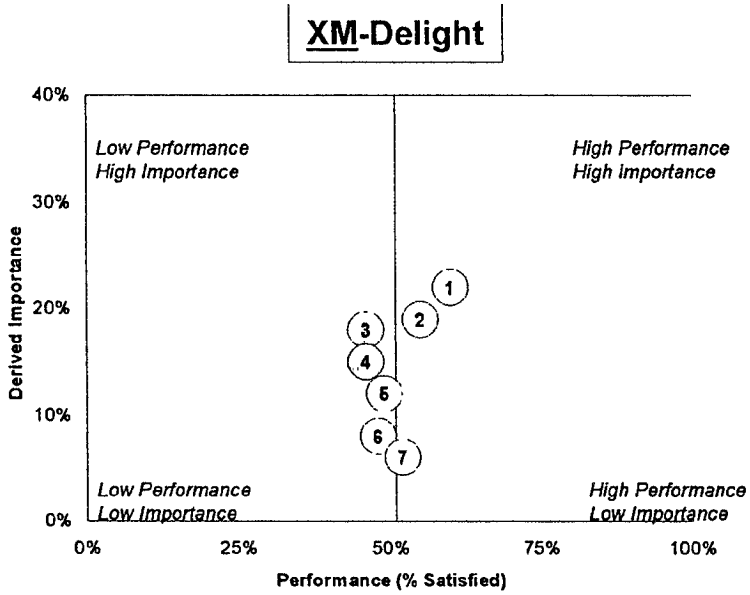


Separate models are run based on the understanding that the drivers of dissatisfaction and delight can be different. The more likely customers are to use the top 2 scores (9 or 10) for overall satisfaction when also scoring each product attribute in the top 2, the greater the reward. Conversely, the more likely customers are to use the bottom 5 scores (1, 2, 3, 4, or 5) for overall satisfaction when also scoring the product attribute in the bottom 5, the greater the penalty.

* More analytical explanation: see appendix page 128

XMCRB 00058055

Drivers of XM Delight vs. Performance -Quadrant Analysis



In order of decreasing importance

1) Receiver
2) Coverage and Reception
***3)* Programming and Channels**
***4)* Billing and Payment**
5) Channel and Feature Information
6) Listener Care
7) Activation

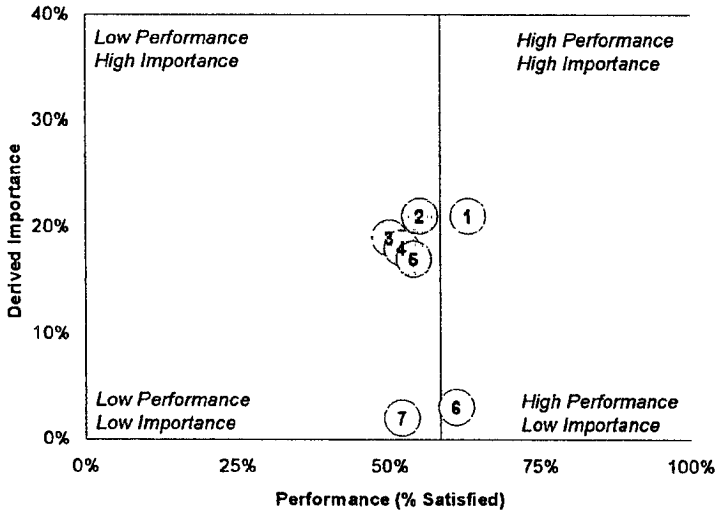
- Drivers of Delight are also better understood in the context of actual percent of Subscribers Delighted:
  - Programming and Channels represents the biggest opportunity to delight more XM Subscribers, as this is a strong driver of delight, and delight with this area is relatively lower than for other performance areas.

A Quadrant Chart is used to show how XM performs in areas that are strong drivers of delight or dissatisfaction. Importance is derived through Penalty Rewards Analysis. Performance is the % of Subscribers delighted with that attribute. Attributes that fall into the upper left quadrant are most critical, as they represent areas of above average importance and below average performance. These areas should be considered primary improvement opportunities. Attributes that fall into the lower left quadrant represent below average importance and below average performance. These areas may be considered secondary improvement opportunities.

XMCB 00058056

Drivers of Sirius Delight vs. Performance -Quadrant Analysis

Sirius-Delight*



In order of decreasing importance

1) Programming and Channels
2) **Receiver**
3) **Coverage and Reception**
4) **Billing and Payment**
5) **Channel and Feature Information**
6) Listener Care
7) Activation

- Largely due to small sample sizes, and low variability in overall ratings, there is little differentiation in drivers of delight for Sirius aside from Customer Care and Activation, which have little role in driving delight.
- Drivers of Dissatisfaction are not shown for Sirius due to low sample sizes.

A Quadrant Chart is used to show how Sirius performs in areas that are strong drivers of delight or dissatisfaction. Importance is derived through Penalty Rewards Analysis. Performance is the % of Subscribers delighted with that attribute. Attributes that fall into the upper left quadrant are most critical, as they represent areas of above average importance and below average performance. These areas should be considered primary improvement opportunities. Attributes that fall into the lower left quadrant represent below average importance and below average performance. These areas may be considered secondary improvement opportunities.

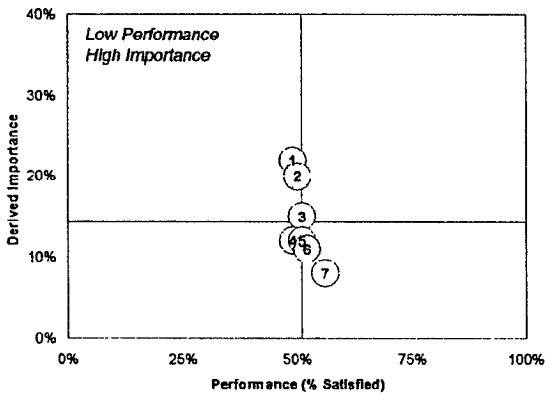
XMCRB 00058057

Drivers of Delight
XM Aftermarket vs. OEM

SATELLITE RADIO

- Strongest delight drivers for Aftermarket Subscribers are Programming and Channels, while OEM delight is more likely to be driven by receivers and reception.

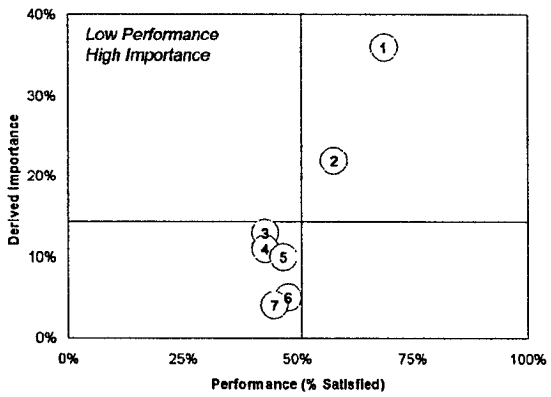
XM AM-Delight



DRIVERS OF DELIGHT

1) Programming and Channels
2) Billing and Payment
3) Coverage and Reception
4) Listener Care
5) Channel and Feature Information
6) Receiver
7) Activation

XM OEM-Delight



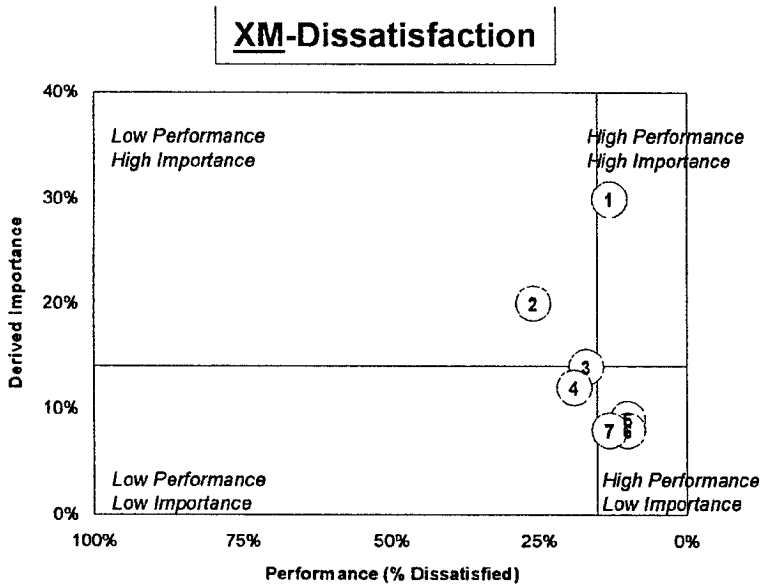
DRIVERS OF DELIGHT

1) Receiver
2) Coverage and Reception
3) Programming and Channels
4) Billing and Payment
5) Channel and Feature Information
6) Listener Care
7) Activation

Attributes are listed in order of decreasing importance. Bolded attributes represent improvement opportunities.

XMCB 00058058

Drivers of XM Dissatisfaction vs. Performance -Quadrant Analysis



In order of decreasing importance

1)	Programming and Channels
2)	**Listener Care**
3)	Billing and Payment
4)	Activation
5)	Receiver
6)	Coverage and Reception
7)	Channel and Feature Information

- Drivers of dissatisfaction are better understood in the context of actual percent of Subscribers who are dissatisfied:
  - Listener Care stands out as an opportunity to improve service among XM Subscribers, as this is a strong driver of dissatisfaction, and dissatisfaction with this area is high.
  - While programming is a strong driver of dissatisfaction, the proportion of subscribers dissatisfied with programming is relatively low.

A Quadrant Chart is used to show how XM performs in areas that are strong drivers of delight or dissatisfaction. Importance is derived through Penalty Rewards Analysis. Performance is the % of Subscribers dissatisfied with that attribute. Attributes that fall into the upper left quadrant are most critical, as they represent areas of above average importance and below average performance. These areas should be considered primary improvement opportunities. Attributes that fall into the lower left quadrant represent below average importance and below average performance. These areas should be considered secondary improvement opportunities.

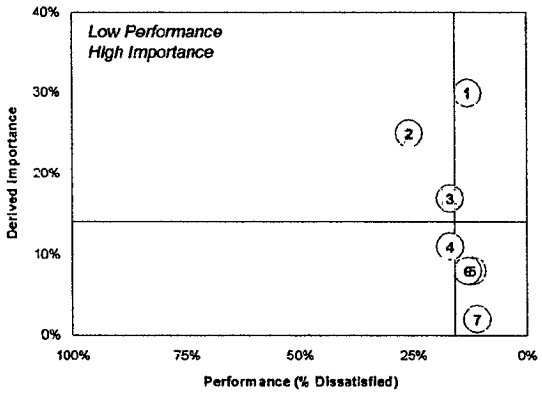
XMCRB 00058059

Drivers of Dissatisfaction
XM Aftermarket vs. OEM

SATELLITE RADIO

- Listener Care is a relatively stronger driver of dissatisfaction among Aftermarket Subscribers, versus OEM where activation is more of an issue.

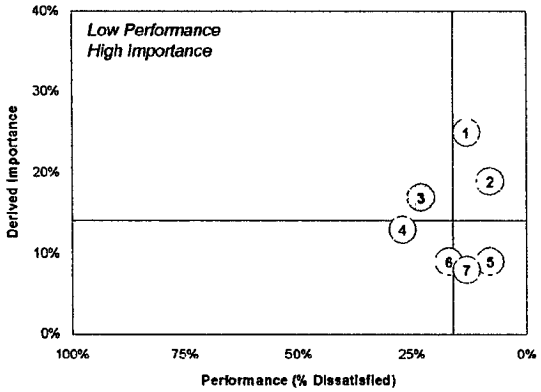
XM AM-Dissatisfaction



DRIVERS OF DISSATISFACTION

1) Programming and Channels
2) **Listener Care**
3) **Billing and Payment**
4) Activation
5) Coverage and Reception
6) Channel and feature information
7) Receiver

XM OEM-Dissatisfaction



DRIVERS OF DISSATISFACTION

1) Programming and Channels
2) Receiver
3) **Activation**
4) Listener Care
5) Coverage and Reception
6) Billing and Payment
7) Channel and Feature Information

Attributes are listed in order of decreasing importance. Bolded attributes represent improvement opportunities.

XMCB 00058060

SATELLITE
RADIO

Programming Satisfaction

Proprietary & Confidential

XMCTB 00058061

Key Findings: Programming

SATELLITE RADIO

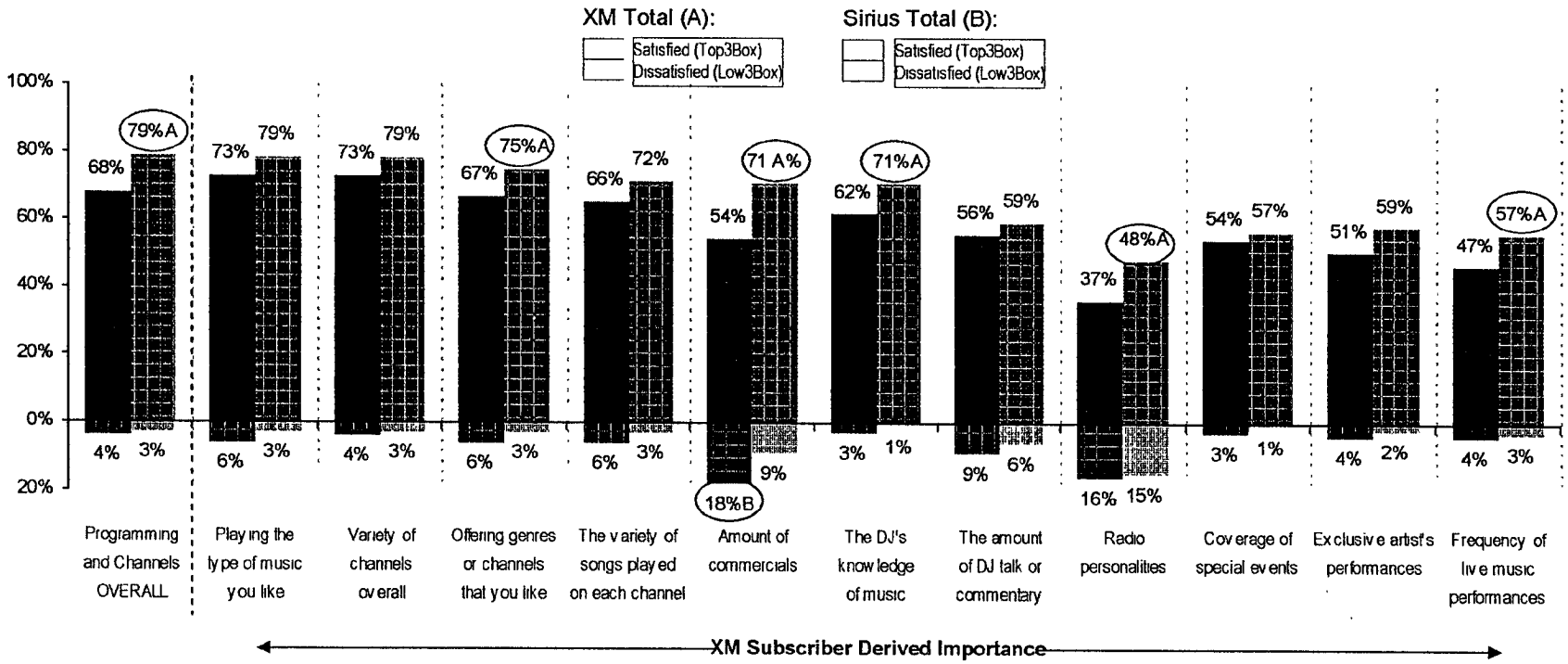
- Overall: Improvement Opportunity for XM, Sirius satisfaction advantage.
- Sirius Subscribers rate higher programming significantly higher than XM Subscribers in areas that are key drivers of satisfaction "offering genres or channels that you like," "amount of commercials heard on channels overall" and "the amount of DJ's knowledge of music."
- Formatting factors most likely to drive delight with programming are consistent across both XM and Sirius:
  - 1) Offering a variety of channels overall
  - 2) Playing the type of music subscribers like
  - 3) Offering genres or channels that subscribers like
- While XM and Sirius are equally likely to meet the needs of their subscribers on (1) and (2), offering genres or channels that subscribers like generates a higher level of satisfaction among Sirius than XM Subscribers.
- DJ's knowledge of music and the frequency of live music performances are significantly more likely to satisfy Sirius Subscribers than XM Subscribers.
- The amount of commercials played on channels overall is the format factor most likely to drive programming dissatisfaction for XM.
  - The majority of XM Subscribers indicate there are too many commercials, while the majority of Sirius Subscribers say the amount of commercials is just right.
- Radio Personalities also generate a significant amount of dissatisfaction among both services' subscribers although this is not a significant driver of overall programming satisfaction in either case.
- Where there is dissatisfaction with the balance between DJ commentary and music it is because DJ's talk too much rather than too little.

XMCRB 00058062

Programming Satisfaction
XM vs. Sirius (Total)

SATELLITE RADIO

- Sirius Subscribers rate higher programming significantly higher than XM Subscribers in areas that are key drivers of satisfaction "offering genres or channels that you like," "amount of commercials heard on channels overall" and "the amount of DJ's knowledge of music."

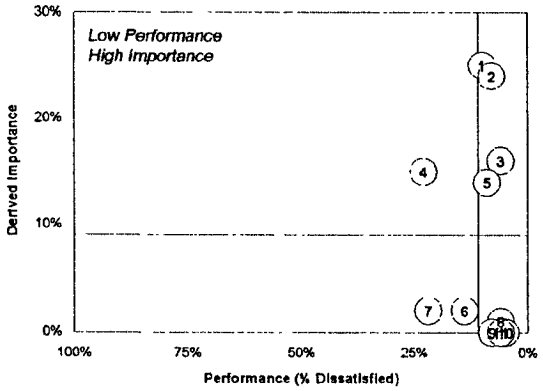


XMCRB 00058063

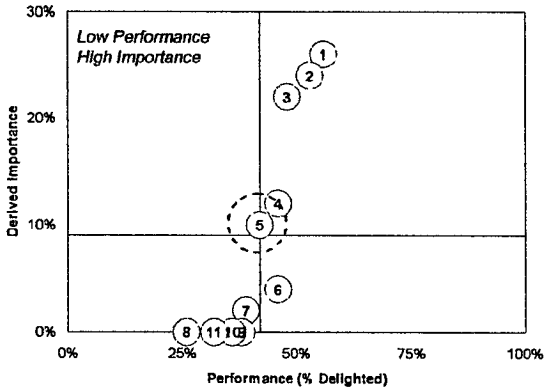
Programming Drivers of Delight and Dissatisfaction XM and Sirius Subscribers (Total)

- The top driver of programming delight for both XM and Sirius is variety of channels offered followed by personal preference for music and channels/genres.
- The top three drivers of XM subscriber delight are also the top three drivers of dissatisfaction. Amount of commercials on channels is the 4th strongest driver of dissatisfaction and represents a key improvement opportunity (above average importance and below average performance).

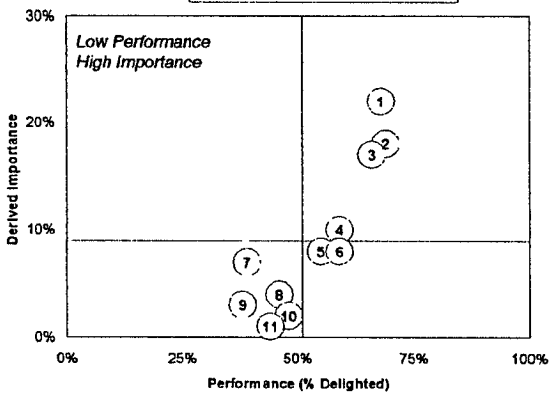
XM-Dissatisfaction



XM-Delight



Sirius- Delight



DRIVERS OF DISSATISFACTION	DRIVERS OF DELIGHT	DRIVERS OF DELIGHT
1) Offering genres or channels that you like	1) Variety of channels overall	1) Variety of channels overall
2) Playing the type of music you like	2) Playing the type of music you like	2) Playing the type of music you like
3) Variety of channels overall	3) Offering genres or channels that you like	3) Offering genres or channels that you like
4) Amount of commercials you hear on channels overall	4) Variety of songs played on each channel	4) DJ's knowledge of music
5) Variety of songs played on each channel	5) Amount of commercials	5) Variety of songs played on each channel
6) Amount of DJ talk or commentary	6) DJ's knowledge of music	6) Amount of commercials
7) Radio personalities	7) Amount of DJ talk or commentary	7) Frequency of live performances
8) DJ's knowledge of music	8) Radio personalities	8) Exclusive artist's performances
9) Frequency of live performances	9) Coverage of special events	9) Radio personalities
10) Coverage of special events	10) Exclusive artist's performances	10) Amount of DJ talk or commentary
11) Exclusive artist's performances	11) Frequency of live performances	11) Coverage of special events

Attributes are listed in order of decreasing importance. Bolded attributes represent improvement opportunities.

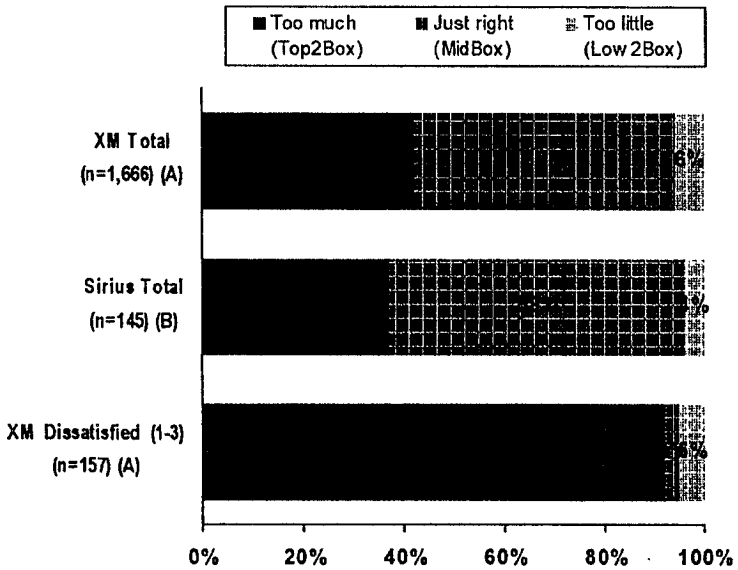
XMCRB 00058064

DJ Talk and Commercials

SATELLITE RADIO

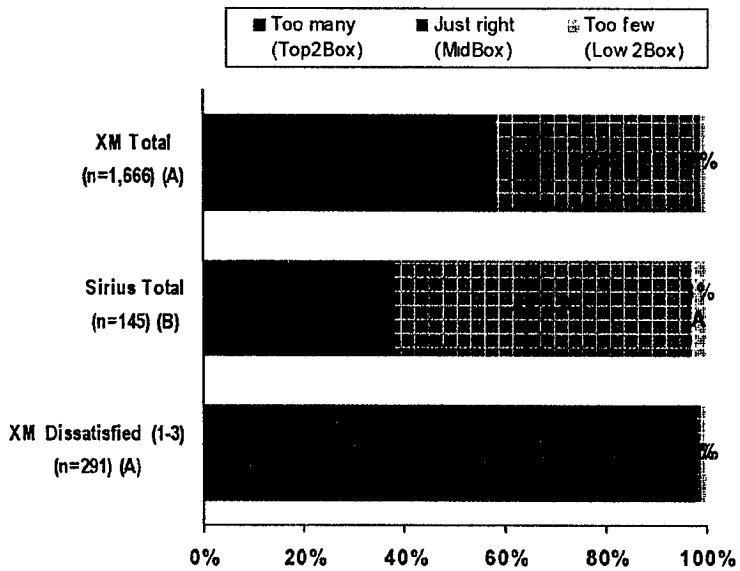
- XM Subscribers are more likely to claim that there are too many commercials on their service than Sirius Subscribers.
- Where there is dissatisfaction with the balance between DJ commentary and music it is because DJ's talk too much, rather than too little.

Amount of DJ Talk



C4. Why did you rate 'the amount of DJ talk or commentary' as a you did? (Base: All respondents)

Amount of Commercials



C5. Why did you rate 'the amount of commercials you hear on channels overall' as a you did? (Base: All respondents)

Letters indicate the value is significantly higher than the value in the corresponding column at the 95% confidence level.

XMCB 00058065

What are Subscribers saying about Commercials on XM?

SATELLITE RADIO

Too much advertising for XM programming or products

- There are commercials on your "commercial free" music channels. Please quit trying to sell me a radio that I already have. Also quit trying to get me to change channels. If I wanted to listen to another channel I would already be there.
- "Commercial free" should include no commercials for XM radio. .
- Your music commercials are horrible especially artist confidential and then again now. When XM first hired Bob Edwards I almost cancelled my subscription because of the never ending non stop Bob Edwards commercials.
- The XM commercials get very annoying since they are repeated so often during the day/week/month. Get more sponsors/advertisers or at the very least hire better voice-over talent. The History Today fellow is awful.
- I thought I was getting a commercial free music service. Too many commercials for XM radio on the service itself. Thinking of canceling my subscription.
- As a whole, satellite radio is superior to free AM/FM commercial radio. We could use less of the advertising on the satellite stuff. After all, we pay to not have commercials.
- I enjoy various parts of the XM offerings - but hate the amount of advertising for other XM channels, and for other products on it. Also, I really hate the way the commercials for other channels come on suddenly a lot louder than the station you are currently listening to. I may get rid of my subscription over this issue.
- There are too many commercials and most of them are for XM.
- For a ?commercial free? radio there seem to be a lot of XM related commercial.

Perceptions that the amount of advertising is increasing

- I pay for XM for the music. Commercial free, talk free music. I'm starting to hear more and more talk and commercials (mostly XM radio stuff) on Top Tracks. Again, I want and pay for talk and commercial free music. Talk and commercials are for FM and FM sucks.
- In my year as a subscriber, it feels as if commercial advertising programming on other channels has greatly increased
- Commercials are becoming more common on the comedy channel
- I'm in areas where radio is very limited. XM was purchased for music without excessive talk. There is getting more and more conversation and commercials for XM.
- They are starting to play a lot of commercials which is what I trying to get away from. I feel as long as I am paying for the service it should be commercial free but I guess it will eventually become like cable television. I think if the commercials continue to increase I would probably discontinue my service.
- The service is much better than FM but it is getting more commercials woven into the programming
- There is beginning to be a lot of commercials on the radio. When it was first activated there was hardly ever a commercial.

Perceptions that XM was entirely commercial-free

- The main reason I got XM radio was because I was tired of listening to commercials on regular radio.Well after I got XM radio I found out that some of the channels have commercials too, and that really pisses me off!
- I thought XM would be commercial free. I do not like the fact that XM radio feels the need to advertise itself constantly.
- I was under the impression that it was commercial free, which it is not.
- I got it because your ad always said commercials free and it's not, also when you do listen to it you have to turn your radio up to hear the music and then when a commercial comes on it's 3 times louder then what you had the radio set at, so my usage of XM is I listen to it about 20% of my day instead of 100%, I drive truck so I find it kinda bad, and have been going back to normal FM radio more and more .
- I primarily listen to 164 Radio Classics. I wish they wouldn't break in the middle of each show for commercials. I find it distracting and chose XM because I thought it was commercial-free.

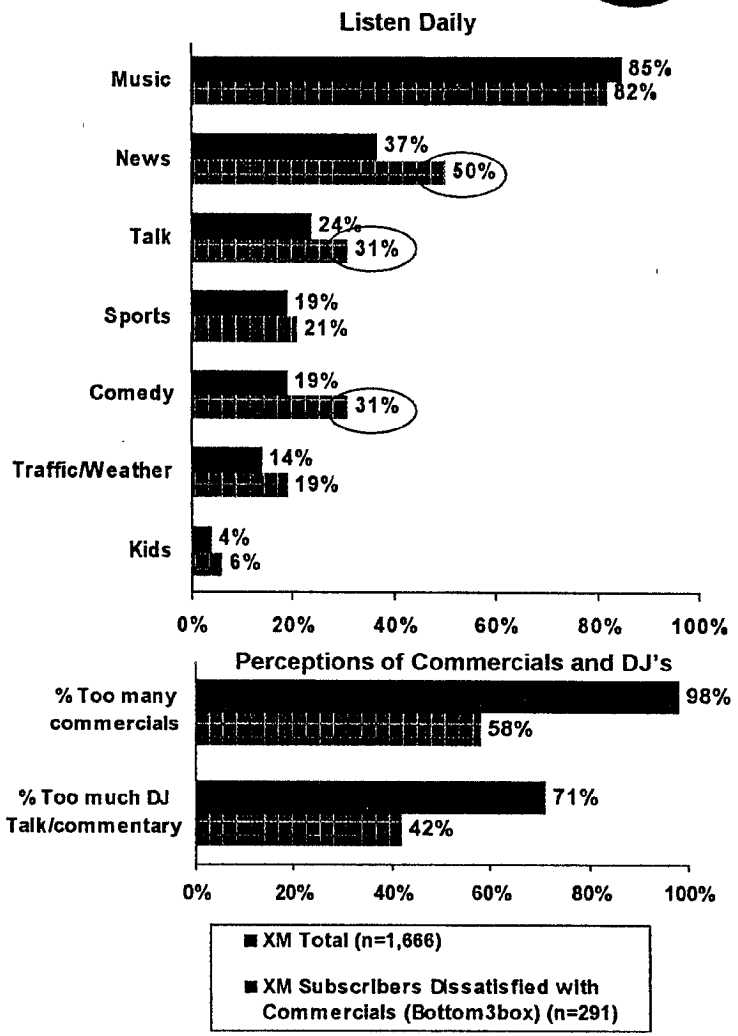
A2. Why did you rate your overall satisfaction with XM/Sirius as you did? Verbatim responses relating to dissatisfaction with commercials

XMCRB 00058066

What are Subscribers Who Are Most Dissatisfied with Commercials Listening to?

SATELLITE RADIO

- Subscribers most dissatisfied with commercials on XM are more likely to be listening to programming that isn't commercial-free than subscribers overall.
- They are also more likely to be dissatisfied with the amount of DJ talk or commentary.
- Dissatisfaction with commercials is not limited to Satellite Radio.
  - 76% of this group say they are 'tired of all the advertising on TV, the radio and the Internet, vs. 66% of Subscribers overall. (Data not shown).



XMCRB 00058067

SATELLITE
RADIO

Programming Genres

Importance and Satisfaction

Proprietary & Confidential

XMCRB 00058068

Key Findings: Programming Genres

- Overall improvement opportunity for XM, Sirius satisfaction advantage
- Local traffic and weather represents the most significant gap between XM subscriber importance and satisfaction.
- Sirius Subscribers rate their service significantly higher on local traffic and weather, and directionally higher on music programming.
- XM Subscribers are significantly more likely than Sirius Subscribers to listen to music programming on a daily basis and to listen to a higher number of channels regularly.
- Sirius Subscribers are more likely to be daily listeners of Traffic and Weather.

XMCRB 00058069

Importance of Key Programming Genres

SATELLITE RADIO

- Both XM and Sirius Subscribers state that music is by far the most important type of programming for them. Music programming is followed by News, Sports, and Local Traffic and Weather in stated importance among listeners to either satellite radio service.
- There are no significant differences in importance of programming genres between XM and Sirius Subscribers.

XM (n=1,666)	
1. Music programming	92%
2. News programming	64%
3. Sports programming	49%
4. Local traffic & weather	48%
5. Comedy programming	46%
6. Talk programming	39%
7. Kids programming	16%

SIRIUS (n=145)	
1. Music programming	88%
2. News programming	63%
3. Sports programming	49%
4. Local traffic & weather	48%
5. Talk programming	41%
6. Comedy programming	41%
7. Kids programming	19%

C6. In general, how important to you are each of the following types of programming? % Top3box Stated Importance
Arrows indicate the value is significantly higher at the 95% confidence level.

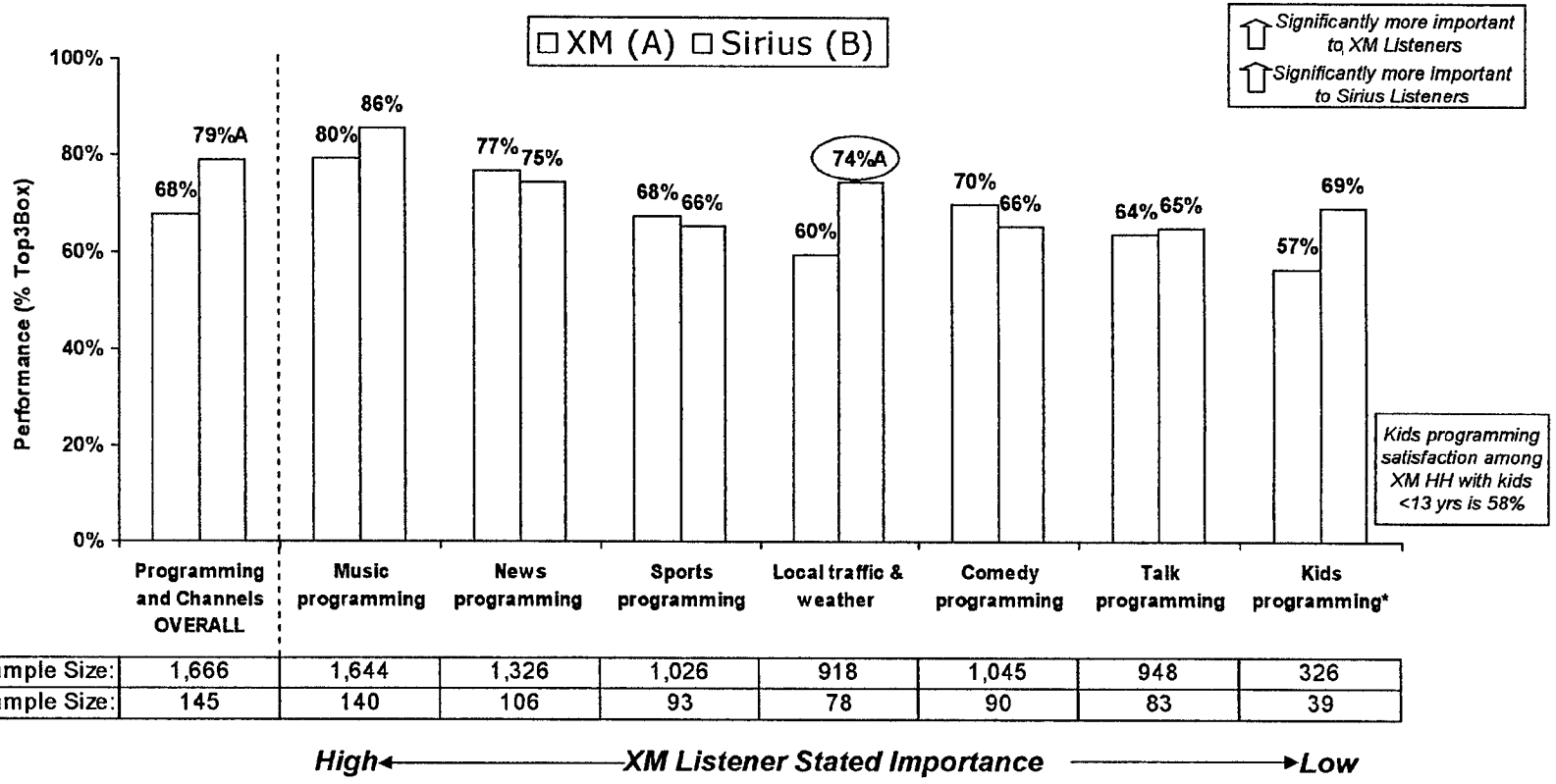
Base: All respondents

XMDR 00058070

Key Genre Satisfaction
XM and Sirius Subscribers (Total)

SATELLITE RADIO

- Sirius Subscribers rate their service significantly higher on local traffic and weather, and directionally higher on music programming.



	Programming and Channels OVERALL	Music programming	News programming	Sports programming	Local traffic & weather	Comedy programming	Talk programming	Kids programming*
XM Sample Size:	1,666	1,644	1,326	1,026	918	1,045	948	326
Sirius Sample Size:	145	140	106	93	78	90	83	39

Letters indicate the value is significantly higher than the value in the corresponding column at the 95% confidence level.

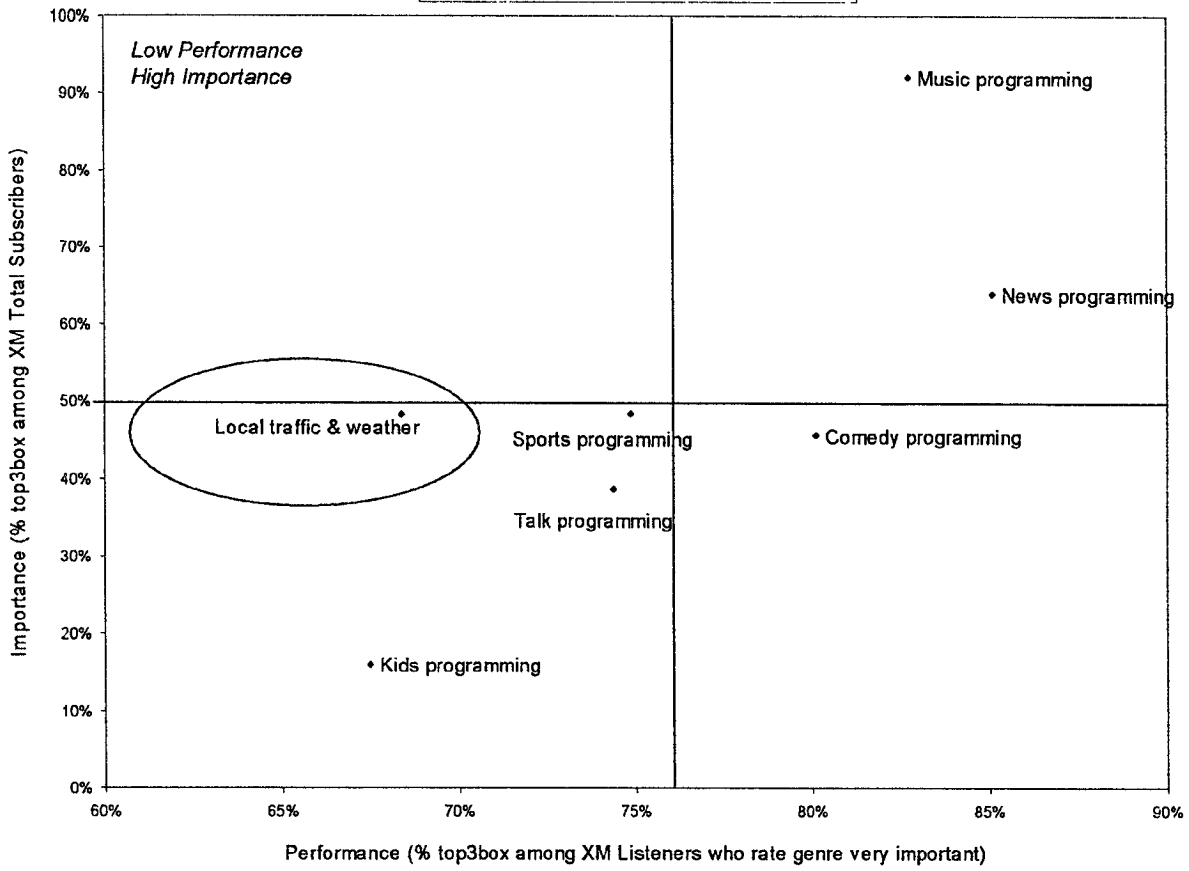
Base: All respondents who listen to genre
** Small Sirius Base <50*

XMCRB 0005807L

Key Genre Importance Performance 'Gaps' – XM Subscribers

SATELLITE RADIO

- Local Traffic and Weather is clearly an opportunity where XM can improve performance in an area that is very important to half the subscriber base. Sports programming would be a secondary improvement priority.

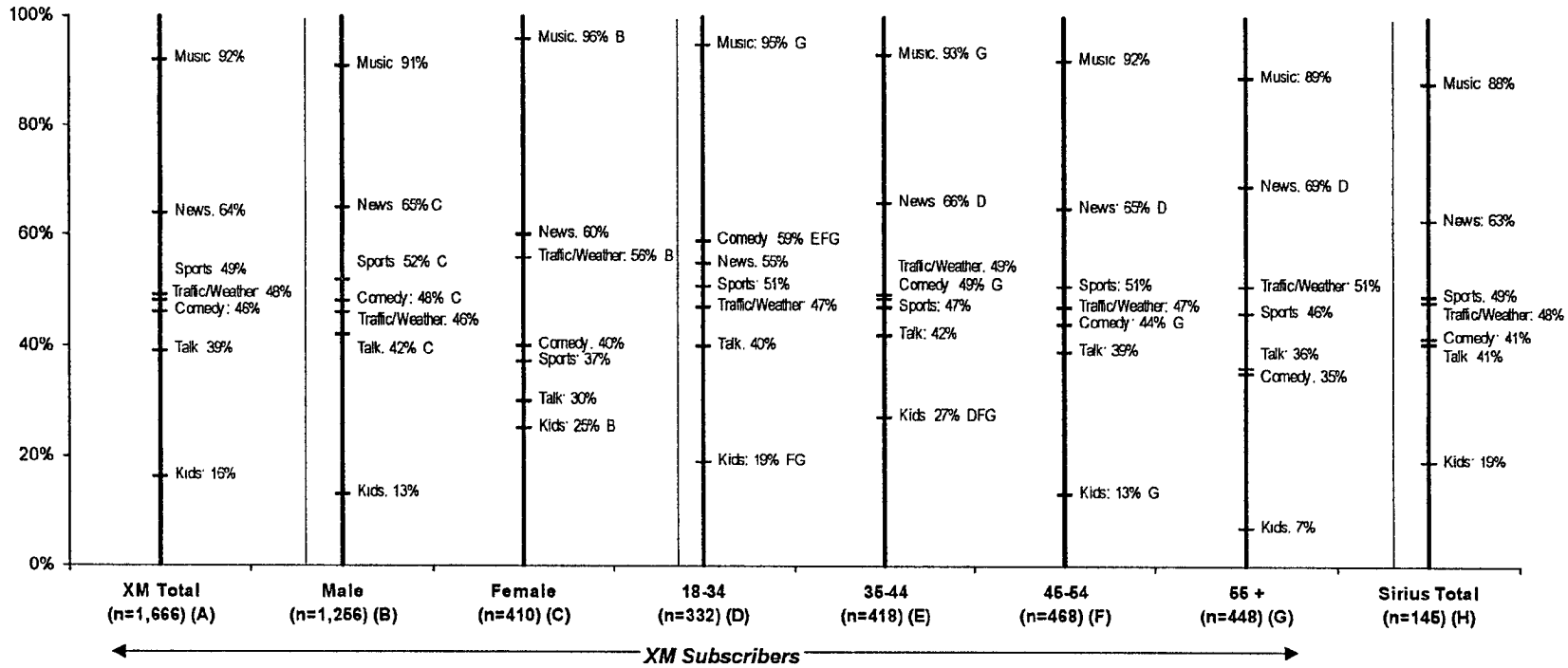


XMCRB 00058072

Importance of Key Programming Genres By XM Demographic Groups

SATELLITE RADIO

- Music is the most important type of programming for all demographic groups and News is the second most important for most. However, for the 18-34 age group, Comedy is second in importance only to Music.



C6. In general, how important to you are each of the following types of programming?
Letters indicate the value is significantly higher than the value in the corresponding column at the 95% confidence level.

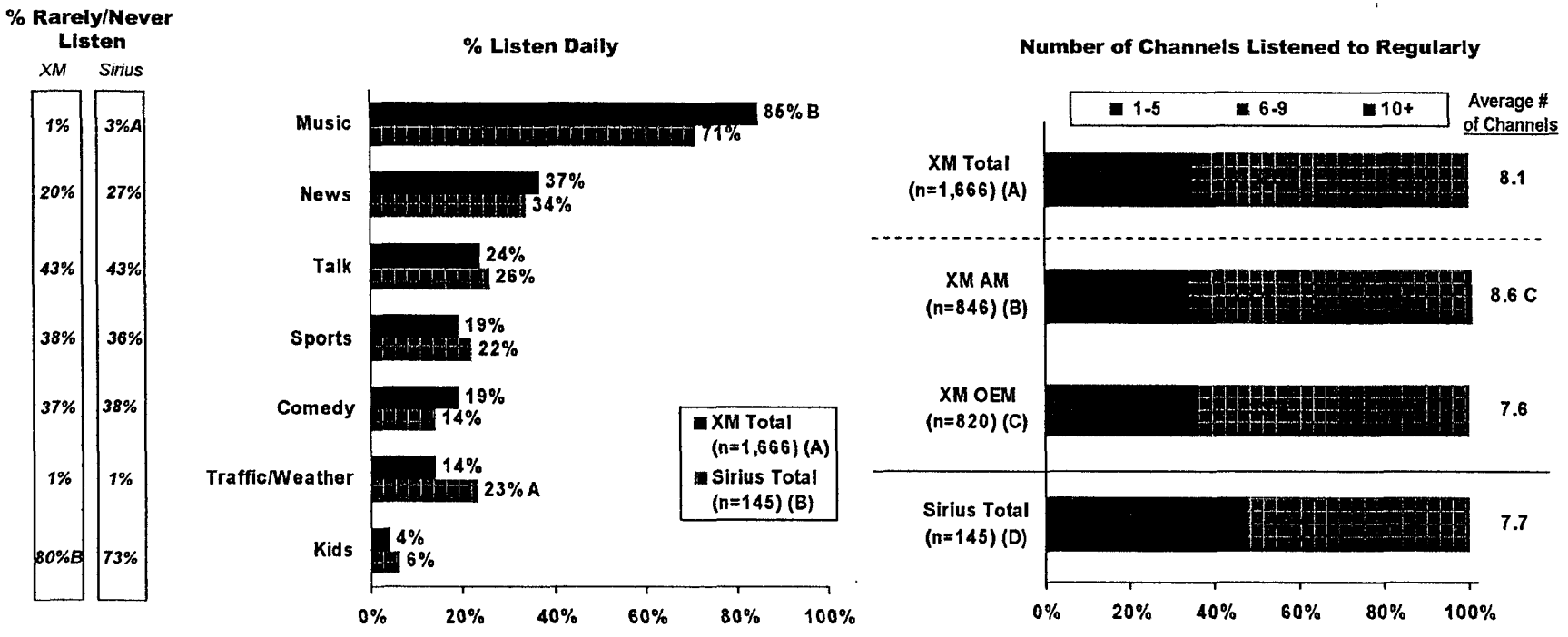
Base: All respondents
Columns tested: A/H – B/C – D/E/F/G

XMCRB 00058073

Satellite Radio Listening Behavior

SATELLITE RADIO

- XM Subscribers are significantly more likely than Sirius Subscribers to listen to music programming on a daily basis and to listen to a higher number of channels regularly.
- Sirius Subscribers are more likely to be daily listeners of Traffic and Weather.



C7. How often do you listen to each of the following types of programming on XM/Sirius Satellite Radio?
C2. How many channels do you regularly listen to on XM/Sirius Satellite Radio?
Letters indicate the value is significantly higher than the value in the corresponding column at the 95% confidence level.

Base: All respondents
**Based to those with children in household (n=589)*

XMCRB 00058074

SATELLITE
RADIO

Music Programming

Importance and Satisfaction

Proprietary & Confidential

XMCRB 00058075

Key Findings: Music Programming

SATELLITE RADIO

- Overall improvement opportunity for XM, Sirius satisfaction advantage.

- XM Subscribers are satisfied with both music programming, but directionally lower than Sirius.
  - Hard rock and alternative music represent two genres that are relatively weaker for XM, with Hard Rock creating significantly higher satisfaction among Sirius listeners. Pop music ratings should be paid close attention to.
  - Generally, lower satisfaction ratings by music genre tend to reflect niche programming that likely appeals to sub-segments of listeners (such as World music, Contemporary Christian, Punk).

- Overall, "Rock" genres receives lower ratings among XM subscribers than Sirius.

XMCRB 00058076

Music Genres Importance

SATELLITE RADIO

- Both XM and Sirius Subscribers state that Classic Rock is the most important music genre for them followed by Rock, Oldies, and Soft Rock.
- There are very few differences in importance between XM and Sirius Subscribers overall.

	XM (n=1,644)
1. Classic Rock	56%
2. Rock	54%
3. Oldies	48%
4. Soft Rock	37%
5. Country	36%
6. Jazz	32%
7. Pop	31%
8. Alternative	26%
9. Classical	24%
10. Hard Rock	24%
11. R/B and Soul	20%
12. Dance	17%
13. New Age	15%
14. Punk	15%
15. Hip Hop/ Rap	14%
16. World Music/Reggae/Folk	14%
17. Contemporary Christian	11%
18. Gospel	8%
19. Latin	8%

	SIRIUS (n=140)
1. Classic Rock	59%
2. Rock	54%
3. Oldies	46%
4. Soft Rock	39%
5. Pop	37%
6. Hard Rock	35%↑
7. Classical	33%↑
8. Country	31%
9. Jazz	31%
10. New Age	26%↑
11. Alternative	26%
12. R/B and Soul	23%
13. World Music/Reggae/Folk	21%↑
14. Dance	21%
15. Contemporary Christian	19%↑
16. Hip Hop/ Rap	17%
17. Punk	16%
18. Gospel	13%
19. Latin	11%

C9. In general, how important to you are each of the following types of music programming? Top3Box Importance
Arrows indicate the value is significantly higher at the 95% confidence level.

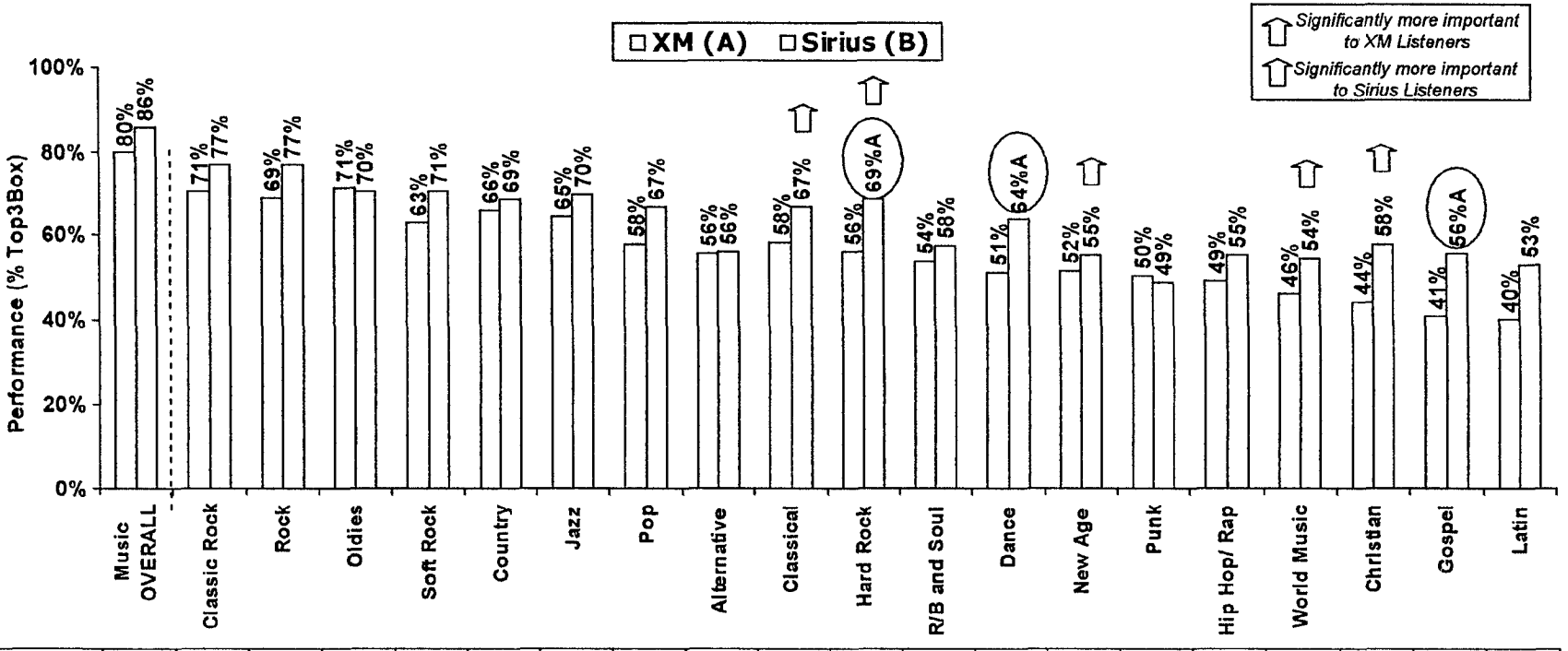
Base: All music listeners

XMCRB 00058077

Music Genres Performance
XM and Sirius Subscribers (Total)

SATELLITE RADIO

- Sirius Subscribers rate their service significantly higher on "Hard Rock", "Dance" and "Gospel." Overall, "Rock" genres receives lower ratings among XM subscribers than Sirius.
- The genres that Sirius subscribers state as being more important, are also the genres where they outperform us.



	Music OVERALL	Classic Rock	Rock	Oldies	Soft Rock	Country	Jazz	Pop	Alternative	Classical	Hard Rock	R/B and Soul	Dance	New Age	Punk	Hip Hop/ Rap	World Music	Christian	Gospel	Latin
XM Sample Size:	1,666	1,366	1,368	1,322	1,315	1,099	1,127	1,155	902	988	973	935	825	796	712	685	770	574	524	546
Sirius Sample Size:	145	120	113	115	112	92	96	99	84	90	93	85	72	76	76	65	68	57	54	51

High ← *XM Listener Stated Importance* → *Low*

Letters indicate the value is significantly higher than the value in the corresponding column at the 95% confidence level.

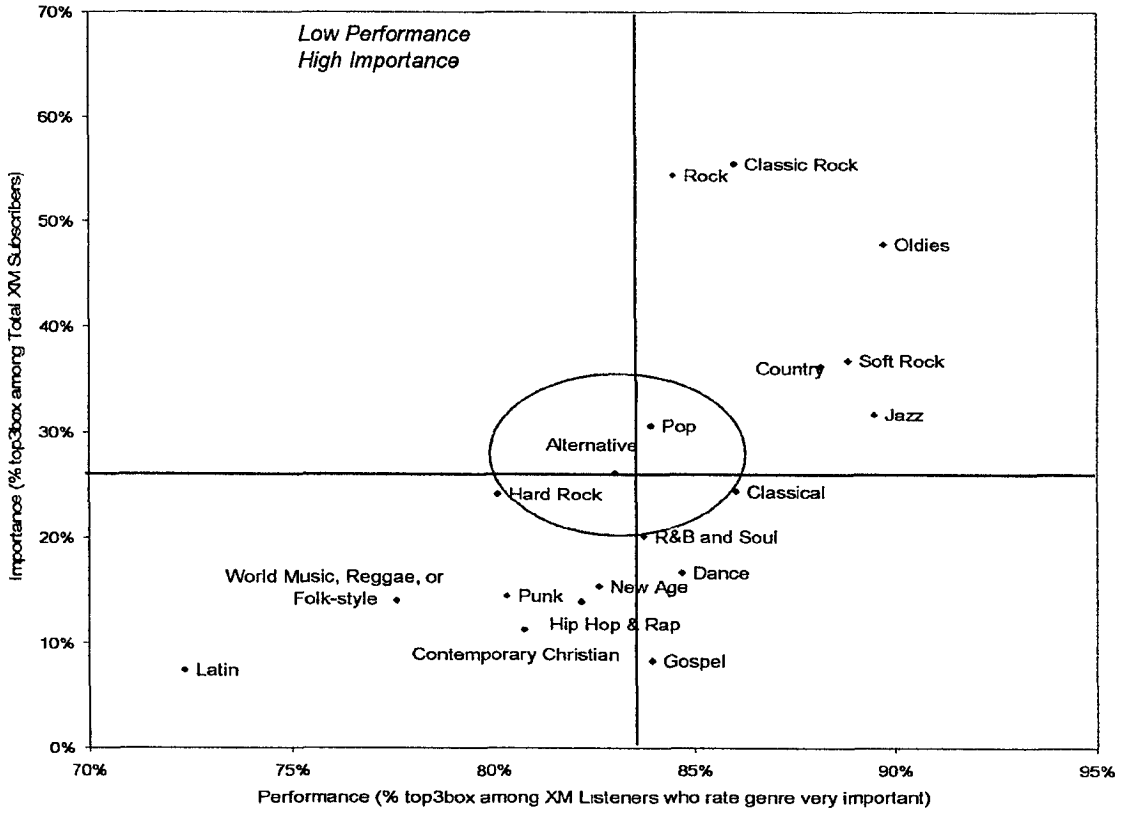
Base: All respondents who listen to genre

XMCRB 00058078

Music Genre Importance and Performance 'Gaps' – XM Subscribers

SATELLITE RADIO

- Hard Rock and Alternative music represent two relatively important genres that are considerably weaker for XM. Pop music ratings should be paid close attention to.
  - Generally, lower satisfaction ratings by music genre tend to reflect niche programming that likely appeals to smaller sub-segments of listeners (such as World music, Contemporary Christian, Punk).



XMCB 00058079

SATELLITE RADIO

Sports Programming

Importance and Satisfaction

Proprietary & Confidential

XMCRB 00058080

Key Findings: Sports Programming

SATELLITE RADIO

- Satisfaction with Sports programming is at relative parity between XM and Sirius.
- XM Listeners being similarly satisfied with MLB and NASCAR programming as Sirius Subscribers are with NFL and NBA programming (respectively).
- Sports programming is no more important to Sirius than XM Subscribers overall, and listening frequency is no different.
  - Relative to other sports programming offered on XM, college sports appeals to a very broad audience but achieve a relatively low level of satisfaction among core listeners.
  - While NFL is mentioned by a significant proportion of newer (past 12 months) Sirius Subscribers as a reason for subscribing, very few Subscribers mention NFL as a reason for current satisfaction.

XMCRB 00058081

Sports Programming Importance

SATELLITE RADIO

- Subscribers to both services state that NFL is the most important type of sports programming to them. For XM, the NFL is followed by college sports and MLB in importance and for Sirius by MLB and then college Sports.
- NHL and tennis are significantly more important to Sirius Subscribers than to XM Subscribers. This provides on opportunity for XM.

XM (n=1,666)	
1. NFL	50%
2. College sports	42%
3. MLB	39%
4. NASCAR	20%
5. NBA	19%
6. PGA	16%
7. NHL	15%
8. Indy Racing	10%
9. Tennis	6%

SIRIUS (n=145)	
1. NFL	58%
2. MLB	41%
3. College sports	40%
4. NHL	28% ↑
5. NBA	23%
6. NASCAR	21%
7. PGA	16%
8. Indy Racing	15%
9. Tennis	12% ↑

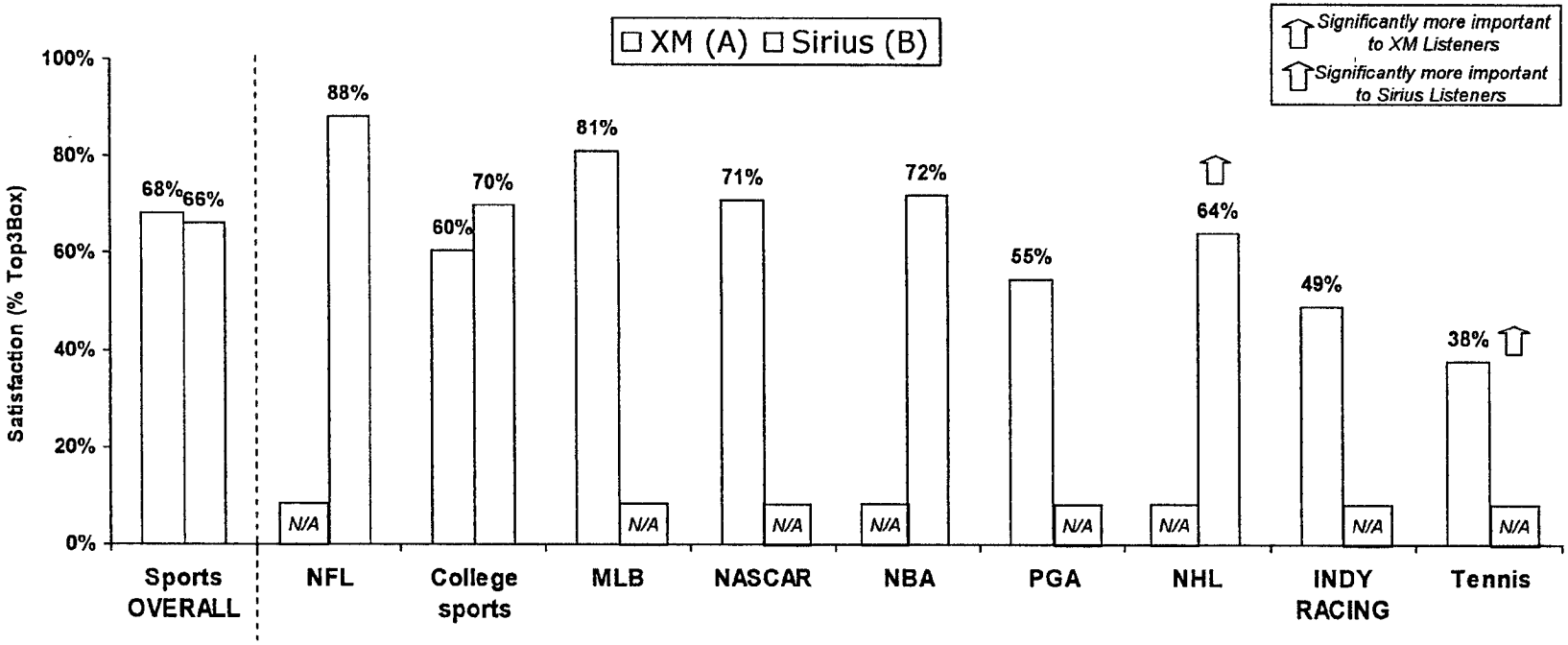
C11. In general, how important to you are each of the following types of sports programming? Top3Box Importance
Arrows indicate the value is significantly higher at the 95% confidence level.

Base: All Sports Listeners

XMCRB 00058082

Sports Programming Satisfaction
XM and Sirius Subscribers (Total)

- Overall, XM and Sirius sports programming listeners express similar satisfaction levels.
- Sirius enjoys high satisfaction of its NFL programming among listeners. XM Subscribers are highly satisfied with the MLB programming on XM.



	Sports OVERALL	NFL	College sports	MLB	NASCAR	NBA	PGA	NHL	INDY RACING	Tennis
XM Sample Size:	1,026	778	789	814	456	449	411	359	297	232
Sirius Sample Size:	93	88	67	63	46	57	40	50	41	32

High ← XM Listener Stated Importance → Low

Q Please rate your satisfaction with [INSERT BRAND] Satellite Radio's programming in each of these area
Letters indicate the value is significantly higher than the value in the corresponding column at the 95% confidence level.

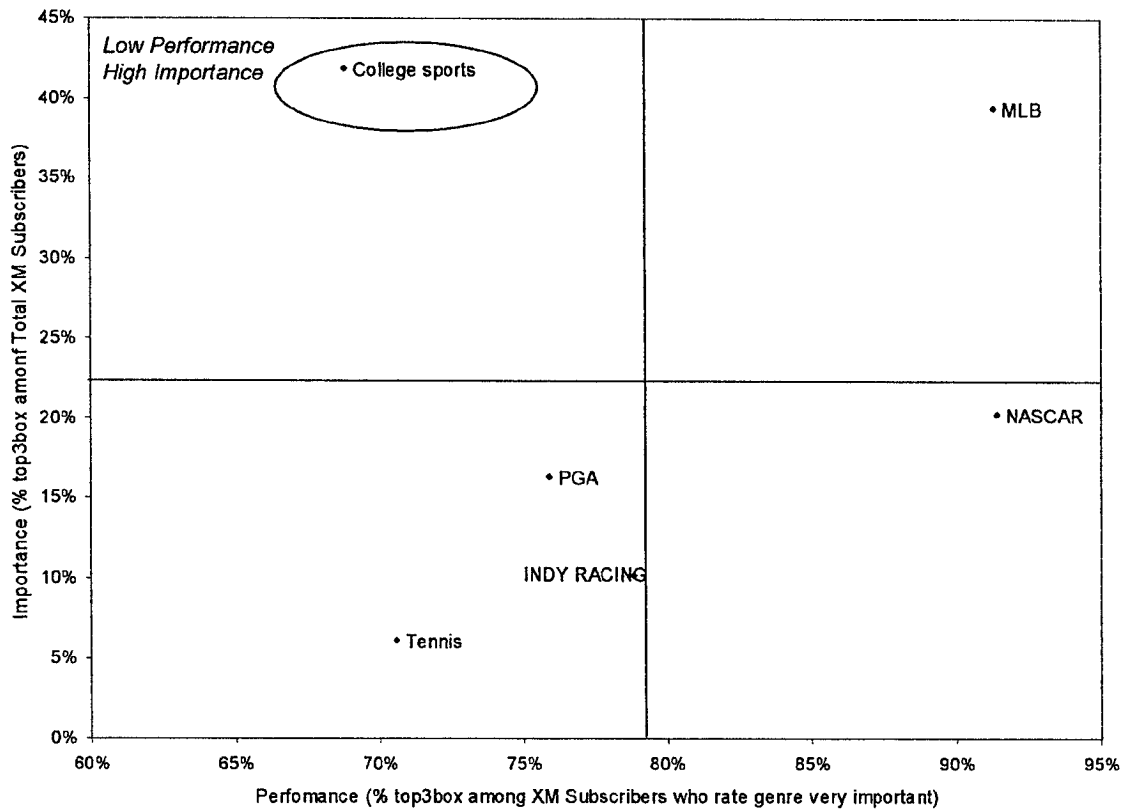
Base: All respondents who listen to genre
N/A = dedicated programming for that sport not available on Sirius/XM

XMCRB 00058083

Sports Programming Importance and Performance 'Gaps' – XM Subscribers

SATELLITE RADIO

- College Sports is an opportunity where XM can improve performance in an area that is very important to almost half the subscriber base.



XMCRB 00058084

Sports Fan Profile

SATELLITE RADIO

- XM Subscribers are less likely to consider themselves NFL and NHL fans than Sirius Subscribers, this would be in line given the current content deals XM and Sirius have.

	XM TOTAL (n=1,666) (A)	XM AM (n=846) (B)	XM OEM (n=820) (C)	Sirius TOTAL (n=145) (D)
I am an NFL fan	63%	59%	68% B	74% A
I am a Major League Baseball fan	52%	52%	53%	59%
I am a PGA fan	29%	27%	32% B	30%
I am an NBA fan	29%	27%	31%	37%
I am a NASCAR fan	26%	26% C	24%	30%
I am an NHL fan	23%	24%	22%	39% A
I am a tennis fan	17%	15%	20% B	23%
I am an IRL/Indy car fan	14%	16% C	13%	19%

Letters indicate the value is significantly higher than the value in the corresponding column at the 95% confidence level.

Base: All Respondents

XM-CRB 00058085

Importance of Key Programming Genres
XM Sports Fans vs. Non-Fans

- Even though Sports Programming is very important to Sports Fans, other types of programming are *as* important if not more important for Sports Fans than they are for Non-Fans.
- In fact, only 14% of recently subscribed Sports Fans volunteered they subscribed to XM specifically for a Sports Programming reason and only 8% of Sports Fans strongly agree that 'when it comes to programming, all they really care about is sports'. (Data not shown).

	(n=1,041)
1. Music programming	93% ↑
2. Sports programming	68% ↑
3. News programming	66% ↑
4. Comedy Programming	48% ↑
5. Local traffic & weather	47%
6. Talk programming	40%
7. Kids programming	15%

	(n=625)
1. Music programming	90%
2. Sports programming	17%
3. News programming	60%
4. Comedy Programming	42%
5. Local traffic & weather	50%
6. Talk programming	37%
7. Kids programming	15%

C6. In general, how important to you are each of the following types of programming? % Top3box Stated Importance
Arrows indicate the value is significantly higher at the 95% confidence level.

Base: Sports Fans = Completely Agree they are a Fan at any sport in K2/ Non-Fan = All Others

XMCRB 00058086

SATELLiTE
RADiO

Talk Programming

Importance and Satisfaction

Proprietary & Confidential

XMCB 00058087

Key Findings: Talk Programming

SATELLITE RADIO

- Overall talk radio performance is rated identically by XM and Sirius Talk Radio listeners.
- Stated importance for talk radio genres is more similar than for other genres.
- Politics represent the most likely target for improvement, being the most important talk programming format, with relatively average performance.

XMCRB 00058088

Talk Radio Importance

SATELLITE RADIO

- Stated importance for talk radio genres is more similar than for other genres.
  - XM talk radio listeners rate politics highest followed by business/financial talk while Sirius talk listeners rate sports talk the highest followed by entertainment.
  - Business/financial talk is significantly more important to XM talk radio listeners than Sirius talk radio listeners.

XM (n=1,666)

1. Politics	37%
2. Business/Financial Talk	34% ↑
3. Talk about Sports	32%
4. Entertainment	30%
5. Talk about music	23%
6. Special interests	23%

SIRIUS (n=145)

1. Talk about Sports	39%
2. Entertainment	35%
3. Politics	35%
4. Special interests	26%
5. Talk about music	26%
6. Business/Financial Talk	25%

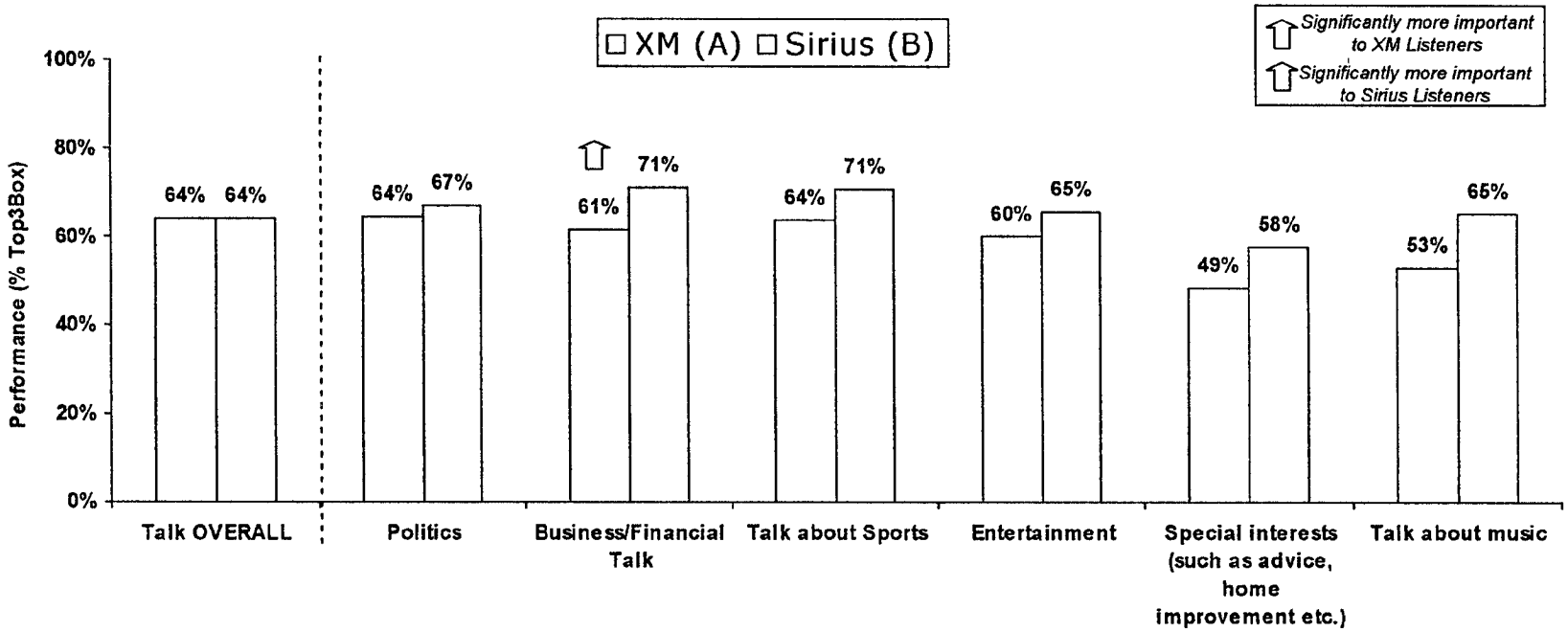
C13.In general, how important to you are each of the following types of talk programming?
Arrows indicate the value is significantly higher at the 95% confidence level.

Base: All talk listeners

XMCB 00058089

Talk Programming Performance – XM vs. Sirius (Total)

- Overall talk radio performance is rated identically by XM and Sirius Talk Radio listeners.
  - Except, XM Subscribers find business/financial talk more important than Sirius, but are less satisfied with it than Sirius subscribers.



	Talk OVERALL	Politics	Business/Financial Talk	Talk about Sports	Entertainment	Special interests (such as advice, home improvement etc.)	Talk about music
XM Sample Size:	948	802	734	658	693	625	659
Sirius Sample Size:	83	73	62	65	75	64	63

High ← ***XM Listener Stated Importance*** → ***Low***

Letters indicate the value is significantly higher than the value in the corresponding column at the 95% confidence level.

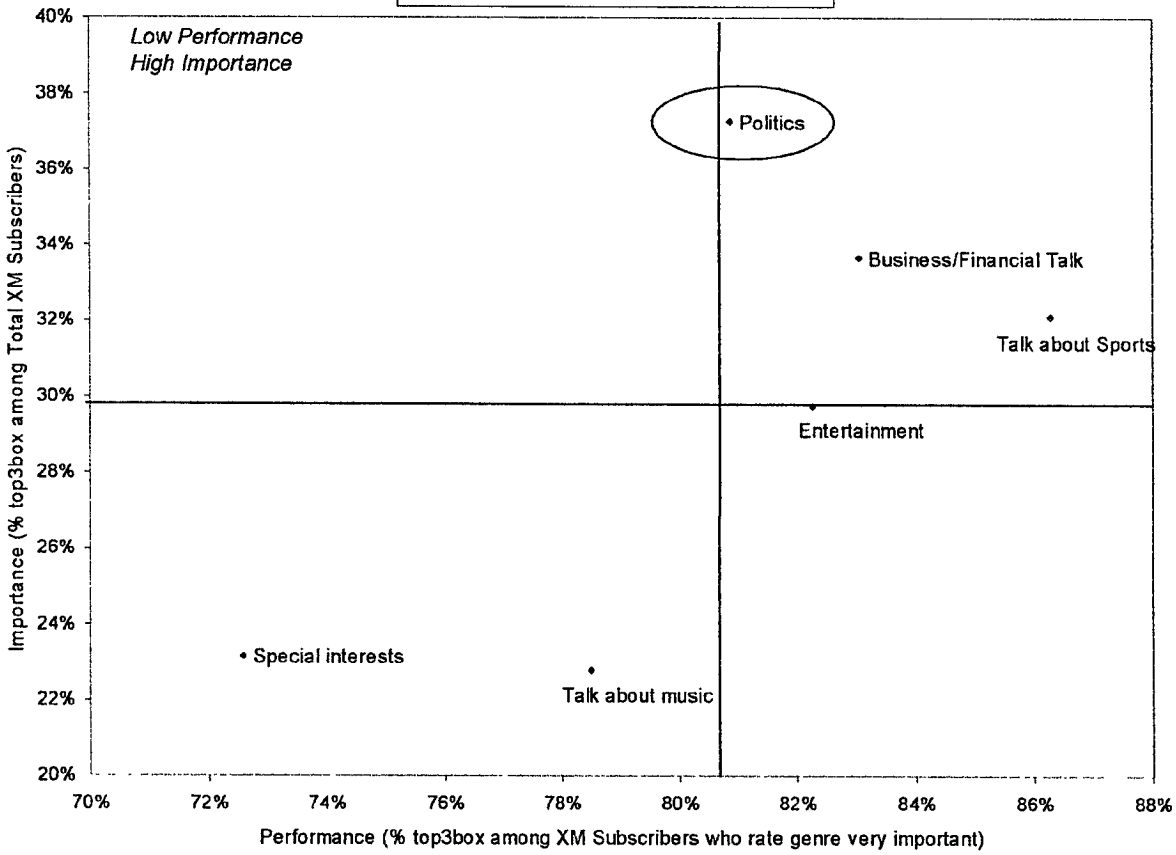
Base: All respondents who listen to genre

XMCB 00058090

Talk Radio Importance and Performance 'Gaps' – XM Subscribers

SATELLITE RADIO

- Generally XM talk radio performance is relatively well matched to subscriber importance. Politics represent the most likely target for improvement, being the most important talk programming format, with relatively average performance.



XMCB 00058091

SATELLITE RADIO

Appendix

XMCRB 00058092

SATELLiTE
RADiO

Sub-Group Analysis

Proprietary & Confidential

XMCRB 00058093

Music Genre Importance by Gender

SATELLITE RADIO

- Female Subscribers rated a number of genres (Soft Rock, Pop, Country, R&B, Dance, Hip Hop, New Age, World Music, Christian, and Gospel) as more important than Male Subscribers who placed more importance on Hard Rock.

Male (n=1,240)

1. Classic Rock	56%
2. Rock	54%
3. Oldies	47%
4. Country	35%
5. Soft Rock	34%
6. Jazz	32%
7. Alternative	27%
8. Pop	26%
9. Hard Rock	25% ↑
10. Classical	23%
11. R/B and Soul	16%
12. Dance	15%
13. New Age	14%
14. Punk	14%
15. World Music/Reggae/Folk	13%
16. Hip Hop/ Rap	11%
17. Contemporary Christian	10%
18. Gospel	7%
19. Latin	7%

Female (n=404)

1. Rock	57%
2. Classic Rock	55%
3. Oldies	51%
4. Soft Rock	47% ↑
5. Pop	45% ↑
6. Country	41% ↑
7. R/B and Soul	32% ↑
8. Jazz	31%
9. Classical	28%
10. Alternative	23%
11. Dance	23% ↑
12. Hip Hop/ Rap	23% ↑
13. Hard Rock	20%
14. New Age	20% ↑
15. World Music/Reggae/Folk	18% ↑
16. Punk	16%
17. Contemporary Christian	15% ↑
18. Gospel	12% ↑
19. Latin	9%

C9. In general, how important to you are each of the following types of music programming? Top3box Importance
Arrows indicate the value is significantly higher at the 95% confidence level.

Base: All music listeners

XMCRB 00058094

Music Genre Importance by Gender

SATELLITE RADIO

- Younger Subscribers place greater importance on more music genres than Older Subscribers. They also spend more time listening to satellite radio, use more presets, and listen to more stations (not shown).

1. Classic Rock	53% D	67% AD	68% AD	34%
2. Rock	72% CD	69% CD	58% D	24%
3. Oldies	26%	29%	60% AB	70% ABC
4. Soft Rock	26%	36% A	44% AB	38% A
5. Country	39% B	31%	35%	41% B
6. Jazz	20%	26%	36% AB	41% AB
7. Pop	54% BCD	37% CD	25% D	13%
8. Alternative	56% BCD	33% CD	20% D	5%
9. Classical	15%	19%	24% A	36% ABC
10. Hard Rock	48% BCD	34% CD	18% D	5%
11. R/B and Soul	30% BCD	17%	20%	16%
12. Dance	30% BCD	17% D	14% D	9%
13. New Age	14%	14%	19% AB	14%
14. Punk	38% BCD	18% CD	7% D	2%
15. World Music/Reggae/Folk	16%	13%	16%	12%
16. Hip Hop/ Rap	40% BCD	14% CD	7% D	2%
17. Contemporary Christian	14% D	11%	14% D	7%
18. Gospel	7%	7%	11%	8%
19. Latin	9%	8%	7%	7%

Top 5 Genres by Age shown in RED

C9. In general, how important to you are each of the following types of music programming? Top3box Importance
Letters indicate the value is significantly higher than the value in the corresponding column at the 95% confidence level.

Base: All music listeners

XMCB 00058095

Sports Genre Importance by Gender

SATELLITE RADIO

- Male Subscribers place more importance on almost every type of sports programming than Female Subscribers.

Male (n=1,256)

1. NFL	52% ↑
2. College sports	44% ↑
3. MLB	42% ↑
4. NASCAR	21%
5. NBA	19%
6. PGA	18% ↑
7. NHL	17% ↑
8. Indy Racing	11% ↑
9. Tennis	5%

Female (n=410)

1. NFL	42%
2. College sports	35%
3. MLB	31%
4. NBA	19%
5. NASCAR	18%
6. NHL	11%
7. PGA	11%
8. Tennis	8% ↑
9. Indy Racing	7%

C11. In general, how important to you are each of the following types of sports programming? Top3Box Importance
Arrows indicate the value is significantly higher at the 95% confidence level.

Base: All Sports Listeners

XMCB 00058096

Talk Radio Genre Importance by Gender

SATELLITE RADIO

- Male and Female Subscribers rated the importance of talk radio genres differently. Female Subscribers placed more importance on entertainment-related genres while Male Subscribers valued politics, business, and sports.

Male (n=1,256)

1. Politics	40% ↑
2. Business/Financial Talk	37% ↑
3. Talk about Sports	36% ↑
4. Entertainment	27%
5. Special interests	24%
6. Talk about music	21%

Female (n=410)

1. Entertainment	38% ↑
2. Talk about music	29% ↑
3. Politics	28%
4. Business/Financial Talk	23%
5. Special interests	22%
6. Talk about Sports	22%

C13.In general, how important to you are each of the following types of talk programming?
Arrows indicate the value is significantly higher at the 95% confidence level.

Base: All talk listeners

XMCRB 00058097

Talk Radio Genre Importance by Age

SATELLITE RADIO

- The importance of talk radio genres varies widely by age.

1. Politics	31%	36%	40% A	40% A
2. Business/Financial Talk	27%	32%	34% A	40% AB
3. Talk about Sports	38% D	35% D	32% D	25%
4. Entertainment	40% BCD	31% D	26%	25%
5. Special interests	21%	23%	24%	23%
6. Talk about music	27% D	21%	24%	20%

C13.In general, how important to you are each of the following types of talk programming?
Letters indicate the value is significantly higher than the value in the corresponding column at the 95% confidence level.

Base: All talk listeners

XMCB 00058098

SATELLiTE
RADiO

Analytical Explanation

Proprietary & Confidential

XMCRB 00058099

Derived vs Stated Importance

SATELLITE RADIO

- For the programming analysis, both derived and stated importance scores have been utilized.
  - The STATED importance scores are used for the analysis of genres of programming, given the base sizes vary significantly from one genre to another and the relative sample size is difficult to separate from impact in the derivation of importance.
- DERIVED importance scores have been used for all other touchpoint driver analysis.

XMCRB 00058100

Step 1: Derived Analysis
Identifying Delighted and Dissatisfied Customers

SATELLITE RADIO

- 1. Customers are divided into three unique sub-groups based on their overall satisfaction with XM:
  - **Dissatisfied** customers whose 'must-have' needs are not being met. Membership in this group is often a reliable predictor of customer defection. For this study, dissatisfied customers are defined as those who rated 1-5 on Overall Satisfaction with XM.
  - Customers who are **merely satisfied**, and whose needs are only 'adequately' met. (Defined as those who rated 6-8 on Overall Satisfaction with XM)
  - '**Delighted**' customers whose base expectations are generally exceeded. Members of this group are most likely to be loyal, be advocates, and may have higher spending levels. (Defined as those who rated 9 or 10 on Overall Satisfaction with XM).

XMCRB 00058101

Step 2: Derived Analysis
Penalty/Reward Analysis

SATELLITE RADIO

- 2. A Penalty/Reward analysis was used to determine the key drivers of satisfaction and dissatisfaction. Separate models are run based on the understanding that the drivers of dissatisfaction and satisfaction (delight) can be different.

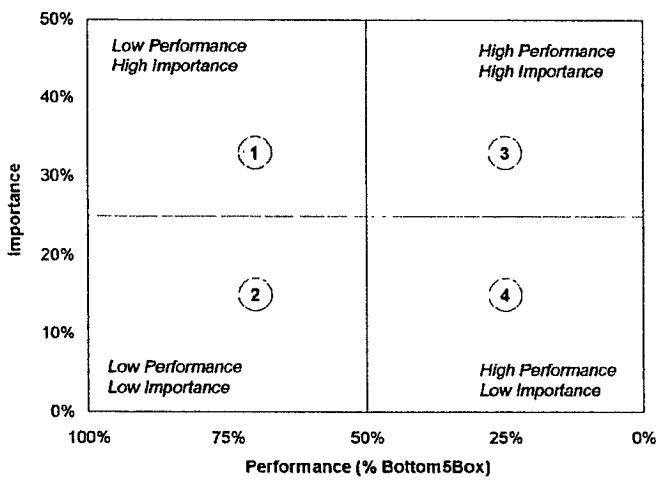
- Step-by-Step description of Penalty/Reward analysis:
  - A **Dependent Variable** is measured on a 10-point scale.
  - A set of **Independent Variables** are also measured
  - The more likely customers are to use the top 2 scores (9 or 10) for any independent variable when also scoring the dependent variable in the top 2, the greater the reward. Conversely, the more likely customers are to use the bottom 5 scores (1, 2, 3, 4, or 5) for any independent measure when also scoring the dependent measure in the bottom 5, the greater the penalty.

XMCRB 00058102

Step 3: Derived Analysis
Importance Performance Analysis

SATELLITE RADIO

- 3. Our quadrant charts are related to the Penalty/Reward analysis. Attributes are plotted against two axes, Importance and Performance.
  - The Importance axis plots Penalty or Reward values derived from the Penalty/Reward analysis. The values are shown as a relative percentage for all the attributes included in a group. As such, the sum of the importance values is always 100%. The higher a value is, the more important it is considered within the group. Importance values should not be compared across groups.
  - The Performance axis plots the proportion of customers that rate an attribute within the range of dissatisfaction or within the range of delight. In the case of a *Dissatisfaction quadrant chart*, the proportions go from high to low. In the case of a *Delight quadrant chart*, the proportions go from low to high.
- We create quadrant charts by dividing the plot area into four zones based on mean Importance and mean Performance values (see below).



- **Low Performance/High Importance** is the most critical quadrant. Attributes that fall here represent areas of above average importance and below average performance. These areas should be considered primary improvement opportunities.
- The **Low Performance/Low Importance** quadrant represents areas of below average importance and below average performance. These areas should be considered secondary improvement opportunities.
- The **High Performance/High Importance** quadrant represents areas of above average importance and above average performance. These are high importance areas where performance is good. These should be monitored closely over time as they could become critical areas if performance slips.
- The **High Performance/Low Importance** quadrant is the least critical. Attributes falling within this quadrant are of below average importance and above average performance. It is possible that too many resources are being invested into attributes falling within this relatively unimportant area.

- All attributes are presented in a legend below the quadrant chart. Attributes are numbered in descending order of importance and attributes that fall within the Low Performance/ High Importance quadrant are **bolded** and highlighted for easy identification.

XMCB 00058103

Background and Objectives

SATELLITE RADIO

- As a part of maintaining and continuing to grow the subscriber base, XM Satellite Radio has initiated an ongoing customer satisfaction program, beginning in October 2005.
- Primarily, this program will identify diagnostics for action planning to build customer satisfaction, loyalty and retention among XM Satellite Subscribers by addressing the following specific objectives:
  - Understand how satisfied subscribers are with XM Satellite Radio, overall and across key product attributes of the customer experience.
  - Benchmark subscriber satisfaction with that of Sirius Satellite Radio Customers, and understand potential Sirius vulnerabilities (and XM Satellite strengths) vis-à-vis the XM Satellite Radio experience.
  - Identify the key drivers of satisfaction for subscribers, the greatest potential improvement opportunities, and where possible link to business process levers that can be used to improve performance on key subscriber needs.
- A secondary objective of the study will be to assess the role satisfaction plays in building customer loyalty, and how it works along with key marketing dimensions – brand, offerings, pricing – to impact customer behavior.

XMCRB 00058104

Methodology

SATELLITE RADIO

- Ipsos conducted online interviews with XM and Sirius Subscribers between October 5 and October 23 as follows:
  - 1666 interviews were completed with XM Subscribers. All sample was provided by XM.
  - 145 interviews were completed with Sirius Subscribers, using subscribers pre-identified on the Ipsos online panel.
- Subscribers were interviewed if they met the following criteria:
  - Have a *paid* subscription
  - Are the primary or one of the primary listeners in the household
  - Are the primary or joint decision-maker regarding subscribing to Satellite Radio
  - Are not employed in marketing research, radio, electronics or automotive sales
- Total subscribers in this report represents the approximate ratio of OEM to Aftermarket Subscribers at the time the study was conducted.
- Given this ratio is subject to seasonality, the profile of XM Subscribers in total may look different at different times of the year (OEM Subscribers: 49% vs Aftermarket 43%, Gift 8%).
  - Sirius Subscribers are predominantly (80%) Aftermarket and therefore, we do not have a separate read on OEM market for Sirius Subscribers
- Subscribers are defined as 'OEM' or 'Aftermarket' based on their receiver, or where more than one receiver is owned, the receiver they use the most.

NOTE: These results cannot be compared to the Brandware tracking study since methodology varies:

- Using XM Database for sample in the Ipsos study vs. a random sample in Brandware
- The scales are different (10-point scale in Ipsos vs. 5-point scale in Brandware)
- Sample size/margin of error very different with Brandware being smaller
- Brandware results are not weighted to reflect accurate proportion of OEM vs. Aftermarket or news vs. Tenured subs.

XMCB 00058105