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## SATELLITE RADIO: AMERICANS AWARE, BUT WILL THEY PAY?

### AN ESTIMATED ONE-HALF OF AMERICANS—ROUGHLY 100 MILLION PEOPLE— ARE AWARE OF THE RECENTLY LAUNCHED SUBSCRIPTION SERVICES

Twenty and thirty-something males drive awareness of emerging broadcasting technology – Ipsos-Reid study

**Minneapolis, June 28, 2002**—Less than a year on the market, and with only one service fully operational, satellite radio appears to have captured broad-based awareness among Americans as an alternative to broadcast radio. New findings from international research firm Ipsos-Reid show that nearly half (47%) of the American population aged 12 and over are aware of satellite radio services such as XM or Sirius Satellite Radio. This translates into over 100 million people within the current U.S. population (2000 U.S. Census figures), according to data from the company's quarterly study examining consumer digital music behavior, *TEMPO 2002: The Digital Music Tracker*.



The two aforementioned companies have spent an estimated \$1.5 billion on a complex satellite broadcast network offering both original and pre-packaged digital music, news, sports and talk programming that can be heard anywhere in the U.S. in cars and home radios. The services promise superior sound and transmission quality, and fewer or no commercials. While Satellite Radio is still very much in the early stages, some industry experts predict that as many as 25 million Americans will be paying for this service by the end of the decade.

Twenty and thirty-something males are most likely to be aware of satellite radio services, as approximately three-fifths of 18 to 34-year-olds report they have heard of these new radio services (60% of 18 to 24-year-olds, and 57% in the 25 to 34 age group). Other age groups hold strong awareness levels as well, however. Nearly half of both U.S. teenagers and baby-boomers (47% of both 12 to 17 and 35 to 54-year-olds), and one-third (33%) of Americans aged 55 and older indicate they are aware of this recently launched technology, which requires the purchase of satellite-enabled audio hardware and a monthly subscription fee for operation.

Interestingly, American men are significantly more likely to be aware of satellite radio than American women are: roughly three-fifths (59%) of U.S. men aged 12 and older claim to have heard of this new radio broadcasting system, compared to only 34% of American women.

“Despite the relatively recent roll-out of satellite radio services in the U.S., awareness levels are surprisingly strong among the general population, especially among men in their twenties and thirties,” said Matt Kleinschmit, a senior research manager for Ipsos-Reid and the *TEMPO* research initiative. “Moreover, this awareness exists despite the fact that there’s only one provider fully launched and heavily advertising. With Sirius scheduled to be fully operational nationwide in early-July, we anticipate further gains in the awareness levels regarding the



technology in general—as well as regarding the individual providers—as competition for consumers' attention and wallet increases.”

Not surprisingly, Americans who frequently purchase music are significantly more likely than non-music purchasers are to be aware of satellite radio. Roughly half of recent CD purchasers report being aware of satellite radio (53% of Americans aged 12 and older who have purchased two or more pre-recorded compact discs, and 49% of who have purchased one compact disc in the past 6 months), compared to only 35% of Americans who have not purchased any compact discs in the past 6 months.

“Whether the currently strong awareness levels will translate into subscriptions for both XM and Sirius remains to be seen, but certainly the pump has been primed,” continued Kleinschmit. “Clearly, many in the general population—music enthusiasts in particular—are aware that this new radio service exists, and as new automobiles with satellite-enabled audio systems move from the showrooms to the streets, many may become de-facto subscribers through bundled leasing agreements and financing plans.”

( Related data can be found at Ipsos-Reid's [Digital Music](#) page.)

### **Methodology**

Data on Satellite Radio awareness was gathered from *TEMPO 2002: Keeping Pace with Online Music Distribution*, a quarterly Ipsos-Reid shared-cost research study examining the ongoing influence and effects of digital music around the world.

Data for this release was collected between April 25 and May 1, 2002 via a nationally representative U.S. sample of 1,113 respondents aged 12 and over. With a total sample size of 1,112, one can say with 95% certainty that the results are accurate to within +/- 2.94. To learn more about the methodology of *TEMPO 2002*, please visit [www.ipsos-reid.com/tempo.cfm](http://www.ipsos-reid.com/tempo.cfm)

### **About Ipsos-Reid**

Ipsos-Reid has been tracking public opinion and consumer behavior around the world for more than 20 years and has become a leading provider of global public opinion and market research to private, public, and not-for-profit organizations in over 50 countries. With more than 1,300 staff in 11 cities, Ipsos-Reid offers clients a full line of custom, syndicated, omnibus, and online research products and services. It is best known for its line of *Express* opinion polls, the *World Monitor* civic and consumer trends journal, and *The Face of the Web*, the most comprehensive study of global Internet usage and trends. It is a member of Paris-based Ipsos Group, ranked among the Top 10 research groups in the world.



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