

In-Stat T.A.P Survey Executive Summary: Digital Radio

To gain a better understanding about the market for digital radio, In-Stat conducted an online survey among members of its Technology Adoption Panel (TAP) on the topic (i.e., satellite radio and High Definition (HD) radio).. In-Stat's TAP is an online panel of more than 14,000 US-based technology users and decision makers interested in contributing their opinions and insights about technology usage and technology issues in the workplace, and 1542 members completed this survey. The panel is comprised of a diverse group of people who represent a wide range of company sizes, industries, and areas of expertise. The diversity of the panel also allows us to gather information on a variety of topics from many different perspectives. However, the reader should note that the TAP is comprised of mainly business users that represent the earlier adopters. In other words, the majority of panelists is male, and tends to be more highly educated, have higher household incomes and be more 'tech-savvy' than the general consumer population.

. Key Findings of the Survey

Overall, respondents are more familiar with satellite radio than with high definition (HD) radio. This is not surprising given the significant amount of promotion behind XM radio and Sirius radio – the two US brands of satellite radio. **Table 1** shows that only 1.6% of respondents have never heard of satellite radio. This is compared with 43% of respondents who have never heard of HD radio (**Table 2**).

Table 1. Familiarity with Satellite Radio

Familiarity with Satellite Radio	# of Respondents	% of Respondents
I've never heard of this type of radio.	24	1.6%
I've heard of this type of radio, but that's the extent of my familiarity.	127	8.2%
I've heard of this type of radio and have a general idea as to what it is.	293	19.0%
I've heard of this type of radio and have a good idea as to what it is, but don't own one.	906	58.8%
I own one of these radios.	192	12.5%
Total Respondents	1542	100%

Source: In-Stat, 9/05

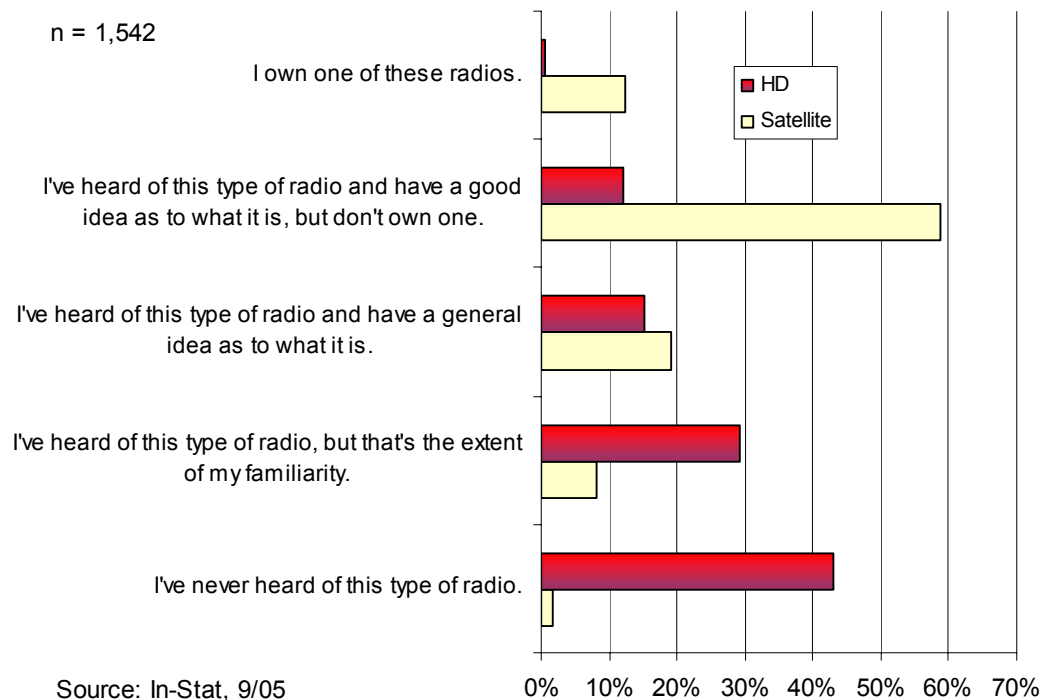
Table 2. Familiarity with HD Radio

Familiarity with HD Radio	# of Respondents	% of Respondents
I've never heard of this type of radio.	663	43.0%
I've heard of this type of radio, but that's the extent of my familiarity.	452	29.3%
I've heard of this type of radio and have a general idea as to what it is.	233	15.1%
I've heard of this type of radio and have a good idea as to what it is, but don't own one.	186	12.1%
I own one of these radios/receivers.	8	0.5%
Total Respondents	1542	100%

Source: In-Stat, 9/05

Satellite radio ownership is also much higher among respondents than HD radio ownership. Thirteen percent of respondents are satellite radio owners while less than 1% of respondents are HD radio owners. We attribute this difference in ownership to the widely divergent levels of awareness of the two types of digital radio. In addition, there is a larger number of satellite radio receivers available on the market today as opposed to the number of HD radio receivers.

Figure 1. Familiarity with Digital Radio, HD vs. Satellite



Other key findings of In-Stat's most recent survey are:

- The top three reasons for purchasing a satellite radio are 1) commercial free radio stations, 2) more station choices, and 3) nationwide coverage.
- The main reason for **not** purchasing a satellite radio is the fact that some users simply do not want to pay a monthly subscription fee for satellite radio.
- Respondents listen to an average of 7 hours of radio in the car versus an average of 4 hours of radio in the home
- Respondents are more likely to purchase a digital radio (either HD or satellite) for their car than for their home.
- The average price a respondent is willing to pay for a digital radio (either HD or satellite) in the car is \$114 (\$US)