

# Satellite Radio



## "The Myth VS The Truth"

There are numerous myths that surround satellite radio: Sirius and XM. The unprecedented amount of publicity coupled with Wall Street's fascination with this technology has caused these myths to be perceived as truth.

Let's separate them:

**MYTH:** Satellite radio has a huge number of subscribers.

*TRUTH: They have 9 million and that number is overstated because they count radios in unsold cars as subscribers and they keep cancellations on their roster for 18 months. (their cancellation rate is nearly 2% per month - 20% per year)*

**MYTH:** Satellite radio is doing well financially.

*TRUTH: XM and Sirius are currently looking at over \$1 Billion in debt in 2009 and that number is growing. In 2006, Sirius was losing an astounding \$5 million per DAY!*

**MYTH:** Automakers are anxious to install satellite radios.

*TRUTH: Automakers are paid \$150 per satellite radio to install them. (the radio itself is given free to the automakers).*

**MYTH:** Satellite radio is commercial free.

*TRUTH: They now carry radio commercials on the talk stations and will be adding them to music soon. But... a recent survey said that 1 in 4 subscribers are there because of no commercials.*

**MYTH:** Satellite radio has good fidelity.

*TRUTH: You can't get it in tunnels, buildings, bridges, etc. - just like terrestrial radio. It does have static, Satellite actually broadcasts to an existing unused FM frequency on your radio.*

**MYTH:** Howard Stern caused a surge in subscribers.

*TRUTH: They projected 25% of his listeners would follow... only 8% did.*

**MYTH:** Satellite listeners no longer listen to terrestrial radio.

*TRUTH: 2/3rds of satellite's subscribers listen to terrestrial (local) radio the same way they used to.*