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Subject: 2005 Listener Study Corrected Data and Research Conclusions
Date: 01/13/2006 00:42:10 UTC
Attached are:

- PowerPoint Report reflecting Weighted data
- Market Research Remarks and Conclusions (also noted below)
- 2 Overall Scatter Plots; 1 for Music and 1 for Non-Music
- 5 Scatter Plots by Age for Music Channels; 18-24, 25-34, 35-44, 45-54 and 55+
- 5 Scatter Plots by Age for News/Talk/Sports Channels; 18-24, 25-34, 35-44, 45-54 and 55+
- December 21 email which explained the need for the restatement of data

Based on this data Market Research makes the following remarks and conclusions:

1. Statistical analysis indicates most of the measures in this study are highly correlated with Past Week Listening, meaning they measure variants on appeal. That is, top ranked channels on one measure are likely to be top ranked channels on the other measures. This suggests that in future Listener Studies we can eliminate several of these measures to allow for exploration of other areas of interest.

2. However, through regression analysis we determined the measure *"If this channel were no longer available on SIRIUS I would cancel my subscription"* was the most differentiating attitudinal measure across channels. Therefore to cut to the chase on data analysis we focus on Past Week Listening as a measure of breadth of appeal and Cancel if Gone as a measure of passion. The attached Overall Scatter Plots, one each for Music and News/Talk/Sports channels, depict these two dimensions simultaneously.

3. The SIRIUS Listener skews Male 25-54 (51%), particularly strong among 24-44 (33%), versus the population; indexes of 153 and 138, respectively. Given this demo skew it is not surprising that the content with the broadest appeal and high commitment is Sports (***Play-by-Play, SIRIUS NFL Radio***, and ***ESPN***), Comedy (***Raw Dog*** and ***Cracked Up***), News (***FOX News*** and ***CNN***) and Music spanning Rock and Pop from the 60's to today (***Big 80's, Alt Nation, Octane, Classic Vinyl, Classic Rewind, Hair Nation, Totally 70's, SIRIUS Hits 1, The Pulse*** and ***New Country***.)

4. Several smaller or niche channels stand out as having a high proportion of committed Past Week listeners; ***OutQ, EWTN***, the non-commercial public news ***BBC, NPR*** and ***PRI***, as well as ***SIRIUS Left, Right*** and ***Patriot***. On the music side this is true for ***Spirit, Praise, Blues, Jam_On, The Beat, Hard Attack, Pure Jazz, Faction*** and ***Outlaw Country.*** This can be seen by looking at this relationship as seen on pages 32-36 in the PowerPoint deck.

5. As stated in our meetings in November, channels that have a relatively low percent of Past Week Listeners that would Cancel if Gone are worth looking at their role as part of an assessment of whether to enhance these channels or use the bandwidth for other channel concepts. These include more broadly listened to channels as well as niche channels; ***Starlite, The Bridge, Preview, E!*** as well as ***Martha*** and ***LIME*** with predominantly female appeal. Other channels to look at because among the total sample 2% or fewer would cancel their subscription to SIRIUS if these channels were dropped are ***Classical Voices, Slow Jamz, Wax, Folktown, Kids Stuff, Heart & Soul, Soul Revue, Underground Garage, The Strobe*** and ***BoomBox,*** as well as ***Bloomberg, courtTV*** and ***Discovery.***

6. That being said we know that content appeal is driven by age and gender. Music tastes in particular largely reflect popular styles at the time one comes of age. The attached scatter plots by age clearly show the distinct preferences by ~10 year age bands. Clearly channels that on overall basis are mentioned in point 5 are in fact strong with a particular age segment. As a broadly appealing media clearly this balance is one to

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be managed.

7. The large sample size of this study provides the ability to examine each channel and take the voice of the customer into consideration. For example, verbatim responses among Past Week Listeners of ***Heart & Soul*** (6%) who love the channel (55% Top 3 rating on 10 point scale) speak of this being the kind of music they like, specifically they mention the variety and mix of older and newer music (18%) and that the smooth, mellow, relaxing mood (8%) is enjoyed. While ***Heart & Soul*** listeners who are not as happy (43% Mid-range and 1% Bottom 3 rating) suggest more variety in the songs and artists (8%) and older (9%) or newer music (5%).

8. 4% of respondents to the Listener Study identified themselves as Hispanic, significantly below the population; Hispanics represent 13% of Total and 8% of Adult 18+ U.S. population. 4% is in the range seen in the Customer Satisfaction studies and the DTC subscriber database segmentation. A Spanish language questionnaire option may capture some missed Hispanics, however based on the 1% Jan-Oct '05 contact rate reported by Customer Care the impact is negligible and would not materially change overall results. Of course if we are diagnosing one of the Spanish language channels or assessing the needs of the Hispanic population we would offer the option to take the survey in Spanish.

   Regardless, Hispanics listen to SIRIUS channels in similar proportion to non-Hispanics. And while Latin & International Music and News channels are listened to by a small minority overall they do get more attention from Hispanic subscribers:

	Total Sample	**Hispanic**
Unweighted Sample	**25,191**	**961**
Weighted Sample	**25,189**	**1,023**
	%	**%**
Music		
Universo Latino	2.1	23.0
Tropical	4.7	20.5
Mexicano	1.7	16.1
News/Talk		
BBC Mundo	0.5	3.9
Hispanic Talk	0.3	4.7
EWTN Radio Catolica Mundial	0.1	0.7

As always, if there is any aspect of this write up or the attached documents you would like to discuss let me know.

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