

Before the
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LIBRARY OF CONGRESS
Washington, D.C.

In the Matter of)
)

ADJUSTMENT OF RATES AND TERMS FOR)
PREEXISTING SUBSCRIPTION SERVICES)
AND SATELLITE DIGITAL AUDIO RADIO)
SERVICES)
)

Docket No. 2006-1 CRB DSTRA

TESTIMONY OF

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I. INTRODUCTION

My name is Yoram Wind. I am the Lauder Professor and Professor of Marketing at The Wharton School at the University of Pennsylvania, where since 1967 I have taught courses on marketing, marketing research, consumer behavior, and other related topics. I have held visiting professorships at the University of Tokyo, Erasmus University in the Netherlands, and the University of New South Wales, among other institutions. I have served as editor-in-chief of the *Journal of Marketing*, a leading journal in the field, and I have been on the editorial board of every major marketing journal. I received my Ph.D in Marketing from Stanford University in 1967.

I am the author of 21 books and over 250 papers in the field of marketing, including 111 on measuring consumer preference and marketing research. I have lectured widely on these topics, and I have acted as a consultant to nearly 100 major corporations, including Marriott, Bristol Meyers Squibb, Citibank, IBM, Pepsi, and Pfizer. I have designed and analyzed hundreds of marketing surveys. I have served as an expert witness on marketing survey issues in dozens of cases, including on behalf of AT&T, Avis, Colgate-Palmolive, GlaxoSmithKline, Miramax Films, and others. A copy of my curriculum vitae is attached as Appendix A.

I was retained by SoundExchange, Inc. (“SoundExchange”) to conduct a survey to examine the value that subscribers and potential subscribers to satellite radio place on the various types of programming and the non-programming features of satellite radio. As I explain in detail below, I designed the double-blind survey, oversaw its administration, and analyzed the results. 428 randomly selected individuals – either current subscribers to XM Satellite Radio (“XM”) or Sirius Satellite Radio (“Sirius”), or individuals considering subscribing within 30 days – were asked a series of questions pertaining to how they valued satellite radio’s music programming, as

well as other features of the service. The survey employed several different approaches to measure the relative value of music and other types of programming and non-programming features, but the results of each approach were remarkably consistent in showing that music programming is, by a substantial margin, the single attribute of satellite radio that current and prospective listeners consider most valuable, and is the most important reason they subscribed and have retained their subscription to satellite radio.

II. SUMMARY OF SURVEY RESULTS

The survey results provide strong evidence that consumers value satellite radio music programming *far more* than other programming formats (*e.g.*, talk, news, and sports) and satellite radio's non-programming attributes (*e.g.*, lack of commercials, nationwide coverage or price). According to every measure of value in the survey, music generally proved *to be two to five times* as valuable as any other programming offering or feature of satellite radio. Put simply, in the eyes of satellite radio subscribers and potential subscribers, music is the foundation of the service. The following are some of the key findings of the survey.¹

- *Cancellation.* Almost half of all respondents (43 percent) said they would cancel their service (or would not subscribe in the first place) if satellite radio lacked music. That is *triple* the number of respondents who would cancel if any other type of programming were unavailable. (Figures 6-7).
- *Willingness to pay.* If music were not available, respondents on average would only be willing to pay \$6.15 for satellite service. That is, looking at all respondents, including those who would change (or cancel) and those who would pay full price, the average respondent would only pay \$6.15 for a service without music. Respondents would be willing to pay substantially more for a service that lacked talk (\$9.99), sports (\$9.99), or news programming (\$10.14) (Figure 8).
- *General Draw.* When asked to name the top reason that caused them to subscribe (or consider subscribing), respondents cited music more than any other programming type or price, coverage, or commercial-free, and more than three

¹ All of these findings are substantially the same when broken down for current and considering subscribers, as well as for XM and Sirius subscribers. See Appendices J and K.

times as often as any other programming type. (Figure 11).

- *Programming Draw.* Similarly, when asked to name the *type* of satellite radio programming that was most critical in causing them to subscribe (or consider subscribing), respondents cited music as their top choice 53 percent of the time, or more than *five* times as often as any other programming type. (Figures 12-13).
- *Retention.* When asked to name the type of programming that was most critical to their decision to *continue* to subscribe, music received more than *four* times the responses of any other type of programming. (Figures 14-15).
- *Most Missed Aspect.* When asked to name the aspect of satellite radio that they would *miss* most if the service were unavailable, music again received more than *four* times the responses of any other type of programming. (Figures 16-17).
- *Importance.* When asked to allocate 100 points among the seven different programming types in amounts that reflected their relative importance to their decision to subscribe (a constant sum methodology), respondents gave more than three times as many points to music as they did to any other type of content. On average, music received 44 points, while no other programming content received more than 13 points. Moreover, music was the top choice for 74 percent of respondents, and no other type of content was the top choice for more than 17 percent of respondents. (Figures 18-20).
- *Usage.* When asked to recall the percentage of time they spent listening to satellite radio programming types in a given week, respondents reported that they spent nearly half their time (49 percent) listening to music. No other programming type received more than 12 percent. (Figures 21-23).
- *Value.* Even when music was compared to non-programming features (such as price and number of commercials) in addition to other types of programming, respondents still found it at least twice as valuable as any other attribute of the service. And nearly half of all respondents cited it as the most valuable attribute, a number three times greater than the next highest attribute. (Figures 24-26).
- *Choice.* When asked to compare two satellite radio services – one identical to the current service, and one that was identical but lacked music programming, respondents rated the service with music nearly three times as high as the service without music. More than half of all respondents rated the service without music a “0” on a scale 0 to 10 in terms of their willingness to purchase it. (Figure 27).

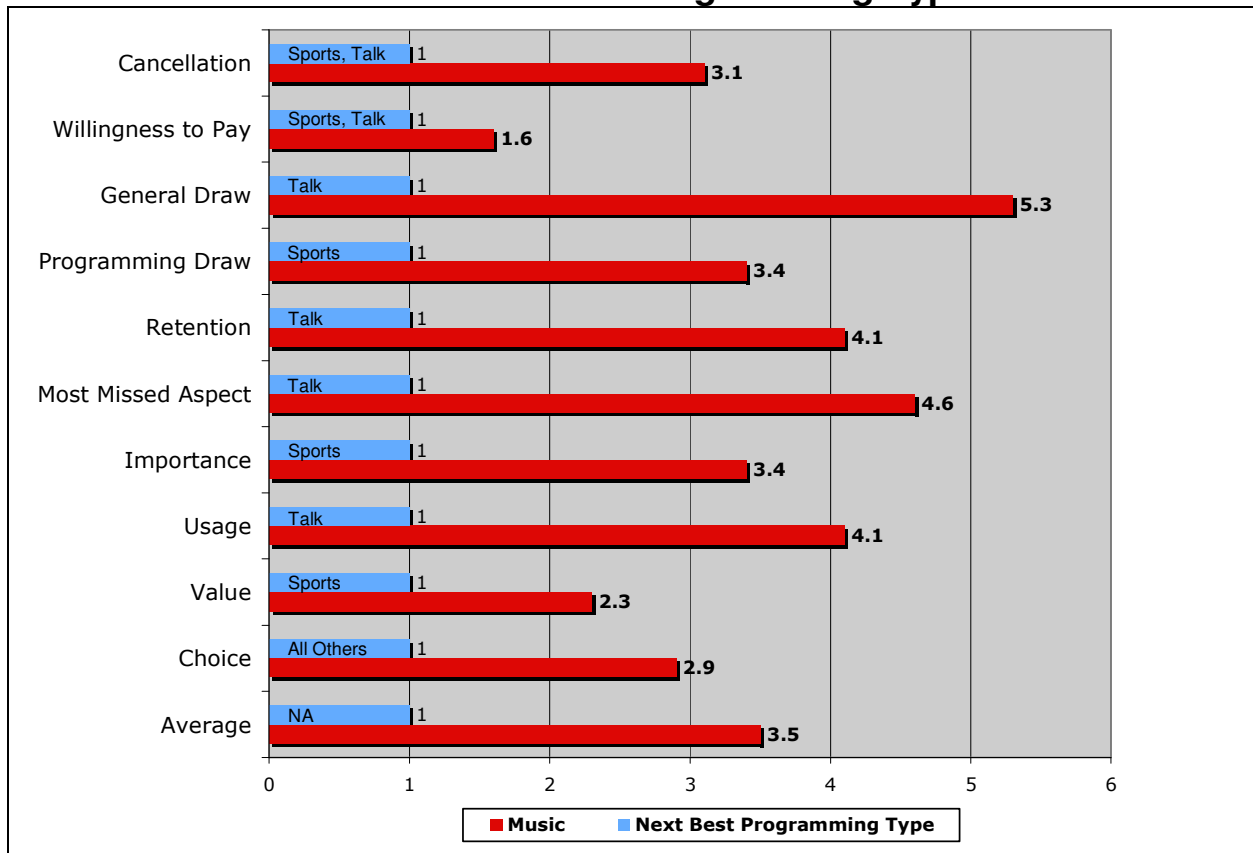
In sum, all the data strongly point in the same direction: music clearly predominates as the single most important attribute of satellite radio. Whether measured by draw, value, usage,

or any other means, music consistently outpaced all other satellite radio programming types and non-programming features by a large margin.

Figure 1 on the following page summarizes the extent to which music outpaces the next highest programming type for each of the key measures of value in the survey.² Figure 1 expresses music's dominance in terms of the multiple by which it exceeded the next best programming choice for the question. For example, 3.1 times as many respondents would cancel their subscription if satellite radio contained no music programming, as compared to the next most popular programming types for that question, sports and talk/entertainment. And 4.1 times as many people cited music as the top reason why they have continued to subscribe as compared to the next highest programming type, talk/entertainment. Averaging these multiples together reveals that overall music performed 3.5 times better than the next best type of programming.

² Note, in most of the figures reporting the results of the study we identify a number of measures for each of the metrics. For example, in figures 9, 11, 12, 14, and 16, we report on three measures – “top mention” percent, “top 3” mention percent, and “any mention” percent.

Figure 1. Multiple By Which Music Exceeds The Next Best Programming Type³



The survey reveals three other important results that further confirm music’s importance.

- The Value of Music and Commercial-Free Music Programming.* The survey results show that music is far more important to the consumer than commercial free programming. The conjoint analysis, which I describe below, shows that consumers value music more than twice as much as having no commercials. (Figure 24-25). This result is consistent with the answers provided to the open-ended questions on draw, retention, and aspect missed most in which music was cited far more often than commercial-free programming as a reason for

³For “willingness to pay,” a *lower* price indicates a higher importance (*i.e.*, it shows that a respondent would be willing to pay less if a particular programming type were absent.). The multiple here therefore represents the degree to which the next *lowest* priced programming type exceeded the price respondents were willing to pay for the service without music. Similarly, “choice” measures the degree to which respondents would choose the current service over the current service without music, and thus rates music’s value against all three other programming types.

subscribing (or considering subscribing). (Figures 9, 11, 12, 14, 16, 28).

- *Recorded Content.* It is my understanding that in addition to the programming on music channels, the sound performance rights for the vast majority of the recorded content on comedy and kids channels are owned by SoundExchange's members, and are subject to the compulsory license rate to be set in this proceeding. When these additional forms of Recorded Content⁴ are combined with music, they constitute an even larger share of the content valued by consumers. (Figures 29-30).
- *Music v. Talk and Entertainment.* Entertainers like Howard Stern and Oprah Winfrey have struck highly publicized and lucrative deals with satellite radio companies. Presumably, the high payments they have commanded on the market indicate the value of their programming to consumers. The survey results reveal, however, that consumers value music programming two, three, four, or even five times as much as talk and entertainment programming. This suggests that the market value of music rights is *substantially higher* than the market value of the talk and entertainment programming rights. (Figures 31-32).

III. SURVEY DESIGN AND METHODOLOGY

A. The Survey Objectives

The primary objective of this survey was to determine the value of satellite radio music programming to subscribers and potential subscribers to XM and Sirius. A secondary objective was to determine music programming's value relative to talk and entertainment programming.

B. The Survey Design

As discussed in detail below, this survey is a double-blind consumer research study that uses a series of interrelated questions of different types (open-ended, constant sum, behavioral, and conjoint analysis) to accomplish the survey objectives. By assessing the value of music in multiple ways, we can obtain a more robust measure of its value than any one method could provide alone. The survey reports the results of 428 subscribers and those considering subscribing to XM or Sirius within 30 days.

⁴ The sound recordings subject to the compulsory license and played on music, kids and comedy channels will be collectively referred to as "Recorded Content."

C. The Survey Respondents

The universe for this survey is comprised of adults, 18 years of age or older, who currently subscribe to either the XM or Sirius satellite radio service, or who are considering subscribing in the next 30 days. Only respondents who indicated that they make or take part in making the decision to subscribe to satellite radio for their household were included in the universe. And only subscribers to a satellite radio service (as opposed to XM and Sirius's services over satellite television or the Internet) were included.

The survey was conducted using a mall-intercept method, which is a common method of obtaining survey data in the business world, and is recognized as valid. *E.g.*, Diamond, *Reference Guide on Survey Research*, in *Federal Judicial Center Reference Manual on Scientific Evidence* (4th ed. 2002) 238, 239 n.52 (citing statistic that "95% of the in-person interview studies done in 1985 took place in malls or shopping centers."); Arlene Fink, *The Survey Handbook* 41 (2003). In accordance with standard survey practice, 24 markets (six from each of the four census areas) were randomly selected. Those markets are listed in Figure 2 below.

Figure 2. Survey Locations

EAST	CENTRAL	SOUTH	WEST
Springfield, MA	Eau Claire, WI	Houston, TX	Seattle, WA
White Plains, NY	Indianapolis, IN	Raleigh, NC	Los Angeles, CA
Waterbury, CT	Chicago, IL	Atlanta, GA	San Francisco, CA
Yorktown Heights, NY	St. Louis, MO	Memphis, TN	Denver, CO
Philadelphia, PA	Detroit, MI	Tallahassee, FL	Portland, OR
Baltimore, MD	Minneapolis, MN	Tulsa, OK	Las Vegas, NV

In each of these markets, a mall with an interviewing facility was randomly selected. Potential survey respondents were then selected as randomly as possible from all parts of the mall. Half of all interviews were conducted on weekends and in the evenings to ensure the inclusion of working respondents. This methodology is the best approach for ensuring the generalizability of mall-intercept surveys and has been the methodology I have used in all my mall-intercept studies.

Potential respondents were initially screened to meet census age/sex quotas, *i.e.*, to make sure that the pool of potential respondents was representative of the U.S. population as a whole. This pool of respondents was further screened to meet the universe definition, including whether they subscribe or intend to subscribe to XM or Sirius, and the regular security requirements (not working for an advertising agency or marketing research firm, etc.). A copy of the screening questionnaire and a summary of the screening results are attached as Appendix B.

Those respondents who qualified based on the screening questionnaire were invited to participate in the main survey. Respondents who accepted were taken to a separate interviewing facility within the mall so that they could complete the survey without distractions. Respondents were paid \$10 if they completed the entire survey. Such incentive payments are common for mall-intercept surveys and, given the double-blind nature of the survey, have no impact on the results of the survey.

Responses to the survey were obtained from 428 individuals, 307 of whom currently subscribe to a satellite radio service,⁵ and 121 of whom are considering subscribing to a satellite radio service within the next 30 days (the “considering subscribers”). 4,301 potential respondents were contacted. Of that number, 517 people qualified by meeting the universe

⁵ The subscription must have been a paid or trial subscription obtained directly from XM or Sirius for the respondent to be eligible for the survey.

definition and the screening requirements.⁶ Of the 517 who qualified, 428 agreed to complete the survey, yielding a response rate of 83 percent, which is extremely high.

D. The Survey Questionnaire

I designed this survey and wrote the survey questionnaire. The survey was designed to determine in an objective and valid way the value that respondents placed on satellite radio's music offerings. To this end, each respondent was asked a series of interrelated open-ended and closed-ended questions about his or her attitude and behavior with respect to the programming and the non-programming features of satellite radio. Respondents were also asked a series of questions that required them to trade off various programming and non-programming features of satellite radio, which permits us to employ a method known as "conjoint analysis." Lastly, the survey employed certain controls intended to determine whether respondents were answering without guessing or choosing answers at random. The survey questionnaire is attached as Appendix C.

1. The Open-Ended, Constant Sum, and Behavioral Questions

The questions designed to test the respondents' evaluations of and behaviors with respect to programming and non-programming features covered the following topics:

1. The reasons why respondents chose to subscribe to satellite radio (or consider subscribing). [Question 1]
2. The types of programming that were most critical to respondents' decisions to subscribe (or consider subscribing). [Question 2]
3. The types of programming that were the most critical to respondents' decisions to continue to subscribe. [Question 3]
4. What respondents would miss the most if satellite radio were not available. [Question 11]

⁶ Appendix B presents the screening results, *i.e.*, the reason that most of the contacted individuals did not qualify for inclusion in the study.

5. Whether respondents would pay less than the full subscription fee, or even cancel their satellite radio subscription, if a particular type of programming were not available. [Question 9]
6. The relative importance of each satellite radio programming type as measured on a constant sum scale. [Question 4]
7. In a typical week, the percentage of time respondents listen to each programming type as measured on a constant sum scale. [Question 8]

The first four topics used open-ended questions – that is, questions to which the respondent supplies a narrative response. In each case, the respondent’s answer to the question was recorded verbatim, and the respondent was then asked if he or she had anything else to add. Those verbatim answers then were content-analyzed and coded by an experienced coder who was not aware of the purpose of the study or its sponsor, which I then reviewed and approved for presentation here without modification. These questions provide critical information because they reveal, in the respondents’ own words and without any framing or prompting by the interviewer, what the respondents value most about satellite radio. *See generally* Diamond, *Reference Guide on Survey Research*, in *Federal Judicial Center Reference Manual on Scientific Evidence* at 246 (discussing value of open-ended questions).

The fifth topic (what respondents would be willing to pay if satellite radio lacked certain types of programming) employed a two-part question. Respondents were first asked if the absence of one type of programming (*e.g.*, music, news, sports, or talk and programming) would affect the amount he or she would pay for satellite radio. Respondents who responded in the affirmative were then asked how much they would be willing to pay if satellite radio lacked that type of programming. The same question was then repeated for the three other types of programming that are advertised most heavily by XM and Sirius. (As with all questions in the survey, the order of the programming types was rotated to ensure that the order did not influence

the results). These questions provide a useful measure of consumer value because they require the respondent to quantify the extent to which his or her own willingness to pay would be affected by the absence of each programming type.

The final two topics used questions that asked the respondent to allocate 100 points among specified options, a “constant sum” methodology. In question 4, each respondent was asked to allocate 100 points among seven categories of programming broadcast on satellite radio – music, news, sports, kids, comedy, talk and entertainment, and local news and weather programming – based on the importance to the respondent of each type of programming. In question 7, each respondent allocated 100 points among the seven types of programming, based on the percentage of satellite radio time the respondent spent listening to each type in a typical week. For example, an answer to question 4 might look like the table shown below in Figure 3.

Figure 3. Illustrative Answer To Constant Sum Question

Programming type	Points
Comedy	15
Kids	18
Local Weather and Traffic	10
Music	40
News	2
Sports	0
Talk and Entertainment	15
<i>Total</i>	<i>100</i>

These types of questions are known as “constant sum” questions because they require the respondent to allocate a fixed number of points across two or more options. The questions are a common survey tool that excels at showing how a respondent values options relative to each other beyond a mere ranking. Pamela Alreck & Robert Settle, *The Survey Research Handbook* 137-38 (3d ed. 2004). Constant sum questions have been a fixture of the surveys presented in prior Copyright Royalty Tribunal and Copyright Arbitration Royalty Panel proceedings. For example, in CARP proceedings to distribute royalties among owners of various types of

television programming, cable system operators were asked to allocate 100 points among seven types of programming categories (movies, sports, etc.) in accordance with the value they placed on each for drawing customers and advertisers, and the CARP used the results of that constant sum survey to determine the relative marketplace value of the programming being studied. *See Distribution of 1998 and 1999 Cable Royalty Funds*, 69 Fed. Reg. 3606, 3608-09, 3617-18 (Jan. 26, 2004) (describing and affirming decision of Copyright Arbitration Royalty Panel to primarily rely on constant sum survey data in determining the value of programming); *Program Suppliers v. Library of Congress*, 405 F.3d 395, 401-402 (D.C. Cir. 2005) (approving the Librarian's decision).

2. *The Conjoint Analysis*

In addition to the questions described above, respondents were also asked a series of tradeoff questions that formed the basis of the conjoint analysis.

Conjoint analysis is a sophisticated methodology that is used to determine how consumers value various attributes of a given product. Put simply, conjoint is a method that lets us separate out the various features of a product to see how the consumer values each feature against the others. Consumers are shown a series of examples of a product, each of which varies in some way, which allows us to determine which combination of a limited number of factors is valued most highly. For example, I have used conjoint analysis on behalf of the Marriott Corporation to help design the multi-billion dollar "Courtyard by Marriott" chain of hotels. Respondents were shown a series of descriptions of hypothetical hotels (*e.g.*, one with larger rooms but fewer amenities and a given price, one with smaller rooms but more amenities at the same price, one with larger rooms and more amenities at a higher price, etc.). By seeing how the people rated the hypothetical choices, we could determine the relative value the respondents

placed on each attribute of the hotel (room size, amenities, staff size, price, etc.). This allowed us to design an optimal hotel based on people's choices.

As the above example suggests, conjoint analysis is a fixture in the commercial world. Thousands of conjoint studies have been administered in the 35 years since the technique was first introduced to marketing. Conjoint analysis underlies innumerable corporate decisions regarding product design, pricing, positioning, and segmentation decisions where millions and even billions of dollars are at stake. For example, conjoint analysis was used by AT&T to design its first cellular phone, by FedEx to design their tracking services, and by the Port Authority of New York to design the EZ-Pass system. Conjoint analysis is also extremely well-established in the academic world. It is one of the most studied research methods in marketing, with hundreds of research papers having been written on the subject. I myself have written numerous papers on the subject, as well as co-authored two books, *Multi-Attribute Decisions in Marketing: A Measurement Approach*, which was the first book on conjoint analysis and marketing, and more recently an e-book, *Adventures in Conjoint Analysis: A Practitioners Guide to Trade-Off Modeling and Applications*. I discuss conjoint methodology in Appendix H.

The conjoint analysis used here drew upon the respondents' answers to a number of the survey questions, all of which in some fashion required respondents to assess the relative value of different types of programming and non-programming features of satellite radio. The "constant sum" questions discussed above – Questions 4 and 7 – were used in the conjoint analysis, as were Questions 5 and 6, which asked respondents to evaluate, on a scale of 1 to 10, the desirability of different amounts of four types of programming (for example, for music, same, more, less, none), the desirability of different levels of non-programming features (for

example, for geographical coverage, typical FM coverage or complete nationwide coverage), and different levels of price.

Finally, respondents were asked to consider a series of cards with hypothetical “satellite radio offerings,” and to rate on a scale of 0 to 10 their likelihood of buying each hypothetical offering. Each card contained a specific level of each of the seven different factors:⁷ four programming factors (the quantities of music, sports, news, and entertainment programming),⁸ and three non-programming factors (the geographic coverage provided, the number of commercials per hour of music programming, and the price). A given card would list each of the seven factors at a specific level. In other words, each of the cards described a hypothetical satellite radio service that offered a different constellation of features and price (for example, less music, but more talk, and a lower price), and respondents were asked to rate from 0 to 10 the likelihood they would purchase each offering. Figure 4 below presents the various factors and levels, and Figure 5 reproduces a sample conjoint card. The complete set of conjoint stimuli cards is included in Appendix D, and the master design is included in Appendix H.

⁷ A seven-factor conjoint analysis is comfortably manageable for respondents, and is typical of commercial conjoint applications.

⁸ The four programming types included (music, news, sports and talk & entertainment) in the conjoint cards were chosen because they are the programming types that are specifically and heavily promoted by XM and Sirius. To the extent that two of the three categories omitted – comedy and kids programming – contained recorded programming subject to the statutory license at issue here, this leads to a conservative estimate of music’s value. *See infra*.

Figure 4. Factors & Levels for the Conjoint Analysis Task

A. Music Programming

1. **No** music programming
2. Substantially **fewer** channels and **less** variety of music than currently offered
3. The **same** number of channels and the **same** variety of music as currently offered
4. Substantially **more** channels and **more** variety of music than currently offered

B. News

1. **No** news programming
2. Substantially **fewer** channels and **less** variety of news than currently offered
3. The **same** number of channels and the **same** variety of news as currently offered
4. Substantially **more** channels and **more** variety of news than currently offered

C. Sports

1. **No** sports programming
2. Substantially **fewer** channels and **less** variety of sports than currently offered
3. The **same** number of channels and the **same** variety of sports as currently offered
4. Substantially **more** channels and **more** variety of sports than currently offered

D. Talk & Entertainment

1. **No** talk and entertainment programming
2. Substantially **fewer** channels and **less** sports variety than currently offered
3. The **same** number of channels and the **same** talk and entertainment variety as currently offered
4. Substantially **more** channels and **more** talk and entertainment variety than currently offered

E. The Number of Minutes Of Commercials Per Hour on Music Channels

1. **No** commercials on music channels
2. **2** minutes of commercials per hour
3. **5** minutes of commercials per hour
4. **12** minutes of commercials per hour

F. Geographic Coverage

1. Typical FM coverage
2. Complete Nationwide Coverage

G. The Monthly Price for a Single Subscription

1. \$8.95 per month
2. \$10.95 per month
3. \$12.95 per month
4. \$14.95 per month

Figure 5. Example of Conjoint Analysis Stimulus Card

<table border="1"> <tr> <td>Types of Programming</td> <td>Amount of Programming Available:</td> </tr> <tr> <td>Music Programming:</td> <td>The SAME number of channels and SAME variety of music as currently offered</td> </tr> <tr> <td>News Programming:</td> <td>Substantially LESS channels and LESS variety of news than currently offered</td> </tr> <tr> <td>Sports Programming:</td> <td>Substantially SAME channels and SAME variety of sports than currently offered</td> </tr> <tr> <td>Talk and Entertainment:</td> <td>Substantially MORE channels and MORE variety of talk and entertainment than currently offered</td> </tr> </table>		Types of Programming	Amount of Programming Available:	Music Programming:	The SAME number of channels and SAME variety of music as currently offered	News Programming:	Substantially LESS channels and LESS variety of news than currently offered	Sports Programming:	Substantially SAME channels and SAME variety of sports than currently offered	Talk and Entertainment:	Substantially MORE channels and MORE variety of talk and entertainment than currently offered	<table border="1"> <tr> <td colspan="2">Other Features</td> </tr> <tr> <td>Number of Minutes Per Hour Of Commercials On Music Channels:</td> <td>No commercials</td> </tr> <tr> <td>Coverage:</td> <td>Typical FM Coverage</td> </tr> <tr> <td>Monthly Price For A Single Subscription:</td> <td>\$14.95 per month</td> </tr> </table>		Other Features		Number of Minutes Per Hour Of Commercials On Music Channels:	No commercials	Coverage:	Typical FM Coverage	Monthly Price For A Single Subscription:	\$14.95 per month																
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Number of Minutes Per Hour Of Commercials On Music Channels:	No commercials																																				
Coverage:	Typical FM Coverage																																				
Monthly Price For A Single Subscription:	\$14.95 per month																																				
<table border="1"> <tr> <td></td> <td colspan="2">Definitely Would Not Buy</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td colspan="2">Definitely Would Buy</td> </tr> <tr> <td>Rating</td> <td>0</td> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> <td>6</td> <td>7</td> <td>8</td> <td>9</td> <td>10</td> <td></td> </tr> </table>													Definitely Would Not Buy										Definitely Would Buy		Rating	0	1	2	3	4	5	6	7	8	9	10	
	Definitely Would Not Buy										Definitely Would Buy																										
Rating	0	1	2	3	4	5	6	7	8	9	10																										

Given that we have six different factors offered at four different levels, and a seventh factor offered at two levels, the number of potential combinations of these factors and levels exceeds 8,000. We cannot realistically expect to show survey respondents 8,192 different cards with 8,192 different combinations of factors and levels. Therefore, I selected a subset of 64 of these potential combinations, using a statistical method known as fractional factorial design. This design allows me to estimate the importance of each level of each factor – the full set of 8,192 cases – even though the respondents have not seen all potential combinations. In addition, I broke the set of 64 combinations into 8 blocks of 8 cards each, so that each respondent saw only one of the blocks of 8 cards. Respondents also saw a ninth card that represented the current offerings of XM/Sirius, and a tenth card with the same offerings but without music. The

responses to the last two cards provided not only “controls” for the conjoint tasks but also an additional measure of the importance of music based on a comparison of the respondent’s assessment of the current satellite radio offering versus that same offering without music.

3. *The Controls*

The survey employed five different controls to ensure the validity of the results, and to ensure that respondents were not given any clues to which answers were desirable. Diamond, *Reference Guide on Survey Research*, in *Federal Judicial Center Reference Manual on Scientific Evidence* at 249-52. First, the survey was administered, and its answers coded, in a double-blind process: neither the interviewers nor the respondents knew of the purpose of the survey or who commissioned it. Second, the open-ended questions, which were the first questions in the survey, were asked without any reference to music, again preventing the respondent from determining what answers were desirable. Third, the conjoint analysis always required the respondent to consider multiple attributes, and not just music by itself, which again ensured that the respondent could not simply give a high ranking to music (or any other attribute).

Fourth, as noted above one of the conjoint stimulus cards shown to each respondent reflected satellite radio’s current offerings, and another reflected the current offerings without music. While the response to these two cards provided an independent measure of the value of music, they also served as control cards. That is because the responses to these two cards were not used in estimating the output of the conjoint analysis. Thus, one can predict the rating of the two control cards based on the conjoint results and compare these two predictions to the actual ratings of the two control cards that the respondent gave. For a discussion of this validation procedure and outcomes, see Appendix H. Fifth, the breadth of the range of questions asked

about music's value acts as a control. Multiple measures of value provide an opportunity to assess the convergence validity of the results.

E. Data Collection

The respondents in this survey were interviewed between October 11 and October 17, 2006. The 72 interviewers and their 24 supervisors were trained by Data Development Worldwide ("DDW").⁹ The survey was conducted on a double-blind basis; none of the interviewers and respondents was aware of the purpose of the survey or its sponsor. The interviewers were not given any information regarding the nature of the study. Moreover, all interviewers were trained to avoid presenting any bias in the administration of the survey. A copy of the field instructions given to the interviewers and supervisors is included as Appendix E.

The survey data were collected using Computer Assisted Personal Interviewing, which allows the responses to the questions to be directly input into a computer. Using this computer methodology ensures that the potential responses presented to respondents in the closed-ended questions were rotated in a random fashion, and also ensures that the survey questionnaires are filled out in their entirety with no questions skipped, and with each constant sum response totaling 100 points. Some questions – those that were open-ended – were asked orally by interviewers, with oral responses from the respondents recorded verbatim by the interviewers. After responding to the first set of open-ended questions, respondents were given the option to

⁹ DDW is one of the country's largest marketing research companies devoted exclusively to custom quantitative research. DDW has carried out more than 20,000 surveys since 1960 on behalf of hundreds of major companies and institutions. DDW was a co-founder of the Council of American Survey Research Organizations (CASRO) and fully subscribes to the standards outlined in its code. Under my supervision, DDW was responsible for all aspects of the administration of this project, including sample selection, the preparation of field materials, data collection, coding and typing of the verbatim responses, and tabulation of the responses.

enter their responses into the computer themselves, or to have the interviewer enter the responses. 61 percent of the respondents chose to enter the responses themselves.

F. The Pre-Test

Before the survey was conducted, DDW conducted a pretest to determine whether survey respondents understood the questions or experienced any difficulty completing the survey. *See Diamond, Reference Guide on Survey Research, in Federal Judicial Center Reference Manual on Scientific Evidence 243.* During the pretest, which took place between September 29 and October 2, 2006, DDW administered the survey questionnaire in eight malls¹⁰ within the four census areas to 55 respondents (33 current subscribers and 22 considering subscribers). The pretest respondents were selected in precisely the same way that final survey respondents were. Except as noted below, the respondents had no difficulty completing the tasks, and therefore the answers were included in the final results.

During the pretest, three of the respondents who were considering subscribing experienced apparent difficulty with Question 9. Those three respondents each answered that they would be willing to pay more than the current subscription price if a certain type of programming currently offered by XM and Sirius became unavailable. Because I did not know if these answers reflected an accurate understanding of the question, I excluded these respondents from the final survey, removed the words “including price” from the question, and added questions 9(c) and 9(d) to the final survey questionnaire. (The pretest questionnaire is included in Appendix I).

¹⁰ The malls selected for the pretest are located in Springfield, MA, White Plains, NY, Eau Claire, WI, Indianapolis, IN, Houston, TX, Raleigh, NC, Seattle, WA, and Los Angeles, CA.

The results from the pretest and the debriefing of the interviewers and supervisors indicated that all other questions were clear and unambiguous, and no changes were made to those questions as a result of the pretest.

G. Verification

The survey results were verified by AVC Research, an independent marketing research firm located in New Jersey. Verification was conducted by telephone. A minimum of two attempts were made to contact each of the respondents. Had any significant problem been uncovered, verification of 100 percent of the interviews done by that interviewer would have been attempted. The Verification Questionnaire and Recording Form are attached as Appendix F.

In total, 54 percent of the respondents have been verified. This procedure is more rigorous and extensive than the industry standard of 20 percent verification. There were no problems found during the verification process.

H. Analysis

Prior to any actual analysis, the questionnaires were reviewed to confirm that the interviewers administered the interview properly and the respondents understood the questions. Following this step, the analysis included a coding and examination of the open-ended responses, a tabulation of the results from both open and closed-ended questions, a statistical analysis reported in Appendix G, and an analysis of the conjoint data, which is reported in Appendix H.

The statistical analysis and the conjoint analysis were conducted under my supervision by Professor Abba Krieger, Chairman of the Statistics Department at Wharton, using the conjoint analysis software that he and Professor Paul Green developed.

IV. MAIN RESULTS REGARDING THE VALUE OF MUSIC

This survey employed multiple measures of the value that consumers place on satellite radio's music offerings. Every single one of those measures shows that music is by far the most valuable programming type of satellite radio, generally by a two-fold, three-fold, or even five-fold order of magnitude. I will discuss the survey results in detail. Because the results are not substantially different when they are broken out by current subscribers versus considering subscribers, or XM subscribers versus Sirius subscribers, I do not discuss those subresults in the text. Tables containing that information can be found in Appendices J and K.

A. Cancellation and Willingness to Pay (Question 9)

This question asked respondents if the absence of various types of programming (music, news, sports, and talk and entertainment) would affect their willingness to pay for satellite radio and, if so, by what amount. Nearly half of all respondents said they would *cancel* their service if music were not available. As Figures 6 and 7 on the following pages show, this is more than *triple* the percentage of any other programming type.

Figure 6. Effect On Willingness To Cancel If A Specific Programming Type Was Not Available (Q9)*

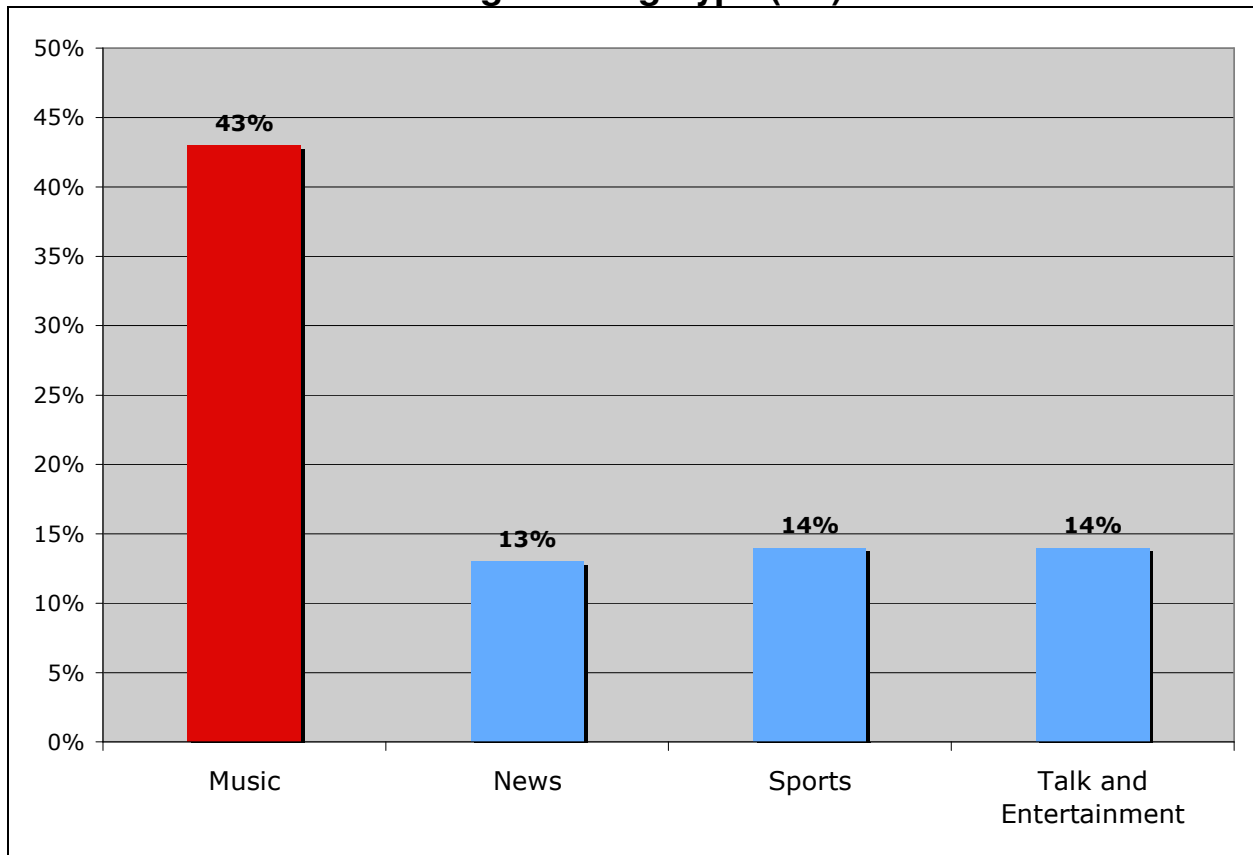
	<u>No Music</u>	<u>No News</u>	<u>No Sports</u>	<u>No Talk and Entertainment</u>
	(n=428)	(n=428)	(n=428)	(n=428)
	%	%	%	%
Would change amount willing to pay ¹¹	61 (55.58-65.15) ¹²	39 (34.63-43.88)	37 (32.80-41.97)	38 (33.71-42.92)
Would Cancel	43 (37.84-47.21)	13 (10.10-16.54)	14 (11.15-17.82)	14 (11.15-17.82)
Would reduce price	16 (13.06-20.11)	22 (18.92-26.88)	20 (16.30-23.89)	21 (17.17-24.89)
Would not change amount willing to pay	33 (28.49-37.40)	46 (41.07-50.51)	50 (45.26-54.74)	50 (45.03-54.50)
Don't know if would change amount willing to pay	6 (2.09-10.99)	15 (10.23-19.67)	13 (7.88-17.35)	12 (7.18-16.65)

* See Appendix C for the text of this question.

¹¹ A few respondents indicated a willingness to pay a higher price than \$12.95. These included 2% for music, 4% for news, 3% for sports, 3% for talk and entertainment. Adding these respondents to the “would cancel” and “would reduce price,” would result in the number of respondents in “would change amount willing to pay.” The complete distribution of respondents’ answers is included in Appendix L.

¹² These figures represent the 95% confidence interval.

Figure 7. Percentage Who Would Cancel Without Specific Programming Type (Q9)



On average, respondents said that they would pay only \$6.15 per month for a satellite service without music. That amount is less than half of the \$12.95 per month price that satellite radio currently charges, and raises the question whether satellite radio could charge a sustainable price if it lacked music programming. In contrast, the absence of other types of programming had a much smaller effect on price, yielding a willingness to pay of \$10.14 (no news), \$9.99 (no sports), \$9.99 (no talk and entertainment).

The results are even more striking looking at the average price given by those respondents who said that they would pay a different price (*i.e.*, not those who said they would pay the same amount). Without music, those individuals would pay only \$2.45 on average, a

figure far lower than the comparable numbers for no news (\$6.88), sports (\$6.04), or talk and entertainment (\$6.14).

Figure 8. Effect On Willingness To Pay Without Specific Programming Type (Q9)*

	No Music	No News	No Sports	No Talk and Entertainment
Average Price Among All Respondents¹³	\$6.15 (\$5.54-\$6.67) ¹⁴ n=400	\$10.14 (\$9.61-\$10.69) n=364	\$9.99 (\$9.48-\$10.50) n=374	\$9.99 (\$9.48-\$10.50) n=377
Average Price Among Those Who Would Change (including those who would pay zero)	\$2.45 (\$1.89-\$3.02) n=259	\$6.88 (\$5.93-\$7.84) n=168	\$6.04 (\$5.17-\$6.91) n=160	\$6.14 5.27-7.01 n=164
Average Price Among Those Who Would Pay Less (not including those would pay zero)	\$7.18 (\$6.45-\$7.90) n=70	\$9.30 (\$8.85-\$9.74) n=96	\$8.88 (\$8.36-\$9.39) n=160	\$8.91 (\$8.38-\$9.45) n=164

These results strongly suggest that music is the only “make or break” programming available on satellite radio. Music is the only programming type whose absence would cause more than a 50 percent reduction in subscription revenues (\$6.15/month), and its absence would cause three times as many cancellations as any other programming type.

B. Draw, Retention, and Most Missed Aspect (Questions 1-3, 11)

These results show the clear dominance of music in the minds of subscribers when it comes to reasons to subscribe to satellite radio. Specifically, they were asked to state

1. Their top *reason* for subscribing or considering subscribing (Question 1).
2. The programming *type* that was most critical to the *decision to subscribe* or consider subscribing (Question 2).

* See Appendix C for the text of this question.

¹³ This category does not include individuals who said “don’t know” in response to this question, but does include the few individuals who said they would pay more than \$12.95 a month in the absence of the programming category. *See supra* n.11

¹⁴ These figures represent the 95% confidence intervals.

3. For current subscribers, the programming type that was most critical to their decision to *continue to subscribe* (Question 3).
4. For current subscribers, the aspect of satellite radio they would miss the most if the service *were no longer available* (Question 11).

The results from these questions overwhelmingly demonstrate that music is the most important attribute of the service. As shown in the figures on the following pages, a full 68 percent of respondents cited music as their top choice to at least one of these questions, and 83 percent mentioned music as a top 3 answer in responding to at least one of these questions. See Figures 9 and 10.

No other answer came close. Talk and entertainment was the next highest programming type, and was cited first *by just 16 percent of respondents*, and mentioned in the top 3 by only 32 percent of respondents overall. These answers demonstrate that music is the only attribute of satellite radio that enjoys broad, indeed nearly universal, support from respondents. Given that the open-ended questions that did not call for any particular answer or even refer to music programming, it is a very powerful result that music would be cited so much more frequently than any other programming type.

Figure 9. Open-Ended Question Answers (Net¹⁵ for Q 1-3, 11)*

	Total (n=428) ¹⁶		
	% Top Mention	% Top 3 Mention	% Any Mention
• Music programming (no mention of commercial free)¹⁷	68	83	84
• Commercial free (no mention of music)	23	35	36
• Talk/Entertainment	16	32	33
• Sports	14	29	30
• Commercial Free music	7	11	11
• News	6	19	21
• Coverage	5	12	13
• Price	4	9	10
• Fewer/less commercials	4	9	10
• Comedy	3	11	13
• Kids	1	3	4
• Weather/traffic	1	4	5
• Any Music Mentions (Net)	71	85	86
• Any Commercial Mentions (Net)	30	47	48
• Any Commercial Free Mentions (Net)	27	41	42

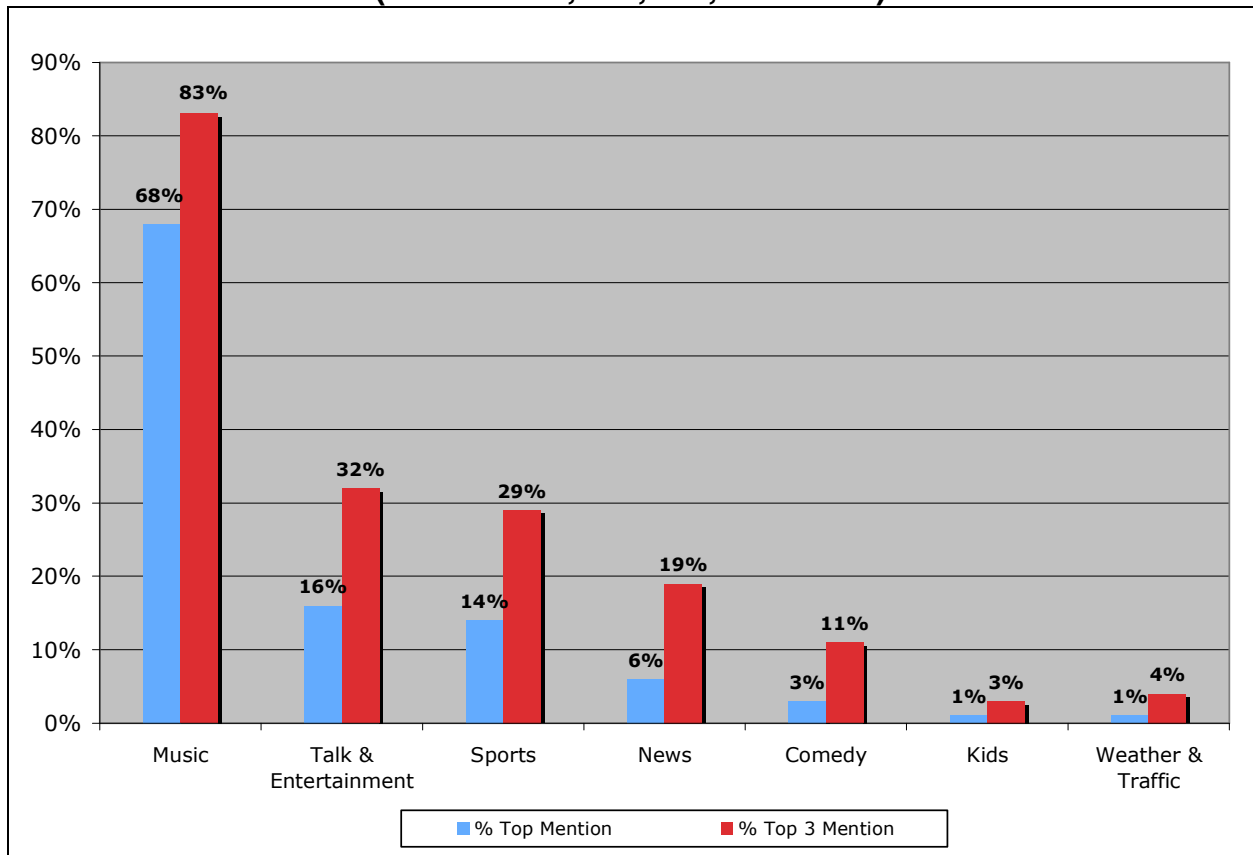
¹⁵ Net results are presented to avoid double-counting, *i.e.*, a respondent who mentioned music as his top response to all four questions is counted only once. Because the figure shows cumulative results from multiple questions, columns may sum to more than 100%.

* See Appendix C for the text of these questions.

¹⁶ Based n=428, the 95 confidence interval is no bigger than ± 0.047 [$1.96 \times .5/\text{square root of } n$].

¹⁷ In addition to programming, price, commercials, and coverage, numerous other reasons were given by respondents. Typical answers, which are included in Appendix L, included “I like to try new stuff” (ID 20117 Q.1), “I like the radio” (ID 20146 Q.1), and “First year came free w/my car. Liked it and kept it.” (ID 20154 Q.1), “Anything you want to hear at any time (ID 20054 Q.1), “It was a gift (ID 20092 Q.1), “Because it looks nice” (ID 20184 Q.1), “My husband wanted it. I also wanted it.” (ID 20191 Q.1), “Its [sic] paid for already” (ID 20119 Q.3), “I really like the wide verity [sic] of programs, there is something for everyone” (ID 20144), “I would miss the variety of other stations I would be able to listen to if and when I wanted” (ID 20163 Q.11), “There was nothing that I would miss” (ID 20152 Q.11). Such answers, as well as “don’t know” answers are not included in the figure above.

**Figure 10. Open-Ended Question Answers
(Net for Q1, Q2, Q3, and Q11)**



The verbatim answers themselves indicate the importance of music to respondents.

Typical answers for why respondents subscribed or continued to subscribe included:

- “Because it was new plus more music stations. Because I listen to music all day.” (ID 20175 Q.1)
- “Because I wanted to have a variety of music.” (ID 20184 Q.1)
- “Well I wanted a larger selection of music” (ID 20114 Q.1)
- “Because on satellite radio there’s more music and less talking and I can also listen to any genre of music that I’m in a mood for without hearing anything else at that point and time” (ID 20126 Q.1)
- “Music, its [sic] my life. I can record it on my Ipod and not have to put up with a bunch of talk.” (ID 20143 Q.3)

As that last example indicates, in providing these responses, some respondents cited the fact that satellite radio would allow them to avoid buying music from other sources. For example, some verbatim responses included:

- “I have enjoyed XM radio. I only use it in my vehicles. I hardly listen to regular radio except for sports and rarely plat [sic] CD’s anymore” (ID 10014 Q.11)
- “It will save money by not buying a lot of CD’s” (ID 20040 Q.1)
- “More selection than regular radio and less hassle than CD’s” (ID 20129 Q.1)

I now turn to the individual results for each open-ended question.

1. *Draw (Questions 1-2)*

General Draw. Respondents were asked to say why they chose to subscribe to satellite radio (or were considering subscribing). Music programming dominated over all other programming types. As Figure 11 on the following page shows, 17 percent of respondents gave music as their first answer to the question, and 34 percent gave it as a top 3 response to one of their answers to the question. No other programming type was given as a top mention by more than 5 percent of respondents, or was mentioned in the top 3 by more than 11 percent. Music’s substantially higher value is particularly noteworthy here, as the question did not even call for the respondent to mention a type of programming, but merely to give a reason why s/he subscribed or was considering subscribing.

**Figure 11. Top Reasons for Subscribing/Considering Subscribing–
General Draw (Q1)***

	Total (n=428) ¹⁸		
	% Top Mention	% Top 3 Mention	% Any Mention
• Music programming (no mention of commercial free)¹⁹	17	34	36
• Commercial free (no mention of music)	16	27	27
• Talk/Entertainment	5	11	13
• Price	4	6	6
• Coverage	3	6	7
• News	2	4	4
• Fewer/less commercials	2	4	5
• Commercial Free music	2	4	4
• Sports	1	4	4
• Comedy	0	1	1
• Kids	0	1	1
• Weather/traffic	0	0	1
• Any Music Mentions (Net)	18	38	39
• Any Commercial Mentions (Net)	20	35	35
• Any Commercial Free Mentions (Net)	18	31	31

Programming Draw. As with the open-ended question regarding reasons for subscribing, respondents also heavily cited music programming when asked which *type* of satellite radio programming was most critical to their decision to subscribe (or to consider subscribing). As

* Q1(a): Thinking back to the time you first subscribed to satellite radio, why did you decide to subscribe?/Why are you considering subscribing to satellite radio?

Q1(b): Any other reason?

¹⁸ Based on 428 individuals, the 95 percent confidence interval is no bigger than $\pm .047$ [$1.96 \times .5/\text{square root of } n$].

¹⁹ See *supra* note 17 for information about the categories included in this figure.

shown in Figures 12-13 on the following pages, over half (53 percent) of respondents said that music programming was the type of programming that was most critical to their decision to subscribe. Sports programming came in a distant second with only 10 percent naming it their first choice. Similarly, only 9 percent of subscribers cited talk and entertainment programming as their first choice. These results show that music was *five* times more likely to be named as most critical to the decision to subscribe or consider subscribing.

Music's predominance continues when we consider the top 3 answers given in response to the question. 67 percent of respondents cited music as the type of programming that was most critical to their decision to subscribe; only approximately one-third as many respondents cited sports programming (22 percent) or talk and entertainment programming (21 percent). In other words, two-thirds of respondents cited music in causing them to subscribe; not even one-quarter of respondents cited any other programming type.

Figure 12. Programming Type Most Critical To Decision To Subscribe/Consider Subscribing–Programming Draw (Q2)*

	Total (n=428) ²⁰		
	% Top Mention	% Top 3 Mention	% Any Mention
• Music programming (no mention of commercial free)²¹	53	67	67
• Sports	10	22	23
• Talk/Entertainment	9	21	22
• Comedy	3	10	10
• News	3	13	14
• Commercial free (no mention of music)	2	4	4
• Commercial Free music	2	3	3
• Weather/traffic	1	3	4
• Price	1	2	2
• Kids	0	2	2
• Coverage	0	1	1
• Fewer/less commercials	0	1	1
• Any Music Mentions (Net)	55	69	69
• Any Commercial Mentions (Net)	4	7	8
• Any Commercial Free Mentions (Net)	4	6	7

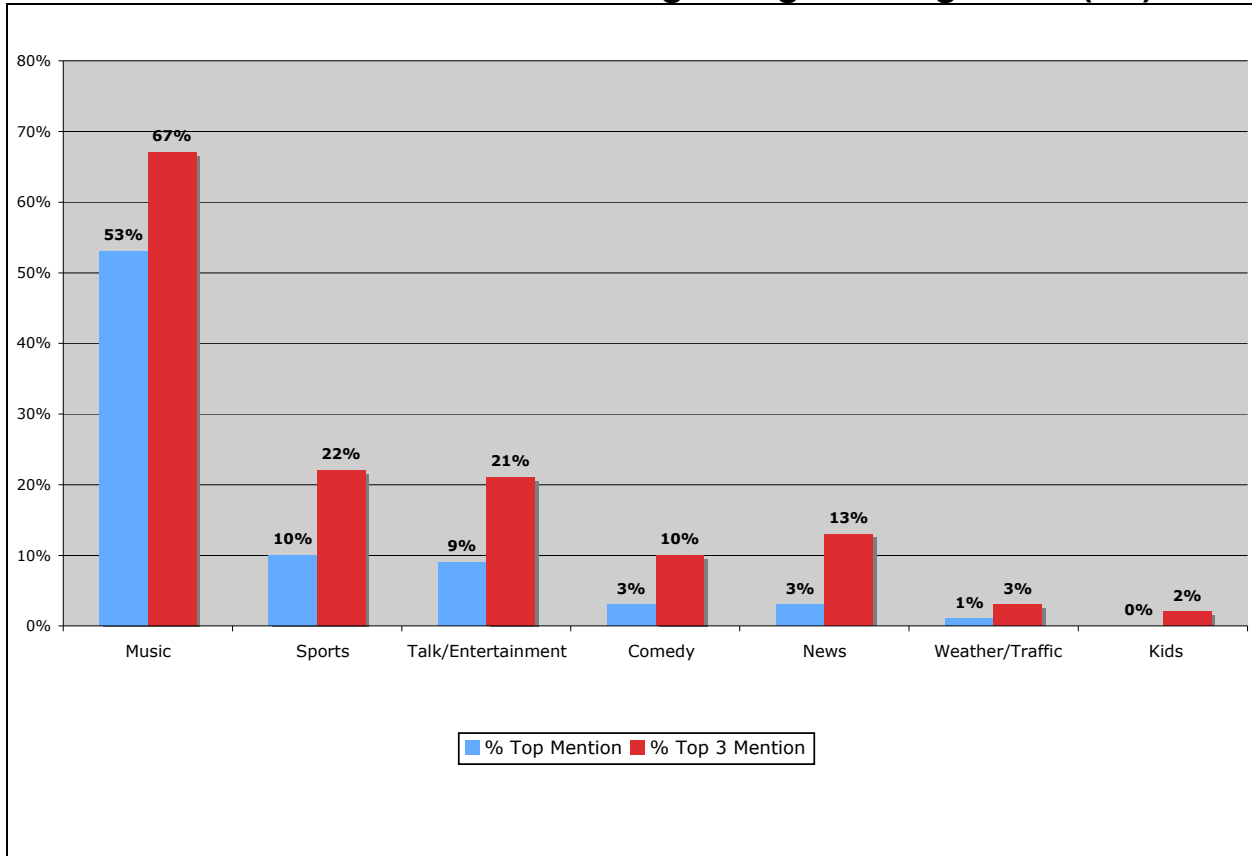
* Q2(a): What types of satellite radio programming were most critical to your decision to subscribe to satellite radio?/What types of satellite radio programming are most critical to your decision whether to subscribe?

Q2(b): Any other reason?

²⁰ Based on 428 individuals, the 95 percent confidence interval is no bigger than $\pm .047$ [$1.96 \times .5/\text{square root of } n$].

²¹ See *supra* note 17 for information about what categories are included on this table.

Figure 13. Programming Type Most Critical To Decision To Subscribe/Consider Subscribing– Programming Draw (Q2)



2. *Retention (Question 3)*

This question gets at the slightly different issue of what type of satellite radio programming was most important in convincing respondents to *keep* their satellite radio subscription once they purchased it. This question was germane only to current subscribers, and it shows that music programming is similarly important in causing respondents to maintain their subscriptions as it was in causing them to subscribe in the first place. As Figures 14-15 show on the following pages, respondents gave music programming as the first answer four times more often than any other programming type (45 percent versus 11 percent). And they mentioned music programming more times in the top 3 nearly three times more often than any other type of programming (59 percent versus 20 percent).

**Figure 14. Programming Type Most Critical To Decision
To Continue To Subscribe– Retention (Q3)***

	Total – Only Current Subscribers (n=307) ²²		
	% Top Mention	% Top 3 Mention	% Any Mention
• Music programming (no mention of commercial free)²³	45	59	59
• Talk/Entertainment	11	20	21
• Sports	9	19	19
• Commercial free (no mention of music)	7	11	11
• Comedy	2	5	5
• News	2	8	9
• Commercial Free music	2	4	4
• Kids	1	2	2
• Weather/traffic	1	2	2
• Price	1	3	3
• Fewer/less commercials	1	1	1
• Coverage	0	3	3
• Any Music Mentions (Net)	47	62	62
• Any Commercial Mentions (Net)	9	16	16
• Any Commercial Free Mentions (Net)	8	15	15

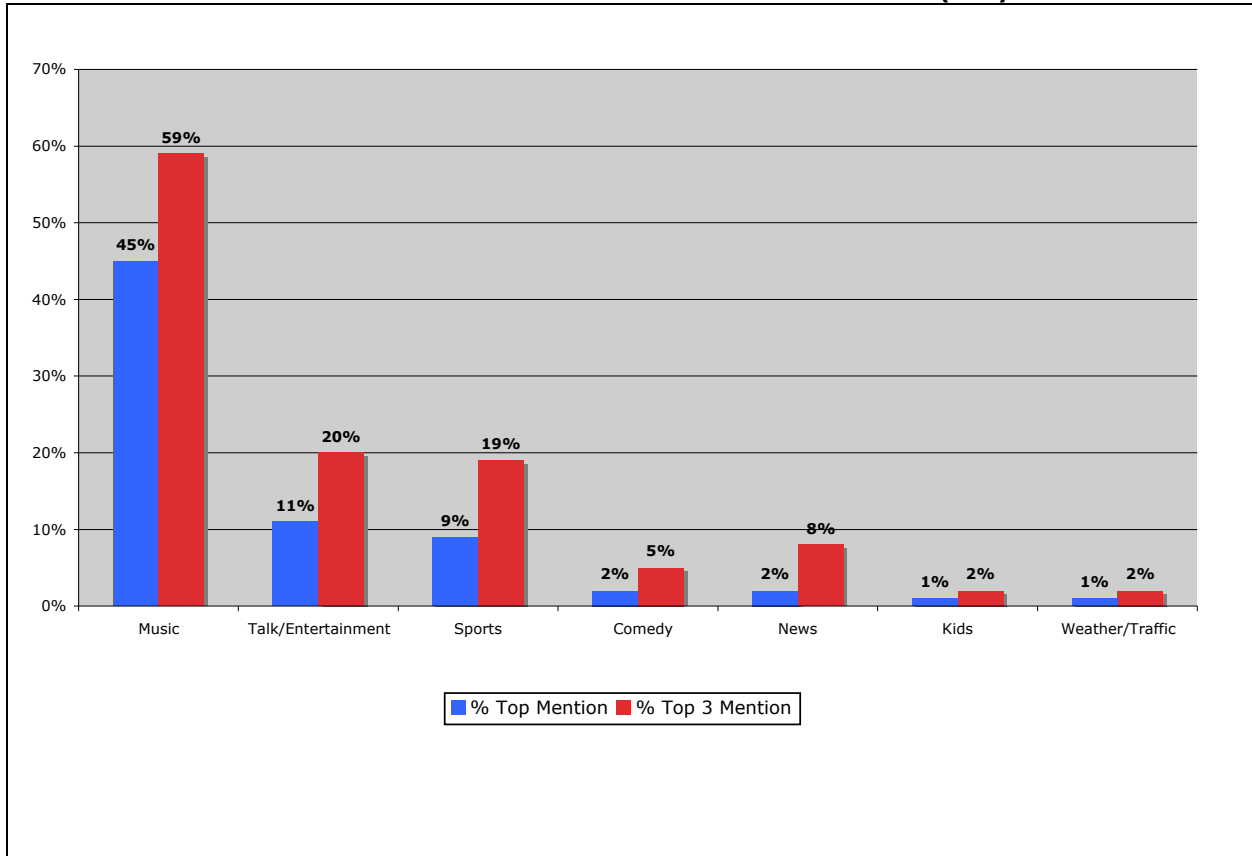
* Q3(a): And now, reflecting on your experience with satellite radio, what types of satellite radio programming are most critical to your decision to continue to subscribe?

Q3(b): Any other reason?

²² Based on 307 individuals, the 95 percent confidence interval is no bigger than $\pm .056$ [$1.96 \times .5/\text{square root of } n$].

²³ See *supra* note 17 for information about what categories are included on this table.

Figure 15. Programming Type Most Critical To Decision To Continue To Subscribe– Retention (Q3)



3. *Most Missed Aspect (Question 11)*

In this question, current subscribers were asked to name the feature of satellite radio they would miss the most if the service were not available. Again, features relating to music appeared at the top of the list by a sizeable margin, with 37 percent of respondents naming music as their first choice, and 50 percent mentioning music in their top 3 choices. As shown in Figures 16-17 on the following pages, no other aspect of satellite radio was mentioned as frequently. Instead, music was mentioned as the first choice four times as often as the next highest ranked aspect, talk and entertainment programming (37 percent versus 8 percent). It was the same with top 3 answers: music was mentioned in the top 3 by 50 percent of respondents, as compared to the 16 percent who mentioned talk and entertainment.

Figure 16. Aspects Of Satellite Radio That Would Be Missed Most If The Service Were Not Available (Q11)*

	Total – Only Current Subscribers (n=307) ²⁴		
	% Top Mention	% Top 3 Mention	% Any Mention
• Music programming (no mention of commercial free)²⁵	37	50	50
• Talk/Entertainment	8	16	16
• Sports	6	14	14
• Commercial free (no mention of music)	6	14	15
• Commercial Free music	6	8	8
• News	4	7	7
• Coverage	4	7	7
• Fewer/less commercials	3	6	7
• Comedy	1	4	5
• Kids	0	1	1
• Weather/traffic	0	1	1
• Price	0	1	1
• Any Music Mentions (Net)	43	57	57
• Any Commercial Mentions (Net)	14	28	30
• Any Commercial Free Mentions (Net)	12	22	23

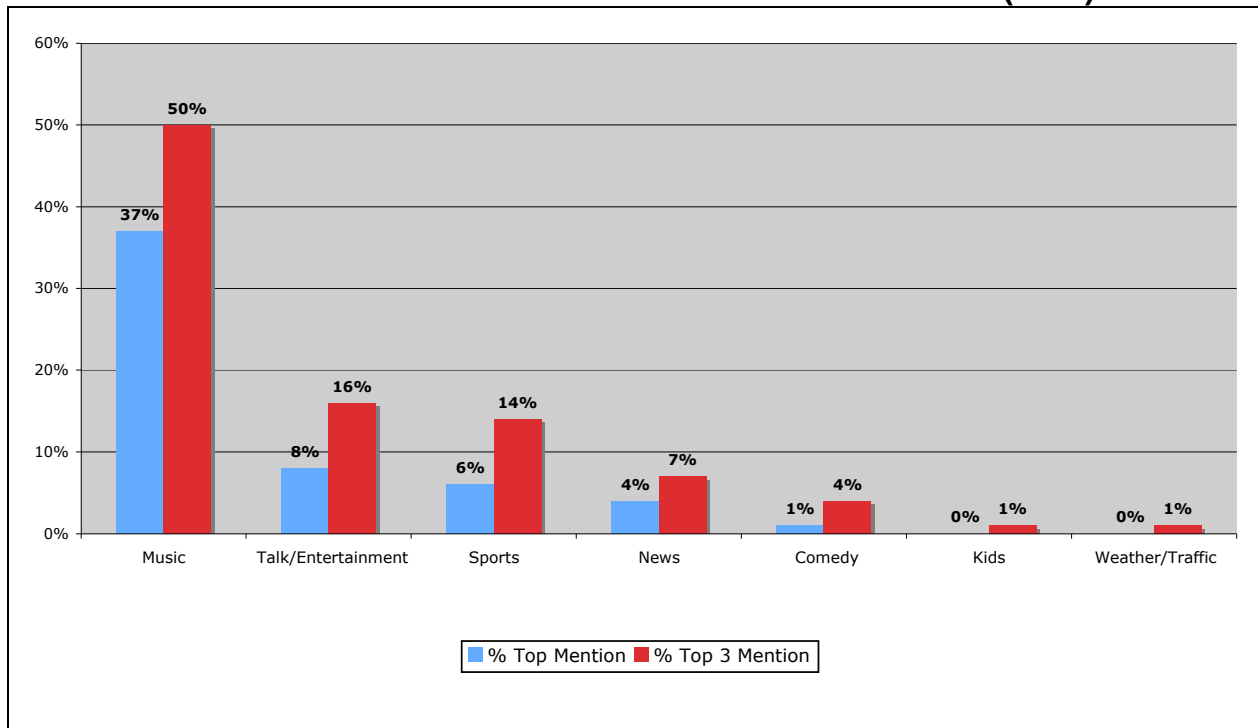
* Q11a: And finally, reflecting on your experience with satellite radio, if satellite radio was not available what, if anything, would you miss most about it?

Q11b: Anything else?

²⁴ Based on 307 individuals, the 95 percent confidence interval is no bigger than $\pm .056$ [$1.96 \times .5/\text{square root of } n$].

²⁵ See *supra* note 17 for information about what categories are included on this table.

Figure 17. Programming Type Of Satellite Radio That Would Be Missed Most If The Service Were Not Available (Q11)



C. Importance (Question 4)

Respondents were asked to specify the *relative importance* of seven satellite radio types of programming to their decision to subscribe and retain their subscription to satellite radio.²⁶ The respondents were asked to allocate 100 points among the different types of programming to reflect their relative importance to them and their families. The answers show that music strongly dominates over other types of programming, receiving 44 points on average from respondents. No other programming type received more than 13 points on average, as Figures 18-19 below show.

²⁶ In asking the constant sum question in the context of “subscribing” or “retaining their subscription,” this particular constant sum question closely follows the phrasing of the constant sum question employed in the cable royalty distribution proceedings. *See* Report of Copyright Arbitration Royalty Panel in Docket No. 2001-8 CARP CD 98-99, at 19.

Music was also far and away the programming type that the largest percentage of respondents – 74 percent – chose as their most important. This is more than four times as many respondents as for any other programming type, including sports and talk and entertainment.

Figure 18. Importance Of Programming Type (Q4)*

	Total	
Type of Programming	Relative importance as reflected in # of allocated points	
	Share (n=428) %	Allocated Highest Number of Points %²⁷
Music	44 (40.93 – 46.27) ²⁸	74 (69.42 – 77.77)
Sports	13 (11.12 – 14.44)	17 (13.71 – 20.87)
Talk and Entertainment	12 (10.54 – 13.63)	15 (12.00 – 18.84)
Comedy	10 (9.11 – 11.52)	14 (10.31 – 16.79)
News	10 (8.59 – 10.73)	14 (10.52 – 17.05)
Local Weather and Traffic	7 (6.30 – 8.24)	7 (4.39 – 9.16)
Kids	4 (3.34 – 5.24)	5 (3.24 – 7.51)
Total	100	

* Q4: Please review the list and allocate 100 points among the seven types of programming in such a way that the number of points (0 to 100) you give each type of programming best reflects the relative importance of that type of programming to you and your family's decision to subscribe and retain your subscription to satellite radio

²⁷ Total sums to more than 100 because some respondents had two or more content types tied for their highest ranking.

²⁸ These numbers represent the 95% confidence interval.

Figure 19. Average Importance Of Programming Type (Q4)

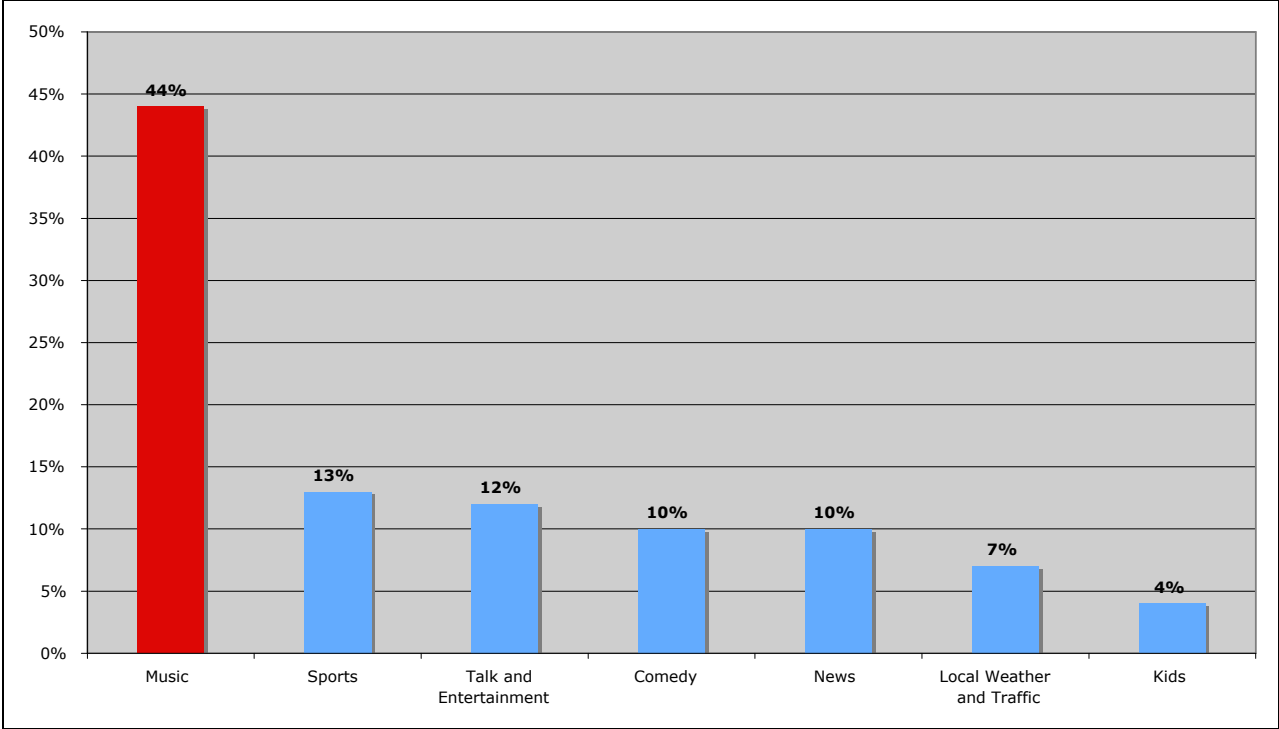
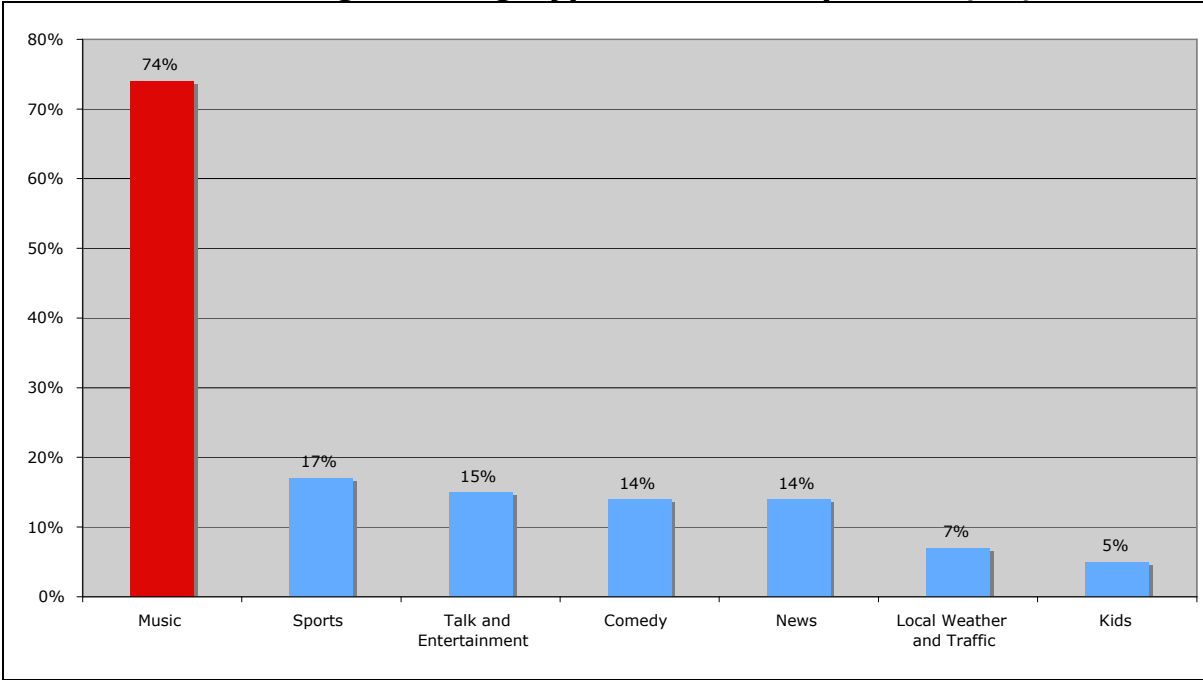


Figure 20. Percent Of Respondents Selecting Each Programming Type As Most Important (Q4)



D. Usage (Question 8)

Current subscribers were asked to state, out of the time they spent listening to satellite radio, the percentage of time they spent listening to each of seven types of satellite radio programming in a typical week.

Respondents, on average, spend nearly half (49%) of their satellite radio time listening to music. That percentage is *quadruple* any other programming type, as shown in Figures 21-22. Similarly, 77 percent of respondents recalled listening to music the most, a figure more than four times in excess of any other type of programming.

Figure 21. Usage Of Programming Type (Q8)*

Type of Programming	Total – Only Current Subscribers	
	Time Allocation	
	<u>Share (%)</u> (n=307)	<u>Allocated Highest Number of Points (%)</u> ²⁹
Music	49 (45.27 – 51.75) ³⁰	77 (72.51– 81.89)
Talk and Entertainment	12 (10.08 – 13.83)	15 (11.28 – 19.34)
Sports	11 (9.61 – 13.07)	17 (12.45 – 20.78)
Comedy	10 (8.47 – 11.69)	12 (8.13 – 15.33)
News	8 (6.79 – 9.30)	9 (5.63 – 11.96)
Local Weather and Traffic	6 (4.88 – 6.75)	5 (2.47 – 7.30)
Kids	4 (3.13 – 5.38)	6 (3.24 – 8.49)
	100	

* Q8: Reflecting on your and your family’s usage of satellite radio in a typical week how would you estimate the amount of time spent on each of the following program types.

²⁹ Total sums to more than 100 because some respondents had two or more programming types tied for their highest ranking.

³⁰ These numbers represent the 95% confidence interval.

Figure 22. Average Weekly Usage Of Programming Type (Q8)

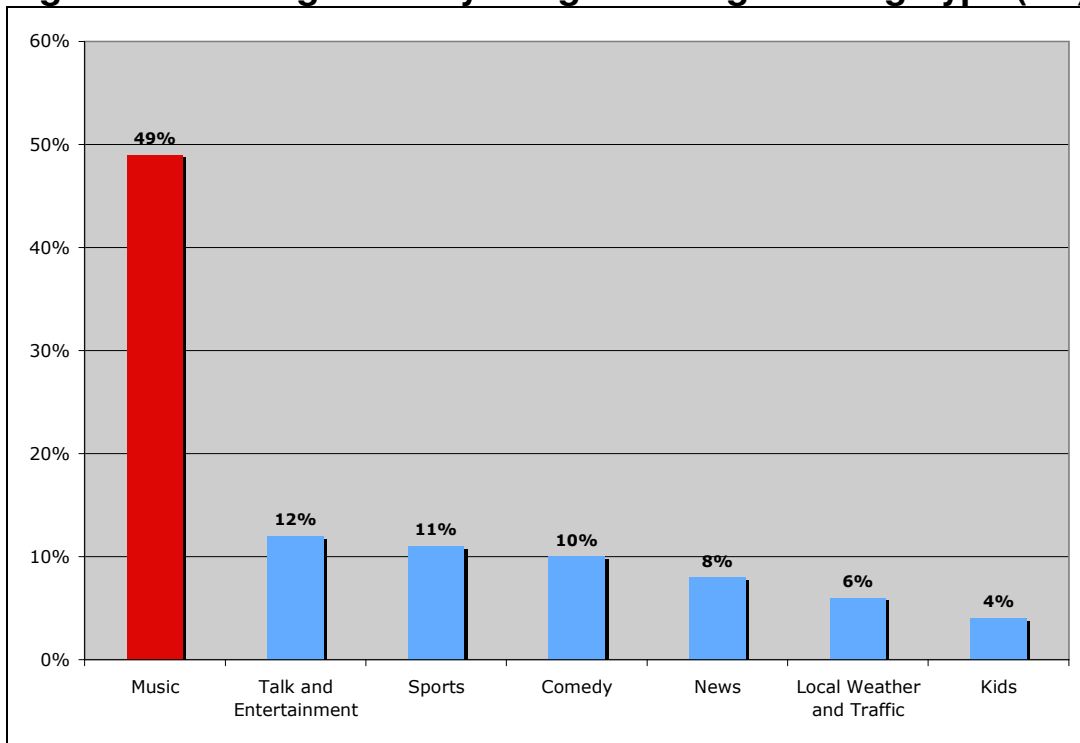
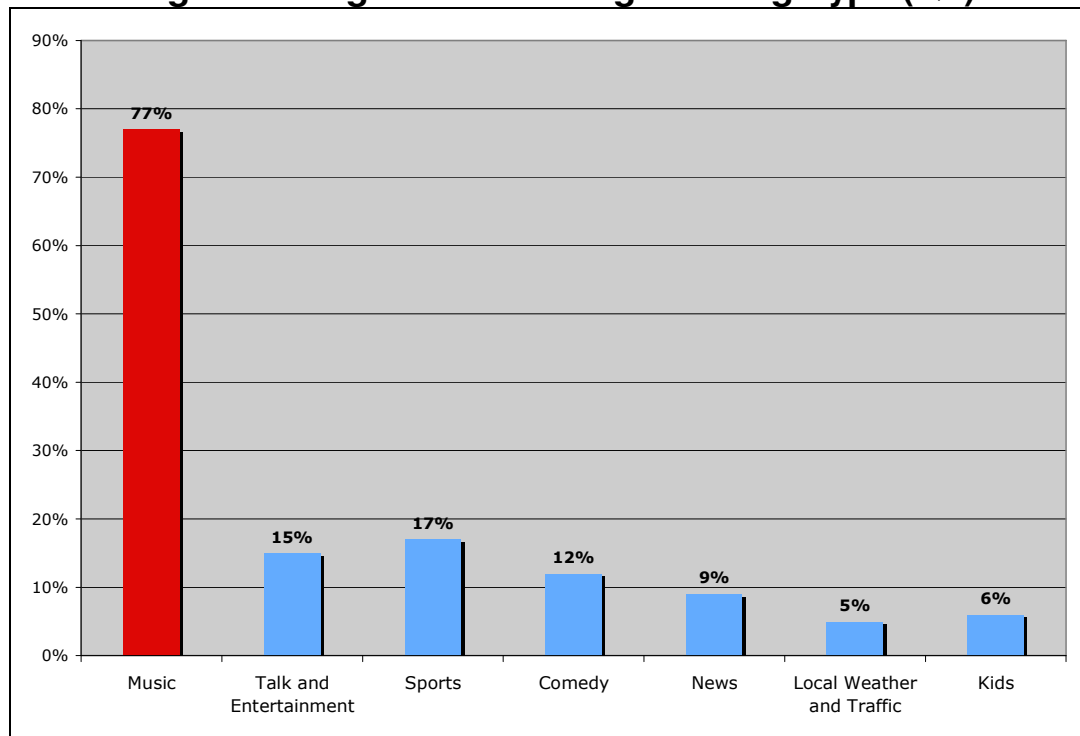


Figure 23. Percent Of Respondents Indicating Highest Usage Of Each Programming Type (Q8)



E. Value (Questions 4-7, 10)

Conjoint analysis, which is described above in Part III.D.2 and in Appendix H, is another method used in the survey to determine the value respondents place on satellite radio's music offerings. The conjoint results, as outlined in Figures 24-26, strongly confirm music's high value to consumers.

The conjoint analysis compared music's value to all other important features of the satellite radio service – both other programming types as well as non-programming features, such as coverage, number of commercials, and price. Despite being compared to both programming and non programming features, music still was the top-ranked attribute by a large margin, as shown on the figure on the following page. The analysis revealed that a full 30 percent of the value of satellite radio comes from music. The next highest attribute was price, which encompassed only 15 percent of the value. Similarly, the analysis reveals that music was the most important attribute of the service for approximately half of all respondents (47 percent). No other attribute was cited first by more than 14 percent of respondents.

Figure 24. Relative Importance Of The Programming and Non-Programming Attributes Of Satellite Radio Based On Conjoint Analysis– Value (Q4-7,10)*

	Average Importance³¹	Top Mention³²
		%
<u>Type of Programming</u>		
A. Music	30 (28.48 – 32.36) ³³	47 (44.14 – 49.06)
B. News	10 (9.37 – 11.55)	7 (5.33 – 7.77)
C. Sports	13 (12.00 – 14.83)	11 (9.39 – 12.46)
D. Talk and Entertainment	12 (10.47 – 13.20)	11 (9.16 – 12.20)
<u>Other Satellite Radio Features and Price</u>		
E. Number of Minutes Per Hour of Commercials on Music Channels	13 (11.74 – 14.27)	8 (6.90 – 9.61)
F. Geographic Coverage	6 (5.37 – 7.26)	3 (2.08 – 3.74)
G. The Monthly Price for a Single Subscription	15 (13.08 – 16.02)	14 (12.36 – 15.79)

* See Appendix C for the text of these questions.

³¹ Total does not sum to 100 because of rounding.

³² Total sums to more than 100 because some respondents had two or more content types tied for their highest ranking.

³³ These numbers represent the 95% confidence interval.

Figure 25. Importance Of Satellite Radio Attributes Based On Conjoint Analysis (Q4-7,10)

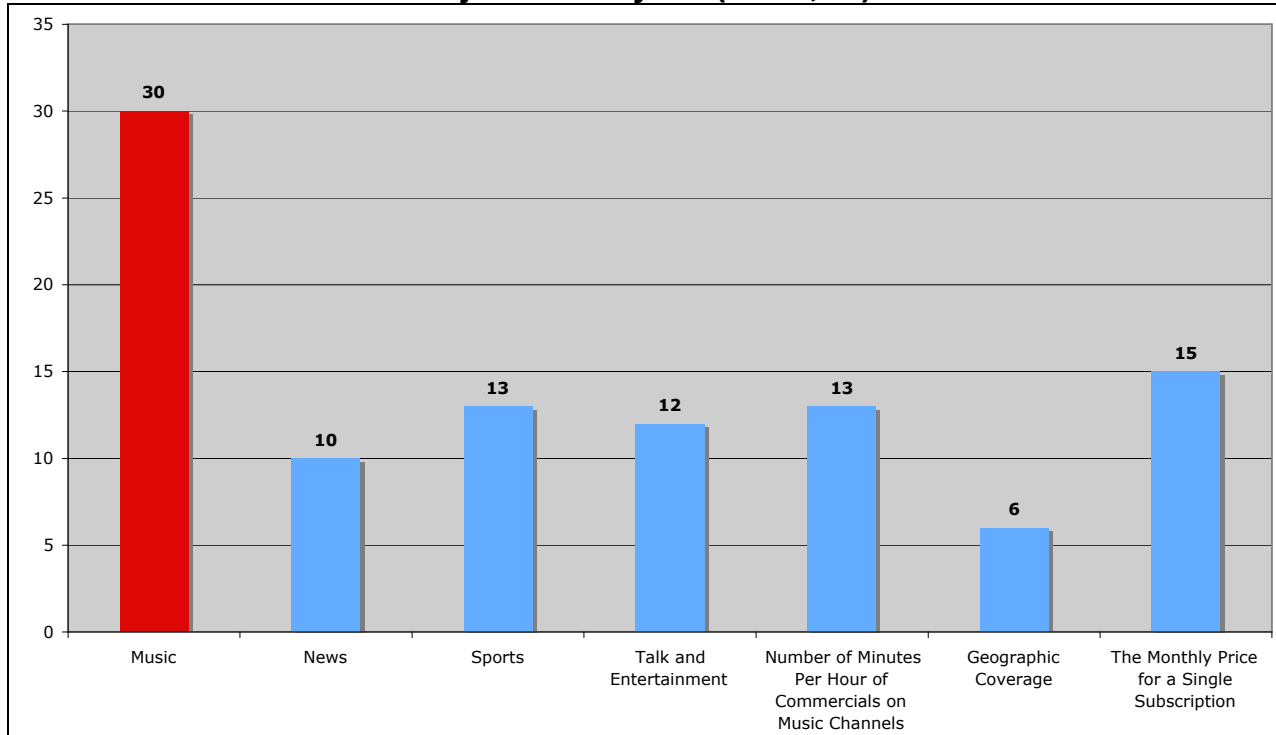
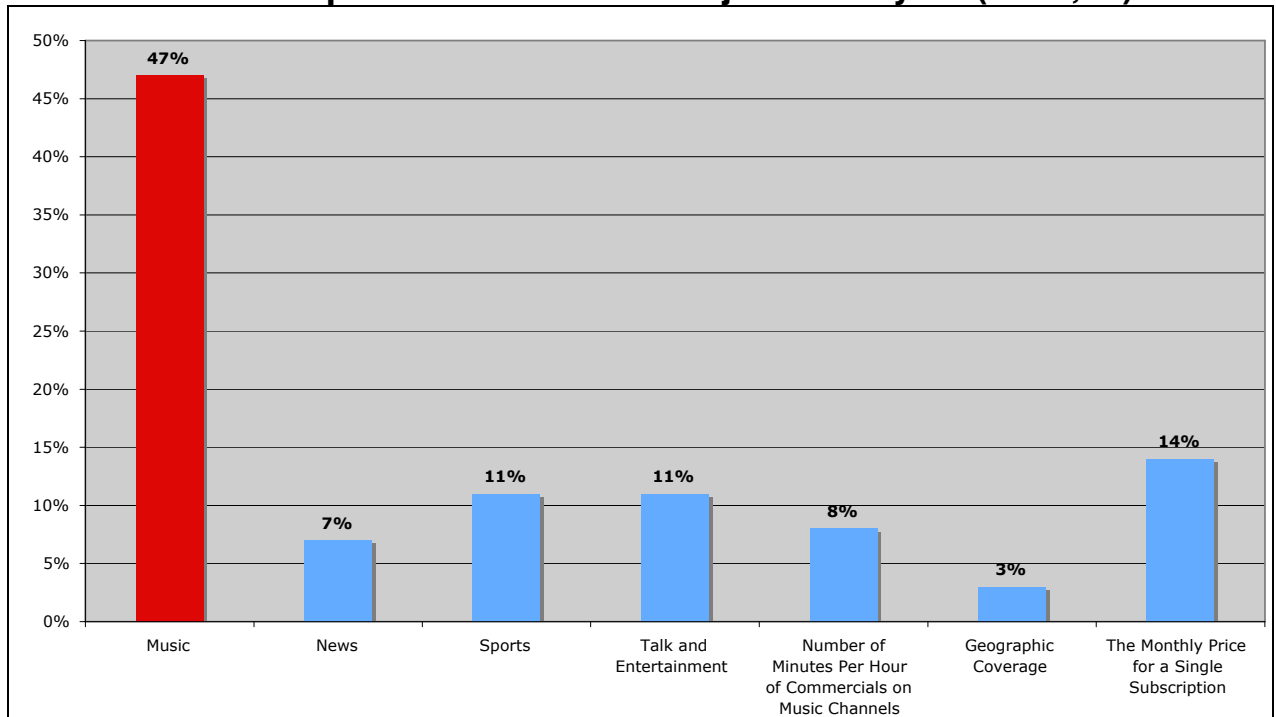


Figure 26. Percent Of Respondents Who Selected Each Attribute As Most Important Based On Conjoint Analysis (Q4-7,10)







F. Choice (Question 10)

In completing the conjoint section of the survey, respondents were asked to rate two different hypothetical satellite radio services. The first profile described the satellite radio service currently offered by XM and Sirius (*e.g.*, similar music, talk, sports, and news programming, nationwide coverage, no commercials on music channels, and a price of \$12.95/month). The second profile was the same as the first but had no music programming.

Respondents were asked to rate each service on a scale from “0” to “10,” with “0” indicating “definitely would not buy” and “10” indicating “definitely would buy.” As shown below in Figure 27, the current offering received an average score of 7.13 on this scale; the current offering without music scored substantially lower, 2.47, or barely more than one third of the current offering’s score. Measured another way, only 5 percent of respondents rated the current offering a “0,” but 57 percent of respondents gave a “0” to the current offering without music, indicating that a majority of respondents would not buy a satellite radio service that lacked music.

Figure 27. Relative Importance Of Music As Reflected In The Choice Of Current Offering With Music Versus Current Offering Without Music (Q10)

	Total (n=428)
	Intention To Subscribe
Current Offering (Card 65)	 7.13
Current Offering With No Music (Card 66)	 2.47
Relative Importance (current offering with no music ÷ current offering)	<div style="border: 1px solid black; padding: 5px; display: inline-block;">.35</div>
	% Giving 0 Points
Current Offering (Card 65)	 5%
Current Offering With No Music (Card 66)	 57%
Relative Importance (current offering with no music ÷ current offering)	<div style="border: 1px solid black; padding: 5px; display: inline-block;">11.2</div>

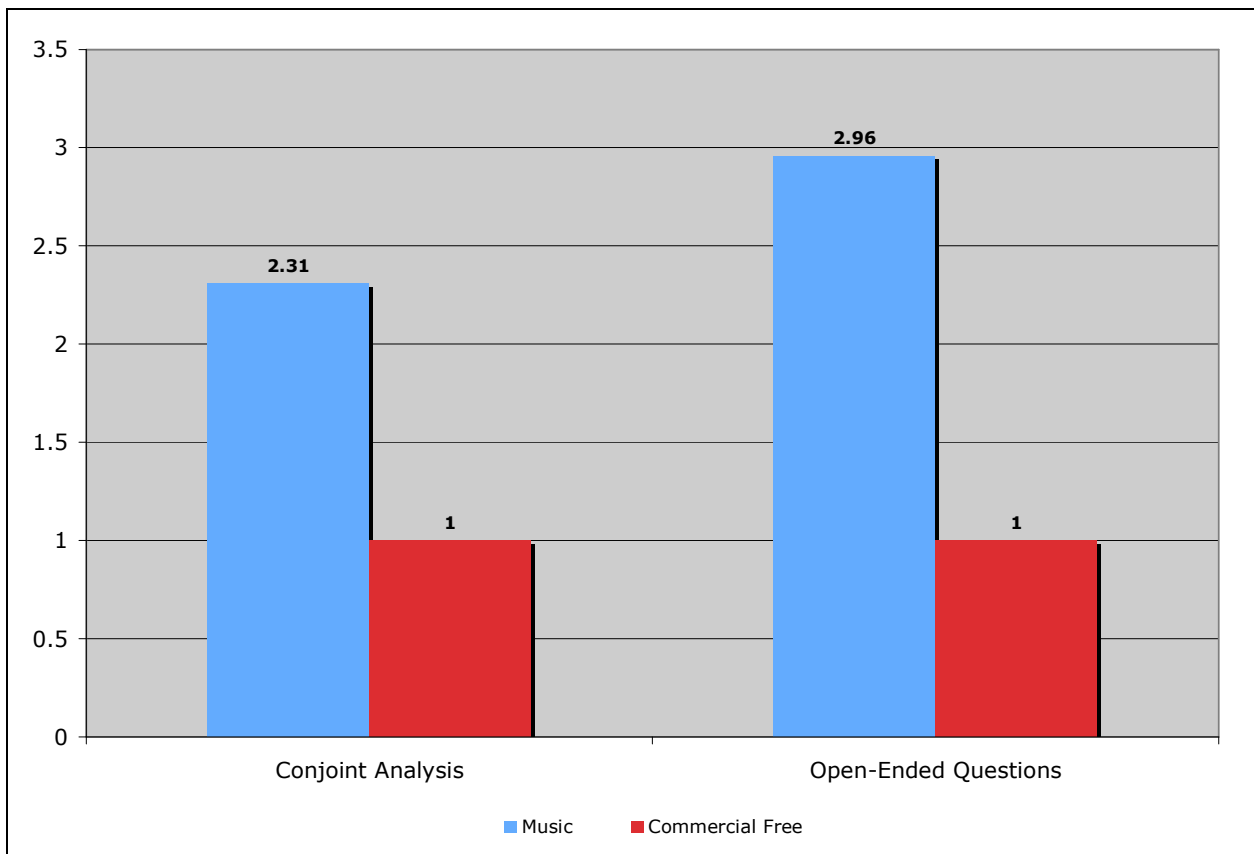
V. ADDITIONAL RESULTS

A. Music versus Commercial-Free

The conjoint analysis reveals another important result: music is a significantly more important attribute of satellite radio than is the number of minutes of commercials on music channels. As noted above, music received the highest score in the conjoint analysis – 30 percent of the value of the service. The number of commercial minutes on music channels (including no commercials) only accounted for 13 percent of the value. In other words, consumers valued music programming 2.31 times more than they valued the extent to which there were more commercials on the service.

The open-ended results corroborate this finding. As Figure 9 shows, 68 percent of respondents named music (without mentioning commercial free) as a top answer to at least one of the open-ended questions. Only 23 percent of respondents cited commercial free programming (without mentioning music) as their top choice. (And a few respondents – 7 percent – stated that the hybrid “commercial free music” was their top choice). Thus, consumers cited music as their top choice to an open-ended question 2.96 times as often as they cited commercial free. The figure below shows these multiples for both the conjoint and open-ended questions, demonstrating that it is music, and not the lack of commercials, that consumers value primarily.

Figure 28. “Commercial Free” versus Music (Q 4-7, 10; 1-3, 11)



B. Music versus Recorded Content

This proceeding will determine the compulsory license rate for sound recording performances on satellite radio. Up to this point, we have looked only at sound recordings performed on satellite radio music channels. It is my understanding, however, that the vast bulk of content on *comedy* and *kids* satellite radio channels also uses sound recordings for which the copyrights are owned by the SoundExchange members. To the extent this is true, the results above understate the value of the sound recordings copyrights at issue in this proceeding. For example, with respect to the constant sum question regarding the importance of the programming types, Recorded Content would amass 58 points, Music (44) + Comedy (10) + Kids (4). *See* Figure 29. And with respect to the constant sum question regarding typical usage, Recorded Content constitutes 63 percent of usage, Music (49) + Comedy (10) + Kids (4).³⁴ *See* Figure 30.

³⁴ To the extent that the comedy and kids channels contain live programming, or other non-recorded content, these figures would represent an upper bound on the value placed on content subject to this proceeding.

Figure 29. Relative Importance of Recorded Content

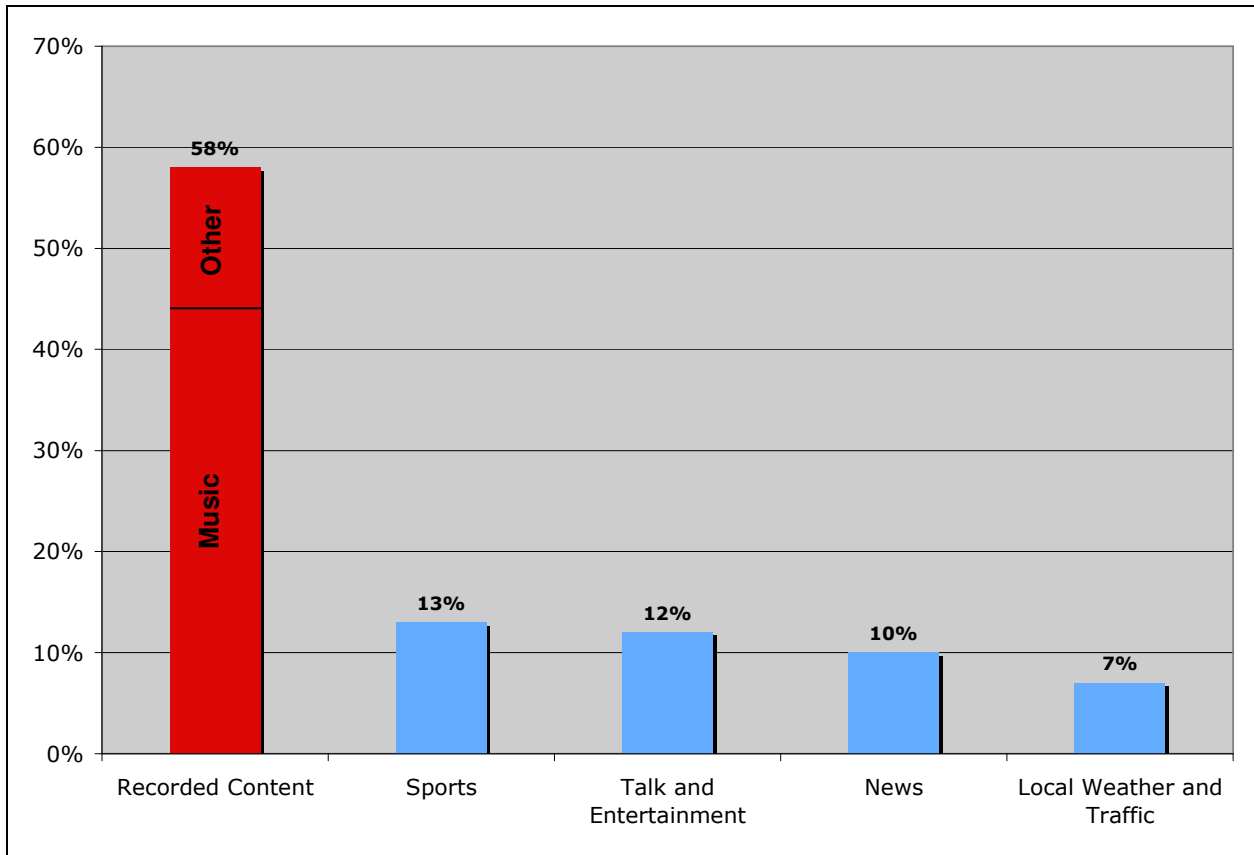
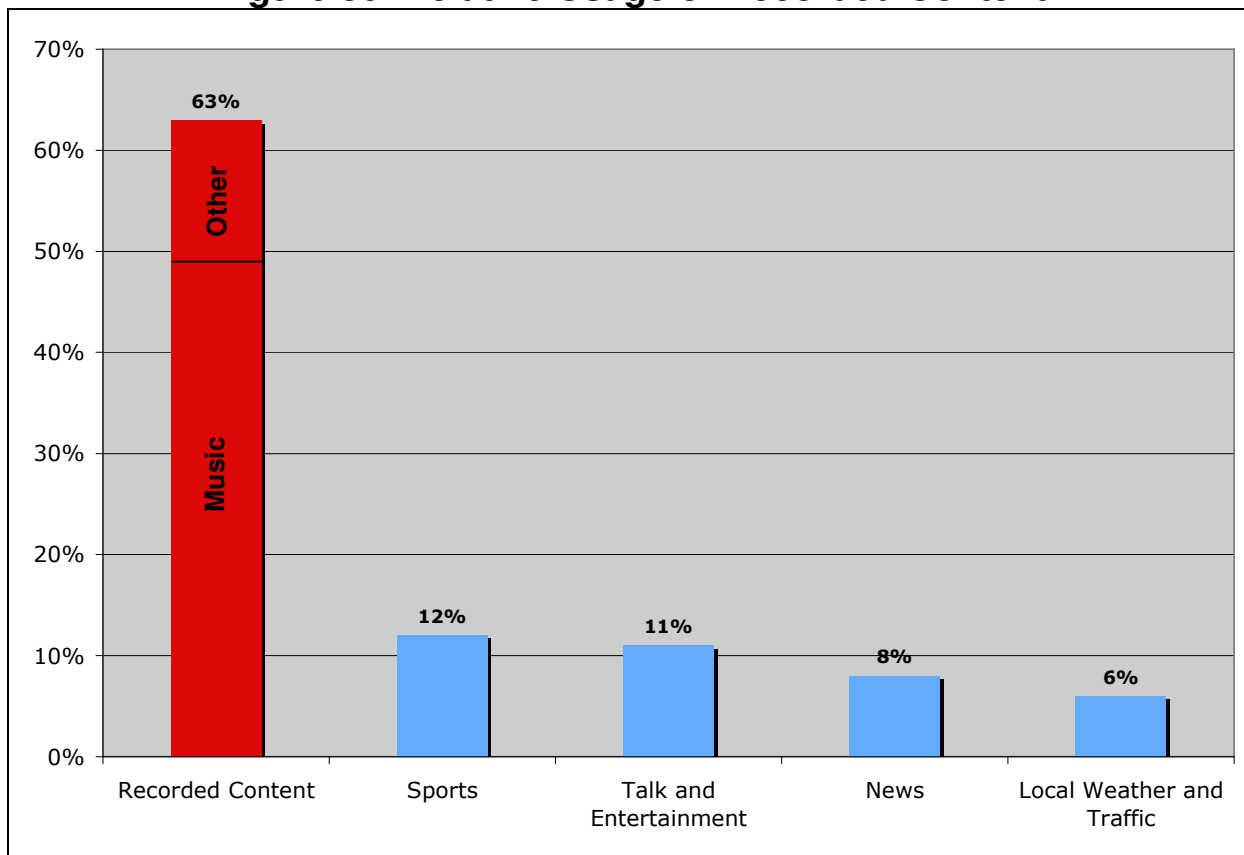


Figure 30. Relative Usage of Recorded Content



C. Music versus Talk and Entertainment

This survey has demonstrated that music is the satellite radio programming type that users value the most. The dominance of music gives interesting insight into the well-publicized deals satellite radio has struck with other content providers, such as Howard Stern and Oprah Winfrey. These deals, which were negotiated on the open market, presumably are keyed to the value that consumers place on talk and entertainment satellite radio programming. In setting a rate for sound recording licenses, it is useful to know that consumers value music programming far more than talk and entertainment programming. The figure below compares the value assigned to music versus talk and entertainment programming for several key measures in the survey. In each and every case (as well as the other survey measures not reported here), music scored higher, and often three, four, or more times as much as talk and entertainment. On

average, music scored 3.7 times higher than talk and entertainment. This suggests that the market rate for music would be considerably higher than the market rate for talk and entertainment programming.

Figure 31. Music versus Talk and Entertainment

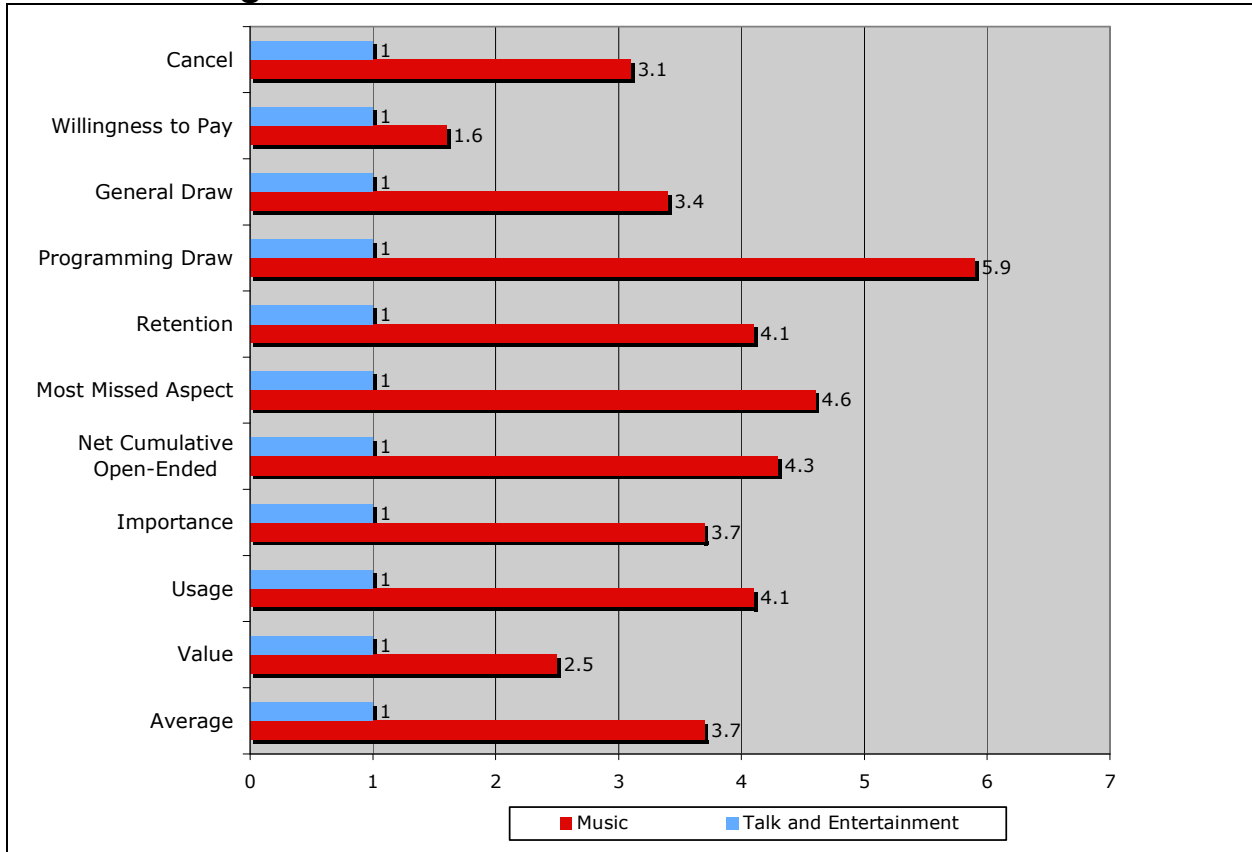
	Total (N=428)		
	Music	Talk and Entertainment	Multiple
1. Cancel [Q9: Figure 7]	43%	14%	3.1
2. Willingness to pay [Q9: Figure 8]	\$6.15	\$9.99	1.6 ³⁵
3. General Draw [Q1: Figure 11]	17%	5%	3.4
4. Programming Draw [Q2: Figure 12]	53%	9%	5.9
5. Retention [Q3: Figure 15]	45%*	11%*	4.1*
6. Most missed aspect [Q11: Figure 16]	37%*	8%*	4.6
7. Net cumulative open-ended questions [Q1-3, 11: Figure 9]	68%	16%	4.3
8. Importance [Q4: Figure 19]	44%	12%	3.7
9. Usage [Q8: Figure 21]	49%*	12%*	4.1*
10. Value [Q4-7, 10: Figure 24] ³⁶	30%	12%	2.5
Average			3.7

*Asked only of Current Subscribers (n=307)

³⁵ In this measure, a *lower* price indicates a higher importance (*i.e.*, it shows that a respondent would be willing to pay less if a particular programming type were absent.). The multiple here therefore represents the degree to which the next *lowest* priced programming type exceeded the price respondents were willing to pay for the service without music

³⁶ The choice measure (Figure 27) is not included on this chart because it did not measure music's value versus that of talk and entertainment in isolation.

Figure 32. Music versus Talk and Entertainment



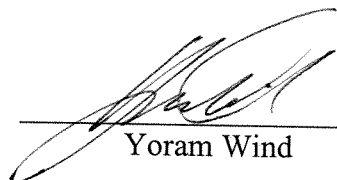
V. CONCLUSIONS

Based on the survey results, my conclusion is that music is overwhelmingly the programming attribute of satellite radio that consumers value the most in making their decision to subscribe or retain their subscription to satellite radio. Every one of the thirteen measures of value in the survey supports this conclusion.³⁷ No other programming attribute of satellite radio – including talk and entertainment programming – nor the commercial-free programming, coverage, or price was valued nearly as much by consumers. To the contrary, respondents on average valued music 3.7 times as much as talk and entertainment programming.

³⁷ Namely: Cancellation (Figure 7), Willingness to Pay (Figure 8), Open-Ended Net (Figure 10), Draw (Aspect) (Figure 11), Draw (Programming Type) (Figure 13), Retention (Figure 15), Most Missed Aspect (Figure 17), Average Importance (Figure 19), Greatest Importance (Figure 20), Average Usage (Figure 22), Greatest Usage (Figure 23), Value (Figure 25), Highest Value (26) and Choice (Figure 27).

I declare under penalty of perjury that the foregoing testimony is true and correct to the best of my knowledge and belief.

Date: 10/29/06


Yoram Wind

APPENDIX A

CV OF YORAM (JERRY) WIND

YORAM (JERRY) WIND

Academic Positions: Jerry Wind is The Lauder Professor and Professor of Marketing at the Wharton School of the University of Pennsylvania. He is the founding director of *The Wharton "think tank," The SEI Center for Advanced Studies in Management*. The Center's mission is to assure through research and development the quality of management research and education and its relevance to the needs of management practice and society in the 21st century. Dr. Wind joined the Wharton staff in January 1967, upon receipt of his doctorate from Stanford University.

Program Development: Dr. Wind is the founder and academic director of *The Wharton Fellows* program. From 1983 to 1988, he was the founding director of *The Joseph H. Lauder Institute of Management and International Studies*, and from 1980 to 1983 the founding director of *The Wharton Center for International Management Studies*. Dr. Wind chaired the Wharton committees that designed *The Wharton Executive MBA Program* (1974), *the new MBA curriculum* (1991), and the School's *globalization strategy* (1995-1997), the MBA's, cross-functional integration efforts (2002-04). He also started *The Wharton International Forum* (1987) and served as the chairman of its faculty council until 1998. He was instrumental in establishing the Alfred West, Jr. Learning Lab and served as a member of its first advisory board (2001-05).

Publications: Dr. Wind is one of the most cited authors in marketing. He is a regular contributor to the professional marketing literature, which has included 21 books and over 250 papers, articles, and monographs encompassing the areas of marketing strategy, marketing research, new product and market development, consumer and industrial buying behavior, and international marketing. His recent books, *The Power of Impossible Thinking: How Changing Your Mental Models Will Transform the Business of Your Life and the Life of Your Business*, with Colin Crook (Wharton School Publishing, 2004), *Convergence Marketing: Strategies for Reaching the New Hybrid Consumer* with Vijay Mahajan (Financial Times/Prentice Hall 2002), *Leveraging Japan: Marketing to the New Asia* (Jossey-Bass 1999) and *Driving Change* (Free Press, 1998), received wide acclaim. Both *The Power of Impossible Thinking* and *Convergence Marketing* were selected by Executive Book Summaries as one of the thirty best business books of 2002 and 2004. His most recent edited books—*New Product Diffusion Models* (Kluwer 2000), *Digital Marketing* (Wiley 2001), and *Marketing Research and Modeling: Progress and Prospects* (Kluwer 2004)—include the works of the leading experts on these topics. Dr. Wind's books have been translated widely.

Editorship: Dr. Wind is the founding editor of *Wharton School Publishing* (Wharton's J.V. with Pearson/Financial Times), 2003. He has served as editor-in-chief of the *Journal of Marketing*, on the policy boards of the *Journal of Consumer Research* and *Marketing Science*, and has been on the editorial boards of all major marketing journals. He served as guest editor of special issues of the major marketing journals including *Marketing Science* (1996) on Empirical Generalization in Marketing (with Frank Bass), *JMR* (1997) on Innovation in New Product Development: Best Practice in Research, Modeling, and Applications, and *Marketing Research* (1998) on The State of the Art in Quantitative Research.

Business Experience: Dr. Wind has served as an advisor to many Fortune 500 firms and a number of non-U.S. multinationals in the financial services, pharmaceuticals, information, and consumer packaged goods industries. His consulting focuses on both overall global corporate and business strategy and transformation as well as marketing strategy and especially the development of new businesses. In addition, he has served as an expert witness in various legal cases. Dr. Wind is a member of the board of IDT, and an advisor of a number of start-ups including Mutual Arts and NetXentry (web for phone). He is a former director of Enhance Financial Services Corporation, Contel Corporation, CASA and a number of entrepreneurial ventures.

Professional Activities: Dr. Wind is an active member of the major marketing and management science professional associations. He is the former Chancellor of the International Academy of Management (IAM). He is a former academic trustee of the Marketing Science Institute and a member of a number of its steering committees. He is also a former chairman of the College of Marketing of the Institute of Management Science and a previous member of the Board of Directors of the Philadelphia AMA Chapter. He is one of the founders of the new Israeli university – *The Interdisciplinary Center Herzliya* (IDC) – chairman of its academic council, and member of its academic appointment and promotion committee. He is also a member of the board of the American Friends of IDC. He is a member of the board of a number of Wharton's research centers, including the Lauder Institute and the Ackoff Center. Dr. Wind is also a trustee of *The Philadelphia Museum of Art* and chair of its audience building committee, and a member of the Advisory Board of *Business for Diplomatic Action*. He is a frequent lecturer in faculty seminars and executive programs in over 50 universities worldwide.

Awards: Dr. Wind is the recipient of various awards, including the three major marketing awards – The Charles Coolidge Parlin Award (1985), the AMA/Irwin Distinguished Educator Award (1993) and the Paul D. Converse Award (1996). He is the recipient of the first Faculty Impact Award given by Wharton Alumni (1993). In 1984, he was elected as member of the Attitude Research Hall of Fame and has won a number of research awards, including two Alpha Kappa Psi Foundation awards and a recent inclusion in JAR Classics issue of one of 18 articles that have withstood the test of time. In 2001 he was selected as one of the 10 *Grand Auteurs in Marketing*. Most recently he was named as the 2003 recipient of the Elsevier Science Distinguished Scholar award of the Society for Marketing Advances and an Honorary Fellow of the Decade by the Interdisciplinary Center Herzliya (Israel), May 2004.

8 August 2006

ACADEMIC EXPERIENCE

EDUCATION

Stanford University, Graduate School of Business. Ph.D. (Marketing), September 1964-December 1966.

Stanford University, International Center for Advancement of Management Education, Certificate in Marketing Management. September 1963-June 1964.

The Hebrew University, Jerusalem, School of Economics and Social Sciences, M.A. (Business Administration and Political Science), September 1960-June 1963; B. Soc. Sci. (Economics and Political Science), September 1958-June 1961.

UNIVERSITY POSITIONS

A. University of Pennsylvania, The Wharton School

Faculty Positions:

The Lauder Professor, 1983-

Professor of Marketing, 1973-

Associate Professor of Marketing, 1970-1973

Assistant Professor of Marketing and International Business, 1967-1970

Selected Administrative Positions:

Founding Editor, Wharton School Publishing (WSP), 2003-

Founding Academic Director, The Wharton Fellows platform and program, 2000-

Founding Director, The SEI Center for Advanced Studies in Management, 1988-

Founding Director, The Joseph H. Lauder Institute of Management and International Studies, 1983-1988

Founding Director, the 1st Title VI National Resource Center in International Management Studies, 1985-1988

Founding Director, The Wharton Center for International Management Studies, 1980-1983

Secondary Faculty Appointments:

Member of the Graduate Group in International Studies (School of Arts & Sciences), 1984-1998

Member of the OR Group, 1979-1984 and the OR affiliated faculty, 1984-1989

Senior Fellow of the Leonard Davis Institute, 1977-1980

Secondary Appointment as Professor of Management, 1981-1984

Member of the Extended Faculty of the Social Systems Sciences Dept. 1981-1986

B. Other Universities

The Interdisciplinary Center (IDC) Herzliya Israel, Co-Founder (for specific activities since 1994, see p. 39)

University of Tokyo (Japan) Co-Director of the Marunouchi Global Center (MCG) program, 2002; The first Hakuhodo Visiting Professorship, Spring 1992 and 1993

Erasmus University (The Netherlands) The first visiting Unilever-Erasmus Professorship, Spring 1993

University of New South Wales (Australia) The first visiting Hoover Foundation Professor, 1977

University of California at Berkeley, School of Business Administration Visiting Professor, Fall 1975

University of Tel Aviv, The Leon Recanati Graduate School of Business Administration, Visiting Senior Lecturer, September 1968-August 1969

Stanford University, Graduate School of Business, Research Assistant, June 1965-October 1966

PUBLICATIONS

I. BOOKS

- 1.* *The Power of Impossible Thinking: How Changing Your Mental Models Will Transform the Business of Your Life and the Life of Your Business*, with Colin Crook [and Robert Gunther], Wharton School Publishing, 2004, selected by Executive Book Summaries as one of the thirty best business books of 2004. Translated editions: Arabic, Bahasa Indonesia, Chinese (simplified and traditional), English (Singapore), Japanese, Korean, Portuguese, and Turkish. Selected by Executive Book Summaries as one of the thirty best business books of 2004; finalist in *Fast Company* Reader's Choice Award for the October book of the month; among CEO READ top 25 books of August 2004. A paperback edition was published in 2006.
2. *Adventures in Conjoint Analysis: A Practitioners Guide to Trade-Off Modeling and Applications*, with Abba Krieger and Paul E. Green, 2004 – e-book available at http://marketing.wharton.upenn.edu/people/faculty/green/green_monograph.cfm.
- 3.* *Convergence Marketing: Strategies for Reaching the New Hybrid Consumer*, with Vijay Mahajan [and Robert Gunther] (Prentice Hall/Financial Times), 2001. Selected by Executive Book Summaries as one of the thirty best business books of 2002. Translated editions: Chinese (simplified), Tsingua University Press; Chinese (traditional), Prentice Hall Taiwan; Bahasa (Indonesia); Spanish; Portuguese; Italian [*Consumatore Centauro: Orvaro il Marketing Della Convergenza*, ETAS LAB. IT. 2002; Korean; and Japanese.
4. *Leveraging Japan: Marketing to the New Asia*, with George Fields and Hotaka Katahira (San Francisco: Josse Bass), 1999. Translated Japanese edition by Pearson Education, Japan, 2000.
- 5.* *Driving Change*, with Jeremy Main (New York: The Free Press), 1997. Translated editions in U.K. by Kogan (Page Ltd.), 1998; China by Shanghai Jiao (Tong University Press), 1999; Hungary by Veres István (Geomeédia Szakkönyvek), 2000. Adaptation to local condition: Brazil by Luiz Felipe Monteiro Jr. (IBMEC Qualitymark Editoria), 2002.
6. *The Silverlake Project*, with Roy A. Bauer, Emilio Collar, Victor Tang and Patrick R. Houston. (New York: Oxford University Press), January, 1992. Translated to Chinese, Huaxia Publishing, 2000.
- 7.* *Product Policy: Concepts, Methods and Strategies* (Reading, MA: Addison-Wesley), 1982. Reviewed *Journal of Marketing*, Summer 1981.
- 8.* *Marketing and Product Planning* (in Spanish) (Mexico: Expansion). This book is based in part on sections from *Product Policy* which was selected by the editors of Expansion as the "Book of the Year" 1979.
9. *Multi-Attribute Decisions in Marketing: A Measurement Approach*, with Paul E. Green (and contributions by Douglas Carroll). (Hinsdale, IL: The Dryden Press), 1973.
10. *Organizational Buying Behavior*, with Frederick E. Webster, Jr. (Englewood Cliffs, NJ: Prentice Hall, Foundations of Marketing Series), 1972. Translated to Portuguese (Editor, Atlas, Sao Paulo, Brazil, 1975). Reviewed JMR August, 1974.
11. *Market Segmentation*, with Ronald E. Frank and William F. Massy (Englewood Cliffs, NJ: Prentice Hall, International Series in Management), 1972. Reviewed JMR, November, 1972; August, 1974.
12. *Advertising Measurement and Decision Making*, with Homer Dalby and Irwin Gross (Boston, MA: Allyn & Bacon), 1968.

13. *Industrial Buying and Creative Marketing*. Publication of the Marketing Science Institute (Boston, MA: Allyn & Bacon), 1967. Contributed two chapters; co-authored with Patrick J. Robinson three chapters; and participated in the overall organization and preparation of the book.
14. *Industrial Buying Behavior: Source Loyalty in the Purchase of Industrial Components*. Unpublished Ph.D. dissertation, Stanford University, December 1966.

II. EDITED BOOKS

- 1.* *Marketing Research and Modeling: Progress and Prospects*, A Tribute to Paul E. Green, with Paul E. Green (eds.). Boston: Kluwer, 2003.
- 2.* *Digital Marketing*, with Vijay Mahajan, New York: Wiley, 2000. An e-book version is scheduled for 2001. Translated: Japanese by Pearson Education, Japan, 2001; and Italian by ETAS-RCS Libri, SPA. Italy, 2002.
3. *New Product Diffusion Models*, with Vijay Mahajan and Eitan Muller, Boston: Kluwer, International series in Quantitative Marketing, 2000.
4. *Innovation Diffusion Models of New Product Acceptance*, with Vijay Mahajan, The IC² Institute's Econometric & Management Sciences Series (Cambridge, MA: Ballinger Publishing Co.), 1986.
- 5.* *New Product Forecasting: Models and Applications*, with Vijay Mahajan and Richard Cardozo. (Lexington, MA: Lexington Books), 1981.
- 6.* *Advances in Organizational Buying Research: The Case of Acquisition of Scientific and Technical Information*, with Robert J. Thomas (Washington, D.C.: National Science Foundation), 1979.
- 7.* *Moving Ahead with Attitude Research: Proceedings of the Seventh Attitude Research Conference*. Edited with Marshall Greenberg. (Chicago, IL: American Marketing Association), 1977. Designed, organized, and edited this book of eight invited position papers and eighteen application papers.
8. *Behavioral Models of Market Analysis: Foundations for Marketing Action*, edited with Francesco Nicosia (Hinsdale, IL: The Dryden Press), 1977.

III. ARTICLES, CONTRIBUTED CHAPTERS, PAPERS IN PROCEEDINGS, AND WORKING PAPERS

The papers are grouped by the following topics:

- A. Portfolio analysis and strategy
- B. Marketing and business strategy
- C. Marketing and product strategy
- D. Research on industrial buying behavior
- E. Research on consumer behavior
- F. Marketing research and modeling
- G. International marketing
- H. International management education and the Lauder Institute
- I. Management practice and education in the 21st Century
- J. Convergence Marketing
- K. Mental Models – Power of Impossible Thinking
- L. Entries in Dictionaries and Encyclopedias

A number of papers can fit in more than one category. The division is, therefore, somewhat arbitrary and based primarily on the target audience of the paper.

A. Portfolio Analysis and Strategy

1. "Product Portfolio: A New Approach to the Product Mix Decision," in Ronald C. Churhan, ed., *Combined Proceedings AMA*, August 1974, pp. 460-464.

- 2.|* "Planning Product Line Strategy: A Matrix Approach," with Henry Claycamp, *Journal of Marketing*, 40. January 1976, pp. 2-9.
- 3a.|* "An Analytic Hierarchy Process for the Allocation of Resources Within a Target Product/Market/Distribution Portfolio," with Daniel Gross, in D.B. Montgomery and D.R. Wittink, eds., *Proceedings of the ORSA/TIMS Conference on Marketing Measurement and Analysis*, Stanford, CA, March 1979. Sections of this paper were later incorporated in a paper by Wind and Saaty, "Marketing Applications of the Analytic Hierarchy Process," *Management Science* 26, July 1980, pp. 641-658.
- 3b.|* "Marketing Applications of the Analytic Hierarchy Process," with Thomas L. Saaty, *Management Science*, 26. July 1980, pp. 641-658.
- 4.|* "Designing Product and Business Portfolios," with Vijay Mahajan, *Harvard Business Review*, Vol. 59, No. 1, Jan-Feb, 1981, pp. 155-165. Based on a paper, "Measurement Issues in Portfolio Analysis," presented at the Second Market Measurement and Analysis Conference, University of Texas, Austin; March 1980.
5. "Stochastic Dominance Rules for Product Portfolio Analysis," with Vijay Mahajan and John W. Bradford. *Marketing Planning Models*, Special Issue of TIMS Studies in the Management Sciences, 1981. pp. 161-183.
- 6.|* "International Portfolio Analysis and Strategy: The Challenge of the 80s," with Susan P. Douglas, *Journal of International Business Studies*, Fall 1981. pp. 69-82.
- 7.| "A Model for the Analysis of Asymmetric Data in Marketing Research," with Richard Harshman and Paul E. Green, *Marketing Science*, Vol. 1, No. 2, Spring 1982. pp. 205-242.
- 8.|* "An Empirical Comparison of Standardized Portfolio Models," with Vijay Mahajan and Donald Swire, *Journal of Marketing*, Vol. 47, Spring 1983. pp. 89-99. This article is based on a paper presented at the 1981 conference on Analytical Approaches to Product and Marketing Planning.
- 9.| "Risk Return Approach to Product Portfolio Strategy," with Richard Cardozo, *Long Range Planning*, Vol. 18, No. 2, 1985. pp. 77-85.
10. "Integrating Financial Portfolio Analysis with Product Portfolio Models," with Vijay Mahajan, in H. Thomas & D. Gardner, (eds.) *Strategic Marketing and Management*. (NY: J. Wiley & Sons, 1985), pp. 193-212.
- 11.| "Corporate Growth Through Synergy: Concept, Measurement & Applications," with Vijay Mahajan, Wharton School Working Paper, 1985.
- 12.| "Business Synergy Does Not Always Pay Off," with Vijay Mahajan, *Long Range Planning*, Vol. 21, No. 1, February 1988, pp. 59-65.

B. Marketing and Business Strategy

- 1.* "A Research Program for a Marketing Guided Approach to Mergers and Acquisitions," in N. Beckwith et al., *1979 Educator's Conference Proceedings* (Chicago, IL: AMA), 1979, pp. 207-256.
- 2.* "Marketing Oriented Strategic Planning Models," in R.L. Schultz and A. A. Zoltners, eds., *Marketing Decision Models*, (New York: Elsevier, North Holland), 1980, pp. 207-250.
- 3.* "Marketing and the Other Business Functions," in J. Sheth, ed., *Research in Marketing*, Vol. 5, 1980, pp. 237-264.
- 4.|* "Marketing and Corporate Strategy," in *The Wharton Magazine*, Summer 1982, pp. 38-45. Based on "Marketing and Corporate Strategy: Problems and Perspectives," The 13th Annual Albert Wesley Frey Lecture, Graduate School of Business, University of Pittsburgh, 1981.

5. "Marketing Strategy," with Thomas Robertson in Kenneth J. Albert, (ed.), *The Strategic Management Handbook*, (New York: McGraw Hill, 1982), Chapter 11, pp. 11.3-11.22.
- 6.| "Marketing Strategy: New Directions for Theory and Research," with Thomas Robertson, *Journal of Marketing*, Spring 1983. pp. 12-25.
7. "Analytic Hierarchy Process for Generation and Evaluation of Marketing Mix Strategies," with Elizabeth Dunn, in *Contemporary Views on Marketing Practice*, Gary Frazier and Jagdish Sheth (eds.), proceeding of the Stellner Symposium on Theories of Marketing Practice, Lexington Books, 1987, pp. 111-131.
- 8.* "Marketing for Top Executives: Problems and Prospects," Wharton School Working Paper, 1985.
- 9.* "Models for Marketing Planning and Decision Making," in Victor P. Buell, ed., *Handbook of Modern Marketing* 2nd Edition, 1985. Chapter 49, pp.49.1-49.12.
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I. Management Practice and Education in the 21st Century

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- 11.* "The Impact Imperative: Closing the Relevance Gap of Academic Management Research," with Pedro Nueno, The International Academy of Management, New York, May 1998.
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IV. EDITOR OF SPECIAL ISSUES

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V. EDITORIALS

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<i>Marketing News</i>	July 1978:	"New Directions for <i>JM</i> "
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	Fall 1979:	"On the Status of Marketing Theory"
	Winter 1980:	"Marketing in the 80's"
	Spring 1980:	"Strategic Planning and Marketing: Time for a Constructive Partnership," with George Day
	Summer 1980:	"International Marketing: The Neglect Continuous," with John Farley
	Fall 1980:	"Industrial Marketing: The Sleeping Giant," with Frederick Webster
	Winter 1981:	"Journals and the Development of a Discipline"
	Spring 1981:	"Research and Management"
Summer 1981:	"A Positive Perspective on Marketing"	
Fall 1981:	"Reflections"	
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VI. ILLUSTRATIVE RECENT OP ED AND COMMENTARIES

- Orchestra needs to change tune in contract negotiations: Settling the score must rest on the idea of working toward a collective goal, *Philadelphia Inquirer*, Commentary, November 4, 2004.
- The Wisdom of the Flip Flop, *Wharton School Publishing Newsletter*, November 2004.
- Rethinking our mental models for elections, *Newsletter of the Wharton Fellows*, November 2004.
- "E-Learning Crossfire," *Information Week*, February 26, 2001.
- "Reverse mentoring can solidify collaboration among functional groups, but it cannot be the only tool that enforces such teamwork or the sole catalyst for change." Commentator on HBR "Too Old to Learn?" Case Study. *Harvard Business Review*. November-December 2000.

VII. EDITED PUBLICATIONS OF THE SEI CENTER – ILLUSTRATIVE LIST

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- Human Resources: Management for the 21st Century, January 1990.
- The Impact of Artificial Intelligence on Management Decision Making and Organizational Design, February 1990.
- Creating and Implementing Quality in Organizations, March 1990.
- Corporate Governance: Who's in Charge?, May 1990.
- Strategic Information Architecture: Increasing Productivity, Managing Risks, June 1993.
- Management in the 21st Century: Predictions From Top Think Tanks, September 1990.
- The Individually Empowered Organization, November 1990.
- Innovation and New Product Development for the 21st Century Enterprise, November 1990.
- Ethical Standards for Global Corporations? December 1990.
- Managing Infrastructure Costs; What is the Best Strategy for Long-Term Controls? February 1991.
- Lessons from the Malcolm Baldrige Award: Implications for Management Practice, Research, and Education, February 1991.
- Innovation in Services, May 1991.
- Visionary Leadership, October 1991.
- The Impact of Information Networking on Organizational Design and Strategy, November 1991.
- Frontiers in Electronic Commerce: Experimental Systems for Communication, Coordination, and Negotiation, February 1992.
- Innovation and Learning, March 1992.
- Historical Perspectives in Management Education, April 1992.
- Decision Making in Highly Uncertain Political Environments: Investing in the Russian Oil and Gas Industry, March 1992.
- Issues and Advances in New Product Development, June 1992.
- Rewarding the Workforce of the Future: Competence-Based Performance Measures and Incentives, October 1992.
- Designing Corporate Governance for the 21st Century Global Enterprise: International Perspectives, January 1993.
- Dr. Peter Drucker on "The New Organization," April 1993.
- Corporate Performances: Beyond Financial Measures, April 1993.
- The Horizontal Organization, October 1993.
- The End of Diversity: Rights, Responsibility and the Communication Agenda November 1993.
- Deploying Strategic Assets: Beyond Core Capabilities, November 1993.
- Research Challenges in Linking Quality: Profitability and Organizational Architecture, December 1993.
- Empirical Generalizations in Marketing, February 1994.
- Beyond Quality: Organizational Transformation for the 21st Century Enterprise, March 1994.
- Exploratory Conference on Business Ethics: Building the Common Ground, March 1994.
- Interactivity is Two-Way: Life on the Net April 1994.
- Interactive Industry 2000: Who's Gonna Buy this Stuff: Research for the Interactive Television Business, July 1994.
- Leadership in the 21st Century Enterprise, November 1994.
- A New Management Paradigm for the 21st Century, December 1994.
- The Virtual University, January 1995.

- Go West Young MBA, Far Far West: Adventures on the World's Business and Management Frontier, January 1995.
- Information Technology and the Changing Boundaries of the Firm, January 1995.
- EMU – The Road to Europe, February 1995.
- The New Science and Emerging Paradigms in Business, April 1995.
- Innovation in New Product Development: Best Practices in Research, Modeling and Applications, May 1995.
- The Bamboo Network, November 1995.
- Corporate Growth Engines, December 1995.
- A Trapezoidal Corporation, February 1996.
- The Impact of Computers and Information on Management: 1946-1996-2001, May 1996.
- European Venture Capital Industry, November 1996.
- The CEO Challenge: Implementing Strategy in a Constantly Changing Marketplace, December 1996.
- The Future of Impact of Information Management: A Lecture Series from July 1996-January 1997.
- New Media, February 1997.
- From Detection to Action: Processes and Insights Gained from an Early Warning Signal System, March 1997.
- Toward New Corporate Governance Models: Lessons from the Japanese and U.S. Experience, March 1997.
- When Is It Worthwhile Targeting the Majority Instead of the Innovators in a New Product Launch? November, 1997.
- Consumer Choice Behavior in On-line and Regular Stores: The Effects of Brand Name, Price, and Other Search Attributes, January 1998.
- The Systems Approach: The New Generation, February 1998.
- Managing Workteam Diversity, Conflict, and Productivity: A New Form of Organizing in the 21st Century Workspace, September 1998 (by Ety Jehn, The Diversity Research program with Bob Holland).
- GM for the 21st Century: From "Make and Sell" to "Sense and Respond," March 1999 (by Vince Barabba).
- The Limits of Privacy, March 1999 (by Amitai Etzioni).
- Japan at the Great Divide, April 1999 (by Yasuhisa Shiozaki).
- Into the 21st Century: The First Decade and Beyond: A Report on the SEI Center for Advanced Studies in Management, 1990-2000.

VIII. EDITOR: WHARTON SCHOOL PUBLISHING BOOKS

2006

1. Peter Navarro, *The Well Timed Strategy: Executing Strategy Through the Business Cycle*
2. Stuart Lucas, *Wealth*
3. Peter Killing, Thomas Malnight, and Tracey Keys, *Must-Win Battles*
4. Neil Bender, Paul Farris, Philip Pfeifer, and Dave Reibstein, *50+ Marketing Metrics Every Business Executive Should Know*
5. Russell Ackoff, Herbert Addison, and Jason Magidson, *Idealized Design*
6. Lars Kolind, *The Second Cycle*
7. George Chacko, *Credit Derivatives: Introduction to Credit Risk and Credit Instruments*

2005

1. Randall Billingsley, *Understanding Arbitrage: An Intuitive Approach to Financial Analysis*
2. Tony Davila, Marc Epstein, and Robert Shelton, *Making Innovation Work: How to Manage It, Measure It, and Profit from It*
3. Sunil Gupta and Donald Lehmann, *Managing Customers as Investments: The Strategic Value of Customers in the Long Run*
4. Stuart Hart, *Capitalism at the Crossroads: The Unlimited Business Opportunities in Solving the World's Most Difficult Problems*
5. Lawrence Hrebiniak, *Making Strategy Work: Leading Effective Execution and Change*
6. Jon Huntsman, *Winners Never Cheat: Everyday Values We Learned as Children (But May Have Forgotten)*
7. Eamonn Kelly, *Powerful Times: Rising to the Challenge of Our Uncertain World*

8. Doug Lennick and Fred Kiel, *Moral Intelligence: Enhancing Business Performance and Leadership Success*
9. V. J. Mahajan and Kamini Banga, *The 86 Percent Solution: How to Succeed in the Biggest Market Opportunity for the Next 50 Years*
10. Alred Marcus, *Big Winners and Big Losers: The 4 Secrets of Long-Term Business Success and Failure*
11. Kenichi Ohmae, *The Next Global Stage: Challenges and Opportunities in Our Borderless World*
12. Michael Roberto, *Why Great Leaders Don't Take Yes for an Answer: Managing for Conflict and Consensus*
13. Arthur Rubinfeld and Collins Heminway, *Built for Growth: Expanding Your Business Around the Corner or Across the Globe*
14. David Sirota, Louis Mischkind, Michael Meltzer, *The Enthusiastic Employee: How Companies Profit by Giving Workers What They Want.*
15. Thomas Stalkamp, *SCORE!: A Better Way to Do Business\$: Moving from Conflict to Collaboration*
16. Glen Urban, *Don't Just Relate – Advocate!: A Blueprint for Profit in the Era of Customer Power.*
17. Craig Vogel, Jonathan Cagan, and Peter Boatwright, *The Design of Things to Come: How Ordinary People Create Extraordinary Products.*

2004

1. Bernard Baumohl, *The Secrets of Economic Indicators: Hidden Clues to Future Economic Trends and Investment Opportunities*
2. Sayan Chatterjee, *Failsafe Strategies: Profit and Grow from Risks that Others Avoid*
3. Robert Mittelstaedt, *Will your Next Mistake Be Fatal? Avoiding the Chain of Mistakes that Can Destroy your Organization*
4. Mukul Pandya, Robbie Shell, Susan Warner, Sandeep Junnarkar, Jeffrey Brown (2004), *Nightly Business Report Presents Lasting Leadership: What You can Learn from the Top 25 Business People of our Time*
5. C.K. Prahalad, *The Fortune at the Bottom of the Pyramid*
6. Scott Shane, *Finding Fertile Ground*
7. Oded Shenkar, *The Chinese Century: The Rising Chinese Economy and Its Impact on the Global Economy, the Balance of Power, and your Job*
8. Jerry Wind and Colin Crook, *The Power of Impossible Thinking*

IX. ILLUSTRATIVE PUBLISHED ABSTRACTS OF PAPERS DELIVERED IN PROFESSIONAL MEETINGS

- “Enduring Vs. Situation Dependent Customer Characteristics as Bases for Market Segmentation: An Evaluation,” in David L. Sparks, (ed.), *Broadening the Concepts of Marketing*. Proceedings of the American Marketing Association, August 1970 Conference.
- “Preference of Relevant Others and Individual Choice Models,” in W.L. Nichols, ed., *Proceedings of the 1974 AAPOR Conference and in Public Opinion Quarterly*, 38. Fall 1974, pp. 447.
- “Multivariate Decision-Making in the Setting of Pulmonary Outpatient Clinic,” with Lawrence Spitz and Ronald Daniele. Paper presented at American College of Physicians, San Francisco, April 1975.
- “Diagnosis Consumer Behavior: A Quantitative Approach,” in D. Rothwell, (ed.), *Proceedings of the 30th Annual AAPOR Conference* May 1975 and in *Public Opinion Quarterly*, 39. Fall 1975, pp. 415.
- “Segmentation and Positioning of Health Insurance Services Under Conditions of Heterogeneous Health Insurance Portfolios,” in TIMS/ORSA Bulletin for the S.F. Joint Meeting, May 1977, pp. 244.
- “Alternative Approaches to Industrial Market Segmentation,” with Paul E. Green, in TIMS/ORSA Bulletin for the S.F. Joint Meeting, May 1977, pp. 234.
- “Innovation and the R&D-Marketing Interface,” with Joel Goldhar, in TIMS/ORSA Bulletin for the Atlanta Meeting, November 1977.
- “Measurement Issues in Portfolio Analysis,” with Vijay Mahajan, in R.P. Leone, (ed.), *Proceedings of Market Measurement and Analysis*, TIMS, 1980, pp. 50-53.
- “Imagery Products: A Measurement Challenge,” with Lew Pringle, in J. Keon, (ed.), *Market Measurement and Analysis*, TIMS/ORSA, 1981.

- “Standardized Portfolio Models: An Empirical Comparison of Business Classification,” with Vijay Mahajan and Donald J. Swire in Allan D. Shocker and R. Srivastava, (eds.), *Proceedings of the 1981 Analytical Approaches to Product and Marketing Planning Conference*.

X. CASE STUDIES

- During the academic year 1962-1963, I wrote a number of marketing cases at the Hebrew University, Jerusalem (Israel). One of these cases, The Ozi Ballpoint Pen III, was published in Harper W. Boyd, Jr. et al., (eds.), *Marketing Management: Cases from the Emerging Countries* (Reading, MA: Addison-Wesley Publishing Company), 1966.
- During the academic year 1968-1969, several marketing cases were written under my supervision at the Leon Recanati Graduate School of Business Administration, Tel Aviv University.

CONSULTING EXPERIENCE

A. Marketing, Business Strategy, and Marketing Research Consulting

1. Information and Telecommunication Industry

- AT&T & the Bell companies: Occasional consultant to various units, including:
 - AT&T Technologies Inc. – Design a market segmentation program (1986)
 - AT&T – Review and Design of Portfolio System (1981-1982)
 - Bell Atlantic – Marketing & pricing strategy (1983)
 - Bell Canada – Design of a segmentation study and product portfolio (1979-1980)
- Geometric Data: Segmentation/positioning studies (1981-1982)
- IBM:
 - ABS Division: Developing a procedure for Integrating Marketing and R&D 1988-1989
 - ES Division, Marketing Strategy and Segmentation (1991-1993)
- Motorola Broadband Sector: 1998-2004. Business Strategy consulting.
- Next Level Communication: Business strategy consulting (2000)
- Newsweek, Inc.: Marketing consulting (1979-1980)
- Northern Telecom: Value Pricing and Business Strategy Consulting (1993-1995)
- RCA, Government Communications Systems: Design of a research program to assess the market response to new Electronic Mail System (1978-1979)
- Samsung, Management of Technological Innovation (2006)
- Telenet, Strategies for “Getting More with Less” (2006)
- Xerox: Marketing consulting to a design integration program (coordinated by Jay Doblin Associates) and design of a market segmentation project (1982-1983)

2. Financial Services

- Chase Manhattan Bank: Process for evaluation of mergers and acquisitions and design of segmentation studies (1978-1979)
- CitiBank: Statistical consulting (1980); marketing strategy consulting (1996-1997)
- Colonial Penn Group: Design and evaluation of most of the firm’s research activities and general consulting to marketing and top management (1973-1980)
- E. F. Hutton: Design and implementation of a marketing planning system and various marketing research projects (1979-1984)
- Edward Jones & Co.: Marketing and Business Strategy consulting (1984-2004)
- Reliance Insurance Companies: Marketing research consulting (1980-1981)
- SEI Investments: Marketing, Business and Corporate Strategy consulting (since 1986)

3. Health Care

- Bristol-Myers Squibb (BMS): Marketing strategy consulting (1997-2002)

- Merck, Sharp, and Dome: General marketing research consulting (1981)
- Merck & Co.: Marketing Strategy and Marketing Research and Modeling (1991-1996)
- Pfizer, Inc.: 1975-1990. Design and analysis of most of the marketing research projects of Pfizer Laboratories and Roerig. Occasional marketing strategy consultant to the Hospital Products Group (1984-1986) and Pfizer Pharmaceuticals (1987-1990).
- SmithKline Beckman: Marketing strategy development for TAGAMET (1987-1988); evaluation of strategy implementation (1989)
- SmithKline Clinical Laboratories: Marketing planning (1984)
- Sterling Drug, Inc.: Development of marketing driven portfolio of R&D projects (1986-1991); Pricing study for innovative new product (1991-1992)
- Upjohn: Strategic planning consulting (1981)
- West Jersey Health System: Marketing and Business Strategy (1985)

4. *Transportation*

- Air Canada: Market segmentation, positioning and new product development (1973)
- Chrysler: Modeling the advertising budget (1978), advising regarding the analysis of customer satisfaction process (1995-1997)
- Conrail: Design of a positioning/segmentation study (1978-1979)

5. *Consumer Goods*

- American Dairy Brands and Schreiber Foods, Inc.: Arbitration (2004)
- Campbell Soup: Advertising Strategy, 91-96, 2005; Taste Tests (2001-2003)
- Coors Brewing Company, Pricing and positioning (2001)
- DAYMON: Marketing Strategy (since 2003)
- Eastman Kodak: New product research approaches (1978)
- R.J. Reynolds Tobacco Co.: Evaluation and design of a new product development system (1979-1980)
- S.B. Thomas: Marketing and research consultant (1979-1980)
- Simplicity Patterns, Inc.: Develop a business plan (1982)
- Pepsi: Research support for the Pepsi Challenge and related campaigns (1978, 1981, 1990, 1995, 1999)

6. *Industrial Products and Services*

- International Harvester: Designing a market segmentation process (1980)
- Stauffer Chemicals: General marketing consulting (1980)
- Exxon Chemicals: Marketing and Business Strategy (1985-1986)
- John Fluke Manufacturing Co., Inc.): Marketing and corporate strategy (1985-1988)
- ITT Water Technology Group (2004-)

7. *Retailing*

- Sears Roebuck & Company: Advertising and marketing strategy (1972-1973)
- Wickes, plc: U.K. Marketing and Business Strategy Consulting (1988-1996).

8. *Professional Service Firms*

- Applied Communication Research (1974-1976)
- BBD&O (on an occasional basis, 1974-1985)
- Cunningham and Walsh, Inc. (1978)
- DMB&B (1993)
- Doyle Dane Bernbach: Evaluation of a campaign claim (1980)
- Gahagan Research Associates, Inc. (selected projects, 1972-1978)
- Hakuhodo. Marketing Strategy for the 21st Century (1992-1995)
- IMS America (1997-)

- Market Research Corporation of America (MRCA) (1975-1987)
- McConnel Advertising (Montreal), (1974)
- Medicus (1989-1997)
- Morgan, Lewis & Bockius: Development of Business Strategy (1992-1994)
- MS&L: Marketing consulting (1995-1997; 2001-)
- National Analysts (1975-1976)
- Oxtoby-Smith (selected projects, 1972-1978)
- Price-Waterhouse Coopers LLP (marketing and corporate strategy consulting, 1996-2001).
- Professional Marketing Research, Inc. (1977-1978)
- Robinson Associates (1969-1975)
- Standard & Poors (1997-2000)
- Whittlesey and Partners (1972-1973)
- Y & R (1989)

9. *Trading Companies, Real Estate Development*

- Dewey Companies: 2003 Marketing and Business Strategy consulting
- Li & Fung: Since 1998. Business Strategy consulting.

B. Directorship

- IDT (2005-)

- Ecquaria (2001-04)
- Enhance Financial Services (1997 until acquisition by Radian Group, Inc. in 2001)
- Credit 2B (2001)
- CASA – Center for Adaptive Systems Applications Inc. (1999 Until acquisition by HNC in 2000)
- Access Technologies Group, co-founder and chairman (1992-1996)
- Contel Corporation, member of the Board of Directors (1988 Until acquisition by GTE in 1991)
- Dover Regional Bank Shares, member of Board of Trustees (1986-1990)
- Shooting Stars, Inc., member of the Board of Directors (1986-1990)
- Reality Technologies, Inc. (1988-until acquisition by SEI Investments in 1990)
- The Cortlandt Group, Inc., Co-founder and Chairman of the Board of Directors, (1979-1986)

C. Illustrative Advisory Boards

- NetXentry (2000-)
- Mutual Arts (2003-)

- Ad4ever (2000-2003)

D. Expert Witness: Marketing and Marketing Research Consulting in Legal Cases

- Alschuler, Grossman and Pines: Packard Bell vs. Compaq, 1995-1996
- Arent, Fox, Kitner, Plotkin & Kahn: Marketing research consulting re: Estee Lauder, 1987
- Arnold, White and Dunkee: The Clorox Co. vs. Dow Brands Inc. re: Smart Scrub v. Soft Scrub, 1995
- Arnold & Porter:
 - (a) Schering v. Pfizer, Perceived sedation of Zyrtec, 2000
 - (b) Pfizer: Physicians' beliefs concerning prescription antihistamine products in terms of their sedating/non-sedating characteristics 2002
- Baker & McKenzie:
 - (a) G.D. Searle & Co. and subsidiaries litigation in the U.S. Tax Court, 1982
 - (b) American Republic Insurance Co. vs. Americare Inc. and American Dental Centers P.C., 1988
- Berle, Kass and Case: Evaluation of public attitude re: Burlington County Bridge Commission, 1992
- The Calorie Control Council vs. FTC re: the Saccharin case, 1979

- Covington and Burling:
 - (a) The Proprietary Association vs. FTC re: over-the-counter (antacids) drugs, 1979
 - (b) FTC Staff Report on cigarette advertising investigation 1981-1983 including appearance before congressional committee in hearing on H. R. 1824: "The Comprehensive Smoking Prevention Education Act"
 - (c) International Telecharge Inc. vs. AT&T, 1992-1994
 - (d) Dream Team Collectibles vs. NBA Properties (re: Dream Team), 1996
 - (e) G. A. Modefine S.A. v. Armani.com, 2003-2004
- Cravath Swain and Moore:
 - (a) Amertech Corporation, *et. Al.* v. Lucent Technologies Corporation [Arbitration], 1997
 - (b) Louis Vuitton v. Dooney & Bourke, Inc., 2004
- Crude Oil Resellers vs. U.S. Department of Energy Economic Regulatory Administration re: the proposed crude oil reseller price regulations, 1979, including presentation at public hearing
- Darby and Darby. Proctor & Gamble vs. Colgate, Palmolive, and Y&R re: China advertising, 1997
- Dechert Price & Rhoads:
 - (a) The Mutual Assurance Co. vs. American Council of Life Insurance and Health Insurance Association of America (re: The Green Tree), 1983-1984
 - (b) INC vs. Manhattan, Inc., 1985
 - (c) Tunis Brothers Co. vs. Ford Motor Credit Co., 1988
 - (d) Allerest vs. Alleract, 1988-1990
 - (e) Campbell Soup Co. vs. Conagra, Inc. (Various deceptive advertising cases) 1991-1996
- Department of Justice, Antitrust Division: Consulting in a number of cases since 1996, including Microsoft Network, ski resorts, Echostar's proposed acquisition of DirecTV, and dental supplies
- Dilworth, Paxson, Kalish, Levy and Kauffman: Prince Castle vs. Le-Jo Enterprises, 1977-1978
- Forrest, Hainline III, American Pasta Co. vs. New World Pasta Co. (re: "America's favorite pasta"), 2002
- Fulbright & Jahorski: Deere and Co. vs. MTD Holdings, 2003
- Gibson, Dunn, & Crutcher:
 - (a) Pfizer, Inc. vs. International Rectifier Corp., 1982-1983
 - (b) Thompson vs. General Nutrition Corp., 1985
 - (c) New Vector vs. Metro Mobile, 1986;1992
 - (d) Air Passenger CRS Antitrust Litigation vs. American Airlines, 1987-1990
 - (e) Quintons/Mahurkar vs. Shiley
 - (f) McCaffrey vs. Pfizer re: Plax, 1990
 - (g) The Travel Difference vs. The Time Mirror Co. (LA Times), 1992
 - (h) Toyota re: class action defense vs. Staples Stillwell on the "destination charge" on Monronery Stickers, 1995-1996; 1999-
 - (i) Hewlett-Packard vs. Nu-Kote Int. Inc., Anti-trust, 1998-1999
 - (j) LA Cellular AT&T Wireless class action defense, 2002, 2004-
 - (k) Hewlett Packard defense vs. Staple Stilwell in class action suit re economy cartridge, 2003
- Gold, Farrel & Marks: Miramax Film Corp. vs. Columbia Pictures Entertainment, re: *I Know What You Did Last Summer* (1997)
- Goodwin, Proctor and Hoar: FTC vs. New Balance re: "made in USA", 1995-1996 [FTC Hearing] and consulting 1998
- Hapgood, Calimafole, Kalil, Blaustein & Judlowe: Merrill Lynch vs. Paine Webber (re. RMA), 1985
- Heller, Ehrman, White, and McAuliffe: Apple Computer Securities Litigation, 1985-1986.
- Herling, Lindeman, Goldstein and Siegal: Roli Boli vs. Pizza Hut, 1997
- Hill, Betts, and Nash: Fender Musical Instruments Inc. vs. E.S.P. Co., 1985
- Howrey, Simon, Arnold & White:
 - (a) Sands, Taylor and Wood vs. The Quaker Oats Co. re: Thirst-Aid, 1987
 - (b) Syntex, Inc. vs. Schering-Plough Healthcare Products, Inc. re: Femcare, 1992
 - (c) Anheuser Busch (re Bud Dry commercials), 1993
 - (d) Anheuser Busch vs. Labbatt (re: Ice Beer), 1994-1995
 - (e) Anheuser Busch vs. Samuel Adams, 1995
 - (f) Anheuser Busch vs. United Guinness Distillers (regarded Red Label from Budweiser), 2002
 - (g) Nissan North America vs. BMW (re: "Z"), 2002

- IT&T Continental Baking vs. FTC re. Fresh Horizons advertising, 1977-1978
- Jenner & Block:
 - (a) General Dynamics vs. AT&T. re: Antitrust litigation, 1987-1990
 - (b) AT&T vs. MCI re: Telemarketing Practices 1990
- Kaye, Scholer, Fierman, Hays & Handler:
 - a. Automated Bread Dist. Corp. vs. General Foods Corp. (Re: Freihofer Baking Co.), 1991-1992
 - b. Zone Perfect Nutrition Co. vs. Hershey Foods Co., 2004
- Kenyon & Kenyon:
 - (a) Mead Data Control, Inc. vs. Toyota Motor Sales, U.S. re: Lexis vs. Lexus, 1988
 - (b) Hiram Walker and Sons vs. White Rock Distilleries re: Kapala-Kahlua
 - (c) America Online vs. AT&T Corp. re: ATT&T's "You Have Mail", 1999
 - (d) Twentieth Century Fox Film vs. Marvel Enterprises, Inc. (re: Mutant X), 2002
- Kirkland and Ellis
 - (a) Kraft Foods Inc. and Capri Sun vs. Minute Maid, 1997
 - (b) Time Inc. vs. Peterson Publishing Co. re: Teen vs. Teen People, 1997-1998
 - (b) Brach and Brock vs. James River re: Royals candies, 1998-1999
 - (c) Hermes vs. Lederer, re: the Kelly Handbag, 1998-2001
- Kirkpatrick and Lockhart: McPalland et al v. Keystone Health Plan Central, Inc. (re: class certification of SeniorBlue Customers, 2001-2002)
- Kleinfeld, Kaplan and Becker: re: Iron-Kids Bread Package, 1991
- Lee, Toomey, and Kent Pfizer Pharmaceuticals vs. the IRS, 1978-1979
- Lempres & Wulfsberg and Kutak, Rock, & Campbell: Evaluation of Expert Reports, re: International Pharmaceutical Products, Inc., 1985-1990
- Liddy, Sullivan, Galway, and Begler:
 - (a) Coopervision, Inc. vs. CTL, Inc. (re: Permatint), 1985
 - (b) Johnson & Johnson, Inc. vs. Oral-B Laboratories (re: Minute-Gel), 1987
 - (c) Soft Sheen's Care Free Curl vs. Revlon's I of Nature (Trademark), 1986-1987.
 - (d) Oral-B Laboratories, Inc. vs. Johnson & Johnson, Inc. (re: Reach Advertising), 1986-
- Lowenstein, Sandler: Princeton Economics Group vs. AT&T (re: class action defense of spirit), 1994-1995
- Mitchell, Silberberg & Knupp: Stella Foods Inc. vs. Cacique IC, re: Ranchero, 1997-1999
- Morgan, Lewis and Bockius: Scott paper defense in the Turnabout Marketing Case, 1983
- Morison, Cohen, Siner, and Weinstein, Hertz v. Avis, 1994.
- Munger, Tolles and Olson:
 - (a) FTC vs. Polygram Holdings et al. re: Three Tenors Case 2001-2002
 - (b) Universal vs. MGM (re: Rollerball) 2002
- Pattishall, McAuliffe, Newbury, Hilliard, & Geraldson:
 - (a) S.C. Johnson and Son, Inc. vs. Carter Wallace ("Edge" vs. "Rise"), 1983
 - (b) Anheuser Busch vs. Stroh Brewery Co. and vs. Miller and Heillman, (re: LA beer), 1984-1985
 - (c) S. C. Johnson & Son Inc., re: L'envie, 1986-1987.
 - (d) Shelby Motor vs. Ford, 1988.
 - (e) GFA Brands Inc. and Fitness Foods Inc. vs. Canbra Foods Ltd. and Campbell Mithun/Esty, Inc. re Heartlight, 1990-1991.
 - (f) AT&T vs. MCI (various deceptive advertising cases) 1991-
 - (g) Walt. Disney vs. Good Times, 1993
 - (h) Car Freshener Corp. vs. S.C. Johnson and Son, Inc. (re: Glade Plug Ins Air Freshener Design), 1994
 - (i) International Telecharge, Inc. vs. AT&T, 1992-1994
 - (j) S.C. Johnson and Son, Inc. vs. Avon (re: Skin So Soft) 1996
 - (k) GTE Card Services Inc. vs. AT&T, 1996
 - (l) SunAmerica Corp. vs. Sun Life Assurance Co. of Canada 1993-1995, 1997-1998 [W.H. Covington and Burling]
 - (m) Blue Cross Blue Shield vs. American Medical Association, re: CPT, 1998
 - (n) Encyclopedia Britannica, Inc. vs. Britannica Home Fashions, Inc., 1999
 - (o) Simon Property Group, L.P. v. mySimon Inc., 2001-
 - (p) Montblanc – Simplo Gmbh v. Savonerie et Parfumerie Bernard, 2001
 - (q) Old World Industries, Inc. vs. AutoMeter Products, 2002

- (r) JLJ Inc. v. Santa's Best Craft (Christmas tree lights), 2004
- Paul, Weiss, Rifkin, Wheaton and Grasser:
 - (a) Revlon vs. L'OREAL re: Colour Endure Commercials 1995
 - (b) Revlon vs. Cover Girl self renewing lipstick advertising, 1996 [NAD]
- Pepper, Hamilton and Scheetz:
 - (a) Del Monte Corp. vs. Sunkist Growers, Inc. Arbitration, 1990-1991
 - (b) Sun Oil Company defense against class action certification, 1996-1997
- Pennie & Edmonds IT&T Continental Baking (C&C Cola): defense against Coca Cola re: C&C Cola, 1978
- Pillsbury, Madison & Sutro: Consulting re:
 - (a) Thrifty Rent-A-Car vs. Elder, 1991-1992
 - (b) Green Giant American Mixtures, 1994
 - (c) Chrysler Corp. vs. Replacement Sheet Metalparts Distributors, 1992-1993
- Pillsbury Winthrop LLP
 - (a) Mulligan v. Pacific Bell Telephone Co. (inside wiring), 2004
 - (b) State of California vs. Tri-Union Seafoods, et al. (Canned Tuna, Proposition 65)
- Rogers and Wells [and the Italian Trade Commission], re: Italian pasta dumping case, 1996
- Sidley and Austin:
 - (a) Industrial Gas litigation, 1986
 - (b) Land O'Lakes, Inc. vs. Bakers Franchise Ltd., 1987
 - (c) Ultramar, Inc. vs. CITGO Petroleum Corporation, 1997
 - (d) AT&T vs. US West Communications, re: US West advertising, 1998
- Sills, Cummis, Zuckerman, Radin, Tischman, Epstein and Gross: E.R. Squibb and Sons, Inc. vs. Stuart Pharmaceuticals, 1991.
- Skadden, Arps, Meagher, & Flom:
 - (a) American Home Products vs. Beecham re: Delicare commercials, 1986
 - (b) Tambrands, Inc. vs. Warner-Lambert Co. re: EPT commercials, 1986-1987
 - (c) Beecham Inc. vs. Yankelovich, Clancy, Shulman and Saatchi & Saatchi Holdings, Inc., re: projections for Delicare, 1986-1988
 - (d) American Express vs. MasterCard re: Goldcard, 1988
 - (e) Challenge to the networks by Sterling Drug re: Bristol Myers Tribuffered Bufferin commercials, 1988
 - (f) Challenge by Dow Brands, Inc. of the TV advertisement for Reynolds Metals Company's "SURE-SEAL" food storage bags, 1989
 - (g) Anheuser-Busch Company vs. Coors Brewing Company (various deceptive advertising cases) 1991-1993
 - (h) R.H. Donnelley vs. Sprint Publishing and Adv. Inc., re: Sprint Yellow Pages, 1996
 - (i) Anheuser Busch vs. Boston Beer re: A-B advertising [NAD], 1997
- Sullivan & Cromwell: Remington Rand Corp. vs. Amsterdam-Rotterdam Bank N.V., 1991
- Van Hagey & Bogan, Ltd.: Consulting re: The Quaker Oats Co, 1991
- Weil, Gotshal and Manges:
 - (a) Johnson & Johnson vs. SmithKline Beecham, Re: Tums Advertising, 1991
 - (b) Schering-Plough Healthcare Products vs. Johnson and Johnson, Inc. re: Neutrogena Chemical-Free Sun Block, 1996
 - (c) Pharmacia Corp. vs. Glaxosmith Kline Consumer Healthcare (re: NicoDerm advertising), 2002-2003
 - (d) Priceline.com re: NAD, 2003
- White & Case:
 - (a) Trovan Ltd. and Electronic Identification Devices vs. Pfizer Inc. re: Trovan's trademark, 1999
 - (b) Frederick E. Bouchat v. Baltimore Ravens, Inc. and NFL Properties Inc., (re: the Ravens Logo), 2001-2002
 - (c) Oakland Raiders vs. TBB and NFL, 2003 [with Bingham McCutchen]

- Whiteman, Breed, Abbott & Morgan:
 - c. Pepsi Cola Company: Defense against Coca Cola Co. re: The Pepsi Challenge, 1978; 1981;1995 [Mostly with the NAD]
 - d. Burger King Comparative Advertising Campaigns vs. McDonald's and Wendy's, 1982-1990
- Winston & Stawn, LLP: Verizon Directories Corp. v. Yellow Book USA, Inc., 2004

E. Illustrative Marketing Research Clients:

1. Air Canada (1973)*
2. American Cyanamid (1972-1973)*
3. Atlantic Richfield Company (1971-1972)*
4. Bankers Trust Company (1973-1974)*
5. Bell Telephone Company of Pennsylvania (1974;1977)
6. BBD&O (1974-1982)
7. Bissell, Inc. (1969-1971)*
8. Bristol Myers Squibb (1998-)
9. Brown & Williamson Tobacco Corp. (1978-1979)
10. Bureau of Newspaper Advertising (1974)*
11. CBS (1972)
12. Campbell Soup Company (1972-1973)*
13. Chrysler (via BBD&O) (1975-1978)
14. Clorox Company (1975-1976)
15. Colonial Penn Group, Inc. (1973-1979)
16. Commercial Union Assurance Companies (1974-1975)
17. Connecticut Bank and Trust Company (1972)*
18. Downe Publishing, Inc. (1972-1973)
19. Eastman Kodak Company (1973)*
20. E.F. Hutton (1981-1984)
21. Edward D. Jones (1985-1987)
22. First Pennsylvania Banking and Trust Company (1971-1972; 1974-1975)*
23. General Electric (via BBD&O 1977) (1982)
24. General Foods Corporation: the Jell-O and Kool-Aid divisions and various departments of the corporate product development division (1969-1972)*
25. Geometric Data (1981)
26. International Air Transport Association (1973-1975)*
27. International Harvester Credit Corporation (1973-1974)*
28. International Harvester Company (1975)
29. IT&T Continental Baking Company (1972-1978;1982)
30. Lever Brothers Company (1971-1973)*
31. Marriott Corp. (1982)
32. Modern Medicine (1970)*
33. MRCA (1975-1987)
34. Pacific Bell (1981-1982)
35. Pepsi Cola (1981)
36. Pfizer Pharmaceuticals, Inc. (1975-)
37. Pillsbury (1975)
38. Pioneer Electronics of America (1978)
39. RCA Computer Division (1972)*
40. Sears Roebuck & Company (1972-1973)*
41. SEI Investments (1988-)
42. Singer (1973)
43. SmithKline and French (1971)*
44. Snelling and Snelling, Inc. (1973-1974)
45. Sterling Drugs (1985-1986; 1990-1992)
46. Stroh Brewery Company (1970)*
47. Sun Oil Company (1972)*
48. Syntex Laboratories, Inc., (1976-1977)
49. Twentieth Century Fox (via the Data Group, Inc.) (1972)

50. UNICOM (1973)
51. U.S. Dept. of Commerce, Office of Telecommunications (1972)
52. The Wool Bureau, Inc. (1975)
53. Western Airlines (via BBD&O) (1979)

The research projects designed and conducted for these firms covered variety of consumer and industrial marketing problems including product positioning and market segmentation, new product development, generation and evaluation of new products, and promotional concepts. Projects with * were conducted via Robinson Associates.

F. Illustrative Marketing Research Program Evaluation and Redesign:

1. IT&T Continental Baking: copy and concept testing, segmentation studies (1972-1978)
2. Brown and Williamson: copy and concept testing (1978-1979)
3. Colonial Penn: all aspects of research (1973-1980)
4. Pfizer Pharmaceuticals: image studies, new product selection models, etc. (1975-1990)
5. R.J. Reynolds Tobacco: new product development system (1979-1980)
6. Bristol Meyer Squibb: Redesign of the Marketing Research function and various research and modeling procedures (1999-)

G. Illustrative Intra-Company Marketing Strategy (and Marketing Research) Workshops:

1. American Medical International (1978)
2. Amoco Fabrics Co. (1984; 1988)
3. ARA (1983)
4. Asociacion Mexicana de Ejecutivos en Planeacion (1979)
5. Atlantic Richfield Company (1971)
6. AT&T (1972-1978)
7. Bank of East Asia (2005)
8. BBD&O (1974-1983)
9. Bell Atlantic (1983)
10. Bell Canada (1980)
11. Black and Decker (1981)
12. Bristol Myers Squibb (1998)
13. The Bunge Group (1982)
14. Campbell Soup (1972)
15. Career Futures, Inc. (1975)
16. Certain-Teed Corporation (1983)
17. The Clorox Company (1975)
18. Colonial Penn Group (1975-1980)
19. Computer Science Corporation (1975)
20. Contel (1989)
21. Daymon (2004)
22. Di Giorgio Corp (1980-1981)
23. Deutsche Bank (2004)
24. Edward D. Jones & Co. (1983)
25. E.F. Hutton (1979-)
26. Ethicon, Inc. (1979)
27. The Executive Forum (1979)
28. General Foods (1970)
29. Gray Advertising, Inc. (1977)
30. IBM – Applied Business Systems (1988)
31. International Harvester (1974-1975)
32. Intermountain Health Care, Inc. (1978)
33. ITT Water Technology Group (2004)
34. Li & Fung (2005)
35. Los Angeles Times (1993)
36. Machinist Publishing Co., Ltd., Japan (1977)
37. Miles Laboratories Ltd., Canada (1973)

38. MRCA (1978)
39. New York Telephone Company (1976)
40. Pfizer Pharmaceutical, Inc. (1975-1987)
41. Phillips Petroleum Company (1992-1993)
42. The Pillsbury Company (1976)
43. Rhodia, Brazil (1979)
44. Schlachman Research, U.K. (1975)
45. SEI Corporation (1990-)
46. SmithKline & French (1970)
47. Spectra-Physics (1983)
48. Standard & Poors (1998)
49. Syntex Laboratories, Inc. (1976)
50. 3M's Marketing Council(1986)
51. Tektronix, Inc. (1978)
52. Unilever, U.K. (1975)
53. Union Mutual (1981)
54. Wyeth International Ltd. (1980)
55. Xerox (1981)

H. Selected International Consulting

1. UNIG, Singapore, Business Strategy (2000)
2. Li & Fung, Hong Kong: Business Strategy (1998-)
3. Wickes, plc., UK: Marketing and business consulting (1988-1996)
4. Hakuhodo, Japan: Design of a 21st Century Advertising Agency (1993-1997)
5. McKinsey, Milan: New Developments in Marketing Strategy, Research, and Modeling (1988)
6. Sunstar, Japan: Marketing and Business Strategy (1985)
7. Bunge Group, Brazil: Marketing planning (1982-1986)
8. Meridian Group U.K.: Marketing and Business Strategy (1985-1986)
9. P.E. Consulting Group, South Africa: Strategic planning & Marketing Consulting and Conducting Executive Seminars (1982)
10. Bell Canada, Canada: Market Segmentation Study (1979-1981)
11. Cooperative de Seguros de Vida, Puerto Rico: Design of a marketing planning system (1980)
12. Discount Bank, Israel: Marketing planning (1980)
13. Bank Leumi Ltd., Israel: Marketing planning (1978)
14. Fuji electric, Japan: Design of a management planning process (1977)
15. Koor Industries, Israel: Designing and organizing the marketing function for the corporation's 34 companies (1968-1969)

I. Consulting to Government Agencies

1. FinCen/BENS project on Terrorist Financing, 2003-2004
2. U.S. AIR FORCE: Evaluation of the Air Force resource allocation procedure (1980-1981)
3. CANADIAN GOVERNMENT: Industry, Trade & Commerce Design and execution of a study for evaluation of the U.S. market potential for selected Canadian medical diagnostic and therapeutic products (1980-1981)
4. U.S. PATENT AND TRADEMARK OFFICE: Designing a strategic planning system (1981)
5. NASA: Evaluation of NASA's IAC's 1976 advertising campaign and recommendations for its future advertising and marketing strategy (1977)
6. ISRAEL DEFENSE MINISTRY: Analyze and evaluate the marketing system of the Administered Areas (Arab territory prior to the 6-Day War). The findings and recommendations of this study were submitted in classified report to the Israeli Defense Ministry (1968-1969)

J. Consulting/Advising to Research Organizations

1. Member of the advisory committee of the Diebold Institute study of the impact of public policy on entrepreneurial startup companies: the U.K. and U.S. in biotech and IT, 1998 -

2. Institute of Business and Economic Research, University of California, Berkeley. Consultant on the Coping Behavior (an empirical study of the consumer-technology interface) project, sponsored by the National R&D Assessment Program, NSF. (1976-1981)
3. Pennsylvania Science and Engineering Foundation, Temple University/Applied Communication Research, Inc. Research consultant for design, analysis, and evaluation of an NSF (Office of Science Information Services) sponsored project concerning the design and evaluation of experiments for the marketing of scientific and technical information services. (1974-1977)
4. EDUCOM: Inter-university Communications Council, Inc. Participant in an interdisciplinary seminar to identify and measure special interest audiences for public television. (1974)
5. The John and Mary R. Markle Foundation.
6. Participated in a workshop for design of "Quality Ratings of TV Programs." (1979)
7. Participated in the design of a study on special interest audiences. (1975)
8. Marketing Science Institute Consultant from February 1967 to December 1968. Conduct and plan research projects primarily in the areas of industrial buying behavior, advertising, and international marketing.
9. Marketing Science Institute U.S. Department of Agriculture Study Group on Marketing Performance Principle investigator, March-December 1968. Developed a model for the evaluation of the performance of the U.S. marketing system.
10. Management Science Center University of Pennsylvania Senior staff member September 1967 to July 1968. Engaged in the development of a marketing model for Anheuser-Busch.

UNIVERSITY ACTIVITIES

University of Pennsylvania, The Wharton School

A. Program Development

1. The MBA X-Functional Integration Initiative (2003-2005)
2. The Wharton Fellows platform including The Wharton Fellows program and the e-Curriculum R&D Initiatives. Initiator/Chair of the Committee that designed the new program platform and the e-Curriculum R&D Initiatives (1999-2000) and continued direction and reinvention of the program including its shift to the Wharton Fellows as a Decision Support Network (2001-). Wharton Fellows Master classes included:
 - November 27-December 2, 2000: Philadelphia
 - January 7-January 12, 2001: Silicon Valley
 - February 18-February 24, 2001: Barcelona
 - March 15-March 17, 2001: Philadelphia
 - May 6-May 12, 2001: Philadelphia, Wharton Fellow in e-Business
 - June 3-June 7, 2001: Barcelona
 - June 8-June 9, 2001: Helsinki
 - July 8-July 14, 2001: Silicon Valley
 - March 17-March 22, 2002: CEO Forum & Foundations I: Philadelphia
 - April 21-April 25, 2002: Foundations II: Silicon Valley/San Francisco
 - June 9-June 11, 2002; Munich
 - November 3-November 8, 2002: Foundations I: Philadelphia
 - January 5-January 9, 2003: Foundations II: San Francisco
 - September 7-September 9, 2003: Top Line Growth in Turbulent Times: Philadelphia
 - January 7-January 9, 2004: Success: What's Next?: Seattle
 - April 25-April 28, 2004: Milken & the Media: Los Angeles
 - June 1-June 8, 2004: Leveraging Japan: Tokyo; China: Transformation from the Inside: Shanghai
 - September 12-September 14, 2004: Toward a New Europe: Prague, Czech Republic
 - December 12-December 14, 2004: Merger, Acquisition and Renewal: New York
 - March 6-March 9, 2005: Market & Sourcing Opportunities in India: Mumbai & Bangalore, India
 - June 26-June 27, 2005: Working with Government, Washington D.C.
 - September 22-September 27, 2005: Design, Innovation and Strategy: Copenhagen/Milan

- December 4-December 6, 2005: Opportunities in Latin America and the US Hispanic Markets: Miami
- 3. A number of Executive Development Programs including :
 - Winning in the Next Millennium: Strategies for Driving Change: Initiator and Director, December 1998.
 - Wharton on the New Reality of Business: Co-Academic Director with Bob Mittlestaedt, December 2001.
- 4. The Advanced Management Program (AMP) Design Team (1998).
- 5. Wharton's Information Management Initiatives (1998-1999). Founder and co-chair (with Paul Kleindorfer) of its faculty council.
- 6. The Revised MBA Curriculum (1990-1991). Chaired the committee that developed the new curriculum.
- 7. The SEI Center for Advanced Studies in Management, founding Director. Develop and direct all Center activities and chair its faculty council, 1988-.
- 8. The Joseph H. Lauder Institute of Management and International Studies, founding Director and chairman of its faculty council. Designed and directed all the Institute's programs, including the establishment of the Institute MBA/MA program which admitted its first class of 50 students in May 1984, February 1983-July 1988.
- 9. Wharton International Forum. Initiated and designed the original program and chairman of its faculty council, 1987-1998.
- 10. Wharton Ph.D. with M.A. in International Studies. Initiated the joint program, 1988.
- 11. Wharton Center for International Management Studies (renamed as the Wurster Center, 1988) founding director. Designed/directed all the Center's activities aimed at the stimulation of international research at Wharton and the internationalization of the faculty and programs, 1980-1983.
- 12. The Wharton/SIA (Security Industry Association) Marketing Program. Initiated and designed the program which held sessions on April 1982 and November 1982.
- 13. The Wharton Recanati Multinational Marketing and Management Program, Co-founder, 1978.
- 14. The Wharton Executive MBA (WEMBA) program, chaired the committee that developed the program, 1974.
- 15. Marketing Programs, participated in the redesign of the marketing MBA programs, 1970; Ph.D. 1971; and Undergraduate, 1973 and 1981; including the initiation of The Wharton Dual MBA Major in Marketing/Multinational Enterprise.

B. Courses Developed and Taught

- a. Developed (courses developed by me are indicated by an *), modified and taught courses and seminars in:
 - Advertising Management (MBA)
 - Channel Management (MBA)
 - Communication Processes in Marketing* (MBA)
 - Consumer Behavior* (MBA and Ph.D.)
 - Creating an e-Business (MBA)*[A binational electronically delivered course to Wharton and IDC students)
 - Creativity* (MBA)
 - Health Care Marketing* (MBA)
 - Industrial Marketing* (MBA)
 - Integrating Marketing and Operations* (MBA) [developed jointly with P. Kleindorfer]
 - International Marketing* (MBA)
 - Marketing Management (MBA)
 - Marketing Methods and Applications for Business Consulting* (MBA) [with P. Green]
 - Marketing Research (MBA and Evening School)
 - Marketing Strategy (WEMBA*, MBA)
 - Multinational Management
 - Planning Marketing Strategy Projects (MBA)
 - Product Policy* (MBA)
 - Promotion Policy (MBA)
 - Research Seminar (MBA and Undergraduate)

- b. Course head: MBA advanced study project (1967-1968, 1974-1979), Marketing Management for non-majors (1967-1968, 1970-1971), the MBA Core Marketing Management Course (1970-1971, 1971-1972), Marketing Strategy Seminar (1974-1975)
- c. Guest lecturer in various departments of the Wharton School including the Multinational Enterprise Unit, the Leonard Davis Institute of Health Economics, the Management Department, Management of the Arts Program, Decision Science, Public Policy and Management.

C. Committee Responsibility:

1. Marketing Department Committees:

- 5 Year Plan Committee (chair), 2004-2005.
- Initiator and Chair of a Committee to develop a marketing certification program, 2004-2005
- Recruiting/Personnel Committee, since 1971. Chairman Recruiting Committee, 1978-1979; 1981-1983; 1987-1988.
- Curriculum Committee, Member of Committee and Chairman of a number of its subcommittees 1967-1978, and 1996-1998. Chairman of the committee 1970-1971, 1973-1975, 1976-1978, and 1980.
- Ph.D. Program Coordinator, 1972-75. Doctoral Committee, 1988-1989.
- External Boards/Affairs Committee, 1987/88; Chair 1988-1989.
- Member and Chairman of various departmental Committees, including all the department's advisory committees since 1971, Marketing Fund Committee since 1983, and its Long Range Planning Committee, 1970-1971.
- Senior Faculty Recruiting, Chairman 1995-1997.

2. Wharton School Committees:

- Initiator and developer of *Wharton School Publishing* in conjunction with Pearson/FT, Founding Editor and member of the Faculty Editorial Board (2003-)
- Chairman, Dean's Committee on Cross-Functional Integration (2002-2004)
- Member of the Executive Development Faculty Advisory Board (2002-2004)
- Member of the Alfred West, Jr. Learning Lab Faculty Committee (2001-2005)
- Chairman of a Faculty Committee to assure cross program dissemination of e-Curriculum Developments (2000)
- Member of the Dean's Advisory Council (since its inception in 1983 to 2000)
- Member of the Strategic Planning Steering Committee, 1999-2000
- Member of the Committee to prepare the strategy for "Management, Leadership, and Organizational Priority" area of the University's Agenda for Excellence, 1998
- Senior Faculty Committee to Review the Global Presence strategy (Summer 1997)
- Chairman of the Graduate Curriculum Committee focusing on a critical examination of the MBA program and its appropriateness for preparing the leaders of the 21st century enterprises. The Committee developed the new MBA curriculum which was tested in 1991/1992 and 1992/1993 and which was fully implemented starting in 1993/1994.
- Initiated and organized the Management Education Council – the vehicle for corporate support and funding of the new MBA curriculum, 1992-
- The Wharton International Committee: Chairman, 1978-1981, 1982/1983, 1995-1997. [The 1995-1997 committee developed the Wharton globalization strategy.] Member: 1967-1968, 1983-1987, 1989-1991.
- Member of Boards of the following Wharton Centers:
 - The SEI Center for Advanced Studies in Management (Founder), 1988-
 - The Lauder Institute (Founder) 1983-
 -
 - The Alfred West, Jr. Learning Lab (Initiator of the Lab and Founder of the External Advisory Committee), 2001-2005
 - Risk and Decision Process Center, 1984-
 - The Manufacturing and Logistics Forum, 1992-2000

- The Wharton/PIMS Research Center (Co Founder), 1985-1998
- U.S. Japan Management Studies Center, 1989-1992
- Wharton Emerging Economics Program, 1992-1995
- The Wharton Center of International Management Studies (Founder), 1981-1983
- Member of the Advisory Committee on Faculty Personnel, 1976-1978; 1984-1985; 1987-1989; 1994-1995.
- Dean's Planning Task Force (1986).
- Member of the School's Executive Education Policy Committee, 1987-1989.
- Member or chairman of a number of Chair Search Committees, including seven chairs in Marketing (1985, 1987, 1988-1990, 1992, and 1997), Entrepreneurship (1984-1985, 1997-1998), International Management (1984-1985), Operations Management (1986), the chair and director of the US-Japan Center (1988-1991), the chair in Managerial Economics (1989), the chair in Information Technology (1996-1997), and the chair in Electronic Commerce (1999).
- Member of the (ad hoc) Committees to Review Various Units and Departments:
 - The Snider Entrepreneurial Research Center, 2004-2005
 - Finance Department, 2001-2002
 - The Real Estate Center, 1988
 - Social Systems Science, 1985-1987
 - U.S. Japan Center, 1985-1986
 - Multinational Enterprise Unit, 1977-1978
- Member of the School's Faculty Personnel Committees of:
 - The Health Care Systems Unit, 1974-1975.
 - The Multinational Enterprise Unit, 1978-1979.
- Member of the Committee on Academic Freedom, 1977-1978.
- Chairman of the Advisory Committee for the Wharton Executive MBA Program, 1974-1975.
- Chairman of the Wharton School Doctoral Admissions Committee, 1974-1975.
- Graduate Academic Standards Committee, 1969/1970 – 1971-1972. Chairman of its subcommittee for the evaluation and redesign of the school's grading system.
- A number of Ad Hoc Committees and task forces for the:
 - development of a core Ph.D. Behavioral Science Course, 1972-1973,
 - redesign of the International Business program, 1971,
 - review of the Economic Offerings for Business and Applied Economic doctoral students, 1970-1971,
 - development of a Continuing Education Program in Health Care Administration, November 1971-October 1973.
- Evening School Committee, 1972-1973.
- Behavioral Lab Planning and Implementation Committee, 1989-1990.

D. Doctoral Dissertations Supervised

Bent Stidsen (1972); Yehoshua Buch (1972); Kathy Villani (1973); Rene Y. Darmon (1973); Arun K. Maheshwari (1973); Chris Hetzel (1973) winner of the AMA Doctoral Dissertation Competition; Arun K. Jain Honorable mention at the AMA Doctoral Dissertation Competition; Joel Huber (1974); Irwin D. Reid (1975); Chris Buss (1979) winner of the AMA Doctoral Dissertation Competition; Robert J. Thomas (1980) Winner of the Academy of Marketing Doctoral Dissertation Competition; Cynthia Fraser (1980); Joel Steckel (1981) Honorable Mention AMA Doctoral Dissertation Competition; John Deighton (1983); Rajeev Kohli (1984); Oliver Heil (1988); Kamel Jedidi (1988); Bari Harlam (1989); Kris Helsen (1990); Nino Buran (1991); Hoon Young Lee (1992); Rajeev K. Tyagi (1994); Amy Kallianpar (1998).

E. Addresses to Alumni Club and Other Groups Regarding The Joseph H. Lauder Institute

Illustrative addresses to alumni clubs and other groups on the changing needs for management education and the University's response -- The Joseph H. Lauder Institute.

1. Alumni Clubs addressed include:
 - Dallas (December 1984)
 - Cleveland (April 1986)

- Hong Kong (July 1985)
 - London (May 1984)
 - Long Island (January 1984, March 1986)
 - Milan (October 1987)
 - Philadelphia (January 1984, January 1986)
 - Paris (December 1983)
 - San Francisco (November 1983)
 - Taipei (July 1985)
 - Tokyo (June 1985)
 - Toronto (August 1987)
2. University Groups:
- Board of Directors of the Association of Alumnae, March 1984
 - The Vice Provost Advisory Board, February 1984
 - Wharton Board of Overseers, January 1984, 1997
 - Trustees (October 1983, January 1984)
3. Other Groups (partial list):
- University of Pennsylvania Trustee Committee on Academic Policy (January 1988).
 - 40th National Conference of the Council on International Education Exchange, San Francisco (November 1987)
 - Title VI Center Lauder conference on International Studies and Foreign Language for Management. Philadelphia (May 1986)
 - University of Pennsylvania Alumni (Alumni day, Philadelphia, May 1985)
 - Delaware Valley Faculty Exchange Program on International Business and Language Studies (December 1984)
 - AIESEC-Northeast regional conference (October 1984)
 - Deans of 50 schools in an AACSB seminar on Internationalizing the Business Curriculum (March 1984)

F. Illustrative presentations to alumni groups and others regarding the Management 2000 project, the SEI Center for Advanced Studies in Management, and the revised MBA curriculum

- Wharton-Recanati Program, 1993
- International Forum, 1993
- Erasmus University – Faculty and Administration, 1993
- Marketing Advisory Board Meeting, 1993
- Board of Directors of the Wharton Alumni Association, September 1988; May, 1993
- The Wharton Board of Overseers, April 1988
- Wharton Advanced Management Program Participants, 1990, 1991
- The Wharton Graduate Advisory Board 1990
- Wharton's European Advisory Board 1991
- Alumni attending the May 1991 Alumni Reunions
- The SEI Center Board of Directors 1990-1991
- The Joseph H. Lauder Institute Board of Governors 1991
- College of Business Administration, University of Texas at Austin C Advisory Board and Faculty, February 1992
- INSEAD Faculty and Administration, February 1992
- Security Industry Institute, 40th Anniversary Program, Wharton, March 1992

G. Illustrative presentations regarding Wharton's Globalization Strategy

- Dean's Advisory Board, February 1997
- Wharton Board of Overseers, March 1997
- Wharton Graduate Executive Board, March 1997
- Wharton Executive Education Advisory Board, May 1997
- European Advisory Board 1997

H. Illustrative presentations regarding Wharton’s Information Management Initiatives (IMI)

- Dean’s Faculty Lunch, April 1998
- All Wharton Departments 1998 – 2001
- The 1st Conference of the Wharton Alumni Club of Israel March 2001

I. Illustrative presentations regarding Cross-Functional Integration of the MBA Curriculum

- Wharton Faculty (Feb 2003)
- Graduate Executive Board (March 2003)
- CEO Panel for the entering 2004 class (August 2003)
- Ph.D. Proseminar (Fall 2003)

J. Illustrative presentations regarding the Wharton Fellows Program

- Wharton Executive Education Advisory Board (April 2004)
- Wharton Alumni Club of Atlanta (November 2001) and Israel (December 2001)

K. Illustrative presentations regarding Wharton School Publishing

- Wharton School External Affairs group (February 2004)
- Wharton Executive Education Group (January 2005; May 2006)
- Jay H. Baker Retailing Initiative Board (October 2005)

L. Illustrative presentations regarding The Power of Impossible Thinking

- Washington, D.C. Clubs of Wharton and AFLSE (2004)
- Miami Wharton Club (December 2004)
- EMTM Alumni Council (February 2005)
- Wharton Fellows Event, Singapore (March 2005)
- Merrill Lynch, Investment Banking Institute at Wharton (August 2005)
- Jay H. Baker Retailing Initiative Board (October 2005)
- LinkS@Wharton (November 2005; August 2006)
- Wharton Sports Business Initiative (May 2006)
- The Wharton Club of New Jersey (July 2006)
- CEIBS @ Wharton (July 2006)

University of Pennsylvania – University Committees:

- Member of the Faculty Advisory Group to Campus Development Planning Committee, 2005-
- Member of the Committee on International Programs, 2002-
- Member of The Ackoff Center Advisory Board, 2001-
- Research Foundation Committee, Social Science and Management Review Panel, 1999-

- Member of the Provost Art and Culture Committee, 2002-2004
- Faculty Senate Committee on Administration, 1995-1998.
- Chair, Subcommittee of the Faculty Senate Committee on Faculty Teaching Evaluations, 1997-1998.
- Chairman of Special Presidential Committee on Borderless Education, 1997-1998.
- Provost’s Task Force on the University of the Global Information Age, 1996-1997.
- Faculty Editorial Board, University of Pennsylvania Press, 1996-1997.
- Member of the Provost’s Committee on Information Science and Technology, 1996-1997.
- Member of the Provost’s Committee on Distance Learning, 1996-1997.
- Chairman of a new university committee focusing on innovative revenue generation, 1992/1993 and 1993/1994. Members include the President, Provost, Chairman of the Board of Trustees, 3 deans, 3 trustees, and 3 faculty members.
- Member of the Provost International Council, 1990-1992.

Chairman of a Subcommittee for the Evaluation of the University Office of International Programs, 1990-1991 and of a Subcommittee to Evaluate the University's Off-Campus Programs, 1991-1992.

- Member of the Provost Task Force on International Programs (1992/1993; 1993/1994).
- Member of the Commission for the 250th Anniversary Celebration of University of Pennsylvania (1987-1990)
- Advisory Board of the PBS series on The Global Economy, 1990.
- University of Pennsylvania correspondent for PBS program on Geo-economy, moderated by Ted Koppel, May 1990.
- Chairman of the Faculty Council of the Joseph H. Lauder Institute, 1983-1988.
- Member of the Board of Directors of the Joseph H. Lauder Institute, 1983 to present.
- Member of the Advisory Board of the office of International Programs, 1980 to present.
- Chairman, the Wharton Dean Search Committee, (selected Russ Palmer)1982/1983.
- The Senate Committee on the Economic Status of the Faculty, 1978/1979 (member); 1979/1980 (chairman).
- Member of the FAS – Wharton Committee, 1975-1977.
- Member of the University's Committee on Research, 1977/1978. Chairman of its subcommittee for evaluation of the University's Policy and Conduct of Research Programs.
- Member of the subcommittee of the University's Academic Planning Committee for the Measurement of Academic Performance, 1972/1973.

The Interdisciplinary Center (IDC), Herzliya, Israel

- Co-founder (1994)
- Chairman, International Academic Advisory Board, 1994-
- Faculty Appointment Committee: Chairman 1999-2005; Member 2005-
- Chairman, Higher Academic Council 1999-
- Delivered the first Graduation Address, October, 1998
- Delivered the first Zoltan Wind lecture, 1996
- Delivered the first graduation address of the Wharton IDC Marketing Communication Program, March 1999
- Occasional lectures in various courses, faculty seminars, and public addresses since 1995
- Founder of the American Friends of IDC 1998 and a Member of the Board, 2003-
- Designed the week-long programs at Wharton for its visiting MBA class (2002, 2003, and 2004) and the Zell Entrepreneurial Program, (2002)
- Member, Advisory Board of IDC's New School of Communication (2005-)

Other Universities

1. Courses Taught

- Erasmus University (The Netherlands) – A variety of courses on marketing strategy and marketing science (1993).
- University of Tokyo (Japan) – marketing science (1992).
- University of New South Wales (Australia) – Doctoral Seminar in Marketing (1977).
- University of California at Berkeley – Product Policy, Doctoral Seminar (1975).
- University of Tel Aviv (Israel) – Consumer Behavior, Marketing Seminar (1968).

2. Faculty Promotion Review – Illustrative Universities

Columbia University, Harvard University, Massachusetts Institute of Technology, New York University, Pennsylvania State University, Stanford University, Tel Aviv University, University of California at Los Angeles and at Berkeley, University of Chicago, University of Georgia, University of Illinois, University of Pittsburgh, University of Rochester, University of Southern California, University of Texas, Yale, and others.

3. Program/School Review

- Indian School of Business – Organization of the Wharton Planning Meeting, April 2002.

- Rice University – member of the external review committee, 1996.
- University of Santa Clara – member of a Site Review Team for the evaluation of the school's marketing department, 1981.
- University of Tel Aviv – Initiator and organizer of the school's faculty colloquium, working paper series, planned and organized a number of the school's executive development programs and various other activities, 1968/1969.
- The Technion, Israel Institute of Technology – Outside examiner at the Graduate Division of the Technion – The Israel Institute of Technology, Haifa, 1969.

OTHER PROFESSIONAL ACTIVITIES

A. Development of Research Programs [Illustrative List]

1. SEI Center project Toward a New Theory of the Firm (2004-)
2. SEI Center project with Business Executives for National Security and FINCEN using the Suspicious Activity Reporting System (SARS) for identifying terrorist financing, 2003-2004
3. SEI Center project, Assessing the True Value of the Firm, Co-Directed with David Larcker (2002-2003)
4. The Wharton Office of Homeland Security (OHS) Project, Economic Vulnerability to Terrorism: Assessment, Prioritization and Action Implications, Co-Directed with Paul Kleindorfer (2001-2002)
5. Digital Transformation Project in Collaboration with McKinsey, WeBI and the Fishman-Davidson Center for Service and Operations Management (2001-)
6. e-Curriculum R&D Initiatives (2000-2002) and Curriculum R&D for the Wharton Fellows Decision Support Network (2001-)
7. The SEI Center's research program on Creating a 21st Century Enterprise. (1990-)
8. Established the Value of Marketing program. (1993-1997)
9. Initiated (with Frank Bass) the Empirical Generalizations in Marketing program. (1993-1995)
10. Co-founded (with Greg Farrington) the Virtual University Lab program (1995-1997)
11. Initiated the Computers and Art program for the ENIAC at 50 celebration (1998-1999)
12. Co-developed (with Bob Holland) the SEI Center's George Harvey Program on Value Creation Through Diversity (1996-)
13. Co-founded (with Paul Kleindorfer) the Information Management Initiatives Research Program (1998-1999)

B. Editorial Activities

1. Founding editor, Wharton School Publishing, 2003- [published books are listed on pages 23-24]
2. Initiator and editor of *Advances in Marketing Research and Modeling: Progress and Prospects – A Tribute to Paul E. Green*, Kluwer Academic Publishers, 2002.
3. Initiator and editor of *The Wharton School Publishing Newsletter* (monthly since July 2005)
4. Initiator and Co-Editor of the *Wharton Fellows Newsletter* (quarterly 2003-4; monthly January-December 2005).
5. Initiator and editor of *Wharton Executive Library* (published by Oxford University Press), 1984-1987. The series was aimed at familiarizing top management with recent developments in the various management disciplines. Books published include:
 - Gerard Adams, *The Business Forecasting Revolution, Nation-Industry-Firm*, 1986.
 - Leonard M. Lodish, *The Advertising and Promotion Challenge, Vaguely Right or Precisely Wrong?*, 1986.
 - David Solomons, *Making Accounting Policy: The Quest for Credibility in Financial Reporting*, 1986
 - James C. Emery, *Management Information Systems: The Critical Strategic Resource*, 1987.

6. Initiator and editor of the Scientific Press *Computer Based Marketing Series*. 1984-90. The series offers short books on specialized marketing topics with accompanying PC software. Books published include:
 - Paul E. Green, *CAPPA Electronic Questionnaire Display and Analysis*, 1986
 - Gary Lilien, *Marketing Mix Analysis with Lotus 1-2-3*, 1987
 - John Hauser, *Applying Marketing Management: Four PC Simulations*, 1987
 - Darral G. Clarke, *Marketing Analysis and Decision Making: Text and Cases with Lotus 1-2-3*, 1987.
 - Gary Lilien, *Marketing Management: Analytical Exercise with Lotus 1-2-3*, 1988.
7. Editor-in-Chief, *The Journal of Marketing* 1978-1981 (Vol. 43-45)
8. Area Editor, *Marketing Science*, 1981-83 (Vol. 1-2); occasional Area Editor (2002-)
9. Advisory Editor of the Addison-Wesley Marketing Series, 1974-1981. Books published under my editorship include:
 - G. David Hughes, *Marketing Management*, 1978.
 - James Bettman, *An Information Processing Theory of Consumer Choice*, 1979.
 - Richard N. Cardozo, *Product Policy: Cases & Concepts*, 1979.
 - F.E. Brown, *Marketing Research: A Structure for Decision Making*, 1980.
10. Member of the Editorial Boards of:
 - *Journal of Business to Business Marketing*, 2004
 - *Journal of Interactive Marketing*, 1998-
 - *Journal of Global Marketing*, 1986-
 - *Journal of Product Innovation Management*, 1982-

 - *Annual Review of Marketing*, 1980-1982
 - *Computer Operations*, 1968-1970
 - *Journal of Business Research*, 1974-1977
 - *Journal of Consumer Research*, 1973-1984
 - *Journal of High Technology Management and Market Research*, 1988
 - *Journal of Marketing Research*, 1978-1981
 - *Journal of Marketing*, 1971-1978
 - *Journal of Organizational Behavior and Statistics*, 1983
 - *Journal of Pricing Management*, 1989
 - *Journal of Segmentation in Marketing*, 1997
11. Occasional reviewer for:
 - *Decision Sciences*
 - *IEEE Transactions on Engineering Management*
 - *Journal of Management Studies*
 - *Journal of Marketing*
 - *Management Science*
 - *Marketing Science*
 - *Operations Research*
 - *Public Opinion Quarterly*
 - *R&D Management*
 - *The Journal of Economics and Business*
 - *The Wharton Quarterly*
12. Screening editor, *Journal of Consumer Research*, 1973-1974.
13. A judge of competitive research papers submitted to the National Conference of The AMA Academic (August) Conference in - Minnesota (1971), Houston (1972), Washington (1973),

Portland (1974), Rochester (1975), Memphis (1976), Chicago (1980), Chicago (1984).

14. A judge of Ph.D. dissertations submitted to the AMA Doctoral Dissertation Competition, 1974, 1976, 1977, 1981, 1982, 1983. And the MSI Dissertation, and other award competitions 1984, 1985, 1990
15. Reviewer of papers submitted to the Market Measurement and Analysis Conference (renamed Marketing Science Conference) since 1981.
16. Occasional reviewer of applications for research grants for the Social Science Research Council (London, England) since 1972; and the National Science Foundation, Division of Science Information and Advanced Productivity Research and Technology, since 1977.
17. Reviewer of manuscripts for a number of publishers and universities, including the MacMillan Company, the Center for Research of the College of Business Administration of Pennsylvania State University, the Graduate School of Business, Columbia University, Prentice Hall, Jose Bass and others.

C. Offices Held in Professional Associations

AMA

1. Member of the Board of Directors, The Philadelphia Chapter of the AMA, 1979-1983.
2. Program Chairman of:
 - a) The 1977 AMA Doctoral Consortium Philadelphia, August 1977.
 - b) The 1975/1976 AMA Attitude Research Conference, Hilton Head, SC, February 1976.
 - c) The National Educators AMA Conference, Washington, D.C., August 1973.
3. Member of a number of AMA councils including the Advisory Council of the National Marketing Honorary Society of the AMA - Alpha Mu Alpha, 1980/1981 and the Educational Policy Council, 1977/1978.

TIMS

1. Chairman, 1974/1975; Chairman Elect, 1973/1974; and Vice Chairman, 1971/1972 of the Institute of Management Science College of Marketing.
2. Program Chairman of:
 - a) Marketing track on "Marketing Science for Increased Competitiveness of Firms and Countries," 1988 Washington, D.C., TIMS/ORSA Conference.
 - b) The 1981 Market Measurement and Analysis Conference (with Vijay Mahajan).
 - c) The Delaware Valley Chapter, 1967/1968.
3. Member of the Program Committees of the Market Measurement and Analysis Conference: University of Texas, 1980; New York University, 1981; and the Marketing Science Conference: University of Chicago, 1983; Vanderbilt University, 1985; University of Texas at Dallas, 1986; Centre HEC-ISA, Jouy-en-Josas, France, 1987; Washington University, 1988.
4. Member of the Advisory Board of Marketing Science, 1983-

IAM – The International Academy of Management

1. Chancellor, 2000-2006.
2. Vice Chancellor for the Americas, 1995-2000.
3. Program chairman, the Americas Conference, 1994, 1998.

MSI – Marketing Science Institute

1. Chair of a task force on e-business evaluation (part of the Metrics program), 1999.
2. Academic Trustee (1989-1995).
3. Member of the Academic Advisory Council (1983-1987).
4. Member of a number of steering groups, including

- Marketing Strategies Steering Group, 1983-1987.
- The International Advisory Steering Committee (1985-1987).
- Information Technology Steering Committee (1990-1992).

Other

1. The Diebold Institute Entrepreneurship and Public Policy Project, Committee of Advisors (1999–).
2. World Management Council. Member of the Academic Advisory Board (1988–1989).
3. Member of the interdisciplinary task force (organized by AMA) for the design of the *Journal of Consumer Research*, (October 1971–July 1972). Founding member of the Policy Board of the *Journal of Consumer Research*, 1972–1983; Chairman of the Board 1977/1978; Chairman of the 1976 and 1981 Editor Search Committees.
4. Member of the Philadelphia's International City Steering Committee, 1983–1985, 1987–1988.
5. Member of the Publication Committee of AAPOR, 1973/1974.
6. Member of Program Committee of 1979 ACR Conference.

D. Planning and Organizing Professional Programs at the University

1. Initiated and chaired a task force to develop a Marketing Certification Program (2003-)
2. Co-Designed with Bob Mittelstaedt an executive education program on “Wharton on the New Reality of Business,” December 2001 [including the design of the “Wharton Post 9/11 Business Scenario” (October 2001-)] and May 2002.
3. Designed and directed the executive programs, “Winning in the Next Millennium,” December 1998.
4. Initiated “The Impact of Computers and Information Technology on Management: 1946, 1996, 2001,” May 13-14, 1996 program for the ENIAC at 50 celebration (1994 -).
5. Initiated the “Computers and Art” program for the ENIAC at 50 celebration (1994 -).
6. Participated in the original design of the Wharton – AT&T Marketing Management Program. Taught in the 1973, 1975 -1980 programs.
7. Developed, organized and taught a Marketing Research Seminar for U.P. Clinical Scholars Group (February-May 1975 and February-April 1976).
8. Planned and taught the marketing management section of a number of advanced management programs of the University of Pennsylvania:
 - Dean Witter - Wharton Account Executive Program, 1986.
 - Securities Industry Association Program, annually since 1982.
 - Advanced Management Program for Overseas Bankers, 1975, 1976.
 - Program for Health Care Executives, 1973, 1975, 1982.
9. Participated in various executive development programs of the Marketing Department of the University of Pennsylvania:
 - Marketing for the Postal Service, 1983.
 - Marketing Strategy Seminar, since 1981 (January & May).
 - Pharmaceutical Advertising Council, 1980/1981.
 - Wharton Salesforce Management Seminar, since 1980 (January & May).
 - Dixie/Marathon (American Can Company), May 1977.
 - Marketing Research Seminar 1977-1983.
 - General Building Contracting Association, Inc., January 1977.
 - Center de Promotion du Commerce International, Chambre de Commerce et d'Industrie de Nantes, 1976, 1978-1980.
10. Planned and taught (with Thomas Robertson) a number of seminars on Health Care Marketing for:
 - The Virginia Hospital Association, February 1978.
 - The New York Management Center, September and November 1977.
 - The Wharton School's Lifelong Education Program, October 1976.
11. Co-founder, organizer of the Wharton teaching component, and frequent lecturer in the Wharton/Israel Binational Marketing Management Program [The Consulting Practicum] 1979-1995.

E. Award Committees

1. Member of the Parlin Board of Governors, 1978-1983, 1995-; Chairman of the Board, 1980/1981.
2. Member of the selection committee for MIT's Sloan Management Review/Price-Waterhouse Company, 2003 – Best article award
3. Nominator for the Marketing Communications Award of the World Technology Network, 2002-.
4. Initiator of the Lauder Institute Award for the Research Paper that Best Advances the Theory & Practice of International Management Science. Administered by TIMS and Chairman of the first award, 1989.
5. Member of the W. Arthur Cullman Executive Award Selection Committee (Ohio State University), 1985 -.
6. Member of a panel of judges for the evaluation of nominees for the Paul D. Converse Awards for Outstanding Contributions to the Development of Theory and Science in Marketing, 1974, 1977, 1981, and 1986.

F. Planning and Organizing Professional Programs Outside the University

1. KMDC Program, Kuala Lumpur, The Power of Impossible Thinking and Its Implications for Marketing Innovations, March 15-16, 2005.
2. Co-director (with Hotaka Katahira) of the Marunouchi Global Center Management Program, 2002.
3. Planned and taught a number of two-day seminars on "Recent Developments in Marketing Research Methodology" for:
 - The Management Center, University of Bradford, February 1975 and May 1976.
 - The University of Laval, Canada, November 1973.
 - The University of Social Sciences at Grenoble, France with (Paul E. Green), May 1973.
4. Planned and taught various AT&T Executive Development Seminars on:
 - "Multivariate Analysis in Marketing," March and August 1975.
 - "Market Analysis," December 1974, and June 1975.
 - "Market Segmentation," September 1974, November 1975 and March 1976.
 - "How to get the Most Out of Your Marketing Research," Spring 1974.
 - "Consumer Behavior," October 1972, January 1978.
5. Planned and taught two one-day executive seminars on Conjoint Analysis and New Product Policy at the University of New South Wales (Australia), June 1977.
6. Planned and taught a number of executive seminars at the University of Tel Aviv: Marketing Strategy (1969); Product Policy (1977); Marketing and Corporate Strategy (1978, 1980); New Development in Product and Marketing Research (1980).
7. Planned and taught the marketing research section of the Bank Marketing Program of the Graduate School of Bank Marketing, April 1977.
8. Planned and taught a series of two-day seminars on Marketing Strategy for the New York Telephone Company, February and April 1976.
9. Initiated, planned and organized a number of two day workshops on:
 - Concept Testing, University of Pennsylvania, March 1972.
 - Industrial Buying Behavior (with Frederick E. Webster and Richard N. Cardozo), sponsored by the AMA & the University of California at Berkeley, April 1971.

- Research Utilization, (with Steve Greyser and Randy Batsell), sponsored by the AMA and MSI, April 1979.
 - Advances and Applications in New Product Forecasting: Innovation Diffusion Models (with Vijay Mahajan) sponsored by MSI, October 1983.
10. Organizer and chairman of various sessions at annual conferences of various professional associations (illustrative list):
- “Marketing science: Accomplishments and challenges in the global information age,” plenary session at Informs, Philadelphia, November 1999.
 - “Consumer Labs,” Marketing Science Conference, March 1997.
 - “Global Marketing Strategy,” 1991 ORSA/TIMS Meeting
 - “Creation of Innovative Marketing Knowledge: An Interdisciplinary Perspective,” 1989 AMA Marketing Educators Conference, August 1989.
 - Strategic Alliances,” TIMS Osaka, Japan, July 1989.
 - “Industrial and New Technologies Marketing: Lessons from Industry,” International Research Seminar in Marketing, La Londe les Maures, France, May 1989.
 - “New Product Development Models,” ORSA/TIMS, San Diego, October 1982.
 - “Product/Market Portfolio Models,” ORSA/TIMS, Colorado Springs, November 1980.
 - “The Role of Multivariate Analysis in Consumer Research,” APA, Toronto, 1978.
 - “Applications of Management Science to Market Segmentation,” TIMS, Miami, 1976.
 - “Recent Developments in Management Science Application in Marketing,” TIMS, Las Vegas, 1975.
 - “Multidimensional Scaling and Conjoint Measurement in the Study of Multidimensional Psychophysics,” ACR, Boston 1973.
 - “Implementation of Management Science in Marketing,” TIMS, Houston 1972.
 - “On the Teaching of Consumer Behavior,” AMA, Houston, 1972.
 - “Family and Industrial Buying Behavior,” AMA, Minneapolis, 1971.
 - “Multidimensional Scaling in the Study of Consumer Behavior,” ACR, 1970.
11. Planned, organized and taught a Marketing Management Program for the top executives of the Union of Cooperative Societies (Israel), April to July 1969.
12. Planned and taught marketing courses at a Graduate Program for Marketing Consultants at the Israel Institute of Productivity, September 1968 to January 1969.
13. Academic advisor to a number of organizations engaged in Management Training in Israel. Primarily the Israel Institute of Productivity, and the Technion Research and Development Foundation Ltds., January to August 1969.

G. Lecturing

Illustrative Keynote Addresses at various conferences including:

- “The Power of Impossible Thinking,” Opening Session: Transform Your Business with New Thinking and New Models, The 51st Annual ARF Convention, Research Powered Marketing: New Models for Growth, April 2005.
- “The Power of Impossible Thinking,” A Wharton Fellows Dinner Event, Kuala Lumpur, March 2005.
- “The Power of Impossible Thinking in Meeting the Jim Stargel Challenge,” ARF Breakthrough Conference, November 4, 2004.
- “Should We Challenge Our Mental Models for Building Better Brands?” Med Ad News Conference on Building Better Brands, Philadelphia, July 28, 2004.
- “The Changing Nature of Marketing: Implications for Research, Teaching, and Practice,” The Elsevier Science Distinguished Scholar Award Lecture at the Society for Marketing Advances, November 6, 2003, New Orleans.
- “The Challenge of Corporate Governance,” IAM Conference, Barcelona, Fall 2003.
- “Corporate Transformation: Lessons for Japan,” Marunouchi Global Center First Executive Program, November 2002.

- “Convergence Marketing: The Challenge for the On-Demand Era,” IBM’s 2002 WW Summit for the On-Demand Era, 2002.
- “Leading Transformation Lessons for Mexico,” TeleTech’s Top Executive Program, October 2002.
- “Disruptive Technology—Rethinking Your Mental Models,” Forbes Global CEO Conference, Singapore, September 19-21, 2001.
- “e-Business: The Lessons to Date and Implication to Management Practice, Research and Education,” opening lecture of the PriceWaterhouseCoopers Management Consultants e-Bus Chair at the Graduate School of Business Studies at Katholieke Universiteit Leuven, Belgium, February 2001.
- “Reinventing Training for the Global Information Age,” Delphi e-Learning Summit, Phoenix, AZ, January 2001.
- “Customerization: The New Management Challenge,” The President’s Forum of the Interdisciplinary Center in Herzliya, Israel, September 2000.
- “e-Transforming an ‘Old Economy’ Business,” Wharton-Singapore Management University Conference: e-Business in the New Millennium, July 2000.
- “Creating a University for the Global Information Age,” The Inaugural Lecture of the Wharton-Singapore Management University, July 2000.
- “Implications of the New e-Business Environment and Models for Management Research and Education,” International Academy of Management, Barcelona Meeting, March 2000.
- “New Trends in Marketing Research,” IDC, Herzliya, March 2000.
- “Reinventing the Business School for the Global Information Age,” plenary session, The EFMD Deans and Directors Meeting 2000, Helsinki, Finland, January 2000.
- “Digital Marketing: Implication for the Future of Marketing Management Research and Research in Marketing,” plenary session presentation AMA Marketing in the 21st Century, San Francisco, August 1999.
- “Towards a New Marketing Paradigm,” AMA Winter Marketing Educators’ Conference, February 1998.
- “Creating a 21st Century Enterprise: Implications for Marketing Practice, Research and Education,” Keynote Address, 2nd International Workshop on Economics and Management, Santiago, Chile, October 1996.
- “Marketing in the Pharmaceutical Industry: Emerging Challenges and Opportunities,” P.A.C. Pharmaceutical Meeting: New Thinking, New Customers. February 28, 1995.
- “Marketing in the Pharmaceutical Industry: Emerging Challenges and Opportunities,” The Keynote address of The International Conference on AHP Washington, DC, July 11, 1994.
- “AHP in Top Management Decisions,” The Keynote address of The International Conference on AHP Washington, DC, July 11, 1994.
- Neuhauf Lecture, “The Impact of Marketing Science on Industry and Academia: Applications, Results and Lessons,” at Rice University, March 23, 1994.
- Third Workshop on Marketing and Competitive Advantages with Ambrosetti Group, Milan on “The Customer Driven Company: From Concept to Reality,” November 27-28, 1992.
- Amoco Fabrics and Fibers Co-Leadership Council, address on “What a Difference a Difference Can Make,” May 1988.
- A special meeting of the Chinese Management Association and the Taiwan Ministry of Trade, address on “Marketing to the U.S.” (Taipei), July 1985.
- MRCA Conference on “The Affluent Market: New Data and Methodologies in Financial Services Planning,” November 1984.
- The 1983 ESOMAR congress August 1983 at Barcelona. Keynote address on “The contribution of Research to Product Management and New Product Development.
- The 1983 Research and Planning Conference of the Bank Marketing Association. Keynote address on the Integration of Marketing into Strategic Planning,” April 1983.
- The 1982 AMA Faculty Consortium on “Industrial Marketing and the Changing Environment.” Ohio State University, July 1982.
- S.F. Chapter of the AMA, address on “Increasing Marketing Productivity, March 1982.
- Philadelphia Chapter of the AMA, Conference on Market Segmentation, January 1981.

- The First Delaware Valley Meeting of the Product Development and Management Association (PDMA), December 1980.
- AMA International Conference Workshop, Philadelphia, June 1978.
- National Agricultural Marketing Association, Philadelphia, March 1977 and February 1978.
- Marketing Planning Conference, The AMA Western Michigan Chapter, Grand Rapids, March 1976.
- The 11th Annual "New Horizons in Science," Conference of the Council for the Advancement of Science Writing, New York, November 1973.

Presented papers at various national conferences of the American Marketing Association, December 1967; June and August 1968; August 1969; August 1970; June and August 1974; April and August 1975; August 1976; August 1977; June and August 1978; June and August 1979; June and August 1980; August 1981-1990, March 1990, August 1991; August 1991, April 1993; February & August 1994, August 1995, August 1996, August 1997, February 1998, August 1999.

Speaker in various conferences and workshops of:

- Association for Consumer Research (ACR), 1968, 1970/1973, 1975, 1977, 1984.
- The Institute of Management Science (TIMS), 1969, 1972, 1974-1978, 1980-.
- American Institute of Decision Sciences (AIDS), 1974, 1976.
- American Association of Public Opinion Research (AAPOR), 1974/1975.
- American Psychological Association (APA) DIV 23, 1978.
- American Statistical Association (ASA), 1978.
- AMA Philadelphia Chapter, 1980/1981.
- Annual Conference of the Strategic Management Society, 1984.
- Annual Conference of the Pharmaceutical Marketing Research Group (PMRG), 1986, 1987.
- Annual Conference of the World Future Society Assembly, Washington, D.C., 1993.

Speaker in a number of the AMA Attitude Research Conferences, 1967, 1971, 1973, 1976, 1987.

Member of the Faculty of the AMA Doctoral Consortiums

- University of Colorado, 1996
- University of Santa Clara, 1994
- University of Southern California, 1991
- New York University, 1987
- University of Notre Dame, 1986
- University of Michigan, 1983
- University of Minnesota, 1982
- Pennsylvania State University, 1980
- University of Maryland, 1981
- University of Wisconsin, 1979
- University of Chicago, 1978
- University of Pennsylvania, August 1977
- University of Texas, August 1976
- University of Illinois, September 1971

Member of the AMA Faculty Consortium, Chicago 1997

Illustrative papers delivered in various professional workshops

- Applications of Multidimensional Scaling to Marketing and Business, sponsored by the University of Pennsylvania and Bell Laboratories, June 1972.

- Planning Data for STI Managers, Sponsored by NSF office of Science and Information, December 1976.
- Synthesis of Knowledge of Consumer Behavior, sponsored by the RANN Program National Science Foundation, April 1975.
- Multinational Product Management, sponsored by the Marketing Science Institute and the AMA International Marketing Division, January 1976.
- Consumer and Industrial Buying Behavior, sponsored by the University of South Carolina, March 1976.
- Organizational Buying Behavior, sponsored by the University of Pittsburgh, April 1976.
- Consumer Research for Consumer Policy, sponsored by the MIT Center for Policy Alternatives, July 1977.
- Analytical Approach to Product-Marketing Planning, sponsored by the AMA and MSI, University of Pittsburgh, November 1977, October 1981.
- Interfaces Between Marketing and Economics, sponsored by the University of Rochester, 1978, 1983.
- Industrial Marketing, Penn State University, May 1982.
- Market Measurement and Analysis, renamed Marketing Science Conference sponsored by ORSA/TIMS:
 - Centre HEC-ISA, Jouy-en-Josas, France, 1987.
 - University of Texas at Dallas, 1986
 - Vanderbilt University, 1985
 - University of Chicago, 1984
 - University of Southern California, 1983
 - Wharton, March 1982
 - New York University, March 1981
 - University of Texas, Austin, March 1980
 - Stanford University, March 1979

Illustrative addresses at various top management conferences and meetings in the U.S. and abroad:

- "Getting More with Less," Telenet CEO Strategy Review, June 19-20, 2006.
- "Advances in the Management of Technological Innovation," Executive Briefing at Samsung Electronics, June 2, 2006.
- "The Changing Nature of Corporations: Competing in a Flat World," organizer and chair of a panel at the Milken Institute Global Conference, April 2006.
- "Challenging Your Mental Models," Microsoft's Latin America Financial Services CEO Roundtable, March 2006.
- "Brand Names and Logos," Penn Humanities Forum on Word and Image, February 2006.
- "New Frontiers in the Practice of Management" with Paul Kleindorfer, CEO Workshops at IDC Israel, January 2006.
- "Strategic Trends on the Global Marketplace," The Sixth Herzliya Conference on The Balance of Israel's National Security, January 2006.
- "Recent Developments in Marketing and Branding Strategies," presented to the Board and top management of IDT HK, August 2005.
- "Tapping Opportunity in the Developing World: Innovative Solutions for Companies and Communities," Milken Institute Global Conference, April 2005.
- "Return on Marketing Investment: Progress, Problem, and Prospects," Council of Marketing Executives, The Conference Board, October 6, 2004.
- "The Power of Impossible Thinking: A Prerequisite for Profitable Growth," Milken Institute Global Conference, April 27, 2004.
- "The Transformation Challenge," YPO at SEI, March 2004.
- "Technology for Profitable Growth: Progress, Problems, and Prosperity," eBRC Board of Directors meeting, Philadelphia, May 2003.
- "Business and the Pending Wars," a global senior executive Web conference, February 2003.

- "e-Business Revolution: R2R (Return to Reality)," World Leadership Forum of the Foreign Policy Association, New York, September 2000.
- "UNIG Top Executive Forum," Singapore, August 2000.
- "The Future of the Marketing Organization," MSI Board of Trustees Meeting, April 2000.
- "Preparing for 2002: Creating a Leading Global Medical Communication Company for the 21st Century," Top Management of Medius Group Int. Paris, May 1997.
- "The Next Enterprise: Creating a Successful 21st Century Enterprise," The Hong Kong Management Association, January 1996.
- "Building the 21st Century Corporation Today: A Marketing Perspective," A one day session for CEOs who participate in the MASTERSHIP program (LA) January 1990.
- "Growth Outlook for Consumer Products and Services" to the policy committee of Anheuser-Busch Company, 1986.
- "Marketing Management in Securities Firms" SIA Regional conference, 1986.
- "Recent Developments in Marketing Strategy," to Dutch top executives by Horryng & DeKoning, October 1986.
- A number of 1-day Top Management Seminars organized by Studio Ambrosetti (Italy)
 - Developing and Launching New Products (1986)
 - Marketing and Corporate Strategy (1987)
 - Marketing for Financial Institutions (1987)
 - Domestic and International New Business Entry Strategies (1988)
 - Strategic Marketing and New Product Development (1989)
 - How to Develop Products More Often and Get Them to Market Faster (1991)
 - The Consumer Goods Scenario: The Challenge (1992)
 - Marketing Driven Bus Strategy in the Global Information Age (2000)
- "The Challenge of Marketing" Board of directors and top management of Grand Metropolitan, 1985.
- "Advances in marketing and Business Strategies" Top management group of the John Fluke Manufacture Co., 1985.
- "Global Marketing Strategies" YPO Chapter of Hong Kong, 1985.
- "Marketing for Hospitals" Hospital presidents program of the J&J Leonard Davis Institute program, 1985.
- "Global Marketing Strategies" Top executive group of MARS pet food business, 1984.
- "Marketing for the Evolving Company" Conference on "Financing & Managing the Evolving Company" sponsored by Arthur Andersen & Co. and the GSB University of Texas at Austin, April 1984.

Illustrative Other Top Management groups addressed:

- MSI Trustees, Cambridge, Massachusetts, October 1983.
- Securities Industry Association Fall Meeting, N.Y., October 1982, Spring Meeting, April 2000, Homestead, Virginia, May 1982: keynote speaker.
- Three sessions at the 1979 YPO Central Area Conference, Williamsburg, October 1979.
- Two sessions at the YPO International University, Rio de Janeiro, May 1979.
- Two sessions at the 1978 YPO, Eastern/Northeastern Area Conference, Sea Island, Georgia, November 1978.
- Eastern Pennsylvania Chapter of YPO, October 1978.
- Two-day seminars for top executives of Latin American countries sponsored by Expansion Publishing Group, Mexico City, June 1978, (Marketing Strategy); June 1979 (the Marketing Audit); and December 1980 (Marketing for Top Executives).

Guest lecturer at faculty research seminars and executive development programs of various universities and research institutes, including:

Bell Laboratories (Applied Statistics Area), 1978
 Columbia University, 1974, 1976-1978
 Drexel University, 1977, 1984
 Erasmus University, The Netherlands, 1993

Escola de Administrao de Empresas de Sao Paulo, Brazil, 1979
 European Institute for Advanced Studies in Management, Brussels 1981
 Florida Atlantic University, 1972
 Harvard University, 1981
 IESE Universidad de Navarra, 1999
 Indian Institute of Technology (IIT) Bombay, 1989
 INSEAD, France, 1992, 2000
 Institut Supérieur des Sciences Economiques et Commerciales, Paris, 1981
 Interdisciplinary Center Herzliya, 1996, 1997, 1998, 1999, 2000
 Kõc University, Turkey, 2000
 Laval University, Canada, 1973
 Katholieke Universiteit, Leuven, 2001
 Monash University, Australia, 1977
 Nanzan University, Nagoya, Japan, 1977
 New York University, 1979, 1984
 Northwestern University, 1980
 Norwegian School of Management, Norway, 1993
 Pennsylvania State University, 1978
 Southern Methodist University, Texas, 1982, 1984, 1986
 Stanford University, 1976, 1982
 State University of New York at Buffalo, 1975
 University of Bradford, 1975/6
 University of California at Berkeley, 1975
 University of California at Los Angeles, 1976, 1980, 1990
 University of Capetown, S.A., 1982
 University of Chicago, 1981
 University of Groningen, 1986
 University of Houston, 1977
 University of Illinois, 1985
 University of Iowa, 1971
 University of Minnesota, 1973
 University of New South Wales, Australia, 1977
 University of Ottawa, 1974
 University of Pittsburgh, 1988
 University of Social Sciences, Grenoble, France, 1973
 University of Southern California, 1979
 University of Tel Aviv, 1977-80, 1982
 University of Texas at Austin, 1984, 1997
 University of Tokyo, Japan, 1992, 1993, 1995, 1997
 University of Washington, 1979
 Yale University, 1982

Speaker at various executive programs of the University of Pennsylvania (illustrative list):

- “Advances in Innovation Management and New Product Innovation,” Quad-C Executive Session, July 10, 2006.
- “A View from the Top: The Perspective of the Enlightened CEO,” Wharton Executive Leadership Program for AICPCU, April 2005.
- “Challenging Your Industry’s Mental Models,” KPMG Global Insurance Institute, December 2003 and November 2004.
- “Market-Driven Organization,” AICPCU and IIA Advanced Executive Education, Wharton, September 10, 2003.
- Strategy Discussion with Telenet’s Top Management, March 11, 2003.
- “Organizational Change: Problems, Progress, and Prospect,” Price-Waterhouse-Coopers Strategy Master Class, July 26, 2002.
- “Capturing Business Opportunities in a Changing World,” SIA Institute, 50th Anniversary Program, March 2002.

- “Marketing Driven Strategies in a Global Economy,” IBM’s Managing Director Executive Development Program, February 2002.
- “Enhancing Creativity and Innovation,” The Wharton e-Fellows I Program, March 2001.
- “World Class Marketing: Implications for Spencer Stuart,” The Wharton/Spencer Stuart Leadership Assessment Program, June 2000.
- “Preparing for Leadership in the Changing e-Business Environment,” CEO Circle, May 2000.
- “Innovation and Change in the Turbo-Global Environment: Lessons from the Transformation of ‘Old Economy’ Firms [and Universities] and the Challenges to Congress,” Stennis Congressional Staff Fellows Program on Leadership in e-Business Environments: What Congress Might Learn, May 2000.
- Winning in the Next Millennium, “Driving Change,” 1998.
- Stennis Congressional Fellows Program at Wharton, “Driving Change: Creating Winning 21st Century Organizations,” 1997.
- Competitive Marketing Strategies, “Preemptive Strategies,” 1997, 1998.
- Sales Force Management Program, “Segmentation and Positioning for Sales Force Effectiveness,” 1987, 1990, 1997.
- Healthcare Marketing and Communications, 1996.
- Re Engineering Pharmaceutical Marketing, 1994.
- Executive Development 1992, 1993.
- AMP -- Advanced Management Program, 1988, 1989, 1990, 1991, 1997, 1998.
- "Marketing Strategy" in the J&J-Wharton Fellows Program in Management for Nurses, 1983, 1984, 1985, 1986.
- "Marketing Strategy" in the Delaware Valley Hospital Strategic Planning Program, May 1980.
- "New Developments in Social Research," in the Symposium on Corporate Awareness, February 1977.

Speaker at various local and regional meetings of the American Marketing Association, 1967 to present, and national meetings of other marketing associations such as the National Account Marketing Association, 1973; the International Pharmaceutical Marketing Research Group, 1973; The National Association of Children's Hospitals and Related Institutions, 1976; American Management Association's advanced Marketing Research Seminars, 1967/1968; and the Marketing Science Institute conferences and management seminars, 1968-1994.

Guest speaker at special seminars:

- The Australia and New Zealand Marketing Societies in Sydney and Melbourne, June 1977.
- Various conferences of the Israel Advertisers' Association, The Technion Research and Development Foundation, Ltd., The Ministry of commerce and Industry, 1968/1969.
- Foreign market entry and import protection strategies, The Israel Institute of Management, October 1984.

Illustrative Presentations

- “Does Korean Marketing Need Reform?” Korean Marketing Club, Seoul, June 5, 2006.
- “Redefining Marketing for the 21st Century,” Wharton Club of Korea, Seoul, June 3, 2006.
- “Creativity – A Must for Marketing Success,” back-to-class session at the 2005 Wharton Marketing Conference, October 2005.
- “Decision Aiding Technologies and the New Theory of the Firm,” with Paul Kleindorfer, Mack Center for Technological Innovation Conference on Using Technology to Improve Decision Making, May 27, 2005.
- The Silver Lining: Seeing Opportunities in Risk,” Recent Advances in Operations and Risk Management Conference in Honor of Paul Kleindorfer, May 2005.

- “Effective Marketing Planning: What It Is and How to Produce It,” JCCA Conference, April 2005.
- “Strategic Shifts and the Balance of National Security: Summation,” J. K. Herzliya Conference, Israel, December 2004.
- “The Power of Impossible Thinking,” Wharton Club of South Florida, December 3, 2004.
- “The Power of Impossible Thinking,” Advertising Research Foundation BreakThrough Conference, Keynote Breakfast Address, November 4, 2004.
- “Return on Marketing Investment: Progress, Problems and Prospects,” Address to the CMO Group of the conference board, October 6, 2004.
- “Challenges of Identifying, Developing, and Capturing Opportunities: A Fresh Look at Marketing,” SEI Center Board Meeting, October 1, 2004.
- “Thought Leadership Survey Results,” Presentation to WSP Editorial Board, October 2004.
- “The Power of Impossible Thinking,” Wharton and AFLSE Clubs of DC, Washington, DC, September 29, 2004.
- “The Power of Impossible Thinking: Implications for Deutsche Bank,” Deutsch Bank External Insights, New York, September 2004.
- “The Power of Impossible Thinking: Implications for Federal Express and its People,” Executive Briefing to Federal Express, September 7, 2004.
- “Challenging the Mental Models of Marketing,” A State of Marketing Symposium, Does Marketing Need Reform? Boston, August 9, 2004.
- “Growth Strategies and New Mental Models,” Wharton Fellows, August 2003.
- “The Interdisciplinary Challenge of Marketing,” Ph.D. Proseminar, February 2003.
- “Business and the Coming War on Iraq,” Webcast with Wharton Fellows, February 2003.
- “Convergence Marketing: Strategies for Reaching the New Hybrid Consumers,” a Webcast of the University of Wisconsin Consortium for Global e-commerce, January 2003 and a Soundview Teleconference, May 2003.
- “Managing the Complexities of the Convergent and Multi-Channel Marketing,” CMO Summit, October 30, 2002.
- “Assessing Vulnerabilities,” System Approaches to Terrorism Conference at George Washington University, July 15, 2002.
- “Marketing Driven Strategies for Today’s Economy,” presentation at Alumni Weekend, May 2002.
- “Pioneer and Late Entrants: Winning Strategies,” Viagra, Cardura, Darifenacin WWT Meeting, April 9, 2002.
- “Wharton on the New Reality of Business: Insights from Our Experience,” presentation with Robert Mittelstaedt to the Wharton Combined Boards, March 8, 2002.
- “The Interdisciplinary Challenge of Convergence Marketing,” Wharton Ph.D. Proseminar, March 8, 2002.
- “Marketing Driven Strategies in a Global Economy,” IBM’s Managing Director’s Executive Development Program, February 13, 2002.
- “Should You Have a Chief Marketing Officer?” January 2002.
- “Target Audience, Public Opinion and Foreign Policy – A Marketing Perspective,” Balance of National Strength and Security – The Herzliya Conference, December 2001.
- “Capturing Opportunities and Developing New Mental Models,” Wharton on the New Business Reality, December 2001.
- “Capturing Opportunities in the Post 9/11 Reality,” The Wharton Club of Israel, December 2001.
- “Research Challenges in the Management of Extreme Events: The Case of the Office Homeland Security,” with Paul Kleindorfer, Advisory Board Meeting of the Wharton Managing and Financing Extreme Event Project, December 2001.
- “The 5 Cs of Marketing: Capitalizing on the New Opportunities of Convergence Marketing,” The Wharton Club-Atlanta, GA, November 2001.
- “Advances in Customer Focused Marketing and Business Strategy: The 5 Cs of Convergence Marketing,” The International Academy of Management, Claremont Graduate University, November 2001.

- “Capturing Internet Opportunities Above the Low-Hanging Fruit,” Business Week “Rethinking the Internet,” Conference, Chicago, October 2001.
- “What Keeps Us Up At Night?: Post 9/11 Survey of US CEOs – Top Line Results,” SEI Center Board, October 2001.
- “Disruptive Technology—Rethinking Your Mental Models,” Forbes Global CEO Conference, Singapore, September 2001.
- “Making Strategy Happen: Problems, Progress and Proposed Actions for Winning in the Changing Global Information Age,” Li & Fung Distribution Annual Conference, Hong Kong, July 2001.
- “Convergence Marketing: A New Marketing Strategy for the Global e-Business Environment,” The Wharton European Forum, May 2001.
- “The e-Bus Challenge,” the Top Executives of the Bank of East Asia, March 2001.
- “Globalization of Technology Startups,” Wharton-Israel Global Alumni Conference on the Globalization of Technology Intensive Business-Panel 5, March 2001.
- “Global Business Strategy of a Technology Start Up,” Wharton-Israel Global Alumni Conference, March 2001
- “Developing a Strategy,” ICA Board, March 2001.
- “e-Bus: The Curriculum and Research Challenge: A Discussion with Jerry Wind,” Faculty Seminar, Graduate School of Business Studies, Katholieke Universiteit Leuven, Belgium, February 2001.
- “Driving Change: New Business Models for the Global Digital Age,” Opening Lecture of the PriceWaterhouse Coopers Management Consultants, e-Business Chair, Graduate School of Business Chair, Graduate School of Business Studies, Katholieke Universiteit Leuven, Belgium, February 2001.
- “Reinventing Training for the Global Information Age,” Delphi e-Learning Conference, January 2001.
- “The Impact of the e-Bus Revolution on the Marketing Discipline,” Wharton Fellows in e-Business, The Impact on the Discipline, December 2000.
- “Whither System Thinking: Will Taking a Marketing Perspective be an Oxymoron? ,” Inaugural Conference of the Achoff Center for Advanced Systems Appraisal, September 2000.
- “New Marketing Rules for e-Business Success,” UNIG, Singapore, August 2000.
- “New Marketing Rules for the Global Information Age,” IBM Global Services Academic Conference, August 2000.
- “Creating an e-Business,” Wharton-Singapore Management University Conference: e-Business in the New Millennium, July 2000.
- “Marketing Driven Business Strategy in the Global Information Age,” Managing Change in the New Millennium, Wharton-Singapore Management University Conference, July 2000.
- “Digital Marketing: Towards a New Paradigm for the Global Information Age,” Faculty Session-INSEAD, France, June 2000.
- “Innovation and Change in the Turbo—Global Environment: Lessons from the Transformation of ‘Old Economy’ Firms [and Universities] and The Challenges to Congress,” Stennis Congressional Staff Fellows Program on Leadership in e-Business Environments: What Congress Might Learn, Washington D.C., May 2000.
- “A New Marketing Paradigm for the Global e-Business Environment: A Catalyst for Bridging the Gaps,” Building Bridges & Broadening Perspectives: A Paradigm for the Next Millennium, 29th EMAC Conference, Rotterdam, May 2000.
- “Preparing for Leadership in the Changing e-Business Environment,” CEO Circle, May 2000.
- “Building Communities,” Virtual Communities and the Internet, April 2000.
- “Valuation: Valuable or Value Less,” Entering the Virtual Millennium, Wharton North American Regional Forum, April 2000.
- “The Future of the Marketing Organization,” The Future of the Marketing Organization, MSI Board of Trustees Meeting, Cambridge, Massachusetts, April 2000.
- “Research Priorities in e-Commerce and Internet Marketing,” Web Consortium, Pennsylvania State University’s ISBM, March 2000.

- “Marketing Driven Business Strategy in the Global Information Age,” Studio Ambrosetti’s top executive seminar in Padova and Milan, March 2000.
- “Customization Strategies for Financial Services in the Global Information Age,” the Citigroup and Simon Graduate School conference on Electronic Banking Commerce, New York. February 17-18, 2000.
- “Emerging Trends in the Pharmaceutical Industry and the Expected Scenarios,” Innovative Managed Care Contracting, January 2000.
- “Marketing Science: Accomplishments and Challenges in the Global Information Age,” Informs, November 1999.
- “Towards a Research Agenda in E-Commerce and Internet Marketing,” AMA Educators’ Conference, San Francisco, August 1999.
- “Creativity and Innovation,” in Wharton Workshop on Creativity and Knowledge Creation, April 1999.
- “Innovation Strategy,” New Product Development and Launch, April 1999.
- “Marketing Strategy in the Global Information Age: Implications for Research and Modeling,” PhD. And Faculty Seminar IESE Universidad de Navarra, Barcelona, March 8, 1999.
- “Marketing Research in the Global Information Age: Practice, Problems, and Prospects,” Wharton-IDC Marketing Communications Program, March 1999.
- “Implementation and Feasibility Issues of New Forms of Organizations: A Marketing Perspective,” Wharton Impact Conference, March 1999.
- “Implementation and Feasibility Issues of New Forms of Organizations: A Marketing Perspective,” Wharton Impact Conference, March 1999.
- “A Marketing Perspective on Communitarian Policies,” The Communitarian Summit, Washington, D.C., February 28, 1999.
- “The Information Revolution and the Emerging Management Education Paradigm,” On Line Educa, Berlin, December 1998.
- “Towards a New Management Education Paradigm,” IDC Faculty Workshop, June 1998.
- “An Extended Marketing Perspective on Corporate Architecture for the 21st Century,” Japan Marketing Association, World Marketing Conference, Tokyo, April 1998.
- “Winning the high Tech Wars: Strategies for Driving Change,” NEC Management Team, Tokyo, April 1998.
- “The Challenge of Customer-Driven Product and Service Customization,” Senior management of Convatec, March 1998.
- “Towards a New Marketing Paradigm,” AMA Winter Marketing Educators= Conference, February 1998.
- “Positioning and Segmentation in the Global Information Age,” IMS Marketing Management Meeting, January 1998.
- “The Challenge of Market Leadership,” Bristol-Myers Squibb Medical Devices Group, January 1998.
- “Driving Change: Preparing for the 21st Century,” Business Writers= Seminar, December 1997.
- “Marketing Strategy in the Global Information Age,” AMP Program, October 1997.
- “Integration of Marketing and other Business Functions: The Wharton Experience,” AMA: 1997 Faculty Consortium B Chicago, August 1997.
- “Positioning and Segmentation Opportunities for Synergy and Growth,” Cognizant Group’s Marketing Council, July 1997.
- “Preemptive Strategies,” Wharton Executive Education Competitive Marketing Strategies, June 1997.
- “Creative Joint Ventures and the Potential Role of the University,” Philadelphia-Israeli Chamber of Commerce, June 1997.
- “Communicating and Marketing Your Excellence,” Volunteer Committees of Art Museums - VCAM Conference, Philadelphia, April 1997.
- “The Challenge of Information Technology to Marketing and Retailing in the 21st Century,” University of Tokyo, April 1997.

- “Toward a New Corporate Governance Model: Lessons from the Japanese and U.S. Experience,” With Masaru Yoshitomi, the Corporate Governance Workshop, March 1997.
- “Creating a Leading Global Medical Communication Company for the 21st Century,” Medicus Group International, Inc., March 1997.
- “Segmentation and Positioning for Sales Force Effectiveness,” Sales Force Management, Wharton Executive Education, March 1997.
- “Marketing Strategy in the Global Information Age: Implications for Modeling and Research,” Ph.D. Proseminar, March 1997.
- “Choices and Strategies for Universities in the Global Information Age,” Provosts Seminar on Information, February 1997.
- “The Use of Conjoint Analysis-Based Survey to Determine Consumer Price Elasticities,” Debriefing Session for the Anti-Trust Division, Washington, D.C., February 1997.
- “The Challenge of Competitive Strategies in the Global Information Age,” The Interdisciplinary Center for the Study of Business, Law and Technology, Herzliya, Israel, December 1996.
- “Innovation and New Product Development,” Tutorial at the 2nd International Workshop, Santiago, Chile, October 1996.
- “Creating a 21st Century Enterprise,” Universidad Adolfo Ibanez, Vina del Mar, Chile, October 1996.
- “Marketing: The State of the Art,” Conference of the 2nd International Workshop on Economics and Management, Santiago, Chile, October 1996.
- “The Technology Challenges for Family Business,” Technology Day: The Web, The Future and You, the 1996 Family Firm Institute Conference, October 1996.
- “Innovative New Product and Service Development: Best Practice and Opportunities for Experimentation,” The Israel-North America Business Conference, New York, October 1996.
- “Creating a 21st Century Enterprise: Implications for Boards of Directors,” Enhance Board of Directors, September 1996.
- “Innovation in New Product Development: Best Practice in Research, Modeling and Applications,” Presentation to the JMR Editorial Board on the Special issue, August 1996.
- “Marketing Strategy in the Global Information Age: Implications for Research and Modeling,” AMA 1996 Doctoral Consortium, July 1996.
- “Creativity and Innovation: The Management Edge in the Technological Age,” the First Wind Lecture at the Interdisciplinary University of Law, Management and Technology (ISRAEL), May 1996.
- Address on Issues in Marketing Research for Legal Cases: Necessity of Using controls and the Propriety and Risk of Repetitive Probes,” Marketing and Public Policy Conference, Washington, D.C., May 1996.
- “Innovation and New Product and Business Development,” CEO Circle, May 10, 1996.
- “Segmentation in the Global Information Age: Accomplishments, Problems and Challenges,” The 1996 Converse Award Presentation, May 7, 1996.
- “Advances in Marketing,” Janssen Pharmaceutica, April 18, 1996.
- “Marketing in the Pharmaceutical Industry: Emerging Challenges and Opportunities,” Keynote Address, Healthcare Marketing and Communications Council and Wharton Executive Education, Wharton School, April 8, 1996.
- “The Stakeholder Challenge for Increased European Competitiveness,” Wharton European Forum, (London, England), March 29, 1996.
- “Product Launch,” Software Development and Marketing for Competitive Advantage, IC², The University of Texas Conference, March 20, 1996.
- “The Next Enterprise: Creating a Successful 21st Century Enterprise Today,” The Hong Kong Management Association, January 12, 1996.
- “Toward Virtual Management Education,” International Academy of Management (Boston, MA), December 8, 1995.
- “Business in the Global Information Age,” The Interdisciplinary Center of Business, Law and Technology, December 3, 1995.

- “Marketing Issue in the Global Economy,” Wharton Doctoral Consortium, August 11, 1995.
- “A View of Marketing Through the Prism of the 1977 and 1995 Doctoral Consortia,” Wharton School, Doctoral Consortium, August 8, 1995.
- “Toward a New Marketing Paradigm,” Ambrosetti Group’s A.F. Meeting (Rome, Italy), March 8, 1995.
- “Toward a New Marketing Paradigm: Lessons From and Implications to the Marketing of Services,” Ambrosetti Group’s Chief Executive Seminar (Milan, Italy), March 7, 1995.
- “The Value of Marketing Program,” Janssen Pharmaceutica, January 9, 1995.
- “The Virtual University: Research and Action Agenda,” The Virtual University Conference, SEI Center, January 12, 1995.
- “Marketing 2000,” AIMSE/Wharton Investment Institute, January 13, 1995.
- “Beyond Brand Management,” Wharton MBA Marketing Club, January 23, 1995.
- “A New Management Paradigm for the 21st Century Enterprise,” Conference of the International Academy of Management, December 9, 1994.
- “Research Priorities in Marketing as Derived From the SEI Center for Advanced Studies in Management Work on Creating Successful 21st Century Enterprises,” Doctoral Proseminar, November 16, 1994.
- “Creating a Successful 21st Century Enterprise: Implications for Business and Marketing Theory, Practice, Research and Education,” The University of Tokyo, November 4, 1994.
- “State of the World: Trades, Problems and Prospects,” YPO Philadelphia Chapter University, The Cloister, September 1994.
- “Is Your Marketing Obsolete? Implications of the New Marketing Paradigm for Business and Non-profit Organizations,” YPO Philadelphia Chapter University, The Cloister, September 1994.
- “The Value of Marketing: A Research Agenda,” Value of Marketing Conference, Stanford University, August 9, 1994.
- “Electronic Commerce: Progress and Prospects,” AMA Conference, San Francisco, August 8, 1994.
- “Determining the Value of Marketing: A New Challenge to the Discipline,” San Francisco AMA Conference, August 8, 1994.
- “*JMR* Special Issue on Innovation in New Product Development: Best Practice in Research, Modeling and Applications,” *JMR* Editorial Board Meeting, San Francisco, August 7, 1994.
- “Entering the U.S. Consumer Durable Markets,” Nijenrode Executive MBA Program, August 4, 1994.
- “A New Approach for Estimating the Demand for Interactive TV Products and Services, Interactive Industry 2000: Market Research for the Interactive Television Business,” July 28-29, 1994.
- “Creating a 21st Century Enterprise,” Poon Kam Kai Institute of Management, The University of Hong Kong, June 16, 1994.
- “Advances in U.S. Marketing and Their Implications to China,” Joint faculty seminar of the School of Economics and Management, Tsinghua University and the School of Management, Peking University, June 15, 1994.
- “Toward a New Marketing Paradigm,” a faculty seminar at the Hong Kong University of Science and Technology, School of Business and Management, June 14, 1994.
- “Empirical Generalizations in Marketing: Opportunities for MSI Research Program,” MSI Board of Trustees Meeting, April 29, 1994.
- “Textbook of the Future: A Perspective From the Virtual University Lab,” April 8, 1994.
- “The Impact of Marketing Science on Industry and Academia,” The Oscar W. Neuhaus Lecture, Rice University, March 23, 1994.
- “The Challenge of a New Marketing Paradigm,” University of Texas at Austin, March 23, 1994.
- “Market Driven Quality,” at the Beyond Quality: Organizational Transformation to the 21st Century Enterprise, March 17-18, 1994.
- “The Marketing Challenges for the Philadelphia Orchestra,” Presentation to the Board of Trustees of the Philadelphia Orchestra, March 1, 1994.

- "Pharmaceutical Marketing: Emerging Challenges and Opportunities," Pharmaceutical Advertising Council and Wharton Executive Education Conference on Reengineering Pharmaceutical Marketing, February 25, 1994
- "Role of Marketing in the New MBA Curriculum: Lessons from the Wharton Experience," AMA Winter Conference, February 21, 1994.
- "Empirical Generalizations in Marketing: Some Observations," Wharton Conference on Empirical Generalizations in Marketing, February 16-18, 1994.
- "Increasing Marketing Effectiveness," Executive Conference of Schering-Plough Int., January 18, 1994.
- "The Value of Pharmaceutical Advertising and Promotion," Coalition of Healthcare Communication Conference, Marketing Conference in an Era of Change, New York October 27, 1993.
- "Advances in Marketing Strategies," Nijenrode University Executive Program, August 6, 1993.
- "Global Consumer Brand Strategies: Problems and Prospects," Seminar for the Business Partners of the Norwegian School of Management, June 11, 1993.
- "Determinants of New Product Success: Lessons from the U.S. and Japan," Faculty and Ph.D. students seminar at Erasmus University, June 10, 1993.
- "Getting the Most out of Benchmarking," Board of Directors of Wharton's Alumni Association, May 14, 1993.
- "Determinants of Successful Entry to the U.S. Market," Wharton-Recanati Program, May 12, 1993.
- "Marketing Opportunities in Japan and East Asia," with Hotaka Katahira and the International Forum Participants, April 18, 1993.
- "Toward a New Marketing Paradigm: Implications for Marketing Departments," Advisory Board Meeting of the Wharton's Marketing Department, April 8, 1993.
- "The New Wharton MBA Curriculum," Faculty seminar at Erasmus University, March 10 and June 10, 1993.
- "Marketing Science at a Crossroad," Inaugural Presentation as the first holder of the Unilever-Erasmus Marketing Professorship, Erasmus University, February 18, 1993.
- "The Strategic Impact of Market Driven Quality," with Paul R. Kleindorfer. ORSA/TIMS, San Francisco, Session on Customer Satisfaction and its Role in Global Competition. November 1992.
- "Issues and Advances in New Product Development and Management: A U.S. Perspective," Advanced Industrial Marketing Strategy Seminar, September 18, 1992.
- "The Market Driven 21st Century Enterprise: Implications for Law Departments," Presentation at the SmithKline Beecham U.S. Law Department Conference on Customer Focus Continuous Improvement, April 28, 1992.
- "New Product Development: Problems, Advances and Prospects," Wharton's Advanced Industrial Marketing Strategy, March 19, 1992.
- "Preparing for the 21st Century Today," Securities Industry Institute, 40th Anniversary Program, March 1992.
- "The Successful 21st Century Enterprise as Customer Driven: Implications for Marketing and Management Science," University of Texas at Austin, Faculty Colloquium, February 1992.
- "Time Based Competition: Implications for Marketing Science," INSEAD Faculty Presentation, January 1992.
- "A New Management Paradigm for Israel's Schools of Management: Lessons from the New Wharton MBA Curriculum," Conference on the Future of Management Education in Israel, Jerusalem, Israel, October 16, 1991.
- "Designing & Implementing an Innovative MBA Program: Lessons from the Wharton Experience," Conference on the Future of Management Education in Israel, Jerusalem, Israel, October 16, 1991.
- "How to Develop Products More Often and Get Them to Market Faster: Guidelines for Functional Management," Ambrosetti Group, Milan, Italy, May 9-10, 1991.
- "Management in the 21st Century: Implications to the Fragrance Industry," Summit 2000 Conference of the Fragrance Association, April 8, 1991.

- "Marketing Research and Modeling for the 21st Century Enterprise: The Emerging Crisis and its Challenges," Management Science Roundtable, February 17, 1991, Redington Beach, FL.
- "Inducing Creativity and Innovation in Large Bureaucracies: Lessons from Marketing," RGK 4th International Conference on Creativity and Innovative Management, August 8-10, 1991, Los Angeles, CA.
- "Concept Testing for Generating and Evaluating Positioning Strategies," PDMA Positioning Conference, March 6, 1990, New York, NY.
- "Research Priorities in the Information Technology Area," MSI, Information Technology Steering Group, January 18, 1990.
- "Building the 21st Century Corporation Today: A Marketing Perspective," MASTERSHIP, January 9, 1990, Los Angeles, CA.
- "Globalization: Opportunities for Innovative Research and Modeling," UCLA, January 9, 1990, Los Angeles, CA.
- "Marketing Skills and Strategies for the 1990's," Pfizer International Marketing Managers, December 1989, Lambertville, NJ.
- "Increasing the Effectiveness of Your New Product Development," Indian Institute of Technology, November 1989, Bombay, India.
- "Competitive Advantage Through Strategic Marketing," Contel Corporation, October 1989, Lake of the Ozarks, MO.
- "Management in the 21st Century," Wharton Advanced Management Program, September 1989, Philadelphia, PA.
- "The Contributions of Strategy and Other Business Functions to the Creation of Innovative Marketing Knowledge," AMA Marketing Educators Conference, Chicago, August 1989.
- "The Current and Potential Contributions of Strategy and the Other Business Functions to the Creation of Innovative Marketing Knowledge," AMA Summer Conference, August, 1989, Chicago, IL.
- "Selecting and Negotiating International Strategic Alliances: Applications of the AHP," TIMS Osaka, July 1989.
- "Improving the Effectiveness of the Industrial New Product Development Process: Lessons from Industry – The AS 400 Case," 16th International Research Seminar in Marketing, La Londe les Maures, France, May 19, 1989.
- "Strategic Marketing," Studio Ambrosetti AP Milan Group, May 17, 1989.
- "Developing and Launching New Products: Costs, Risks, and Conditions for Success," Studio Ambrosetti, AF Marketing Group, May 16, 1989.
- "The Marketing Challenge for Top Management: Promises and Pitfalls of Expert Systems," University of California, Irvine, April 27, 1989.
- "Management in the 21st Century: Implications for Management Research and Education," University of California, Irvine, April 27, 1989.
- "The Globalization of Management Education: Options, Trade-Offs, and an Agenda for Implementation," AACSB Annual Meeting, April 18, 1989, Montreal.
- "A Contrarian Approach to Effective Pricing," The Pricing Institute, March 7, 1989, New York.
- "Achieving Competitive Advantage in Marketing," Securities Industry Association, March 6, 1989, Philadelphia, PA.
- "Courtyard by Marriott: Designing a Hotel Facility with Consumer Based Marketing Models," presented to the TIMS/AMA seminar Marketing Science: A Developmental Tool for Management Scientists, New York, November 16, 1988.
- "Technology and Marketing-Driven Global Portfolio of R&D Projects," with Robert DeLuccia presented at the ORSA/TIMS Joint National Meeting in Denver, Co, October 26, 1988.
- "Pitfalls and Challenges of Global Marketing," Second International Conference on Marketing and Development, Karl Marx University, Budapest, Hungary, July 12, 1988.
- "Information Technology and Marketing Strategy," with Eric Clemons, presented at IS, TC and Strategy Plenary Meeting, January 1988.

- "A New Challenge for Human Resource Management: Incorporating a Marketing Perspective," The Lauder Institute: International Human Resource Conference, December 1987.
- "Advances in Marketing Strategy and Research," Wharton Alumni Club, Milan, October 1987.
- "Marketing and Corporate Strategy," Studio Ambrosetti, Milan, October 1987.
- "Marketing for Financial Institutions," Studio Ambrosetti, Milan, October 1987.
- "Proactive Marketing Research and Modeling: Pitfalls and Prospects," PMRG Fall 1987 meeting, Captiva Island, Florida, October 1987.
- "Turning Salespeople and Non-Marketing Executives into Marketing Strategists," AMA Marketing Educators' Conference, Toronto, August 1987.
- "International Marketing," Wharton Alumni Club, Toronto, August 1987.
- "Marketing and Technology: Progress, Problems, and Prospects," European-American Symposium, Enschede, The Netherlands, June 29-July 1, 1987.
- "Second Generation Expert Systems: Incorporating Enhanced Explanation and Learning," Marketing Science Conference, Jouy-en-Josas, France, June 24-26, 1987.
- "Market Segmentation: Shortcomings and Opportunities," 1987 Attitude Research Conference, West Palm Beach, Florida, May 1987.
- "Advances in Marketing Research and Modeling," Studio Ambrosetti, Milan, December 1986.
- "Advances in Management Strategy: A Marketing Perspective," The Institute of Management Consultants, March 1986.
- "The Marketplace of the Future: Global Consumers," Advertising Research Foundation 50th Anniversary Conference, March 1986.
- "A Marketing Perspective for Public Management: Research Implications," Wharton Department of Public Policy and Management Brown Bag Seminar, January 1986.
- "Advances in Global Marketing Strategy: Concepts, Methods, and Applications," International Symposium on Recent Developments in Management Research, Helsinki, Finland, 1986.
- "Expert Systems in Marketing," TIMS October 1986 Conference, Miami.
- "Advances in Portfolio Analysis and Strategy," Chinese Management Association, Taipei, July 1985.
- "New Development in Marketing and Planning," WEFA/Lauder Seminar, June 1985, Tokyo, Japan. Sessions on Advances in Market Segmentation, Product Positioning and Portfolio Analysis and Strategy.
- "Advances in Portfolio Analysis and Strategy," University of Illinois, Theories of Marketing Practice Conference, May 1985
- "Micro Computers in Marketing," Marketing Science Conference, March 1985.
- "Global Marketing Strategies," New York University, 1985.
- "Diffusion Models: The State of the Art," ASA conference, 1984.
- "Management Education in a Global Context," University of Pennsylvania Conference on Management Education and Foreign Languages, December 1984;
- "Generating and Evaluating Industrial Marketing Strategies Using the AHP," TIMS Conference, November 1984;
- "A Innovation Diffusion and New Product Forecasting," TIMS Conference, November 1984;
- "Foreign Market Entry and Import Protection Strategies," Israel Institute of Management, October 1984.
- "The Contribution of Consulting to the Consumer Research Discipline," ACR conference, October 1984.
- "The CEO and the Board," Strategic Management Conference, October 1984.

PROFESSIONAL AFFILIATIONS AND AWARDS

Professional Affiliations

1. Fellow of the International Academy of Management (since 1989), Chancellor 2000-, Vice Chancellor for the Americas, 1996-2000
2. Academy of International Business
3. American Marketing Associations
4. American Association for Public Opinion Research
5. American Psychological Association, Division of Consumer Psychology (Div. 23)
6. Association for Consumer Research
7. International Communication Association
8. Product Development and Management Association
9. Psychometric Society
10. Strategic Management Society
11. INFORMS – The Institute of Management Sciences
12. The Market Research Society (London)

Professional Awards

1. Honorary Degrees

M.A. Honors, University of Pennsylvania, 1971

2. Awards

- **Honorary Fellow of the Decade**, Interdisciplinary Center, Herzliya (Israel), May 2004.
- The 2003 **Elsevier Science Distinguished Scholar Award** of the Society for Marketing Advances
- One of the **10 Grand Auteurs** in Marketing. [Alain Jolbert, EMS Management and Societe, 2000]
- One of 18 *JAR* articles in the Special Classics Issue of **articles that have withstood the test of time**. Nov./Dec. 2000.
- **The Paul D. Converse Award, 1996.**
- **American Marketing Association/Irwin Distinguished Educator Award, 1993.**
- **First Faculty Impact Award**, Wharton Alumni Association, 1993.
- First Runner-Up in the 1988 **Franz Edelman Award for Management Science/Achievement.**
- **The 1985 Charles Coolidge Parlin Award.**
- Elected as the 1984 member of the **Attitude Research Hall of Fame.**
- Delivered the 13th (1981) **Albert Wesley Frey Lecture**, University of Pittsburgh.
- My *Product Policy* book won the **1979 Book of the Year Award** given by the editors of Expansion (Mexico).
- Winner of two **Alpha Kappa Psi Foundation Awards** for the best article published in the *Journal of Marketing* in 1973 and 1976.
- Runner up of the 1983 **William O'Dell Award** for "the article published 5 years earlier in JMR which stood the test of time and made the most significant long run contribution to Marketing Theory, methodology and practice".
- **Winning paper** (with Paul E. Green) of American Psychological Association Division of Consumer Psychology, 1972 Research Design Competition.
- A finalist (top 5) for the 1980 Wharton Award for teaching excellence.

3. Citations

- Third highest ranked Marketing Scholar in the University of Maryland's Kirkpatrick and Locke Faculty Scholarship Study, 1985 (based on number of publications, citations, and peer ratings).
- 10th highest ranked marketing Scholar in the Cote, Leong and Cote "Assessing the Dissemination and Utilization of Marketing Research in the Social Sciences: A Citation Analysis Approach," 1990.

4. Research Grants

- National Science Foundation: U.P. Research Grant (Summer 1970);
- General Foods, the Jell-O Division (1971);
- N.W. Ayer (1972) - (with Paul E. Green);
- Downe Communication, Inc. (1972);
- Lever Brothers (1972) - (with Paul E. Green);
- Thomas Jefferson University Hospital (1973);
- AT&T (1973);
- The Robert Wood Johnson Foundation Clinical Scholar Fund (1974);
- The John and Mary R. Markle Foundation with R.E. Frank (1975-1976);
- National Science Foundation (Grant No. 51575-12928) (1975);
- The National Health Care Management Center of the Leonard Davis Institute with Thomas Robertson (1977).

5. Fellowships

- Hebrew University Awards 1959/1960; 1964/1965; 1965/1966;
- Ford Foundation Fellowship 1963/1964;
- Owen D. Young: General Electric Fellowship in Marketing 1964/1965; 1965/1966;
- Bankendorf Fellowship 1964/1965;
- Stanford University Fellowship 1964/1965; 1965/1966.

6. Illustrative Recent Media Coverage

- Knowledge@Wharton citations:
 - Farewell, Peter Drucker: A Tribute to an Intellectual Giant [November 16, 2005]
 - Should Your Next CEO Be a Philosopher? [interview, February 9, 2005]
 - What's the Buzz About Buzz Marketing? [interview, January 12, 2005], reprinted in *Wharton Alumni Magazine*, Winter 2005
 - Amazon's Multiple Personalities [interview, January 14, 2005]
 - Back to the Drawing Board: Is the Traditional Theory of the Firm Obsolete? [interview, October 6, 2004]
 - The Power of Impossible Thinking [book, August 25, 2004]
 - What's Behind the 4-Minute Mile, Starbucks, and Moonlanding? The Power of Impossible Thinking [book, July 14, 2004]
 - A Lofty Take on Leadership: Mountain Climbing and Managing Companies [book, September 24, 2003]
 - How Business Can Prepare for War [conference, February 9, 2003]
 - Could a Cyber-Terrorist Take Down Your Company? Don't Wait to Find Out [conference, August 28, 2002]
 - The New Business Reality [conference, January 30, 2002]
 - What Webvan Could Have Learned from Tesco [interview, October 10, 2001]
 - What's in Store for Capital Markets and the Economy? [interview, September 26, 2001]
 - Did Terrorists Blow Up the Recovery? [interview, September 13, 2001]
 - Dotcom Bomb Hits the Publications that Covered It [interview, August 29, 2001]
 - Can Priceline Remain Profitable? [interview, August 15, 2001]
 - Good vs. Great Leaders: The Difference is Humility, Doubt, and Drive [conference, June 20, 2001]
 - It's Not Easy Being Paul Green [interview, November 8, 2000]
 - Three Marketing Lessons from the Love Bug [interview, May 24, 2000]
 - Just-in-Time Education: Learning in the Global Information Age [paper, August 30, 2000]
 - New Rules of Digital Marketing [interview, October 13, 1999]
 - Who's Buying on the Internet? [paper, September 1, 1999]
 - Who Is Buying on the Internet? [paper, November 4, 1999]
 - Marketing Strategy in the Global Information Age [lecture, July 23, 1999]
 - The Knowledge Edge [conference, June 23, 1999]

- Goh, Dr. Sunny T.H. "How to Make the Impossible Possible." *The Star Online*. July 10, 2006. thestar.com.my/news/story.asp?file=/2006/7/10/business/14512212&sec=business.
- A link has been placed for the book *The Power of Impossible Thinking* on the website, www.worksavvy.ws/organization.htm#yourself as a recommendation to entrepreneurs and the diagram from page xxiv of the book is shown in the section of the website, "Organizing Yourself: Your Mind, Your Attitude, Time and Planning."
- "How Business Ideas are Born," MoneyControl.com, June 2, 2006.
- "Think You Know More Than Your Boss? You Just Might," Beepcentral.com, April 24, 2006.
- "Creativity Comes to B-Schools," *Business Week Online*, March 26, 2006.
- Thomas Group Review. *The Power of Impossible Thinking: A conversation with Yoram (Jerry) Wind and Jim Taylor*. Also appeared at Knowledge Leadership @ Thomas Group.
- *The Power of Impossible Thinking* selected as one of the five outstanding books on "Thinking Outside the Box" by the Swiss Journal *CASH* on March 16, 2006.
- "Marketing Prof. Gives Crash Course in Brand Image," *Daily Pennsylvanian*, February 9, 2006.
- "Churning Out Books for the Bigwigs," *Daily Pennsylvanian*, November 10, 2005.
- Inaugural Thought Leader interview, *The Brand Strategy Roundtable Journal*, November 2005.
- A number of radio interviews re *The Power of Impossible Thinking*, including:
 - *Something You Should Know with Mike Carruthers*, March 2006.
 - Mix 92.9 Morning Show, Nashville, March 2006.
 - KRMB Radio, Strategies for Living, Shreveport, LA, August 11, 2004.
 - WKCT Radio, Drive Time, Bowling Green, KY, August 20, 2004.
 - WABJ Radio, John Sabastian Morning Show, Detroit, MI, August 18, 2004.
 - WKNO Radio, Smart Copy, Memphis, TN, August 17, 2004.
 - KIKK Radio, Salt Lake City, UT, November 6, 2004.
- "Winds of Change," *The Economic Times, Brand Equity*, June 1, 2005, front page.
- "From Ink to Implementation: New Press Wharton School Publishing Co-Editors Say They Aim for Sound Management Titles that You Can Do Something With," *BusinessWeek Online*, April 11, 2005.
- "Power of Mental Models," *Asia Inc.* April 2005, pp. F14-15.
- "Challenge Your Mental Models," *The Edge Malaysia*, March 21, 2005.
- "Meet the Master-Minds: Jerry Wind Reveals the Power of Impossible Thinking," *Management Consulting News*, March 3, 2005.
- "Mental Power Tool," *Automotive Design and Production*, 2004.
- "Read All About It: Q&A with Jerry Wind about Wharton School Publishing," *Wharton Alumni Magazine*, Spring 2004.
- "Comment s'adresser au consommateur "Post-bull"? D'apres *Convergence Marketing Strategies for Reaching the Hybrid Consumer, Business Digest* 127 (February 2003), pp. 19-20.
- "Wealth is Created During Periods of Uncertainty," *Fast Company*, April 2002, pp. 87-88.
- "Thought Leaders: Convergence Marketing: Preview an excerpt from the book by Wharton Professor Jerry Wind and Professor Vijay Mahajan of the University of Texas," Wharton's E-Buzz, October 2001; and Knowledge@Wharton, October 2001.
- "Wind of Change," *The Peak*, Volume 17, Number 1, 2001.
- "Conversation with Jerry Wind," Singapore, October 2000; abstract reproduced in http://can.mediacorpnews.com/analysis_prog/incon/incon_wind1.htm.
- "You Can't Be An Extremist," *Globs* March 8, 2001 (Hebrew).

PERSONAL DATA

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University of Pennsylvania
Philadelphia, PA 19104
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Fax: (215) 898-1703
E-mail: windj@wharton.upenn.edu

Marital Status: Married to Vardina Wind, Artist, (BA in Sociology, MA in Communications); Two children, 38 and 44.

Illustrative Pro Bono Activities

The Philadelphia Museum of Art. Trustee (1992-); Member of the Corporate Executive board of the Museum (1996-); Led a trustee committee and the management and curatorial staff of the museum in the development of a market driven strategy, (1990); Member of the Nominating Committee (1999-2002); Member of Trustee Committees for Development (1993-1997); Special Exhibitions (1993-1995); and Strategy (1997-1998); Chairman, Audience Building Committee (2004-);

The Interdisciplinary Center, Herzliya (Israel), all planning activities and other involvement (as outlined on p. 40), since 1994.

American Friends of IDC – Founding President (1998-2002); Member (2003-).

National Constitution Center, Member, Strategic Planning Steering Committee (2005-)

Business for Diplomatic Actions, Member, Advisory Board and Coordinator of the Wharton research efforts in this area (2005-)

Lauder Institute Alumni Association, Advisory Board (2005-)

Institute of Contemporary Art (ICA). Help guide a strategic planning process (2001).

University of Pennsylvania Museum of Archeology and Anthropology. Help establish a vision and revenue generation strategies (1999).

The Philadelphia Orchestra: Advisor regarding the development of Marketing Strategy (1994-1997).

The Jewish Federation of Greater Philadelphia: Member of the Financial Resource Development Committee, 1990-1992.

Operation Independence, Israeli Management School Oversight Committee, 1991-1992.

Affiliations:

The Philadelphia Museum of Art – Trustee (Philadelphia)
The Institute of Contemporary Art of the University of Pennsylvania (Philadelphia)
Pennsylvania Academy of the Fine Arts (Philadelphia)
The Museum of Modern Art (New York)
American Craft Museum (New York)
Whitney Museum of American Art (New York)
The Jewish Museum (New York)
Guggenheim Museum (New York)
U.S. Holocaust Memorial Museum (Washington D.C.)

APPENDIX B

SCREENER AND SCREENING RESULTS



Data Development **Worldwide**

120 Fifth Avenue
New York, NY 10011
T: 212. 633. 1100
Field Fax: 212. 633. 6621
www.datadw.com

#02-629
September, 2006

SATELLITE RADIO STUDY

TOP SHEET

(THIS IS A PERSONAL INTERVIEW)

– SCREENER –

RESPONDENT I.D. #: _____

(RECORD AT END OF INTERVIEW. PLEASE PRINT.)

RESPONDENT'S NAME: _____ TEL. # () _____

ADDRESS: _____

CITY: _____ STATE: _____ ZIP: _____

INTERVIEWER: _____ DATE: _____



Data Development **Worldwide**

120 Fifth Avenue
New York, NY 10011
T: 212. 633. 1100
Field Fax: 212. 633. 6621
www.datadw.com

Time Main Interview Begins: _____ am/pm
Time Main Interview Ends: _____ am/pm
Length of Main Interview: _____(7)(8)

Study #02-629
September, 2006

ID #: 1 - 5
CARD #: 6 - 1

RECORD QUOTA:

- 1 Satellite Radio Subscriber Sirius
- 2 Satellite Radio Subscriber XM
- 3 Satellite Radio Considering Subscribing Sirius
- 4 Satellite Radio Considering Subscribing XM

RESPONDENT I.D. #: _____

(9) _____

SATELLITE RADIO STUDY

- SCREENER -

Hello, I'm _____ of Data Development Worldwide. We are a national marketing research firm and are currently conducting a survey and would like to include your opinions. Let me assure you we are doing this for research purposes only and that no one will sell you anything as a result of this study. Your answers will be held in the strictest confidence.

NOTE: RECORD ALL TERMINATIONS WHICH OCCUR IN ANY QUESTION A - D BY CIRCLING THE NEXT AVAILABLE NUMBER IN GRID AT BOTTOM OF THIS BOX. RECORD ONLY ONE TERMINATION PER CONTACT. RE-USE SCREENER UNTIL YOU REACH A QUALIFIED RESPONDENT.

- A. (IF RESPONDENT HAS LANGUAGE/HEARING PROBLEM, ETC., IS IN A HURRY, REFUSES INTERVIEW OR APPEARS INTOXICATED, TERMINATE.)
- B. (IF YOU KNOW THE RESPONDENT AT ALL, TERMINATE.)

(HAND RESPONDENT CARD 1)

- C. Are you or any members of your household employed in any of the industries listed on this card?

	<u>YES</u>	<u>NO</u>
An insurance company	[]	[]
A marketing research firm.....	[]	[]
An advertising agency	[]	[]
The entertainment industry	[]	[]
A satellite radio provider	[]	[]
A cable TV provider	[]	[]
An Internet service provider.....	[]	[]

(IF "YES" TO ANY BOXED INDUSTRY, TERMINATE AND RECORD BELOW.) ←

(TAKE BACK CARD 1)

- D. During the past three months have you taken part in any market research survey other than a political poll? (IF "YES," TERMINATE.)

RECORD TERMINATIONS WHICH OCCUR IN ANY QUESTION A - D HERE:

01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25		
26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	(10)	(11)

(HAND RESPONDENT CARD 2)

E. I'm going to ask you a few questions, but please be assured that this is only for classification purposes and that your responses will be kept confidential. Which of these groups includes your age?
(RECORD ONE ANSWER.)

(TERMINATE IN FIRST BOX BELOW) ← A. Under 18 years a
 (12)

<p>IF AGE SCREENING QUOTA OPEN, CONTINUE. IF FILLED, TERMINATE IN APPROPRIATE BOX BELOW.</p>

B. 18 – 24 years 1
C. 25 – 34 years 2
D. 35 – 49 years 3
E. 50 – 64 years 4
F. 65 or over..... 5

(TERMINATE IN FIRST BOX BELOW) ← **(DO NOT READ)** Refused b

(TAKE BACK CARD 2)

<p>IF "UNDER 18" OR "REFUSED AGE", TERMINATE. CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.</p>												
1	2	3	4	5	6	7	8	9	10	11	12	(13)

<p>TERMINATE -- OVER QUOTA MALES – 18-24 -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.</p>												
1	2	3	4	5	6	7	8	9	10	11	12	(14)

<p>TERMINATE -- OVER QUOTA MALES – 25-34 -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.</p>												
1	2	3	4	5	6	7	8	9	10	11	12	(15)

<p>TERMINATE -- OVER QUOTA MALES – 35-49 -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.</p>												
1	2	3	4	5	6	7	8	9	10	11	12	(16)

<p>TERMINATE -- OVER QUOTA MALES – 50-64 -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.</p>												
1	2	3	4	5	6	7	8	9	10	11	12	(17)

<p>TERMINATE -- OVER QUOTA MALES – 65+ -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.</p>												
1	2	3	4	5	6	7	8	9	10	11	12	()

<p>TERMINATE -- OVER QUOTA FEMALES – 18-24 -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.</p>												
1	2	3	4	5	6	7	8	9	10	11	12	()

<p>TERMINATE -- OVER QUOTA FEMALES – 25-34 -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.</p>												
1	2	3	4	5	6	7	8	9	10	11	12	()

<p>TERMINATE -- OVER QUOTA FEMALES – 35-49 -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.</p>												
1	2	3	4	5	6	7	8	9	10	11	12	()

<p>TERMINATE -- OVER QUOTA FEMALES – 50-64 -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.</p>												
1	2	3	4	5	6	7	8	9	10	11	12	()

<p>TERMINATE -- OVER QUOTA FEMALES – 65+ -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.</p>												
1	2	3	4	5	6	7	8	9	10	11	12	()

(HAND RESPONDENT CARD 3)

F. Which, if any, of the following decisions do you make or take part in making for your household?
(CIRCLE ALL THAT APPLY.)

- () Decision to subscribe to cable TV 1
- Decision to subscribe to an Internet service 2
- Decision to subscribe to satellite radio 3
- Decision to subscribe to a wireless phone service 4
- Decision to subscribe to satellite TV 5
- None of these *
- Refused *

(TERMINATE) ←

(TAKE BACK CARD)

<p>RESPONDENT MUST BE A BOXED ANSWER IN Q. F. IF NOT, TERMINATE IN APPROPRIATE BOX BELOW.</p>
--

<p>TERMINATE -- MALE 18-24 -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.</p> <p>1 2 3 4 5 6 7 8 9 10 11 12 ()</p>
<p>TERMINATE -- MALE 25-34 -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.</p> <p>1 2 3 4 5 6 7 8 9 10 11 12 ()</p>
<p>TERMINATE -- MALE 35-49 -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.</p> <p>1 2 3 4 5 6 7 8 9 10 11 12 ()</p>
<p>TERMINATE -- MALE 50-64 -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.</p> <p>1 2 3 4 5 6 7 8 9 10 11 12 ()</p>
<p>TERMINATE -- MALE 65+ -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.</p> <p>1 2 3 4 5 6 7 8 9 10 11 12 ()</p>

<p>TERMINATE -- FEMALE 18-24 -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.</p> <p>1 2 3 4 5 6 7 8 9 10 11 12 ()</p>
<p>TERMINATE -- FEMALE 25-34 -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.</p> <p>1 2 3 4 5 6 7 8 9 10 11 12 ()</p>
<p>TERMINATE -- FEMALE 35-49 -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.</p> <p>1 2 3 4 5 6 7 8 9 10 11 12 ()</p>
<p>TERMINATE -- FEMALE 50-64 -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.</p> <p>1 2 3 4 5 6 7 8 9 10 11 12 ()</p>
<p>TERMINATE -- FEMALE 65+ -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.</p> <p>1 2 3 4 5 6 7 8 9 10 11 12 ()</p>

CARD 1

(HAND RESPONDENT CARD 4)

G. Which of these services, if any, do you or your household currently subscribe to? **(CIRCLE ALL THAT APPLY.)**

- ()
- Cable TV 1
- Satellite TV 2
- Broadband Internet 3
- Satellite radio 4**
- Wireless phone service 5
- None of these 6
- Don't know 0

(ASK Q. H IF "SATELLITE RADIO" CIRCLED IN Q. G ABOVE. OTHERWISE, SKIP TO INSTRUCTIONS BEFORE Q. I)

(HAND RESPONDENT CARD 5)

H. Which of the following best describes the type of satellite radio you or your household currently subscribes to? **(RECORD ONE ANSWER)**

- ()
- A paid or trial subscription (such as from the purchase of a car) directly from XM or Sirius. 1**
- Part of a package from a third party (such as through DirecTV, DiSH Network or AOL) 2
- Both 3**
- Don't know 0

(ASK Q. I FOR EACH ITEM NOT CIRCLED IN Q. G.)

I. Are you or your household currently considering subscribing to **(INSERT ITEM)** in the next 30 days? **(RECORD ONE ANSWER FOR EACH LISTED ITEM)**

	Yes	No	Don't Know	
Cable TV	1	2	3	()
Satellite TV	1	2	3	()
Broadband Internet	1	2	3	()
Satellite radio	1	2	3	()
Wireless phone service	1	2	3	()

(ASK Q. J IF "YES" TO "SATELLITE RADIO" CIRCLED IN Q. I ABOVE. OTHERWISE, SKIP TO INSTRUCTIONS BEFORE Q. K)

(HAND RESPONDENT CARD 5)

J. Which of the following best describes the type of satellite radio you or your household are considering? **(RECORD ONE ANSWER)**

- ()
- A paid or trial subscription (such as from the purchase of a car) directly from XM or Sirius. 1**
- Part of a package from a third party (such as through DirecTV, DiSH Network or AOL) 2
- Both 3**
- Don't know 0

CARD 1

(ASK Q. K IF BOXED ANSWER IN Qs. G AND H - SATELLITE RADIO SUBSCRIBER)
 (HAND RESPONDENT CARD 6)

K. Which satellite radio service do you or your household currently subscribe to? (RECORD ONE MENTION.)

- ()
- Sirius 1
- XM..... 2
- Both..... 3
- (TERMINATE) ← Don't know..... *

TERMINATE -- DON'T KNOW SERVICE -- MALES -- 18-24 -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.												
1	2	3	4	5	6	7	8	9	10	11	12	()
TERMINATE -- DON'T KNOW SERVICE -- MALES -- 25-34 -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.												
1	2	3	4	5	6	7	8	9	10	11	12	()
TERMINATE -- DON'T KNOW SERVICE -- MALES -- 35-49 -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.												
1	2	3	4	5	6	7	8	9	10	11	12	()
TERMINATE -- DON'T KNOW SERVICE -- MALES -- 50-64 -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.												
1	2	3	4	5	6	7	8	9	10	11	12	()
TERMINATE -- DON'T KNOW SERVICE -- MALES -- 65+ -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.												
1	2	3	4	5	6	7	8	9	10	11	12	()

TERMINATE -- DON'T KNOW SERVICE -- FEMALES -- 18-24 -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.												
1	2	3	4	5	6	7	8	9	10	11	12	()
TERMINATE -- DON'T KNOW SERVICE -- FEMALES -- 25-34 -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.												
1	2	3	4	5	6	7	8	9	10	11	12	()
TERMINATE -- DON'T KNOW SERVICE -- FEMALES -- 35-49 -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.												
1	2	3	4	5	6	7	8	9	10	11	12	()
TERMINATE -- DON'T KNOW SERVICE -- FEMALES -- 50-64 -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.												
1	2	3	4	5	6	7	8	9	10	11	12	()
TERMINATE -- DON'T KNOW SERVICE -- FEMALES -- 65+ -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.												
1	2	3	4	5	6	7	8	9	10	11	12	()

(ASK Q. L IF BOXED ANSWER IN Qs. I AND J -- SATELLITE RADIO CONSIDERING)
 (HAND RESPONDENT CARD 6)

L. Which satellite radio service are you currently considering subscribing to? (RECORD ONE MENTION.)

- ()
- Sirius 1
- XM..... 2
- Both..... 3
- Don't know/have not decided..... 4

QUOTA QUALIFICATIONS

SATELLITE SUBSCRIBER: MUST BE SATELLITE RADIO CIRCLED IN Q.G **AND BOXED** ANSWER CIRCLED IN Q.H **AND "SIRIUS", "XM" OR "BOTH" IN Q.K.**

SATELLITE RADIO CONSIDERING SUBSCRIBING: MUST BE "YES" TO SATELLITE RADIO CIRCLED IN Q.I **AND BOXED** ANSWER CIRCLED IN Q.J.

REFER TO QUOTA QUALIFICATION ABOVE. IF RESPONDENT DOES NOT QUALIFY FOR EITHER QUOTA GROUP, TERMINATE AND CIRCLE NEXT AVAILABLE NUMBER IN APPROPRIATE BOX BELOW..

TERMINATE -- DOES NOT SUBSCRIBE/CONSIDER SUBSCRIBING -- MALES -- 18-24 -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.

1 2 3 4 5 6 7 8 9 10 11 12 ()

TERMINATE -- DOES NOT SUBSCRIBE/CONSIDER SUBSCRIBING -- MALES -- 25-34 -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.

1 2 3 4 5 6 7 8 9 10 11 12 ()

TERMINATE -- DOES NOT SUBSCRIBE/CONSIDER SUBSCRIBING -- MALES -- 35-49 -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.

1 2 3 4 5 6 7 8 9 10 11 12 ()

TERMINATE -- DOES NOT SUBSCRIBE/CONSIDER SUBSCRIBING -- MALES -- 50-64 -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.

1 2 3 4 5 6 7 8 9 10 11 12 ()

TERMINATE -- DOES NOT SUBSCRIBE/CONSIDER SUBSCRIBING -- MALES -- 65+ -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.

1 2 3 4 5 6 7 8 9 10 11 12 ()

TERMINATE -- DOES NOT SUBSCRIBE/CONSIDER SUBSCRIBING -- FEMALES -- 18-24 -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.

1 2 3 4 5 6 7 8 9 10 11 12 ()

TERMINATE -- DOES NOT SUBSCRIBE/CONSIDER SUBSCRIBING -- FEMALES -- 25-34 -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.

1 2 3 4 5 6 7 8 9 10 11 12 ()

TERMINATE -- DOES NOT SUBSCRIBE/CONSIDER SUBSCRIBING -- FEMALES -- 35-49 -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.

1 2 3 4 5 6 7 8 9 10 11 12 ()

TERMINATE -- DOES NOT SUBSCRIBE/CONSIDER SUBSCRIBING -- FEMALES -- 50-64 -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.

1 2 3 4 5 6 7 8 9 10 11 12 ()

TERMINATE -- DOES NOT SUBSCRIBE/CONSIDER SUBSCRIBING -- FEMALES -- 65+ -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.

1 2 3 4 5 6 7 8 9 10 11 12 ()

IF QUOTA FOR WHICH RESPONDENT QUALIFIES IS FILLED, TERMINATE AND RECORD IN APPROPRIATE BOX BELOW.

OVER QUOTA -- SATELLITE RADIO SUBSCRIBER -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.

01 02 03 04 05 06 07 08 09 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25
 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50

OVER QUOTA -- SATELLITE RADIO CONSIDERING SUBSCRIBING -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.

01 02 03 04 05 06 07 08 09 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25
 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50

M. Do you wear glasses or contact lenses when you read?

(ASK Q. N) ← Yes 1
(SKIP TO Q. O) ← No..... 2

(ASK ONLY IF "YES" IN Q. M)

N. Do you have your glasses with you or are you wearing your contact lenses today?

(CONTINUE WITH Q. O) ← Yes 1
(TERMINATE IN APPROPRIATE BOX BELOW) ← No..... *

TERMINATE -- NO GLASSES/CONTACTS -- SATELLITE RADIO SUBSCRIBER -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.

01 02 03 04 05 06 07 08 09 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25
26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50

TERMINATE -- NO GLASSES/CONTACTS -- SATELLITE RADIO CONSIDERING SUBSCRIBING -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.

01 02 03 04 05 06 07 08 09 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25
26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50

O. RECORD GENDER OF RESPONDENT

()
Male..... 1
Female..... 2

CARD 1

(ASK EVERYONE)

P. We would like to invite you to participate in a study that we think you will find interesting. The survey will take about 20 minutes. The survey we would like you to participate in requires you to read questions on a computer and either use a mouse to point and click on your answers or tell me your answers and I will record them. Would you like to participate in this study?

(CONTINUE WITH Q. Q) ← Yes, will participate 1

(TERMINATE IN APPROPRIATE BOX BELOW) ← No, will not participate *

TERMINATE -- REFUSED TO PARTICIPATE -- SATELLITE RADIO SUBSCRIBER -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.
01 02 03 04 05 06 07 08 09 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25
26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50

TERMINATE -- REFUSED TO PARTICIPATE -- SATELLITE RADIO CONSIDERING SUBSCRIBING -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.
01 02 03 04 05 06 07 08 09 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25
26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50

Q. May I please have your full name, address and phone number? You can be assured that your name and phone number will not be used to sell you anything or for any marketing or telemarketing purposes. It will only be used to verify your participation in the survey. **(RECORD ON FRONT PAGE OF SCREENER. YOU MUST VERIFY RESPONDENT'S PHONE NUMBER. IF RESPONDENT REFUSES TO GIVE PHONE NUMBER, SAY:)** I'm sorry but I cannot ask you to participate in our survey as my client needs your phone number to be able to verify your participation in this study.

(RECORD ADDRESS AND PHONE #, THEN CONTINUE) ← Gave phone number 1

(TERMINATE IN APPROPRIATE BOX BELOW) ← Refused phone number..... *

TERMINATE -- REFUSED PHONE NUMBER -- SATELLITE RADIO SUBSCRIBER -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.
01 02 03 04 05 06 07 08 09 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25
26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50

TERMINATE -- REFUSED PHONE NUMBER -- SATELLITE RADIO CONSIDERING SUBSCRIBING -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.
01 02 03 04 05 06 07 08 09 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25
26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50

BRING RESPONDENT TO INTERVIEWING AREA. DO NOT DISCUSS THE SUBJECT MATTER OF THE STUDY WITH THE RESPONDENT WHILE WALKING TO FACILITY.

NOTE: IF RESPONDENT WEARS GLASSES/CONTACT LENSES, BE SURE HE/SHE IS WEARING THEM WHEN ADMINISTERING MAIN QUESTIONNAIRE.

END CD 1

PN: INSTRUCTIONS FOR DETERMINING WHICH QUESTIONNAIRE VERSION TO ADMINISTER

- ***SATELLITE RADIO SUBSCRIBER SIRIUS VERSION:***
MUST BE SATELLITE RADIO IN Q G AND BOXED ANSWER IN Q.H AND "SIRIUS" IN Q K

- ***SATELLITE RADIO SUBSCRIBER XM VERSION:***
MUST BE SATELLITE RADIO IN Q G AND BOXED ANSWER IN Q.H AND "XM" IN Q K

(NOTE IF SATELLITE RADIO SUBSCRIBER IN Q G. AND "BOTH" IN Q K ROTATE BETWEEN THE TWO SUBSCRIBER VERSIONS ABOVE

- ***SATELLITE RADIO CONSIDERING SUBSCRIBING SIRIUS VERSION:***
MUST BE " YES" TO SATELLITE RADIO IN Q I AND BOXED ANSWER IN Q.J AND "SIRIUS" IN Q L

- ***SATELLITE RADIO CONSIDERING SUBSCRIBING XM VERSION:***
MUST BE " YES" TO SATELLITE RADIO IN Q I AND BOXED ANSWER IN Q.J AND "XM" IN Q L

(NOTE IF " YES" TO SATELLITE RADIO CONSIDERING SUBSCRIBING AND " DON'T KNOW" OR "BOTH" IN Q L, ROTATE BETWEEN THE TWO CONSIDERING SUBSCRIBING VERSIONS ABOVE

Screening Results

	<u>Total Contacts</u>
	4,301
	#
<u>Terminated</u>	
Security	288
Under 18/Refused age	321
Over quota initial age screening	186
Does not make decision to subscribe to satellite radio	603
Does not know service subscribe to	204
Does not subscribe/consider	2,019
Over quota	130
Wear glasses/contacts to read, but don't have them along	33
Refused to participate	50
Refused to give phone number	39
<u>Completed interviews</u>	<u>428</u>

APPENDIX C

MAIN QUESTIONNAIRES



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#02-629
September, 2006

	()
Sirius.....	1
XM	2

SATELLITE RADIO

- MAIN QUESTIONNAIRE -

- SUBSCRIBERS -

(INTERVIEWER: RECORD ANSWERS TO QUESTIONS FROM PAPER SCREENER INTO PROGRAM BEFORE CONTINUING WITH Q. 1a.)

(READ VERBATIM:)

Thank you for agreeing to participate in our study. We would like to talk to you today about satellite radio. All of your answers will remain strictly confidential. No one will attempt to sell you anything as a result of participating in this study. We are only interested in your opinions. If you don't know an answer or don't have an answer to a particular question, please don't guess. Just tell me you don't know and we will go on to the next question. If, at anytime, you do not understand a question or do not understand what is being asked of you, just say so and I will repeat the question.

READ AND RECORD THE ANSWERS TO Q. 1a-3b. THIS PART IS NOT SELF-ADMINISTERED.

- 1(a) Thinking back to the time you first subscribed to satellite radio, why did you decide to subscribe? **(RECORD COMPLETE ANSWERS VERBATIM)**
- 1(b) **(PROBE)** Any other reason? **(RECORD COMPLETE ANSWERS VERBATIM)**
- 2(a) What types of satellite radio programming were most critical to your decision to subscribe to satellite radio? **(RECORD COMPLETE ANSWERS VERBATIM)**

NOTE: IF RESPONDENT ASKS WHAT IS MEANT BY PROGRAMMING, SAY:

By programming we mean both categories of programs or specific programs or channels.

- 2(b) **(PROBE)** Any others? **(RECORD COMPLETE ANSWERS VERBATIM)**
- 3(a) And now, reflecting on your experience with satellite radio, what types of satellite radio programming are most critical to your decision to continue to subscribe? **(RECORD COMPLETE ANSWERS VERBATIM)**
- 3(b) **(PROBE)** Any others? **(RECORD COMPLETE ANSWERS VERBATIM)**

INTERVIEWER: HAVE THE RESPONDENT SIT IN FRONT OF COMPUTER AND ANSWER QUESTIONS TO THE REMAINDER OF THE SURVEY HIM/HERSELF. BE SURE TO SIT WITH THE RESPONDENT WHILE HE/SHE IS ANSWERING IN CASE HE/SHE HAS ANY QUESTIONS.

IF THE RESPONDENT PREFERS, HAVE HIM/HER READ THE QUESTIONS ON THE SCREEN, BUT YOU WILL ENTER THE ANSWERS.

RECORD:

- 1 Respondent entering answers
- 2 Interviewer entering answers

(ASK EVERYONE)

4. Below is a list of the types of satellite radio programming. Please review the list and allocate 100 points among the seven types of programming in such a way that the number of points (0 to 100) you give each type of programming best reflects the relative importance of that type of programming to you and your family's decision to subscribe and retain your subscription to satellite radio.

If a specific type of programming is not important at all, feel free to give it zero points. If, on the other hand, your decision was affected by only one of the types of programming and none of the others were important to you, give that type of programming all of the 100 points. There are no right or wrong answers and we are just looking for your evaluation of the relative importance of the seven types of programming reflecting both the consideration you used in deciding to subscribe and your experience with satellite radio. Please make sure that the total adds to 100. Is this clear? **(RECORD 0-100 FOR EACH. TOTAL MUST EQUAL 100.)**

()

- 1 Yes **(CONTINUE)**
- 2 No
- 3 Don't know → **(REPEAT EXPLANATION)**

INTERVIEWER NOTE: IF RESPONDENT ASKS HOW TO CATEGORIZE A PARTICULAR SHOW, REFER TO APPROPRIATE PROGRAMMING GUIDE (i.e., SIRIUS OR XM) AND CLASSIFY ACCORDINGLY.

[PN: ROTATE PROGRAM TYPES]

Types of Programming	Relative Importance As Reflected In # Of Allocated Points	
Comedy		()
Kids.....		()
Local Weather and Traffic		()
Music		()
News.....		()
Sports		()
Talk and Entertainment.....		()
	TOTAL MUST EQUAL 100	

5. Now I would like to show you four of these programming types. For each type of programming you will see a number of hypothetical options showing different amounts of programming. For each hypothetical option, please indicate how desirable it would be for you relative to the other options. Please assume that in each case all other programming and non-programming features of the service including price remain the same. Please use a number from 0 (zero) = extremely undesirable to 10 = extremely desirable. You can use any number from "0 to 10" to indicate your answer. Please examine each hypothetical amount of programming and record the number that best reflects its level of desirability or undesirability. Is this clear? **(RECORD ONE ANSWER FOR EACH BELOW)**

- ()
 1 Yes **(CONTINUE)**
 2 No
 3 Don't know → **(REPEAT EXPLANATION)**

[PN: ROTATE PROGRAM TYPES USING SAME ROTATION USED IN Q. 4. RESPONDENT CAN NOT GIVE THE SAME NUMBER TO OPTIONS "1" AND "4" WITHIN A GIVEN TYPE OF PROGRAMMING. ONLY SHOW ONE PROGRAMMING TYPE ON THE SCREEN AT A TIME, i.e., SHOW ALL OF MUSIC PROGRAMMING, THEN ALL OF NEWS, ETC.]

	<u>Extremely Undesirable</u>													<u>Extremely Desirable</u>
A. <u>Music Programming</u> (Current Offering includes A.)														
1. No music programming	0	1	2	3	4	5	6	7	8	9	10	()	()
2. Substantially fewer channels and less variety of music than currently offered.....	0	1	2	3	4	5	6	7	8	9	10	()	()
3. The same number of channels and the same variety of music as currently offered....	0	1	2	3	4	5	6	7	8	9	10	()	()
4. Substantially more channels and more variety of music than currently offered.....	0	1	2	3	4	5	6	7	8	9	10	()	()
B. <u>News</u> (Current Offering includes B)														
1. No news programming	0	1	2	3	4	5	6	7	8	9	10	()	()
2. Substantially fewer channels and less variety of news than currently offered.....	0	1	2	3	4	5	6	7	8	9	10	()	()
3. The same number of channels and the same variety of news as currently offered....	0	1	2	3	4	5	6	7	8	9	10	()	()
4. Substantially more channels and more variety of news than currently offered.....	0	1	2	3	4	5	6	7	8	9	10	()	()
C. <u>Sports</u> (Current Offering includes C)														
1. No sports programming	0	1	2	3	4	5	6	7	8	9	10	()	()
2. Substantially fewer channels and less variety of sports than currently offered	0	1	2	3	4	5	6	7	8	9	10	()	()
3. The same number of channels and same variety of sports as currently offered	0	1	2	3	4	5	6	7	8	9	10	()	()
4. Substantially more channels and more variety of sports than currently offered	0	1	2	3	4	5	6	7	8	9	10	()	()
D. <u>Talk & Entertainment</u> (Current Offering includes D)														
1. No talk and entertainment programming	0	1	2	3	4	5	6	7	8	9	10	()	()
2. Substantially fewer channels and less variety of talk and entertainment than currently offered.....	0	1	2	3	4	5	6	7	8	9	10	()	()
3. The same number of channels and same variety of talk and entertainment as currently offered.....	0	1	2	3	4	5	6	7	8	9	10	()	()
4. Substantially more channels and more variety of talk and entertainment than currently offered.....	0	1	2	3	4	5	6	7	8	9	10	()	()

- A. For Sirius : 66 Music Channels, For XM : 74 Music Channels
 B. For Sirius : 15 News Channels, For XM : 13 News Channels
 C. For Sirius : 8 Sports Channels and Live Game Channels for NBA, NFL, etc. For XM : 13 Sports Channels and Live Game channels for Major League Baseball, NASCAR, etc.
 D. For Sirius :22 Talk and Entertainment channels including Howard Stern, Martha Stewart, etc, For XM : 17 Talk and Entertainment channels including Opie and Anthony, Air America, etc.

6(a) Now, we would like you to consider the non-programming features of satellite radio such as the number of minutes of commercials per hour on music channels and geographic coverage. For each type of non-programming feature you will see a hypothetical option showing different amounts for that non-programming feature. Please repeat the desirability task we did before for the types of programming, but this time let's do it with respect to the various options for each of the non-programming features. Please indicate how desirable each of the different options of a given feature would be to you relative to the other options of that feature. Again, please assume that all other programming and non-programming features of the service, including price, remain the same. Again, please use a number from 0 (zero) – extremely undesirable to 10 – extremely desirable. Please examine each option and record the number that best reflects the level of desirability or undesirability of the option. **(RECORD ONE ANSWER FOR EACH BELOW)**

[PN: ROTATE FEATURES. FOR STUB A. BELOW RESPONDENT CAN NOT GIVE THE SAME NUMBER TO OPTION 1 AS GIVEN TO OPTIONS 2 – 4]

	<u>Extremely Undesirable</u>											<u>Extremely Desirable</u>	
A. <u>The Number of Minutes of Commercials Per Hour on Music Channels</u>													
1. No commercials on music channels.....	0	1	2	3	4	5	6	7	8	9	10	()	()
2. 2 minutes of commercials per hour.....	0	1	2	3	4	5	6	7	8	9	10	()	()
3. 5 minutes of commercials per hour.....	0	1	2	3	4	5	6	7	8	9	10	()	()
4. 12 minutes of commercials per hour.....	0	1	2	3	4	5	6	7	8	9	10	()	()
B. <u>Geographic Coverage</u>													
1. Typical FM coverage	0	1	2	3	4	5	6	7	8	9	10	()	()
2. Complete nationwide coverage	0	1	2	3	4	5	6	7	8	9	10	()	()

6(b) Now, let's turn to price. I'd like you to repeat the desirability task for various monthly prices for a single subscription. Please indicate how desirable each of the different price options would be to you relative to the other options. Again, please assume that all other programming and non-programming features of the service remain the same. Again, please use a number from 0 (zero) – extremely undesirable to 10 – extremely desirable. Please examine each option and record the number that best reflects the level of desirability or undesirability of the option. **(RECORD ONE ANSWER FOR EACH BELOW)**

	<u>Extremely Undesirable</u>											<u>Extremely Desirable</u>	
C. <u>The Monthly Price for A Single Subscription</u>													
1. \$8.95 per month.....	0	1	2	3	4	5	6	7	8	9	10	()	()
2. \$10.95 per month.....	0	1	2	3	4	5	6	7	8	9	10	()	()
3. \$12.95 per month.....	0	1	2	3	4	5	6	7	8	9	10	()	()
4. \$14.95 per month.....	0	1	2	3	4	5	6	7	8	9	10	()	()

6(c) Please review the list below and tell me if there are any other non-programming features besides the ones listed that you considered in your decision to subscribe and retain your subscription to satellite radio? **(RECORD ALL MENTIONS)**

[PN: ROTATE LIST]

- The number of minutes of commercials per hour on music channels
- Geographic coverage
- The monthly price for a single subscription

()

1 Other **(RECORD VERBATIM AND PROBE: Anything else?)**_____

0 No others considered

7. Below is a list of the non-programming features of satellite radio. Please review the list and allocate 100 points among the features in a way that the number of points (0 to 100) you give each feature best reflects the relative importance of that feature to you and your family's decision to subscribe and retain your subscription to satellite radio.

As in the previous 100 point allocation task, please assign each feature a number from 0 to 100 that best reflects its relative importance to you and your family's decision to subscribe and retain your subscription to satellite radio.

The more important a feature is, the higher the number of points you would give it, while the less important a feature is, the fewer number of points you would give it. Please make sure that the total adds to 100. **(RECORD 0-100 FOR EACH. TOTAL MUST EQUAL 100.)**

[PN: SHOW OTHERS FROM Q. 6c. USE SAME ROTATION USED IN Q. 6a.]

Non-programming Type Features Of Satellite Radio	Relative Importance As Reflected In # Of Allocated Points	
The Number of Minutes of Commercials Per Hour on Music Channels.....		()
Geographic Coverage.....		()
The Monthly Price for A Single Subscription ...		()
Other (FROM Q. 6c)		()
Other (FROM Q. 6c)		()
_____		()
_____		()
	TOTAL MUST EQUAL 100	

8. Reflecting on your and your family's usage of satellite radio in a typical week how would you estimate the amount of time spent on each of the following program types. Again please do so by allocating 100 points among the type of programming reflecting the % of time allocated to each. If you did not (or will not) spend any time listening to a particular type of program, please give it a zero. The type of programming listened to the most should get the highest number of points, the second most should get fewer points, etc. Make sure the total adds up to 100%. **(RECORD 0-100 FOR EACH. TOTAL MUST EQUAL 100)**

[PN: ROTATE PROGRAM TYPES USING SAME ROTATION AS IN Q. 4]

Type of Programming	Percentage of Time Spent Listening	
Comedy		()
Kids		()
Local Weather and Traffic....		()
Music		()
News		()
Sports		()
Talk and Entertainment.....		()
	TOTAL MUST EQUAL 100%	

ASK Q. 9a FOR EACH PROGRAMMING TYPE LISTED BELOW. ASK Q. 9a – 9d FOR EACH ONE BEFORE GOING ON TO THE NEXT PROGRAMMING TYPE. SHOW ONE AT A TIME. ROTATE ORDER.

9(a) As you know, the single subscription price per month for satellite radio is **\$12.95**. Let's assume that some of the current programming types were not available. Assuming that all other programming and non-programming features of the service, remain the same. If **(INSERT PROGRAMMING TYPE)** were not available, would it affect the amount you would be willing to pay for satellite radio? **(RECORD YES, NO OR DON'T KNOW FOR EACH.)**

(ASK Q. 9b IF "YES" IN Q. 9a. OTHERWISE, SKIP TO NEXT PROGRAMMING TYPE.)

9(b) How much would you be willing to pay for satellite radio if **(INSERT PROGRAMMING TYPE)** were available? Please assume that all other programming and non-programming features of the service, remain the same. Please tell me the dollar amount you would be willing to pay for satellite radio if these types of programming were not offered at all. Furthermore, if you think that not having this programming type would lead you to cancel your subscription please say so. **(TYPE IN AMOUNT IN DOLLARS AND CENTS. NOTE: ANSWER IN Q. 9b MUST NOT BE \$12.95)**

	Q. 9a				Q. 9b	
	Yes	No	Don't Know		Would Be Willing to Pay	Would Cancel Subscription
If no music programming	1	2	3	()	\$ _____ ()	0 ()
If no news programming	1	2	3	()	\$ _____ ()	0 ()
If no sports programming.....	1	2	3	()	\$ _____ ()	0 ()
If no talk and entertainment programming	1	2	3	()	\$ _____ ()	0 ()

(ASK Q. 9c IF ANSWER IN Q. 9b IS "MORE THAN" \$12.95.)

9(c) Are you willing to pay more than the current price of \$12.95 per month if **(INSERT PROGRAMMING TYPE)** were available but all other programming and non-programming features of the service remain the same? **(RECORD "YES" OR "NO" FOR EACH TYPE)**

(ASK Q. 9d IF "NO" IN Q. 9c)

9(d) How much would you be willing to pay for satellite radio if **(INSERT PROGRAMMING TYPE)** were available? **(TYPE IN AMOUNT IN DOLLARS AND CENTS. NOTE: ANSWER MUST BE LESS THAN \$12.95)**

	Q. 9c				Q. 9d	
	Yes	No	Don't Know		Would Be Willing to Pay	Would Not Cancel Subscription
If no music programming	1	2	3	()	\$ _____ ()	0 ()
If no news programming	1	2	3	()	\$ _____ ()	0 ()
If no sports programming.....	1	2	3	()	\$ _____ ()	0 ()
If no talk and entertainment programming	1	2	3	()	\$ _____ ()	0 ()

10. Now, I am going to show you 10 different hypothetical satellite radio program offerings. Each one represents a specific hypothetical satellite radio offering that includes a set of available programming options, as well as various combinations of the non-programming features we discussed before and a monthly price for a single subscription. Please examine each profile carefully and assign it a number from "0" meaning "definitely would not subscribe" to "10" meaning "definitely would subscribe" that best reflects your likelihood of subscribing to that offering.

If you definitely would not subscribe to the offering, you would give it a 0. If you definitely would subscribe to the offering, you would give it a 10. For any other case, use a number between 0 and 10 that best reflects your likelihood of subscribing to that offering. If at anytime you want to change your answer to a particular offering, please let me know and we will go back and do that. **(SHOW ONE PROFILE AT A TIME AND RECORD 0-10 FOR EACH PROFILE. EACH RESPONDENT WILL SEE 8 PROFILES WITHIN A BLOCK RANDOMIZED. IN ADDITION, ALL RESPONDENTS WILL SEE THE TWO PROFILES IN BLOCK 9.)**

PN: RECORD BLOCK #: (1-8), 9

(ASK EVERYONE)

- 11(a) And finally, reflecting on your experience with satellite radio, if satellite radio was not available what, if anything, would you miss most about it? **(RECORD COMPLETE ANSWER VERBATIM)**
- 11(b) **(PROBE:)** Anything else? **(RECORD COMPLETE ANSWER VERBATIM)**

RESPONDENT

RESPONDENT: PLEASE READ AND SIGN:

I acknowledge that I was interviewed on this date. During this interview I was asked questions about satellite radio.

SIGNATURE: _____ DATE: _____

TELEPHONE #: _____ (FOR VERIFICATION PURPOSES ONLY)

INTERVIEWER

INTERVIEWER: PLEASE READ AND SIGN:

I hereby certify that all of the above information was obtained by me from the respondent named above who is not personally known to me. I agree to provide this affidavit under oath, immediately upon request.

SIGNATURE: _____ DATE: _____

THANK YOU VERY MUCH FOR YOUR COOPERATION !



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#02-629
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	()
Sirius.....	3
XM	4

SATELLITE RADIO

- MAIN QUESTIONNAIRE -

- CONSIDERING SUBSCRIBING -

(INTERVIEWER: RECORD ANSWERS TO QUESTIONS FROM PAPER SCREENER INTO PROGRAM BEFORE CONTINUING WITH Q. 1a)

(READ VERBATIM:)

Thank you for agreeing to participate in our study. We would like to talk to you today about satellite radio. All of your answers will remain strictly confidential. No one will attempt to sell you anything as a result of participating in this study. We are only interested in your opinions. If you don't know an answer or don't have an answer to a particular question, please don't guess. Just tell me you don't know and we will go on to the next question. If, at anytime, you do not understand a question or do not understand what is being asked of you, just say so and I will repeat the question.

READ AND RECORD THE ANSWERS TO Q. 1a-3b. THIS PART IS NOT SELF-ADMINISTERED.

- 1(a) Why are you considering subscribing to satellite radio? **(RECORD COMPLETE ANSWERS VERBATIM)**
- 1(b) **(PROBE)** Any other reason? **(RECORD COMPLETE ANSWERS VERBATIM)**
- 2(a) What types of satellite radio programming are most critical to your decision whether to subscribe? **(RECORD COMPLETE ANSWERS VERBATIM)**

NOTE: IF RESPONDENT ASKS WHAT IS MEANT BY PROGRAMMING, SAY:

By programming we mean both categories of programs or specific programs or channels.

- 2(b) **(PROBE)** Any others? **(RECORD COMPLETE ANSWERS VERBATIM)**

THERE IS NO Q. 3 ON THIS VERSION

INTERVIEWER: HAVE THE RESPONDENT SIT IN FRONT OF COMPUTER AND ANSWER QUESTIONS TO THE REMAINDER OF THE SURVEY HIM/HERSELF. BE SURE TO SIT WITH THE RESPONDENT WHILE HE/SHE IS ANSWERING IN CASE HE/SHE HAS ANY QUESTIONS.

IF THE RESPONDENT PREFERS, HAVE HIM/HER READ THE QUESTIONS ON THE SCREEN, BUT YOU WILL ENTER THE ANSWERS.

RECORD:

- 1 Respondent entering answers
- 2 Interviewer entering answers

(ASK EVERYONE)

4. Below is a list of the types of satellite radio programming. Please review the list and allocate 100 points among the seven types of programming in such a way that the number of points (0 to 100) you give each type of programming best reflects the relative importance of that type of programming to you and your family's ultimate decision whether to subscribe to satellite radio.

If a specific type of programming is not important at all, feel free to give it zero points. If, on the other hand, your decision is likely to be affected by only one of the types of programming and none of the others are likely to be important to you, give that type of programming all of the 100 points. There are no right or wrong answers and we are just looking for your evaluation of the relative importance of the seven types of programming to your decision whether to subscribe to satellite radio. Please make sure that the total adds to 100. Is this clear? **(RECORD 0-100 FOR EACH. TOTAL MUST EQUAL 100.)**

- ()
- 1 Yes **(CONTINUE)**
 - 2 No
 - 3 Don't know → **(REPEAT EXPLANATION)**

INTERVIEWER NOTE: IF RESPONDENT ASKS HOW TO CATEGORIZE A PARTICULAR SHOW, REFER TO APPROPRIATE PROGRAMMING GUIDE (i.e., SIRIUS OR XM) AND CLASSIFY ACCORDINGLY.

[PN: ROTATE PROGRAM TYPES]

Types of Programming	Relative Importance As Reflected In # Of Allocated Points
Comedy	()
Kids.....	()
Local Weather and Traffic	()
Music	()
News.....	()
Sports	()
Talk and Entertainment.....	()
	TOTAL MUST EQUAL 100

5. Now I would like to show you four of these programming types. For each type of programming you will see a number of hypothetical options showing different amounts of programming. For each hypothetical option, please indicate how desirable it would be for you relative to the other options. Please assume that in each case all other programming and non-programming features of the service including price remain the same. Please use a number from 0 (zero) = extremely undesirable to 10 = extremely desirable. You can use any number from "0 to 10" to indicate your answer. Please examine each hypothetical amount of programming and record the number that best reflects its level of desirability or undesirability. Is this clear? **(RECORD ONE ANSWER FOR EACH BELOW)**

- ()
 1 Yes **(CONTINUE)**
 2 No
 3 Don't know → **(REPEAT EXPLANATION)**

[PN: ROTATE PROGRAM TYPES USING SAME ROTATION USED IN Q. 4. RESPONDENT CAN NOT GIVE THE SAME NUMBER TO OPTIONS "1" AND "4" WITHIN A GIVEN TYPE OF PROGRAMMING. ONLY SHOW ONE PROGRAMMING TYPE ON THE SCREEN AT A TIME, i.e., SHOW ALL OF MUSIC PROGRAMMING, THEN ALL OF NEWS, ETC.]

	<u>Extremely Undesirable</u>														<u>Extremely Desirable</u>
A. <u>Music Programming</u> (Current Offering includes A.)															
1. No music programming	0	1	2	3	4	5	6	7	8	9	10	()	()
2. Substantially fewer channels and less variety of music than currently offered.....	0	1	2	3	4	5	6	7	8	9	10	()	()
3. The same number of channels and the same variety of music as currently offered....	0	1	2	3	4	5	6	7	8	9	10	()	()
4. Substantially more channels and more variety of music than currently offered.....	0	1	2	3	4	5	6	7	8	9	10	()	()
B. <u>News</u> (Current Offering includes B)															
1. No news programming	0	1	2	3	4	5	6	7	8	9	10	()	()
2. Substantially fewer channels and less variety of news than currently offered.....	0	1	2	3	4	5	6	7	8	9	10	()	()
3. The same number of channels and the same variety of news as currently offered....	0	1	2	3	4	5	6	7	8	9	10	()	()
4. Substantially more channels and more variety of news than currently offered.....	0	1	2	3	4	5	6	7	8	9	10	()	()
C. <u>Sports</u> (Current Offering includes C)															
1. No sports programming	0	1	2	3	4	5	6	7	8	9	10	()	()
2. Substantially fewer channels and less variety of sports than currently offered	0	1	2	3	4	5	6	7	8	9	10	()	()
3. The same number of channels and same variety of sports as currently offered	0	1	2	3	4	5	6	7	8	9	10	()	()
4. Substantially more channels and more variety of sports than currently offered	0	1	2	3	4	5	6	7	8	9	10	()	()
D. <u>Talk & Entertainment</u> (Current Offering includes D)															
1. No talk and entertainment programming	0	1	2	3	4	5	6	7	8	9	10	()	()
2. Substantially fewer channels and less variety of talk and entertainment than currently offered.....	0	1	2	3	4	5	6	7	8	9	10	()	()
3. The same number of channels and same variety of talk and entertainment as currently offered.....	0	1	2	3	4	5	6	7	8	9	10	()	()
4. Substantially more channels and more variety of talk and entertainment than currently offered.....	0	1	2	3	4	5	6	7	8	9	10	()	()

- A. For Sirius : 66 Music Channels, For XM : 74 Music Channels
 B. For Sirius : 15 News Channels, For XM : 13 News Channels
 C. For Sirius : 8 Sports Channels and Live Game Channels for NBA, NFL, etc. For XM : 13 Sports Channels and Live Game channels for Major League Baseball, NASCAR, etc.
 D. For Sirius :22 Talk and Entertainment channels including Howard Stern, Martha Stewart, etc, For XM : 17 Talk and Entertainment channels including Opie and Anthony, Air America, etc.

6(a) Now, we would like you to consider the non-programming features of satellite radio such as the number of minutes of commercials per hour on music channels and geographic coverage. For each type of non-programming feature you will see a hypothetical option showing different amounts for that non-programming feature. Please repeat the desirability task we did before for the types of programming, but this time let's do it with respect to the various options for each of the non-programming features. Please indicate how desirable each of the different options of a given feature would be to you relative to the other options of that feature. Again, please assume that all other programming and non-programming features of the service, including price, remain the same. Again, please use a number from 0 (zero) – extremely undesirable to 10 – extremely desirable. Please examine each option and record the number that best reflects the level of desirability or undesirability of the option. **(RECORD ONE ANSWER FOR EACH BELOW)**

[PN: ROTATE FEATURES. FOR STUB A BELOW RESPONDENT CAN NOT GIVE THE SAME NUMBER TO OPTION 1 AS GIVEN TO OPTIONS 2-4.]

	<u>Extremely Undesirable</u>											<u>Extremely Desirable</u>	
A. <u>The Number of Minutes of Commercials Per Hour on Music Channels</u>													
1. No commercials on music channels.....	0	1	2	3	4	5	6	7	8	9	10	()	()
2. 2 minutes of commercials per hour.....	0	1	2	3	4	5	6	7	8	9	10	()	()
3. 5 minutes of commercials per hour.....	0	1	2	3	4	5	6	7	8	9	10	()	()
4. 12 minutes of commercials per hour.....	0	1	2	3	4	5	6	7	8	9	10	()	()
B. <u>Geographic Coverage</u>													
1. Typical FM coverage.....	0	1	2	3	4	5	6	7	8	9	10	()	()
2. Complete nationwide coverage	0	1	2	3	4	5	6	7	8	9	10	()	()

6(b) Now, let's turn to price. I'd like you to repeat the desirability task for various monthly prices for a single subscription. Please indicate how desirable each of the different price options would be to you relative to the other options. Again, please assume that all other programming and non-programming features of the service remain the same. Again, please use a number from 0 (zero) – extremely undesirable to 10 – extremely desirable. Please examine each option and record the number that best reflects the level of desirability or undesirability of the option. **(RECORD ONE ANSWER FOR EACH BELOW)**

	<u>Extremely Undesirable</u>											<u>Extremely Desirable</u>	
C. <u>The Monthly Price for A Single Subscription</u>													
1. \$8.95 per month.....	0	1	2	3	4	5	6	7	8	9	10	()	()
2. \$10.95 per month.....	0	1	2	3	4	5	6	7	8	9	10	()	()
3. \$12.95 per month.....	0	1	2	3	4	5	6	7	8	9	10	()	()
4. \$14.95 per month.....	0	1	2	3	4	5	6	7	8	9	10	()	()

6(c) Please review the list below and tell me if there are any other non-programming features besides the ones listed that would likely impact your decision whether to subscribe to satellite radio? **(RECORD ALL MENTIONS)**

[PN: ROTATE LIST]

- The number of minutes of commercials per hour on music channels
- Geographic coverage
- The monthly price for a single subscription

()
 1 Other **(RECORD VERBATIM AND PROBE: Anything else?)** _____

0 No others considered

7. Below is a list of the non-programming features of satellite radio. Please review the list and allocate 100 points among the features in a way that the number of points (0 to 100) you give each feature best reflects the relative importance of that feature to you and your family's ultimate decision whether to subscribe to satellite radio.

As in the previous 100 point allocation task, please assign each feature a number from 0 to 100 that best reflects its relative importance to you and your family's decision whether to subscribe to satellite radio.

The more important a feature is, the higher the number of points you would give it, while the less important a feature is, the fewer number of points you would give it. Please make sure that the total adds to 100. **(RECORD 0-100 FOR EACH. TOTAL MUST EQUAL 100.)**

[PN: SHOW OTHERS FROM Q. 6c. USE SAME ROTATION USED IN Q. 6a.]

Non-programming Type Features Of Satellite Radio	Relative Importance As Reflected In # Of Allocated Points	
The Number of Minutes of Commercials Per Hour on Music Channels.....		()
Geographic Coverage.....		()
The Monthly Price for A Single Subscription ...		()
Other (FROM Q. 6c)		()
Other (FROM Q. 6c)		()
_____		()
_____		()
	TOTAL MUST EQUAL 100	

(THERE IS NO Q. 8 ON THIS VERSION)

ASK Q. 9a FOR EACH PROGRAMMING TYPE LISTED BELOW. ASK Q. 9a – 9d FOR EACH ONE BEFORE GOING ON TO THE NEXT PROGRAMMING TYPE. SHOW ONE AT A TIME. ROTATE ORDER.

9(a) As you know, the single subscription price per month for satellite radio is **\$12.95**. Let's assume that some of the current programming types were not available. Assuming that all other programming and non-programming features of the service, remain the same. If **(INSERT PROGRAMMING TYPE)** were not available, would it affect the amount you would be willing to pay for satellite radio? **(RECORD YES, NO OR DON'T KNOW FOR EACH.)**

(ASK Q. 9b IF "YES" IN Q. 9a. OTHERWISE, SKIP TO NEXT PROGRAMMING TYPE.)

9(b) How much would you be willing to pay for satellite radio if **(INSERT PROGRAMMING TYPE)** were available? Please assume that all other programming and non-programming features of the service, remain the same. Please tell me the dollar amount you would be willing to pay for satellite radio if these types of programming were not offered at all. Furthermore, if you think that not having this programming type would lead you to prevent you from subscribing please say so. **(TYPE IN AMOUNT IN DOLLARS AND CENTS. NOTE: ANSWER IN Q. 9b MUST NOT BE \$12.95)**

	Q. 9a			Q. 9b		
	Yes	No	Don't Know	Would Be Willing to Pay	Would Not Subscribe	
If no music programming.....	1	2	3	()	\$ _____ ()	0 ()
If no news programming.....	1	2	3	()	\$ _____ ()	0 ()
If no sports programming.....	1	2	3	()	\$ _____ ()	0 ()
If no talk and entertainment programming	1	2	3	()	\$ _____ ()	0 ()

(ASK Q. 9c IF ANSWER IN Q. 9b IS "MORE THAN" \$12.95.)

9(c) Are you willing to pay more than the current price of \$12.95 per month if **(INSERT PROGRAMMING TYPE)** were available but all other programming and non-programming features of the service remain the same? **(RECORD "YES" OR "NO" FOR EACH TYPE)**

(ASK Q. 9d IF "NO" IN Q. 9c)

9(d) How much would you be willing to pay for satellite radio if **(INSERT PROGRAMMING TYPE)** were available? **(TYPE IN AMOUNT IN DOLLARS AND CENTS. NOTE: ANSWER MUST BE LESS THAN \$12.95)**

	Q. 9c			Q. 9d		
	Yes	No	Don't Know	Would Be Willing to Pay	Would Not Subscribe	
If no music programming.....	1	2	3	()	\$ _____ ()	0 ()
If no news programming.....	1	2	3	()	\$ _____ ()	0 ()
If no sports programming.....	1	2	3	()	\$ _____ ()	0 ()
If no talk and entertainment programming	1	2	3	()	\$ _____ ()	0 ()

10. Now, I am going to show you 10 different hypothetical satellite radio program offerings. Each one represents a specific hypothetical satellite radio offering that includes a set of available programming options, as well as various combinations of the non-programming features we discussed before and a monthly price for a single subscription. Please examine each profile carefully and assign it a number from "0" meaning "definitely would not subscribe" to "10" meaning "definitely would subscribe" that best reflects your likelihood of subscribing to that offering.

If you definitely would not subscribe to the offering, you would give it a 0. If you definitely would subscribe to the offering, you would give it a 10. For any other case, use a number between 0 and 10 that best reflects your likelihood of subscribing to that offering. If at anytime you want to change your answer to a particular offering, please let me know and we will go back and do that. **(SHOW ONE PROFILE AT A TIME AND RECORD 0-10 FOR EACH PROFILE. EACH RESPONDENT WILL SEE 8 PROFILES WITHIN A BLOCK RANDOMIZED. IN ADDITION, ALL RESPONDENTS WILL SEE THE TWO PROFILES IN BLOCK 9.)**

PN: RECORD BLOCK #: (1-8), 9

Q. 11 DOES NOT APPEAR ON THIS VERSION

RESPONDENT

RESPONDENT: PLEASE READ AND SIGN:

I acknowledge that I was interviewed on this date. During this interview I was asked questions about satellite radio.

SIGNATURE: _____ DATE: _____

TELEPHONE #: _____ (FOR VERIFICATION PURPOSES ONLY)

INTERVIEWER

INTERVIEWER: PLEASE READ AND SIGN:

I hereby certify that all of the above information was obtained by me from the respondent named above who is not personally known to me. I agree to provide this affidavit under oath, immediately upon request.

SIGNATURE: _____ DATE: _____

THANK YOU VERY MUCH FOR YOUR COOPERATION !

APPENDIX D

CONJOINT STIMULI CARDS

**ILLUSTRATIVE CONJOINT ANALYSIS
STIMULUS CARD FOR SIRIUS
CARD: 1 BLOCK: 1**

A Satellite Radio Offering

<u>Types of Programming</u>	<u>Amount of Programming Available:</u>
Music Programming:	The SAME number of channels and SAME variety of music as currently offered
News Programming:	Substantially MORE channels and MORE variety of news than currently offered
Sports Programming:	Substantially MORE channels and MORE variety of sports than currently offered
Talk and Entertainment:	Substantially FEWER channels and LESS variety of talk and entertainment than currently offered

<u>Other Features</u>	
Number of Minutes Of Commercials Per Hour On Music Channels:	12 minutes of commercials per hour
Coverage:	Typical FM coverage
Monthly Price For A Single Subscription:	\$12.95 Per month

	Definitely Would Not Buy										Definitely Would Buy									
Rating	0	1	2	3	4	5	6	7	8	9	10									

**ILLUSTRATIVE CONJOINT ANALYSIS
STIMULUS CARD FOR SIRIUS
CARD: 2 BLOCK: 1**

A Satellite Radio Offering

<u>Types of Programming</u>	<u>Amount of Programming Available:</u>
Music Programming:	No music programming
News Programming:	Substantially FEWER channels and LESS variety of news than currently offered
Sports Programming:	The SAME number of channels and SAME variety of sports as currently offered
Talk and Entertainment:	The SAME number of channels and SAME variety of talk and entertainment as currently offered

<u>Other Features</u>	
Number of Minutes Of Commercials Per Hour On Music Channels:	Not applicable
Coverage:	Complete nationwide coverage
Monthly Price For A Single Subscription:	\$14.95 Per month

	Definitely Would Not <u>Buy</u>										Definitely Would <u>Buy</u>		
Rating	0	1	2	3	4	5	6	7	8	9	10		

**ILLUSTRATIVE CONJOINT ANALYSIS
STIMULUS CARD FOR SIRIUS
CARD: 3 BLOCK: 1**

A Satellite Radio Offering

<u>Types of Programming</u>	<u>Amount of Programming Available:</u>
Music Programming:	Substantially FEWER channels and LESS variety of music than currently offered
News Programming:	The SAME number of channels and SAME variety of news as currently offered
Sports Programming:	The SAME number of channels and SAME variety of sports as currently offered
Talk and Entertainment:	The SAME number of channels and SAME variety of talk and entertainment as currently offered

<u>Other Features</u>	
Number of Minutes Of Commercials Per Hour On Music Channels:	5 minutes of commercials per hour
Coverage:	Typical FM coverage
Monthly Price For A Single Subscription:	\$8.95 Per month

	Definitely Would Not Buy									Definitely Would Buy	
Rating	0	1	2	3	4	5	6	7	8	9	10

**ILLUSTRATIVE CONJOINT ANALYSIS
STIMULUS CARD FOR SIRIUS
CARD: 4 BLOCK: 1**

A Satellite Radio Offering

<u>Types of Programming</u>	<u>Amount of Programming Available:</u>
Music Programming:	Substantially MORE channels and MORE variety of music than currently offered
News Programming:	No news programming
Sports Programming:	Substantially MORE channels and MORE variety of sports than currently offered
Talk and Entertainment:	Substantially MORE channels and MORE variety of talk and entertainment than currently offered

<u>Other Features</u>	
Number of Minutes Of Commercials Per Hour On Music Channels:	2 minutes of commercials per hour
Coverage:	Complete nationwide coverage
Monthly Price For A Single Subscription:	\$10.95 Per month

	Definitely Would Not Buy										Definitely Would Buy
Rating	0	1	2	3	4	5	6	7	8	9	10

**ILLUSTRATIVE CONJOINT ANALYSIS
STIMULUS CARD FOR SIRIUS
CARD: 5 BLOCK: 1**

A Satellite Radio Offering

<u>Types of Programming</u>	<u>Amount of Programming Available:</u>
Music Programming:	No music programming
News Programming:	Substantially FEWER channels and LESS variety of news than currently offered
Sports Programming:	Substantially FEWER channels and LESS variety of sports than currently offered
Talk and Entertainment:	Substantially MORE channels and MORE variety of talk and entertainment than currently offered

<u>Other Features</u>	
Number of Minutes Of Commercials Per Hour On Music Channels:	Not applicable
Coverage:	Typical FM coverage
Monthly Price For A Single Subscription:	\$12.95 Per month

	Definitely Would Not Buy									Definitely Would Buy	
Rating	0	1	2	3	4	5	6	7	8	9	10

**ILLUSTRATIVE CONJOINT ANALYSIS
STIMULUS CARD FOR SIRIUS
CARD: 6 BLOCK: 1**

A Satellite Radio Offering

<u>Types of Programming</u>	<u>Amount of Programming Available:</u>
Music Programming:	Substantially MORE channels and MORE variety of music than currently offered
News Programming:	Substantially MORE channels and MORE variety of news than currently offered
Sports Programming:	No sports programming
Talk and Entertainment:	Substantially FEWER channels and LESS variety of talk and entertainment than currently offered

<u>Other Features</u>	
Number of Minutes Of Commercials Per Hour On Music Channels:	5 minutes of commercials per hour
Coverage:	Typical FM coverage
Monthly Price For A Single Subscription:	\$10.95 Per month

	Definitely Would Not Buy										Definitely Would Buy									
Rating	0	1	2	3	4	5	6	7	8	9	10									

**ILLUSTRATIVE CONJOINT ANALYSIS
STIMULUS CARD FOR SIRIUS
CARD: 7 BLOCK: 1**

A Satellite Radio Offering

<u>Types of Programming</u>	<u>Amount of Programming Available:</u>
Music Programming:	Substantially FEWER channels and LESS variety of music than currently offered
News Programming:	The SAME number of channels and SAME variety of news as currently offered
Sports Programming:	No sports programming
Talk and Entertainment:	No talk and entertainment programming

<u>Other Features</u>	
Number of Minutes Of Commercials Per Hour On Music Channels:	No Commercials
Coverage:	Complete nationwide coverage
Monthly Price For A Single Subscription:	\$14.95 Per month

	Definitely Would Not Buy										Definitely Would Buy				
Rating	0	1	2	3	4	5	6	7	8	9	10				

**ILLUSTRATIVE CONJOINT ANALYSIS
STIMULUS CARD FOR SIRIUS
CARD: 8 BLOCK: 1**

A Satellite Radio Offering

<u>Types of Programming</u>	<u>Amount of Programming Available:</u>
Music Programming:	The SAME number of channels and SAME variety of music as currently offered
News Programming:	No news programming
Sports Programming:	Substantially FEWER channels and LESS variety of sports than currently offered
Talk and Entertainment:	No talk and entertainment programming

<u>Other Features</u>	
Number of Minutes Of Commercials Per Hour On Music Channels:	No Commercials
Coverage:	Complete nationwide coverage
Monthly Price For A Single Subscription:	\$8.95 Per month

	Definitely Would Not <u>Buy</u>										Definitely Would <u>Buy</u>				
Rating	0	1	2	3	4	5	6	7	8	9	10				

**ILLUSTRATIVE CONJOINT ANALYSIS
STIMULUS CARD FOR SIRIUS
CARD: 9 BLOCK: 2**

A Satellite Radio Offering

<u>Types of Programming</u>	<u>Amount of Programming Available:</u>
Music Programming:	Substantially MORE channels and MORE variety of music than currently offered
News Programming:	Substantially FEWER channels and LESS variety of news than currently offered
Sports Programming:	Substantially MORE channels and MORE variety of sports than currently offered
Talk and Entertainment:	No talk and entertainment programming

<u>Other Features</u>	
Number of Minutes Of Commercials Per Hour On Music Channels:	12 minutes of commercials per hour
Coverage:	Typical FM coverage
Monthly Price For A Single Subscription:	\$8.95 Per month

	Definitely Would Not Buy									Definitely Would Buy	
Rating	0	1	2	3	4	5	6	7	8	9	10

**ILLUSTRATIVE CONJOINT ANALYSIS
STIMULUS CARD FOR SIRIUS
CARD: 10 BLOCK: 2**

A Satellite Radio Offering

<u>Types of Programming</u>	<u>Amount of Programming Available:</u>
Music Programming:	Substantially FEWER channels and LESS variety of music than currently offered
News Programming:	Substantially MORE channels and MORE variety of news than currently offered
Sports Programming:	No sports programming
Talk and Entertainment:	Substantially FEWER channels and LESS variety of talk and entertainment than currently offered

<u>Other Features</u>	
Number of Minutes Of Commercials Per Hour On Music Channels:	12 minutes of commercials per hour
Coverage:	Complete nationwide coverage
Monthly Price For A Single Subscription:	\$14.95 Per month

	Definitely Would Not Buy										Definitely Would Buy									
Rating	0	1	2	3	4	5	6	7	8	9	10									

**ILLUSTRATIVE CONJOINT ANALYSIS
STIMULUS CARD FOR SIRIUS
CARD: 11 BLOCK: 2**

A Satellite Radio Offering

<u>Types of Programming</u>	<u>Amount of Programming Available:</u>
Music Programming:	The SAME number of channels and SAME variety of music as currently offered
News Programming:	The SAME number of channels and SAME variety of news as currently offered
Sports Programming:	Substantially FEWER channels and LESS variety of sports than currently offered
Talk and Entertainment:	Substantially MORE channels and MORE variety of talk and entertainment than currently offered

<u>Other Features</u>	
Number of Minutes Of Commercials Per Hour On Music Channels:	5 minutes of commercials per hour
Coverage:	Complete nationwide coverage
Monthly Price For A Single Subscription:	\$10.95 Per month

	Definitely Would Not Buy									Definitely Would Buy	
Rating	0	1	2	3	4	5	6	7	8	9	10

**ILLUSTRATIVE CONJOINT ANALYSIS
STIMULUS CARD FOR SIRIUS
CARD: 12 BLOCK: 2**

A Satellite Radio Offering

<u>Types of Programming</u>	<u>Amount of Programming Available:</u>
Music Programming:	No music programming
News Programming:	Substantially MORE channels and MORE variety of news than currently offered
Sports Programming:	Substantially MORE channels and MORE variety of sports than currently offered
Talk and Entertainment:	The SAME number of channels and SAME variety of talk and entertainment as currently offered

<u>Other Features</u>	
Number of Minutes Of Commercials Per Hour On Music Channels:	Not applicable
Coverage:	Typical FM coverage
Monthly Price For A Single Subscription:	\$8.95 Per month

	Definitely Would Not Buy									Definitely Would Buy	
Rating	0	1	2	3	4	5	6	7	8	9	10

**ILLUSTRATIVE CONJOINT ANALYSIS
STIMULUS CARD FOR SIRIUS
CARD: 13 BLOCK: 2**

A Satellite Radio Offering

<u>Types of Programming</u>	<u>Amount of Programming Available:</u>
Music Programming:	No music programming
News Programming:	The SAME number of channels and SAME variety of news as currently offered
Sports Programming:	Substantially FEWER channels and LESS variety of sports than currently offered
Talk and Entertainment:	Substantially FEWER channels and LESS variety of talk and entertainment than currently offered

<u>Other Features</u>	
Number of Minutes Of Commercials Per Hour On Music Channels:	Not applicable
Coverage:	Typical FM coverage
Monthly Price For A Single Subscription:	\$12.95 Per month

	Definitely Would Not Buy									Definitely Would Buy	
Rating	0	1	2	3	4	5	6	7	8	9	10

**ILLUSTRATIVE CONJOINT ANALYSIS
STIMULUS CARD FOR SIRIUS
CARD: 14 BLOCK: 2**

A Satellite Radio Offering

<u>Types of Programming</u>	<u>Amount of Programming Available:</u>
Music Programming:	Substantially MORE channels and MORE variety of music than currently offered
News Programming:	No news programming
Sports Programming:	The SAME number of channels and SAME variety of sports as currently offered
Talk and Entertainment:	No talk and entertainment programming

<u>Other Features</u>	
Number of Minutes Of Commercials Per Hour On Music Channels:	No Commercials
Coverage:	Complete nationwide coverage
Monthly Price For A Single Subscription:	\$14.95 Per month

	Definitely Would Not Buy									Definitely Would Buy	
Rating	0	1	2	3	4	5	6	7	8	9	10

**ILLUSTRATIVE CONJOINT ANALYSIS
STIMULUS CARD FOR SIRIUS
CARD: 15 BLOCK: 2**

A Satellite Radio Offering

<u>Types of Programming</u>	<u>Amount of Programming Available:</u>
Music Programming:	The SAME number of channels and SAME variety of music as currently offered
News Programming:	No news programming
Sports Programming:	The SAME number of channels and SAME variety of sports as currently offered
Talk and Entertainment:	Substantially MORE channels and MORE variety of talk and entertainment than currently offered

<u>Other Features</u>	
Number of Minutes Of Commercials Per Hour On Music Channels:	5 minutes of commercials per hour
Coverage:	Typical FM coverage
Monthly Price For A Single Subscription:	\$10.95 Per month

	Definitely Would Not Buy										Definitely Would Buy
Rating	0	1	2	3	4	5	6	7	8	9	10

**ILLUSTRATIVE CONJOINT ANALYSIS
STIMULUS CARD FOR SIRIUS
CARD: 16 BLOCK: 2**

A Satellite Radio Offering

<u>Types of Programming</u>	<u>Amount of Programming Available:</u>
Music Programming:	Substantially FEWER channels and LESS variety of music than currently offered
News Programming:	Substantially FEWER channels and LESS variety of news than currently offered
Sports Programming:	No sports programming
Talk and Entertainment:	The SAME number of channels and SAME variety of talk and entertainment as currently offered

<u>Other Features</u>	
Number of Minutes Of Commercials Per Hour On Music Channels:	2 minutes of commercials per hour
Coverage:	Complete nationwide coverage
Monthly Price For A Single Subscription:	\$12.95 Per month

	Definitely Would Not Buy										Definitely Would Buy									
Rating	0	1	2	3	4	5	6	7	8	9	10									

**ILLUSTRATIVE CONJOINT ANALYSIS
STIMULUS CARD FOR SIRIUS
CARD: 17 BLOCK: 3**

A Satellite Radio Offering

<u>Types of Programming</u>	<u>Amount of Programming Available:</u>
Music Programming:	Substantially MORE channels and MORE variety of music than currently offered
News Programming:	The SAME number of channels and SAME variety of news as currently offered
Sports Programming:	The SAME number of channels and SAME variety of sports as currently offered
Talk and Entertainment:	Substantially FEWER channels and LESS variety of talk and entertainment than currently offered

<u>Other Features</u>	
Number of Minutes Of Commercials Per Hour On Music Channels:	No Commercials
Coverage:	Typical FM coverage
Monthly Price For A Single Subscription:	\$12.95 Per month

	Definitely Would Not Buy									Definitely Would Buy	
Rating	0	1	2	3	4	5	6	7	8	9	10

**ILLUSTRATIVE CONJOINT ANALYSIS
STIMULUS CARD FOR SIRIUS
CARD: 18 BLOCK: 3**

A Satellite Radio Offering

<u>Types of Programming</u>	<u>Amount of Programming Available:</u>
Music Programming:	The SAME number of channels and SAME variety of music as currently offered
News Programming:	The SAME number of channels and SAME variety of news as currently offered
Sports Programming:	The SAME number of channels and SAME variety of sports as currently offered
Talk and Entertainment:	No talk and entertainment programming

<u>Other Features</u>	
Number of Minutes Of Commercials Per Hour On Music Channels:	12 minutes of commercials per hour
Coverage:	Typical FM coverage
Monthly Price For A Single Subscription:	\$10.95 Per month

	Definitely Would Not Buy										Definitely Would Buy									
Rating	0	1	2	3	4	5	6	7	8	9	10									

**ILLUSTRATIVE CONJOINT ANALYSIS
STIMULUS CARD FOR SIRIUS
CARD: 19 BLOCK: 3**

A Satellite Radio Offering

<u>Types of Programming</u>	<u>Amount of Programming Available:</u>
Music Programming:	The SAME number of channels and SAME variety of music as currently offered
News Programming:	Substantially MORE channels and MORE variety of news than currently offered
Sports Programming:	Substantially MORE channels and MORE variety of sports than currently offered
Talk and Entertainment:	Substantially FEWER channels and LESS variety of talk and entertainment than currently offered

<u>Other Features</u>	
Number of Minutes Of Commercials Per Hour On Music Channels:	2 minutes of commercials per hour
Coverage:	Complete nationwide coverage
Monthly Price For A Single Subscription:	\$14.95 Per month

	Definitely Would Not Buy										Definitely Would Buy				
Rating	0	1	2	3	4	5	6	7	8	9	10				

**ILLUSTRATIVE CONJOINT ANALYSIS
STIMULUS CARD FOR SIRIUS
CARD: 20 BLOCK: 3**

A Satellite Radio Offering

<u>Types of Programming</u>	<u>Amount of Programming Available:</u>
Music Programming:	No music programming
News Programming:	No news programming
Sports Programming:	No sports programming
Talk and Entertainment:	Substantially MORE channels and MORE variety of talk and entertainment than currently offered

<u>Other Features</u>	
Number of Minutes Of Commercials Per Hour On Music Channels:	Not applicable
Coverage:	Complete nationwide coverage
Monthly Price For A Single Subscription:	\$12.95 Per month

	Definitely Would Not <u>Buy</u>										Definitely Would <u>Buy</u>				
Rating	0	1	2	3	4	5	6	7	8	9	10				

**ILLUSTRATIVE CONJOINT ANALYSIS
STIMULUS CARD FOR SIRIUS
CARD: 21 BLOCK: 3**

A Satellite Radio Offering

<u>Types of Programming</u>	<u>Amount of Programming Available:</u>
Music Programming:	Substantially MORE channels and MORE variety of music than currently offered
News Programming:	Substantially MORE channels and MORE variety of news than currently offered
Sports Programming:	No sports programming
Talk and Entertainment:	The SAME number of channels and SAME variety of talk and entertainment as currently offered

<u>Other Features</u>	
Number of Minutes Of Commercials Per Hour On Music Channels:	No Commercials
Coverage:	Complete nationwide coverage
Monthly Price For A Single Subscription:	\$10.95 Per month

	Definitely Would Not Buy										Definitely Would Buy				
Rating	0	1	2	3	4	5	6	7	8	9	10				

**ILLUSTRATIVE CONJOINT ANALYSIS
STIMULUS CARD FOR SIRIUS
CARD: 22 BLOCK: 3**

A Satellite Radio Offering

<u>Types of Programming</u>	<u>Amount of Programming Available:</u>
Music Programming:	Substantially FEWER channels and LESS variety of music than currently offered
News Programming:	Substantially FEWER channels and LESS variety of news than currently offered
Sports Programming:	Substantially MORE channels and MORE variety of sports than currently offered
Talk and Entertainment:	Substantially MORE channels and MORE variety of talk and entertainment than currently offered

<u>Other Features</u>	
Number of Minutes Of Commercials Per Hour On Music Channels:	5 minutes of commercials per hour
Coverage:	Typical FM coverage
Monthly Price For A Single Subscription:	\$8.95 Per month

	Definitely Would Not Buy									Definitely Would Buy	
Rating	0	1	2	3	4	5	6	7	8	9	10

**ILLUSTRATIVE CONJOINT ANALYSIS
STIMULUS CARD FOR SIRIUS
CARD: 23 BLOCK: 3**

A Satellite Radio Offering

<u>Types of Programming</u>	<u>Amount of Programming Available:</u>
Music Programming:	No music programming
News Programming:	Substantially FEWER channels and LESS variety of news than currently offered
Sports Programming:	Substantially FEWER channels and LESS variety of sports than currently offered
Talk and Entertainment:	No talk and entertainment programming

<u>Other Features</u>	
Number of Minutes Of Commercials Per Hour On Music Channels:	Not applicable
Coverage:	Complete nationwide coverage
Monthly Price For A Single Subscription:	\$8.95 Per month

	Definitely Would Not Buy										Definitely Would Buy									
Rating	0	1	2	3	4	5	6	7	8	9	10									

**ILLUSTRATIVE CONJOINT ANALYSIS
STIMULUS CARD FOR SIRIUS
CARD: 24 BLOCK: 3**

A Satellite Radio Offering

<u>Types of Programming</u>	<u>Amount of Programming Available:</u>
Music Programming:	Substantially FEWER channels and LESS variety of music than currently offered
News Programming:	No news programming
Sports Programming:	Substantially FEWER channels and LESS variety of sports than currently offered
Talk and Entertainment:	The SAME number of channels and SAME variety of talk and entertainment as currently offered

<u>Other Features</u>	
Number of Minutes Of Commercials Per Hour On Music Channels:	2 minutes of commercials per hour
Coverage:	Typical FM coverage
Monthly Price For A Single Subscription:	\$14.95 Per month

	Definitely Would Not Buy										Definitely Would Buy									
Rating	0	1	2	3	4	5	6	7	8	9	10									

**ILLUSTRATIVE CONJOINT ANALYSIS
STIMULUS CARD FOR SIRIUS
CARD: 25 BLOCK: 4**

A Satellite Radio Offering

<u>Types of Programming</u>	<u>Amount of Programming Available:</u>
Music Programming:	No music programming
News Programming:	Substantially MORE channels and MORE variety of news than currently offered
Sports Programming:	Substantially FEWER channels and LESS variety of sports than currently offered
Talk and Entertainment:	The SAME number of channels and SAME variety of talk and entertainment as currently offered

<u>Other Features</u>	
Number of Minutes Of Commercials Per Hour On Music Channels:	Not applicable
Coverage:	Complete nationwide coverage
Monthly Price For A Single Subscription:	\$12.95 Per month

	Definitely Would Not Buy										Definitely Would Buy
Rating	0	1	2	3	4	5	6	7	8	9	10

**ILLUSTRATIVE CONJOINT ANALYSIS
STIMULUS CARD FOR SIRIUS
CARD: 26 BLOCK: 4**

A Satellite Radio Offering

<u>Types of Programming</u>	<u>Amount of Programming Available:</u>
Music Programming:	The SAME number of channels and SAME variety of music as currently offered
News Programming:	Substantially FEWER channels and LESS variety of news than currently offered
Sports Programming:	No sports programming
Talk and Entertainment:	Substantially MORE channels and MORE variety of talk and entertainment than currently offered

<u>Other Features</u>	
Number of Minutes Of Commercials Per Hour On Music Channels:	No Commercials
Coverage:	Typical FM coverage
Monthly Price For A Single Subscription:	\$14.95 Per month

	Definitely Would Not Buy									Definitely Would Buy	
Rating	0	1	2	3	4	5	6	7	8	9	10

**ILLUSTRATIVE CONJOINT ANALYSIS
STIMULUS CARD FOR SIRIUS
CARD: 27 BLOCK: 4**

A Satellite Radio Offering

<u>Types of Programming</u>	<u>Amount of Programming Available:</u>
Music Programming:	Substantially FEWER channels and LESS variety of music than currently offered
News Programming:	No news programming
Sports Programming:	The SAME number of channels and SAME variety of sports as currently offered
Talk and Entertainment:	Substantially FEWER channels and LESS variety of talk and entertainment than currently offered

<u>Other Features</u>	
Number of Minutes Of Commercials Per Hour On Music Channels:	12 minutes of commercials per hour
Coverage:	Typical FM coverage
Monthly Price For A Single Subscription:	\$8.95 Per month

	Definitely Would Not Buy									Definitely Would Buy	
Rating	0	1	2	3	4	5	6	7	8	9	10

**ILLUSTRATIVE CONJOINT ANALYSIS
STIMULUS CARD FOR SIRIUS
CARD: 28 BLOCK: 4**

A Satellite Radio Offering

<u>Types of Programming</u>	<u>Amount of Programming Available:</u>
Music Programming:	Substantially FEWER channels and LESS variety of music than currently offered
News Programming:	Substantially MORE channels and MORE variety of news than currently offered
Sports Programming:	The SAME number of channels and SAME variety of sports as currently offered
Talk and Entertainment:	No talk and entertainment programming

<u>Other Features</u>	
Number of Minutes Of Commercials Per Hour On Music Channels:	2 minutes of commercials per hour
Coverage:	Typical FM coverage
Monthly Price For A Single Subscription:	\$10.95 Per month

	Definitely Would Not Buy										Definitely Would Buy									
Rating	0	1	2	3	4	5	6	7	8	9	10									

**ILLUSTRATIVE CONJOINT ANALYSIS
STIMULUS CARD FOR SIRIUS
CARD: 29 BLOCK: 4**

A Satellite Radio Offering

<u>Types of Programming</u>	<u>Amount of Programming Available:</u>
Music Programming:	Substantially MORE channels and MORE variety of music than currently offered
News Programming:	The SAME number of channels and SAME variety of news as currently offered
Sports Programming:	Substantially FEWER channels and LESS variety of sports than currently offered
Talk and Entertainment:	Substantially MORE channels and MORE variety of talk and entertainment than currently offered

<u>Other Features</u>	
Number of Minutes Of Commercials Per Hour On Music Channels:	5 minutes of commercials per hour
Coverage:	Complete nationwide coverage
Monthly Price For A Single Subscription:	\$14.95 Per month

	Definitely Would Not Buy									Definitely Would Buy	
Rating	0	1	2	3	4	5	6	7	8	9	10

**ILLUSTRATIVE CONJOINT ANALYSIS
STIMULUS CARD FOR SIRIUS
CARD: 30 BLOCK: 4**

A Satellite Radio Offering

<u>Types of Programming</u>	<u>Amount of Programming Available:</u>
Music Programming:	The SAME number of channels and SAME variety of music as currently offered
News Programming:	Substantially FEWER channels and LESS variety of news than currently offered
Sports Programming:	No sports programming
Talk and Entertainment:	Substantially FEWER channels and LESS variety of talk and entertainment than currently offered

<u>Other Features</u>	
Number of Minutes Of Commercials Per Hour On Music Channels:	5 minutes of commercials per hour
Coverage:	Complete nationwide coverage
Monthly Price For A Single Subscription:	\$8.95 Per month

	Definitely Would Not Buy										Definitely Would Buy									
Rating	0	1	2	3	4	5	6	7	8	9	10									

**ILLUSTRATIVE CONJOINT ANALYSIS
STIMULUS CARD FOR SIRIUS
CARD: 31 BLOCK: 4**

A Satellite Radio Offering

<u>Types of Programming</u>	<u>Amount of Programming Available:</u>
Music Programming:	Substantially MORE channels and MORE variety of music than currently offered
News Programming:	No news programming
Sports Programming:	Substantially MORE channels and MORE variety of sports than currently offered
Talk and Entertainment:	No talk and entertainment programming

<u>Other Features</u>	
Number of Minutes Of Commercials Per Hour On Music Channels:	12 minutes of commercials per hour
Coverage:	Complete nationwide coverage
Monthly Price For A Single Subscription:	\$12.95 Per month

	Definitely Would Not Buy										Definitely Would Buy									
Rating	0	1	2	3	4	5	6	7	8	9	10									

**ILLUSTRATIVE CONJOINT ANALYSIS
STIMULUS CARD FOR SIRIUS
CARD: 32 BLOCK: 4**

A Satellite Radio Offering

<u>Types of Programming</u>	<u>Amount of Programming Available:</u>
Music Programming:	No music programming
News Programming:	The SAME number of channels and SAME variety of news as currently offered
Sports Programming:	Substantially MORE channels and MORE variety of sports than currently offered
Talk and Entertainment:	The SAME number of channels and SAME variety of talk and entertainment as currently offered

<u>Other Features</u>	
Number of Minutes Of Commercials Per Hour On Music Channels:	Not applicable
Coverage:	Typical FM coverage
Monthly Price For A Single Subscription:	\$10.95 Per month

	Definitely Would Not <u>Buy</u>								Definitely Would <u>Buy</u>			
Rating	0	1	2	3	4	5	6	7	8	9	10	

**ILLUSTRATIVE CONJOINT ANALYSIS
STIMULUS CARD FOR SIRIUS
CARD: 33 BLOCK: 5**

A Satellite Radio Offering

<u>Types of Programming</u>	<u>Amount of Programming Available:</u>
Music Programming:	No music programming
News Programming:	No news programming
Sports Programming:	No sports programming
Talk and Entertainment:	Substantially MORE channels and MORE variety of talk and entertainment than currently offered

<u>Other Features</u>	
Number of Minutes Of Commercials Per Hour On Music Channels:	Not applicable
Coverage:	Typical FM coverage
Monthly Price For A Single Subscription:	\$8.95 Per month

	Definitely Would Not <u>Buy</u>					Definitely Would <u>Buy</u>					
Rating	0	1	2	3	4	5	6	7	8	9	10

**ILLUSTRATIVE CONJOINT ANALYSIS
STIMULUS CARD FOR SIRIUS
CARD: 34 BLOCK: 5**

A Satellite Radio Offering

<u>Types of Programming</u>	<u>Amount of Programming Available:</u>
Music Programming:	Substantially FEWER channels and LESS variety of music than currently offered
News Programming:	Substantially FEWER channels and LESS variety of news than currently offered
Sports Programming:	The SAME number of channels and SAME variety of sports as currently offered
Talk and Entertainment:	Substantially FEWER channels and LESS variety of talk and entertainment than currently offered

<u>Other Features</u>	
Number of Minutes Of Commercials Per Hour On Music Channels:	No Commercials
Coverage:	Complete nationwide coverage
Monthly Price For A Single Subscription:	\$10.95 Per month

	Definitely Would Not <u>Buy</u>										Definitely Would <u>Buy</u>				
Rating	0	1	2	3	4	5	6	7	8	9	10				

**ILLUSTRATIVE CONJOINT ANALYSIS
STIMULUS CARD FOR SIRIUS
CARD: 35 BLOCK: 5**

A Satellite Radio Offering

<u>Types of Programming</u>	<u>Amount of Programming Available:</u>
Music Programming:	Substantially MORE channels and MORE variety of music than currently offered
News Programming:	Substantially FEWER channels and LESS variety of news than currently offered
Sports Programming:	Substantially MORE channels and MORE variety of sports than currently offered
Talk and Entertainment:	Substantially FEWER channels and LESS variety of talk and entertainment than currently offered

<u>Other Features</u>	
Number of Minutes Of Commercials Per Hour On Music Channels:	2 minutes of commercials per hour
Coverage:	Typical FM coverage
Monthly Price For A Single Subscription:	\$12.95 Per month

	Definitely Would Not Buy									Definitely Would Buy	
Rating	0	1	2	3	4	5	6	7	8	9	10

**ILLUSTRATIVE CONJOINT ANALYSIS
STIMULUS CARD FOR SIRIUS
CARD: 36 BLOCK: 5**

A Satellite Radio Offering

<u>Types of Programming</u>	<u>Amount of Programming Available:</u>
Music Programming:	The SAME number of channels and SAME variety of music as currently offered
News Programming:	Substantially MORE channels and MORE variety of news than currently offered
Sports Programming:	Substantially FEWER channels and LESS variety of sports than currently offered
Talk and Entertainment:	No talk and entertainment programming

<u>Other Features</u>	
Number of Minutes Of Commercials Per Hour On Music Channels:	2 minutes of commercials per hour
Coverage:	Complete nationwide coverage
Monthly Price For A Single Subscription:	\$8.95 Per month

	Definitely Would Not Buy										Definitely Would Buy									
Rating	0	1	2	3	4	5	6	7	8	9	10									

**ILLUSTRATIVE CONJOINT ANALYSIS
STIMULUS CARD FOR SIRIUS
CARD: 37 BLOCK: 5**

A Satellite Radio Offering

<u>Types of Programming</u>	<u>Amount of Programming Available:</u>
Music Programming:	Substantially FEWER channels and LESS variety of music than currently offered
News Programming:	The SAME number of channels and SAME variety of news as currently offered
Sports Programming:	Substantially MORE channels and MORE variety of sports than currently offered
Talk and Entertainment:	Substantially MORE channels and MORE variety of talk and entertainment than currently offered

<u>Other Features</u>	
Number of Minutes Of Commercials Per Hour On Music Channels:	12 minutes of commercials per hour
Coverage:	Complete nationwide coverage
Monthly Price For A Single Subscription:	\$14.95 Per month

	Definitely Would Not <u>Buy</u>										Definitely Would <u>Buy</u>		
Rating	0	1	2	3	4	5	6	7	8	9	10		

**ILLUSTRATIVE CONJOINT ANALYSIS
STIMULUS CARD FOR SIRIUS
CARD: 38 BLOCK: 5**

A Satellite Radio Offering

<u>Types of Programming</u>	<u>Amount of Programming Available:</u>
Music Programming:	No music programming
News Programming:	The SAME number of channels and SAME variety of news as currently offered
Sports Programming:	No sports programming
Talk and Entertainment:	No talk and entertainment programming

<u>Other Features</u>	
Number of Minutes Of Commercials Per Hour On Music Channels:	Not applicable
Coverage:	Typical FM coverage
Monthly Price For A Single Subscription:	\$10.95 Per month

	Definitely Would Not Buy										Definitely Would Buy									
Rating	0	1	2	3	4	5	6	7	8	9	10									

**ILLUSTRATIVE CONJOINT ANALYSIS
STIMULUS CARD FOR SIRIUS
CARD: 39 BLOCK: 5**

A Satellite Radio Offering

<u>Types of Programming</u>	<u>Amount of Programming Available:</u>
Music Programming:	The SAME number of channels and SAME variety of music as currently offered
News Programming:	No news programming
Sports Programming:	Substantially FEWER channels and LESS variety of sports than currently offered
Talk and Entertainment:	The SAME number of channels and SAME variety of talk and entertainment as currently offered

<u>Other Features</u>	
Number of Minutes Of Commercials Per Hour On Music Channels:	5 minutes of commercials per hour
Coverage:	Typical FM coverage
Monthly Price For A Single Subscription:	\$14.95 Per month

	Definitely Would Not Buy										Definitely Would Buy
Rating	0	1	2	3	4	5	6	7	8	9	10

**ILLUSTRATIVE CONJOINT ANALYSIS
STIMULUS CARD FOR SIRIUS
CARD: 40 BLOCK: 5**

A Satellite Radio Offering

<u>Types of Programming</u>	<u>Amount of Programming Available:</u>
Music Programming:	Substantially MORE channels and MORE variety of music than currently offered
News Programming:	Substantially MORE channels and MORE variety of news than currently offered
Sports Programming:	The SAME number of channels and SAME variety of sports as currently offered
Talk and Entertainment:	The SAME number of channels and SAME variety of talk and entertainment as currently offered

<u>Other Features</u>	
Number of Minutes Of Commercials Per Hour On Music Channels:	5 minutes of commercials per hour
Coverage:	Complete nationwide coverage
Monthly Price For A Single Subscription:	\$12.95 Per month

	Definitely Would Not Buy										Definitely Would Buy									
Rating	0	1	2	3	4	5	6	7	8	9	10									

**ILLUSTRATIVE CONJOINT ANALYSIS
STIMULUS CARD FOR SIRIUS
CARD: 41 BLOCK: 6**

A Satellite Radio Offering

<u>Types of Programming</u>	<u>Amount of Programming Available:</u>
Music Programming:	Substantially MORE channels and MORE variety of music than currently offered
News Programming:	Substantially FEWER channels and LESS variety of news than currently offered
Sports Programming:	Substantially FEWER channels and LESS variety of sports than currently offered
Talk and Entertainment:	The SAME number of channels and SAME variety of talk and entertainment as currently offered

<u>Other Features</u>	
Number of Minutes Of Commercials Per Hour On Music Channels:	12 minutes of commercials per hour
Coverage:	Typical FM coverage
Monthly Price For A Single Subscription:	\$10.95 Per month

	Definitely Would Not Buy									Definitely Would Buy	
Rating	0	1	2	3	4	5	6	7	8	9	10

**ILLUSTRATIVE CONJOINT ANALYSIS
STIMULUS CARD FOR SIRIUS
CARD: 42 BLOCK: 6**

A Satellite Radio Offering

<u>Types of Programming</u>	<u>Amount of Programming Available:</u>
Music Programming:	Substantially FEWER channels and LESS variety of music than currently offered
News Programming:	Substantially MORE channels and MORE variety of news than currently offered
Sports Programming:	Substantially FEWER channels and LESS variety of sports than currently offered
Talk and Entertainment:	No talk and entertainment programming

<u>Other Features</u>	
Number of Minutes Of Commercials Per Hour On Music Channels:	5 minutes of commercials per hour
Coverage:	Typical FM coverage
Monthly Price For A Single Subscription:	\$12.95 Per month

	Definitely Would Not Buy										Definitely Would Buy									
Rating	0	1	2	3	4	5	6	7	8	9	10									

**ILLUSTRATIVE CONJOINT ANALYSIS
STIMULUS CARD FOR SIRIUS
CARD: 43 BLOCK: 6**

A Satellite Radio Offering

<u>Types of Programming</u>	<u>Amount of Programming Available:</u>
Music Programming:	No music programming
News Programming:	No news programming
Sports Programming:	Substantially MORE channels and MORE variety of sports than currently offered
Talk and Entertainment:	Substantially FEWER channels and LESS variety of talk and entertainment than currently offered

<u>Other Features</u>	
Number of Minutes Of Commercials Per Hour On Music Channels:	Not applicable
Coverage:	Complete nationwide coverage
Monthly Price For A Single Subscription:	\$14.95 Per month

	Definitely Would Not Buy										Definitely Would Buy									
Rating	0	1	2	3	4	5	6	7	8	9	10									

**ILLUSTRATIVE CONJOINT ANALYSIS
STIMULUS CARD FOR SIRIUS
CARD: 44 BLOCK: 6**

A Satellite Radio Offering

<u>Types of Programming</u>	<u>Amount of Programming Available:</u>
Music Programming:	The SAME number of channels and SAME variety of music as currently offered
News Programming:	Substantially MORE channels and MORE variety of news than currently offered
Sports Programming:	The SAME number of channels and SAME variety of sports as currently offered
Talk and Entertainment:	Substantially MORE channels and MORE variety of talk and entertainment than currently offered

<u>Other Features</u>	
Number of Minutes Of Commercials Per Hour On Music Channels:	No Commercials
Coverage:	Typical FM coverage
Monthly Price For A Single Subscription:	\$10.95 Per month

	Definitely Would Not Buy									Definitely Would Buy	
Rating	0	1	2	3	4	5	6	7	8	9	10

**ILLUSTRATIVE CONJOINT ANALYSIS
STIMULUS CARD FOR SIRIUS
CARD: 45 BLOCK: 6**

A Satellite Radio Offering

<u>Types of Programming</u>	<u>Amount of Programming Available:</u>
Music Programming:	No music programming
News Programming:	No news programming
Sports Programming:	The SAME number of channels and SAME variety of sports as currently offered
Talk and Entertainment:	Substantially FEWER channels and LESS variety of talk and entertainment than currently offered

<u>Other Features</u>	
Number of Minutes Of Commercials Per Hour On Music Channels:	Not applicable
Coverage:	Complete nationwide coverage
Monthly Price For A Single Subscription:	\$8.95 Per month

	Definitely Would Not Buy									Definitely Would Buy	
Rating	0	1	2	3	4	5	6	7	8	9	10

**ILLUSTRATIVE CONJOINT ANALYSIS
STIMULUS CARD FOR SIRIUS
CARD: 46 BLOCK: 6**

A Satellite Radio Offering

<u>Types of Programming</u>	<u>Amount of Programming Available:</u>
Music Programming:	Substantially MORE channels and MORE variety of music than currently offered
News Programming:	The SAME number of channels and SAME variety of news as currently offered
Sports Programming:	No sports programming
Talk and Entertainment:	No talk and entertainment programming

<u>Other Features</u>	
Number of Minutes Of Commercials Per Hour On Music Channels:	2 minutes of commercials per hour
Coverage:	Typical FM coverage
Monthly Price For A Single Subscription:	\$14.95 Per month

	Definitely Would Not <u>Buy</u>						Definitely Would <u>Buy</u>				
Rating	0	1	2	3	4	5	6	7	8	9	10

**ILLUSTRATIVE CONJOINT ANALYSIS
STIMULUS CARD FOR SIRIUS
CARD: 47 BLOCK: 6**

A Satellite Radio Offering

<u>Types of Programming</u>	<u>Amount of Programming Available:</u>
Music Programming:	Substantially FEWER channels and LESS variety of music than currently offered
News Programming:	The SAME number of channels and SAME variety of news as currently offered
Sports Programming:	Substantially MORE channels and MORE variety of sports than currently offered
Talk and Entertainment:	Substantially MORE channels and MORE variety of talk and entertainment than currently offered

<u>Other Features</u>	
Number of Minutes Of Commercials Per Hour On Music Channels:	No Commercials
Coverage:	Complete nationwide coverage
Monthly Price For A Single Subscription:	\$12.95 Per month

	Definitely Would Not Buy										Definitely Would Buy									
Rating	0	1	2	3	4	5	6	7	8	9	10									

**ILLUSTRATIVE CONJOINT ANALYSIS
STIMULUS CARD FOR SIRIUS
CARD: 48 BLOCK: 6**

A Satellite Radio Offering

<u>Types of Programming</u>	<u>Amount of Programming Available:</u>
Music Programming:	The SAME number of channels and SAME variety of music as currently offered
News Programming:	Substantially FEWER channels and LESS variety of news than currently offered
Sports Programming:	No sports programming
Talk and Entertainment:	The SAME number of channels and SAME variety of talk and entertainment as currently offered

<u>Other Features</u>	
Number of Minutes Of Commercials Per Hour On Music Channels:	12 minutes of commercials per hour
Coverage:	Complete nationwide coverage
Monthly Price For A Single Subscription:	\$8.95 Per month

	Definitely Would Not Buy										Definitely Would Buy
Rating	0	1	2	3	4	5	6	7	8	9	10

**ILLUSTRATIVE CONJOINT ANALYSIS
STIMULUS CARD FOR SIRIUS
CARD: 49 BLOCK: 7**

A Satellite Radio Offering

<u>Types of Programming</u>	<u>Amount of Programming Available:</u>
Music Programming:	No music programming
News Programming:	Substantially MORE channels and MORE variety of news than currently offered
Sports Programming:	The SAME number of channels and SAME variety of sports as currently offered
Talk and Entertainment:	Substantially MORE channels and MORE variety of talk and entertainment than currently offered

<u>Other Features</u>	
Number of Minutes Of Commercials Per Hour On Music Channels:	Not applicable
Coverage:	Typical FM coverage
Monthly Price For A Single Subscription:	\$14.95 Per month

	Definitely Would Not Buy									Definitely Would Buy	
Rating	0	1	2	3	4	5	6	7	8	9	10

**ILLUSTRATIVE CONJOINT ANALYSIS
STIMULUS CARD FOR SIRIUS
CARD: 50 BLOCK: 7**

A Satellite Radio Offering

<u>Types of Programming</u>	<u>Amount of Programming Available:</u>
Music Programming:	No music programming
News Programming:	The SAME number of channels and SAME variety of news as currently offered
Sports Programming:	No sports programming
Talk and Entertainment:	Substantially FEWER channels and LESS variety of talk and entertainment than currently offered

<u>Other Features</u>	
Number of Minutes Of Commercials Per Hour On Music Channels:	Not applicable
Coverage:	Complete nationwide coverage
Monthly Price For A Single Subscription:	\$10.95 Per month

	Definitely Would Not Buy										Definitely Would Buy
Rating	0	1	2	3	4	5	6	7	8	9	10

**ILLUSTRATIVE CONJOINT ANALYSIS
STIMULUS CARD FOR SIRIUS
CARD: 51 BLOCK: 7**

A Satellite Radio Offering

<u>Types of Programming</u>	<u>Amount of Programming Available:</u>
Music Programming:	Substantially MORE channels and MORE variety of music than currently offered
News Programming:	Substantially FEWER channels and LESS variety of news than currently offered
Sports Programming:	Substantially FEWER channels and LESS variety of sports than currently offered
Talk and Entertainment:	Substantially FEWER channels and LESS variety of talk and entertainment than currently offered

<u>Other Features</u>	
Number of Minutes Of Commercials Per Hour On Music Channels:	No Commercials
Coverage:	Typical FM coverage
Monthly Price For A Single Subscription:	\$14.95 Per month

	Definitely Would Not Buy									Definitely Would Buy	
Rating	0	1	2	3	4	5	6	7	8	9	10

**ILLUSTRATIVE CONJOINT ANALYSIS
STIMULUS CARD FOR SIRIUS
CARD: 52 BLOCK: 7**

A Satellite Radio Offering

<u>Types of Programming</u>	<u>Amount of Programming Available:</u>
Music Programming:	Substantially FEWER channels and LESS variety of music than currently offered
News Programming:	No news programming
Sports Programming:	Substantially MORE channels and MORE variety of sports than currently offered
Talk and Entertainment:	The SAME number of channels and SAME variety of talk and entertainment as currently offered

<u>Other Features</u>	
Number of Minutes Of Commercials Per Hour On Music Channels:	12 minutes of commercials per hour
Coverage:	Complete nationwide coverage
Monthly Price For A Single Subscription:	\$10.95 Per month

	Definitely Would Not Buy										Definitely Would Buy									
Rating	0	1	2	3	4	5	6	7	8	9	10									

**ILLUSTRATIVE CONJOINT ANALYSIS
STIMULUS CARD FOR SIRIUS
CARD: 53 BLOCK: 7**

A Satellite Radio Offering

<u>Types of Programming</u>	<u>Amount of Programming Available:</u>
Music Programming:	The SAME number of channels and SAME variety of music as currently offered
News Programming:	No news programming
Sports Programming:	No sports programming
Talk and Entertainment:	No talk and entertainment programming

<u>Other Features</u>	
Number of Minutes Of Commercials Per Hour On Music Channels:	2 minutes of commercials per hour
Coverage:	Typical FM coverage
Monthly Price For A Single Subscription:	\$12.95 Per month

	Definitely Would Not <u>Buy</u>					Definitely Would <u>Buy</u>					
Rating	0	1	2	3	4	5	6	7	8	9	10

**ILLUSTRATIVE CONJOINT ANALYSIS
STIMULUS CARD FOR SIRIUS
CARD: 54 BLOCK: 7**

A Satellite Radio Offering

<u>Types of Programming</u>	<u>Amount of Programming Available:</u>
Music Programming:	Substantially FEWER channels and LESS variety of music than currently offered
News Programming:	Substantially FEWER channels and LESS variety of news than currently offered
Sports Programming:	The SAME number of channels and SAME variety of sports as currently offered
Talk and Entertainment:	No talk and entertainment programming

<u>Other Features</u>	
Number of Minutes Of Commercials Per Hour On Music Channels:	5 minutes of commercials per hour
Coverage:	Complete nationwide coverage
Monthly Price For A Single Subscription:	\$12.95 Per month

	Definitely Would Not Buy									Definitely Would Buy	
Rating	0	1	2	3	4	5	6	7	8	9	10

**ILLUSTRATIVE CONJOINT ANALYSIS
STIMULUS CARD FOR SIRIUS
CARD: 55 BLOCK: 7**

A Satellite Radio Offering

<u>Types of Programming</u>	<u>Amount of Programming Available:</u>
Music Programming:	Substantially MORE channels and MORE variety of music than currently offered
News Programming:	Substantially MORE channels and MORE variety of news than currently offered
Sports Programming:	Substantially FEWER channels and LESS variety of sports than currently offered
Talk and Entertainment:	Substantially MORE channels and MORE variety of talk and entertainment than currently offered

<u>Other Features</u>	
Number of Minutes Of Commercials Per Hour On Music Channels:	2 minutes of commercials per hour
Coverage:	Complete nationwide coverage
Monthly Price For A Single Subscription:	\$8.95 Per month

	Definitely Would Not Buy									Definitely Would Buy	
Rating	0	1	2	3	4	5	6	7	8	9	10

**ILLUSTRATIVE CONJOINT ANALYSIS
STIMULUS CARD FOR SIRIUS
CARD: 56 BLOCK: 7**

A Satellite Radio Offering

<u>Types of Programming</u>	<u>Amount of Programming Available:</u>
Music Programming:	The SAME number of channels and SAME variety of music as currently offered
News Programming:	The SAME number of channels and SAME variety of news as currently offered
Sports Programming:	Substantially MORE channels and MORE variety of sports than currently offered
Talk and Entertainment:	The SAME number of channels and SAME variety of talk and entertainment as currently offered

<u>Other Features</u>	
Number of Minutes Of Commercials Per Hour On Music Channels:	No Commercials
Coverage:	Typical FM coverage
Monthly Price For A Single Subscription:	\$8.95 Per month

	Definitely Would Not Buy										Definitely Would Buy				
Rating	0	1	2	3	4	5	6	7	8	9	10				

**ILLUSTRATIVE CONJOINT ANALYSIS
STIMULUS CARD FOR SIRIUS
CARD: 57 BLOCK: 8**

A Satellite Radio Offering

<u>Types of Programming</u>	<u>Amount of Programming Available:</u>
Music Programming:	Substantially MORE channels and MORE variety of music than currently offered
News Programming:	The SAME number of channels and SAME variety of news as currently offered
Sports Programming:	The SAME number of channels and SAME variety of sports as currently offered
Talk and Entertainment:	Substantially MORE channels and MORE variety of talk and entertainment than currently offered

<u>Other Features</u>	
Number of Minutes Of Commercials Per Hour On Music Channels:	2 minutes of commercials per hour
Coverage:	Complete nationwide coverage
Monthly Price For A Single Subscription:	\$8.95 Per month

	Definitely Would Not Buy										Definitely Would Buy									
Rating	0	1	2	3	4	5	6	7	8	9	10									

**ILLUSTRATIVE CONJOINT ANALYSIS
STIMULUS CARD FOR SIRIUS
CARD: 58 BLOCK: 8**

A Satellite Radio Offering

<u>Types of Programming</u>	<u>Amount of Programming Available:</u>
Music Programming:	No music programming
News Programming:	Substantially MORE channels and MORE variety of news than currently offered
Sports Programming:	Substantially MORE channels and MORE variety of sports than currently offered
Talk and Entertainment:	No talk and entertainment programming

<u>Other Features</u>	
Number of Minutes Of Commercials Per Hour On Music Channels:	Not applicable
Coverage:	Typical FM coverage
Monthly Price For A Single Subscription:	\$14.95 Per month

	Definitely Would Not Buy										Definitely Would Buy	
Rating	0	1	2	3	4	5	6	7	8	9	10	

**ILLUSTRATIVE CONJOINT ANALYSIS
STIMULUS CARD FOR SIRIUS
CARD: 59 BLOCK: 8**

A Satellite Radio Offering

<u>Types of Programming</u>	<u>Amount of Programming Available:</u>
Music Programming:	Substantially FEWER channels and LESS variety of music than currently offered
News Programming:	No news programming
Sports Programming:	Substantially FEWER channels and LESS variety of sports than currently offered
Talk and Entertainment:	Substantially FEWER channels and LESS variety of talk and entertainment than currently offered

<u>Other Features</u>	
Number of Minutes Of Commercials Per Hour On Music Channels:	No Commercials
Coverage:	Typical FM coverage
Monthly Price For A Single Subscription:	\$10.95 Per month

	Definitely Would Not Buy										Definitely Would Buy
Rating	0	1	2	3	4	5	6	7	8	9	10

**ILLUSTRATIVE CONJOINT ANALYSIS
STIMULUS CARD FOR SIRIUS
CARD: 60 BLOCK: 8**

A Satellite Radio Offering

<u>Types of Programming</u>	<u>Amount of Programming Available:</u>
Music Programming:	No music programming
News Programming:	Substantially FEWER channels and LESS variety of news than currently offered
Sports Programming:	Substantially MORE channels and MORE variety of sports than currently offered
Talk and Entertainment:	No talk and entertainment programming

<u>Other Features</u>	
Number of Minutes Of Commercials Per Hour On Music Channels:	Not applicable
Coverage:	Complete nationwide coverage
Monthly Price For A Single Subscription:	\$10.95 Per month

	Definitely Would Not Buy										Definitely Would Buy									
Rating	0	1	2	3	4	5	6	7	8	9	10									

**ILLUSTRATIVE CONJOINT ANALYSIS
STIMULUS CARD FOR SIRIUS
CARD: 61 BLOCK: 8**

A Satellite Radio Offering

<u>Types of Programming</u>	<u>Amount of Programming Available:</u>
Music Programming:	The SAME number of channels and SAME variety of music as currently offered
News Programming:	Substantially FEWER channels and LESS variety of news than currently offered
Sports Programming:	The SAME number of channels and SAME variety of sports as currently offered
Talk and Entertainment:	The SAME number of channels and SAME variety of talk and entertainment as currently offered

<u>Other Features</u>	
Number of Minutes Of Commercials Per Hour On Music Channels:	2 minutes of commercials per hour
Coverage:	Complete nationwide coverage
Monthly Price For A Single Subscription:	\$14.95 Per month

	Definitely Would Not Buy										Definitely Would Buy				
Rating	0	1	2	3	4	5	6	7	8	9	10				

**ILLUSTRATIVE CONJOINT ANALYSIS
STIMULUS CARD FOR SIRIUS
CARD: 62 BLOCK: 8**

A Satellite Radio Offering

<u>Types of Programming</u>	<u>Amount of Programming Available:</u>
Music Programming:	The SAME number of channels and SAME variety of music as currently offered
News Programming:	The SAME number of channels and SAME variety of news as currently offered
Sports Programming:	Substantially FEWER channels and LESS variety of sports than currently offered
Talk and Entertainment:	Substantially FEWER channels and LESS variety of talk and entertainment than currently offered

<u>Other Features</u>	
Number of Minutes Of Commercials Per Hour On Music Channels:	12 minutes of commercials per hour
Coverage:	Complete nationwide coverage
Monthly Price For A Single Subscription:	\$12.95 Per month

	Definitely Would Not Buy										Definitely Would Buy									
Rating	0	1	2	3	4	5	6	7	8	9	10									

**ILLUSTRATIVE CONJOINT ANALYSIS
STIMULUS CARD FOR SIRIUS
CARD: 63 BLOCK: 8**

A Satellite Radio Offering

<u>Types of Programming</u>	<u>Amount of Programming Available:</u>
Music Programming:	Substantially MORE channels and MORE variety of music than currently offered
News Programming:	No news programming
Sports Programming:	No sports programming
Talk and Entertainment:	The SAME number of channels and SAME variety of talk and entertainment as currently offered

<u>Other Features</u>	
Number of Minutes Of Commercials Per Hour On Music Channels:	5 minutes of commercials per hour
Coverage:	Typical FM coverage
Monthly Price For A Single Subscription:	\$12.95 Per month

	Definitely Would Not Buy										Definitely Would Buy				
Rating	0	1	2	3	4	5	6	7	8	9	10				

**ILLUSTRATIVE CONJOINT ANALYSIS
STIMULUS CARD FOR SIRIUS
CARD: 64 BLOCK: 8**

A Satellite Radio Offering

<u>Types of Programming</u>	<u>Amount of Programming Available:</u>
Music Programming:	Substantially FEWER channels and LESS variety of music than currently offered
News Programming:	Substantially MORE channels and MORE variety of news than currently offered
Sports Programming:	No sports programming
Talk and Entertainment:	Substantially MORE channels and MORE variety of talk and entertainment than currently offered

<u>Other Features</u>	
Number of Minutes Of Commercials Per Hour On Music Channels:	12 minutes of commercials per hour
Coverage:	Typical FM coverage
Monthly Price For A Single Subscription:	\$8.95 Per month

	Definitely Would Not Buy										Definitely Would Buy									
Rating	0	1	2	3	4	5	6	7	8	9	10									

**ILLUSTRATIVE CONJOINT ANALYSIS
STIMULUS CARD FOR SIRIUS
CARD: 65 BLOCK: 9**

A Satellite Radio Offering

<u>Types of Programming</u>	<u>Amount of Programming Available:</u>
Music Programming:	The SAME number of channels and SAME variety of music as currently offered
News Programming:	The SAME number of channels and SAME variety of news as currently offered
Sports Programming:	The SAME number of channels and SAME variety of sports as currently offered
Talk and Entertainment:	The SAME number of channels and SAME variety of talk and entertainment as currently offered

<u>Other Features</u>	
Number of Minutes Of Commercials Per Hour On Music Channels:	No Commercials
Coverage:	Complete nationwide coverage
Monthly Price For A Single Subscription:	\$12.95 Per month

	Definitely Would Not Buy										Definitely Would Buy		
Rating	0	1	2	3	4	5	6	7	8	9	10		

**ILLUSTRATIVE CONJOINT ANALYSIS
STIMULUS CARD FOR SIRIUS
CARD: 66 BLOCK: 9**

A Satellite Radio Offering

<u>Types of Programming</u>	<u>Amount of Programming Available:</u>
Music Programming:	No music programming
News Programming:	The SAME number of channels and SAME variety of news as currently offered
Sports Programming:	The SAME number of channels and SAME variety of sports as currently offered
Talk and Entertainment:	The SAME number of channels and SAME variety of talk and entertainment as currently offered

<u>Other Features</u>	
Number of Minutes Of Commercials Per Hour On Music Channels:	Not applicable
Coverage:	Complete nationwide coverage
Monthly Price For A Single Subscription:	\$12.95 Per month

	Definitely Would Not <u>Buy</u>					Definitely Would <u>Buy</u>					
Rating	0	1	2	3	4	5	6	7	8	9	10

APPENDIX E

FIELD INSTRUCTIONS



Data Development **Worldwide**

120 Fifth Avenue
New York, NY 10011
T: 212. 633. 1100
Field Fax: 212. 633. 6621
www.dataadw.com

#02-629

SATELLITE RADIO STUDY INTERVIEWER INSTRUCTIONS

STUDY DESIGN: This is a Central Location, computer assisted personal interview about satellite radio.

Potential respondents will be screened on the mall with answers and terminations recorded on a hard copy (paper) screener. Qualified respondents will then be interviewed in your facility with answers recorded directly into a CAPI Program using a personal computer with a mouse and high-speed access.

**RESPONDENT
ELIGIBILITY:**

Eligible respondents for this study are males and females who:

- do not have a language/hearing problem or appear intoxicated (**Q. A**).
- do not know you (**Q. B**).
- do not, nor does any member of their immediate household, work for any of the boxed industries (**Q. C**).
- have not participated in **any** marketing research survey other than a political poll in the past three months (**Q. D**).
- are at least 18 years of age (**Q. E**)
- must have a boxed answer: make or take part in making decision to subscribe to satellite radio (**Q. F**)
- must currently subscribe or household currently subscribe to satellite radio or considering subscribing (**Q. G/H – I/J**)
- know which satellite radio service they currently subscribe to (**Q. K**)
- if they usually wear glasses or contact lenses when they read, are wearing the contacts or have the glasses with them (**Q. M/N**)
- are willing to participate (**Q. P**)
- are willing to give their full name, address and TELEPHONE NUMBER (**Q. Q**)

Note: There can only be one respondent from a household.

**SCREENING
QUOTA:**

For this study, you will be assigned an **INITIAL SCREENING QUOTA**. This quota will be by age. There is **NO** quota for completed Main Questionnaires by age. You will simply take those "as they fall".

Your Initial Screening Quotas will be assigned by your supervisor.

If we fall short of the number of completed interviews we expect, we will ask you to do additional Screenings in the same age proportions.

All Screeners must be returned to **DDW** including those with only terminations which do not result in a completed interview ("Screener only").

SCREENER: The paper Screeners will be used to screen respondent on the mall.

* **DO NOT RECORD TERMINATIONS ON TALLY SHEETS; THEY MUST BE RECORDED DIRECTLY ON TO SCREENERS.**

QUOTA: See Quota Sheet.

MATERIALS:

1. Screeners - White
2. Programming Guide – XM Blue and Sirius Yellow
3. Main Questionnaire (For Reference Only)
4. Daily Report Forms
5. Validation Sheets (To be mailed to the malls)
6. Quota Assignment Sheets
7. Computer Program with Stimuli and Survey (to be e-mailed to the malls)
8. CAPI Instructions
9. Affidavit Page to be Signed By Each Interviewer and Respondent

**RECORDING
OPEN-END
RESPONSES:**

You must record the respondents' answers verbatim. The accurate recording of answers is vital to the study design. Never abbreviate or paraphrase a respondent's answer. Never leave off any letter(s) at the end of any word(s). Always record exactly what the respondent says. Use probes that are not leading such as: "Anything else"? Whenever probing, be sure to write the letter (P) before the response. Do not guess. If you are unclear, ask the respondent to repeat the answer.

**PRACTICE
INTERVIEW:**

Each interviewer working on this study is to complete a practice interview. Be sure all skip patterns are followed and that you completely understand how to administer the questionnaire. If you have any questions, ask your supervisor immediately.

Be certain also that you understand the screening/recruiting methodology and the recording of terminations on the Screener.

**POTENTIAL
PROBLEMS:**

If you have any problems or questions, or anything isn't clear, or if a respondent expresses a problem or concern, please tell your supervisor immediately.

DAILY REPORT: It is very important that the Report Form be filled out accurately and that each item is totaled correctly.

VALIDATIONS:

DDW conducts a **100%** telephone validation on all completed interviews. Therefore, we are enclosing Validation Forms and ask that you (the interviewer) fill out your own Validation Forms.

Record information for all respondents who completed an interview.

Validation Forms must be filled out in BLACK ink and you are to follow the procedures listed below:

1. Record the area code, city, and your name (BOTH PRINTED AND SIGNED), the name of the Field Service and the total number of completed interviews.
2. Record the respondent's name, company name, address, telephone number and the date the interview took place for 100% of the interviews conducted by you. **NOTE: IT IS VERY IMPORTANT THAT YOU RECORD PHONE NUMBERS ACCURATELY AND LEGIBLY.**
3. Record the questionnaire # (found on the first page of the screening) in "respondent #" column.
4. You must record the exact time the interview began and ended in the appropriate column.
5. Be sure to write in the correct code for the respondent's quota.

You MUST have a valid telephone number for each respondent. You must confirm that the number is a working number. Interviews for respondents we cannot reach to validate may be pulled from the study.

SPECIFIC QUESTIONNAIRE INSTRUCTIONS

Do not forget to record the time the screening interview begins and main interview ends in the upper right hand corner of the screening questionnaire.

Read all questions verbatim. Please do not paraphrase a question or reword it. If a respondent doesn't understand something, simply reread the question slowly and carefully. If at any time the respondent seems not to understand the meaning of a particular question, do not attempt to interpret the meaning; reread the question from the questionnaire.

Detailed instructions appear on the questionnaire itself so we have covered below only those questions where further explanation was thought to be necessary.

SCREENING QUESTIONNAIRE

**SCREENING
RECORDING:**

We use the following procedures on our studies to establish accurate incidence rates. You will record your ineligible respondents on the Screening Questionnaire.

You will note that there are boxes under the termination points. These boxes contain a series of printed numbers.

If, when you administer a screening questionnaire, the respondent is ineligible, you will record this on the screening questionnaire itself by circling the first available number in the appropriate box below the question where the respondent terminates. Erase answers previously given by that respondent and re-use the screener. **DO NOT EVER** erase circles previously placed on the termination boxes.

Q. A-D: If respondent has a language problem or knows the interviewer, is in a related field or has done a survey other than political in the past 3 months, **TERMINATE**.

Q. E: If respondent is under 18 years of age or is in an over quota for a specific age, **TERMINATE**.

Q. F: If respondent has no part of the decision to subscribe to satellite radio, **TERMINATE**.

Q. G/H & I/J: If respondent or their household does not currently subscribe to satellite radio or would not consider subscribing to satellite radio, **TERMINATE**.

Q. K: If respondent does not know which satellite radio service they or their household subscribe to, **TERMINATE**.

Q. M/N: If respondent wears glasses or contact lenses and they don't have them with them, **TERMINATE**.

Q. P: If respondent refuses to participate, **TERMINATE**.

Q. Q: If respondent refuses to give a phone number, **TERMINATE**.

MAIN QUESTIONNAIRE

There are four versions of the Main Questionnaire:

Subscribe

- Sirius Version
- XM Version

Considering Subscribing

- Sirius Version
- XM Version

(INTERVIEWER: RECORD ANSWERS FROM PAPER SCREENER INTO PROGRAM AND THE COMPUTER WILL TAKE YOU TO THE VERSION THE RESPONDENT QUALIFIES FOR. DURING THE INTERVIEW THE COMPUTER WILL CHOOSE THE QUESTIONS TO BE ASKED.)

READ AND RECORD THE ANSWERS TO Q. 1a-3b. THIS PART IS NOT SELF-ADMINISTERED.

Q. 1a: Read question. Record answer verbatim.

Q. 1b: Probe for any other reasons. Record verbatim.

Q. 2a: Read question. Record answer verbatim.

Q. 2b: Probe for any other reasons. Record verbatim.

Q. 3a: **ONLY ON SUBSCRIBER.** Read question. Record answer verbatim.

Q. 3b: **ONLY ON SUBSCRIBER.** Probe for any other reasons. Record verbatim.

NOTE: IF RESPONDENT ASKS WHAT IS MEANT BY PROGRAMMING, SAY:

By programming we mean both categories of programs or specific programs or channels.

INTERVIEWER: HAVE THE RESPONDENT SIT IN FRONT OF COMPUTER AND ANSWER QUESTIONS TO THE REMAINDER OF THE SURVEY HIM/HERSELF. BE SURE TO SIT WITH THE RESPONDENT WHILE HE/SHE IS ANSWERING IN CASE HE/SHE HAS ANY QUESTIONS.

IF THE RESPONDENT PREFERS, HAVE HIM/HER READ THE QUESTIONS ON THE SCREEN, BUT YOU WILL ENTER THE ANSWERS.

RECORD:

- 1 Respondent entering answers
- 2 Interviewer entering answers

**MAIN QUESTIONNAIRE
(Continued)**

- Q. 4:** Read question. If it is unclear, repeat question. Record an answer for each. Total must equal 100. If respondent needs help in classifying a specific type of programming refer to Programming Channel Guide. For XM use blue and for Sirius use Yellow.
- Q. 5:** Read question. If it is unclear, repeat question. Record one answer for each option.
- Q. 6a:** Read question. Record one answer for each question.
- Q. 6b:** Read question. Record one answer for each option.
- Q. 6c:** Read question. Record all mentions.
- Q. 7:** Read question. Record an answer for each. Total must equal 100.
- Q. 8:** **(ONLY ON SUBSCRIBER)** Read question. Record an answer for each. Total must equal 100.
- Q. 9a/b:** Ask Q's. 9a & 9b for each programming type before going on to the next type. Q. 9b will only be asked for those answered "Yes" in Q. 9a.
- Q. 9c:** Read question. Record answer.
- Q. 9d:** Read question. Record answer.
- Q. 10:** Read question. Record answer for each profile shown (8 profiles will be shown)
- Q. 11a:** **(ONLY ON SUBSCRIBER)** Read question. Record answer.
- Q. 11b:** **(ONLY ON SUBSCRIBER)** Probe for anything else.

MAKE SURE INTERVIEWER AND RESPONDENT SIGN THE LAST PAGE OF THE INTERVIEW.

CONCLUSION:

THANK RESPONDENT.

BE SURE THAT ALL INFORMATION IS ACCURATELY FILLED IN ON THE VALIDATION SHEET.

BE SURE TO DEBRIEF RESPONDENT IN TERMS OF REACTIONS, COMPLAINTS OR CONCERNS WITH THE QUESTIONNAIRE. REPORT IMMEDIATELY TO YOUR SUPERVISOR.

GOOD LUCK!



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#02-629

SATELLITE RADIO STUDY

REPORT FORM

MARKET: _____ **MALL:** _____

SUPERVISOR: _____ **PHONE #:** () _____

Date:							
Total Screened (Completes + Q's. F – Q)							
Total Completed Interviews							
Questionnaire Version							
Subscriber Total							
Sirius							
XM							
Both							
Considering Total							
Sirius							
XM							
Both							
Don't Know							

**FAX CUMULATIVE REPORT, DAILY, EACH WEEKDAY & SATURDAYS, TO
212-633-6621.**

MARKET: _____

MALL: _____

Terminations:

Q. A-D: Security							
------------------	--	--	--	--	--	--	--

Q. E: Under 18/ Refused Age							
Over Quota Males 18 - 24							
Over Quota Males 25 - 34							
Over Quota Males 35 - 49							
Over Quota Males 50 - 64							
Over Quota Males 65+							
Over Quota Females 18 - 24							
Over Quota Females 25 - 34							
Over Quota Females 35 - 49							
Over Quota Females 50 - 64							
Over Quota Females 65+							

Q. F: (Not Boxed Answer: Does Not Make Decision To Subscribe To Satellite Radio)							
Males 18 - 24							
Males 25 - 34							
Males 35 - 49							
Males 50 - 64							
Males 65+							
Females 18 - 24							
Females 25 - 34							
Females 35 - 49							
Females 50 - 64							
Females 65+							

MARKET: _____

MALL: _____

Terminations: (Continued)

Q. K: Don't Know Service							
Males 18 - 24							
Males 25 - 34							
Males 35 - 49							
Males 50 - 64							
Males 65+							
Females 18 - 24							
Females 25 - 34							
Females 35 - 49							
Females 50 - 64							
Females 65+							

Q.G/Q.K: Does Not Subscribe/Consider Subscribing							
Males 18 - 24							
Males 25 - 34							
Males 35 - 49							
Males 50 - 64							
Males 65+							
Females 18 - 24							
Females 25 - 34							
Females 35 - 49							
Females 50 - 64							
Females 65+							

MARKET: _____

MALL: _____

Terminations: (Continued)

Our Quota Satellite Radio Subscriber							
--------------------------------------	--	--	--	--	--	--	--

Our Quota Satellite Radio Considering Subscribing							
---	--	--	--	--	--	--	--

Q. N: No Glasses or Contacts Satellite Radio Subscriber							
---	--	--	--	--	--	--	--

Q. N: No Glasses or Contacts Satellite Radio Considering Subscriber							
---	--	--	--	--	--	--	--

Q. P: Refused to Participate Satellite Radio Subscriber							
---	--	--	--	--	--	--	--

Q. P: Refused to Participate Satellite Radio Considering Subscriber							
---	--	--	--	--	--	--	--

Q. Q: Refused Phone Number – Satellite Radio Subscriber							
---	--	--	--	--	--	--	--

Q. Q: Refused Phone Number – Satellite Radio Considering Subscriber							
---	--	--	--	--	--	--	--

Incidence:

Qualified (Qualified Completes + Qualified Refusals)							
--	--	--	--	--	--	--	--

Contacts (Qualified + Terminations at Q F, G/H, I, K/L, O)							
--	--	--	--	--	--	--	--

Incidence (Qualified/Contacts)							
--------------------------------	--	--	--	--	--	--	--

Length							
--------	--	--	--	--	--	--	--



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#02-629

TO: SUPERVISORS
FROM: KATHY ROMANO
RE: SATELLITE RADIO STUDY
DATE: OCTOBER, 2006

STUDY DESIGN: This is a Central Location, computer assisted personal interview about satellite radio.

Potential respondents will be screened on the mall with answers and terminates recorded on a hard copy (paper) screener. Qualified respondents will then be interviewed in your facility with answers recorded directly into a CAPI Program using a personal computer with a mouse and high-speed access.

SCHEDULE:

Wednesday, October 11 th	Receive field materials. DDW conference call to brief study, train interviewers including role-playing. Begin to interview.
Sunday, October 15 th	Finish interviewing.
Monday, October 16 th	Final Data to DDW .

QUOTAS: Your quota of completed interviews varies by market (see Quota Sheet).

AT LEAST 50% OF THE INTERVIEWING MUST BE CONDUCTED OVER THE WEEK-END AND/OR DURING EVENING HOURS.

**RECRUITING
RESPONDENTS &
INTERVIEWING
AREA:**

After they have been screened for eligibility, all qualified respondents will be invited to your "test" location where the remainder of the questionnaire will be administered.

When setting up your interviewing areas, keep in mind that they must be set up so that no respondent can see or overhear another respondent. It is also essential that a passerby not be able to see or overhear interviews in progress. You will be using a personal computer with high-speed Internet access.

There must be a small table next to each computer which is large enough for two trays.

NOTE: AT NO TIME CAN THE RESPONDENT BE LEFT ALONE IN THE ENCLOSED AREA WITH THE PC. THE INTERVIEWER MUST REMAIN WITH EACH RESPONDENT THROUGHOUT THE ENTIRE MAIN INTERVIEW.

SCREENER: The paper Screeners will be used to screen respondents on the mall.

* **DO NOT RECORD TERMINATIONS ON TALLY SHEETS; THEY MUST BE RECORDED DIRECTLY ON TO SCREENERS.**

Because you have screening quotas by age, terminated Questions F - Q as well as completes DO count toward your Screening Quota. Q's. A, B, C, D and E do NOT count toward your screening quota.

NOTE: It is important that when terminating a respondent, you circle the number in the appropriate age group for that respondent. This will be the only way you can accurately keep track of your screening quotas by age. **DO NOT RECORD TERMINATIONS ON TALLY SHEETS; THEY MUST BE RECORDED DIRECTLY ON TO SCREENERS.**

All Screeners must be returned to **DDW** including those with only terminations which do not have a main questionnaire ("Screener only").

MAIN QUESTIONNAIRE: The questionnaire is a web program.

Before you work on this study, you must attend a briefing which will be conducted by **DDW** and be fully familiar with the CAPI Program Instructions. You must complete a Practice Interview. (Screener and Main Questionnaire.

Please note that the paper screener information will need to be input into the program by the interviewer.

The main questionnaire portion of the study will be done on the computer. Respondents will be given a choice as to whether they want to enter their answers on the computer or whether they prefer to have the interviewer do it for them. In either case, the interviewer must remain with respondent during the entire interview.

TRAINING:

Use only professional interviewers with whom you have worked before. All interviewers working on this study must attend a formal briefing and training session. You must discuss the following:

1. Screening procedures
2. Quotas
3. Main Questionnaire is on the computer and the interviewers must know how to work the computer.
4. The critical importance of completely and accurately recording all answers and especially the responses to the open-ended questions. Ask respondent to repeat answer if it is not clear.
5. Debriefing of respondents and of interviewers

Each interviewer must complete a practice interview and be familiar with the study.

You, the supervisor, must review each practice interview before the interviewer goes into the field. You must check that the interviewer knows how to administer the questionnaire. **These practice interviews must be edited, discussed thoroughly and reviewed with the interviewers, and returned with the completed work. They must be clearly identified as practice interviews.**

If you must replace any interviewers, they must be formally briefed and trained, covering all of the above procedures and they must conduct a practice interview.

Please use only experienced interviewers who have been trained in interviewing procedures (including reading questions verbatim and writing clearly) and with whom you have worked before.

DDW personnel will be on the phone with you, the supervisor, when you train and brief the interviewers.

SUPERVISION:

You, the Supervisor, should:

- (a) Check that the interviewers are screening potential respondents in all parts of the mall
- (b) Supervise the actual interviewing both during the screening process and the main interview
- (c) Monitor the first few interviews of each interviewer and continue to monitor on a random basis throughout the interviewing process
- (d) Serve as a coach to ensure the quality of the interviewing and that the correct stimulus is being shown.

INTERVIEWERS:

You must have three or four interviewers working on this study, each completing 3 to 5 interviews.

DEBRIEFING:

You must debrief your interviewers after each interview and after each day's work to determine whether there are any problems with administering the questionnaire or working with the stimuli and on any reactions, complaints or questions from respondents. If there are any problems, report them IMMEDIATELY to **DDW**.

You must call **DDW** at the end of the first day to give us a debriefing.

**POTENTIAL
PROBLEMS
OR QUESTIONS:**

If you have any problems or questions, please do not hesitate to call me at (212) 633-1100 ext. 266 during business hours on weekdays. In the evenings or on the weekend, if there are any questions or problems, please call 212-917-434-5035.

REPORTS:

Reports must be faxed on a daily basis each weekday during the course of this study. Fax daily to (212) 633-6621.

VALIDATION:

PLEASE NOTE: THIS RESEARCH IS BEING CONDUCTED FOR A CLIENT WHO DOES 100% TELEPHONE VALIDATIONS. INTERVIEWS FOUND TO CONTAIN ANY DISCREPANCIES PER THE TELEPHONE VALIDATION WILL NOT BE ACCEPTED OR PAID FOR.

You must obtain home telephone numbers, not beeper numbers or voice mail numbers. We must be able to reach these respondents in order to validate. Business numbers are okay if they are identified as business numbers on the questionnaire and validation forms.

YOU MUST CONFIRM RESPONDENT PHONE NUMBERS. BE CERTAIN THAT THE RESPONDENTS UNDERSTAND THAT WE MUST BE ABLE TO CALL THEM TO VERIFY THEIR PARTICIPATION IN THE STUDY. ASK FOR IDENTIFICATION AND DIAL THE PHONE NUMBER, VERIFYING THAT IT IS A WORKING NUMBER. LISTINGS ON THE VALIDATION SHEET WHICH DO NOT HAVE A VALID TELEPHONE NUMBER MIGHT BE CONSIDERED INVALID INTERVIEWS AND BE PULLED FROM THE STUDY.

MAKE SURE THE INTERVIEWER AND RESPONDENT HAVE SIGNED THE SURVEY.

THE VALIDATION FORM WILL BE E-MAILED TO YOU. YOU MUST FILL IN INFORMATION FOR EACH RESPONDENT. THERE MUST BE A SEPARATE SHEET/TAB FOR EACH INTERVIEWER. E-MAIL TO DDW.

**RETURNING
WORK:**

You must return the following to **DDW**:

1. Completed Screeners.
2. Validation Forms e-mailed to **DDW**
3. Screeners Only (Screeners with terminations which did not result in a completed interview)

BILLING:

Please bill at agreed upon rate.

THANK YOU IN ADVANCE FOR YOUR HELP ON THIS STUDY!

APPENDIX F

VERIFICATON



Data Development **Worldwide**

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SATELLITE RADIO STUDY
VERIFICATION QUESTIONNAIRE

Hello, I'm _____ calling from Data Development Worldwide, a national market research company. Recently we conducted a study in your area and I'm calling to confirm a few points in the survey.

1. Were you recently approached in a mall and asked questions, and then asked to go to a facility to do a survey?

Yes

No

2. Did you tell the interviewer that you currently have satellite radio in your household?

Yes

No

3. When you went to the facility were you seated at a computer to answer questions about satellite radio?

Yes

No

Thank You For Your Cooperation!



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#02-629

QUOTA
A – Satellite Radio Subscriber Sirius
B – Satellite Radio Subscriber XM
C – Satellite Radio Considering Subscribing Sirius
D – Satellite Radio Considering Subscribing XM

VALIDATION FORM

Study Name: SATELLITE RADIO STUDY

Area Code: _____

Job #: #02-629

City & State: _____

Field Service (Company Name): _____

Field Interviewer: _____

Market: _____

Total No. of Completed Interviews: _____

ALL RESPONDENT ID #'S MUST BE FILLED IN !!!

(INTERVIEWER FILL IN)

(OFFICE USE ONLY)

SCREENER ID #	QUOTA	RESPONDENT'S NAME	ADDRESS	PHONE #	INTERVIEW DATE	Q1	Q2	Q3
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								

APPENDIX G

BASIC STATISTICAL ANALYSIS

Basic Statistical Analysis

There are two types of data, quantitative data (*e.g.*, weights) and qualitative data (*e.g.*, does the respond rate music to be the most important attribute or not).

I. Quantitative Data

- A. We used the sample average as the estimate for the population average.
- B. Confidence intervals were obtained in the standard way by:

$\bar{x} \pm 1.96*s/\sqrt{n}$, where n is the sample size and s is the sample standard deviation.¹

The above approach is standard and taught in every basic statistics course. The only less than standard confidence interval is for a sample correlation. We used this to obtain the confidence interval for the correlation between the predicted and given scores for cards 65 and 66, the holdout profiles.

- C. It is known that the sample correlation r can be transformed to a normal random variable via Fisher's z-transform

$t = .5*\ln((1+r)/(1-r))$ is approximately normal with mean $\tau = .5*\ln((1+\rho)/(1-\rho))$ and variance of $1/(n-3)$ where n is the sample size.

We can then use the following to obtain a 95% confidence interval for ρ .

- i) Obtain a confidence interval for τ by letting $t_L = t - 1.96/\sqrt{n-3}$ and $t_U = t + 1.96/\sqrt{n-3}$
- ii) When we solve for ρ in terms of τ we get
 $(A-1)/(A+1)$ where $A = \exp(2*\tau)$

Substituting t_L (t_U) for τ gives the lower (upper) end of the confidence interval for ρ .

II. Qualitative Data

- A. We use sample proportion p to estimate the population proportion.
- B. We use the standard confidence interval of $p \pm$ error
Error = $1.96*[p*(1-p)/n]^{1/2}$.

¹ Note: One could have used the t-distribution instead of the normal distribution, but since n is sufficiently large in all cases this is not substantively different.

APPENDIX H

A BRIEF DESCRIPTION OF CONJOINT ANALYSIS

A BRIEF DESCRIPTION OF CONJOINT ANALYSIS

Conjoint analysis is one of the leading methods used by marketing researchers to find out how consumers make decisions among competing products and services and to determine the value consumers place on product attributes. Through the use of conjoint analysis, market researchers are able to predict how buyers will choose among products and services and determine the relative importance of each of the attributes being studied. Thus, for example, conjoint analysis can be used to predict whether consumers would prefer (and thus be willing to pay more for) a movie theater ticket to a theater with a seat that is wider and has a cup-holder than for a theater ticket to a theater with no pre-show commercials.

History of Conjoint Analysis

Conjoint analysis has been used by market researchers for 35 years since its introduction by Paul Green, a colleague of mine at The Wharton School, in an article in the Journal of Marketing Research (1971). In the preface to our 1972 book, *Multiattribute Decisions in Marketing: A Measurement Approach* (Green and Wind 1972) we introduced the topic by stating, “One of the most tantalizing problems in decision theory – one that has occupied the attention of economists, statisticians, psychologists, sociologists, and others for a long time – is how people make decisions when the options under evaluation are multiattribute.” The book and much of the literature that followed in marketing focused on the theories, techniques, and applications of conjoint analysis as they related to various facets of empirical research in multiattribute decision making.

Conjoint analysis was rapidly adopted by market researchers as a superior method of answering three critical and interrelated questions:

1. How important are specific factors (attributes) in the consumer decision process?
2. What specific products and service offerings (specific levels on the selected attribute) are the “best”?
3. What will happen to the provider share of choices if they change their offerings -
- a “what if” analysis?

The ability to answer these questions, the flexibility in design and ability to address a variety of products and services, and the improved tools for data collection and analysis have led to its rapid adoption.

Conjoint analysis is, by far, the most used marketing research method for analyzing consumer trade-offs. Surveys conducted by Wittink and Cattin [1989] and Wittink, Vriens, and Burhenne [1994] attest to its world-wide popularity. Literally hundreds (if not thousands) of research papers and thousand of applications of conjoint analysis have been conducted. Conjoint analysis has spawned more applications and has led to more major decisions than any other technique in Marketing over the last thirty-five years.

Validation of Conjoint Analysis

At least as critical as the widespread use of the conjoint methodology is its validation. The continued and repeated use of conjoint analysis by industry is the best indication of its proven validity. In addition, conjoint analysis has been validated by studies that compare different research methods. Several papers have compared so-called self-explicated models (see *infra*) to classical full profile approaches. For a validation study of conventional conjoint methods, self-explicated models and a blending of these two approaches into hybrid models see for example, Green, Krieger and Agarwal (1991).

Many other authors, such as Wittink, have engaged in research that validates the results one obtains from a conjoint study such as the one described below.

Practical Applications of Conjoint Analysis

Since its introduction, businesses and governments and numerous academic researchers, consulting firms, and marketing research firms have embraced conjoint analysis as a reliable and valid method of analyzing consumer preferences when introducing new products or studying markets. Indeed, businesses and governments regularly make billions of dollars of decisions based on the results of conjoint analyses. There is an obvious reason for this popularity – conjoint analysis enables consumers to make tradeoffs among competing products and product configurations, which is often the fundamental question posed in many strategic marketing and business decisions. These decisions include optimal pricing, optimal configuration of products, game theory reactions to competitors' decisions, segmentations of the market, and introduction of new products.

There have been many high-profile applications of conjoint analysis that have led to major successful business outcomes. Among the most visible applications of conjoint analysis have been Courtyard by Marriott and E-Z Pass.

- Courtyard by Marriott: The Marriott International Corporation employed conjoint analysis to make business decisions regarding the design of its new Courtyard by Marriott chain of hotels. Marriott used a massive conjoint analysis to test dozens of major aspects of the hotel design (a total of 50 factors were tested), including building design, shape of the pool, the level of service from room service, the in-room toiletries, and the atmosphere of the hotel lounge. As a result of the design

suggested by the conjoint analysis, Courtyard by Marriott became the fastest growing, moderately priced hotel chain in the United States. Even more impressively, Courtyard by Marriott achieved a market share *within four percentage points of that predicted by the conjoint analysis*. This validation of the conjoint analysis in the context of a multi-billion dollar investment by a major corporation demonstrates the exceptional power of the conjoint methodology. A description of this application of the conjoint analysis was published (Wind et al, 1989) and was the runner up for the Adelman Prize, the most prestigious award for applications of management science.

- E-Z Pass: The Port Authorities in the New York City area were skeptical whether enough motorists would be willing to pay tolls via an automated toll-taking device placed in their cars to justify the expenditure of millions in taxpayer dollars on the E-Z Pass infrastructure. The Port Authorities believed that 15-20% of motorists needed to subscribe to E-Z Pass to make the adoption of E-Z Pass successful. A conjoint analysis was performed to determine whether enough motorists would sign up for E-Z Pass. The conjoint analysis was complicated by the fact that the individuals, prior to its introduction, were totally unfamiliar with the E-Z Pass concept. Respondents were provided with videos that demonstrated the concept and allowed respondents to determine the attractiveness of the concept – i.e., their willingness to subscribe – and the optimal configuration of the E-Z Pass service. Based on the respondent's answers, the conjoint analysis predicted that E-Z Pass would obtain a market share in the mid-40% range. The Port Authorities proceeded with the E-Z Pass project based on this analysis. Again, the results of

the conjoint analysis were verified by consumer behavior – the E-Z Pass subscription rate in the New York metropolitan area is between 40 and 50%.

Conjoint analysis has also been used in myriad other applications for all types of products or services. To name a few, it was used for AT&T's first cellular telephone, designing the tracking services at FEDEX, and performance and reliability features for an IBM workstation. Furthermore, conjoint analysis has been used in the financial industry in many ways, including analyzing the features of credit cards and bank services (e.g., annual fees, frequent flier miles, etc). The pharmaceutical industry has used conjoint extensively for pricing and positioning studies (for determining efficacy, safety and dosing features) for various drugs (e.g., antihypertensives). Perhaps most relevant to the conjoint analysis prepared in this proceeding, a conjoint analysis was employed to determine the role that price and various features play in subscribing to cable TV in Japan.

Table 1 presents an illustrative list of products and services studied by conjoint analysis while Table 2 identifies some of the decision areas in which conjoint analysis has been used.

Description of the Conjoint Analysis in the Context of this Application

The objective of conjoint analysis is to evaluate the importance of various aspects of products or services in the decision process of “buyers”. The decision maker has to choose among a set of “offerings” that vary with respect to the specific levels of a specified set of attributes (factors). The list of attributes in this study and the corresponding levels are given in Table 3 below.

Table 1

Illustrative Products and Services Studied by Conjoint Analysis Studies

Consumer Nondurables

- Bar soaps
- Hair shampoos
- Carpet cleaners
- Synthetic-fiber garments
- Gasoline pricing
- Panty hose
- Lawn chemicals
- Facial tissues

Financial Services

- Bank services
- Auto insurance policies
- Health insurance policies
- Credit card features
- Consumer discount cards
- Travel and entertainment packages
- Financial planning

Consumer Durables

- Automotive styling
- Automobile and truck tires
- Pickup truck design
- Car batteries
- Apartment design
- Toasters
- Commercial lawn mowing

Other Services

- Courtyard by Marriott
- Car rental agencies
- Telephone services and pricing
- Employment agencies
- Information retrieval services
- Employee benefits packages

Health Care/Pharmaceuticals

- Ethical drugs
- Diagnostic equipment
- Health maintenance organizations

Industrial Goods

- Copying machines
- Printing equipment
- Facsimile transmission
- Data transmission
- Portable computer terminals
- Diagnostic x-ray equipment
- Computers

Transportation

- Domestic airlines
- Transcontinental airlines
- Passenger train operations
- Freight train operations

Business Strategy

- McKinsey
- Booz-Allen
- A.D. Little
- BCG
- Bain
- Andersen Consulting

Brand Equity

- Shell/ Texaco Merger

Quality Function Deployment

- Xerox Copies

Customer Satisfaction

- IBM
- Chrysler
- FedEx
- UPS

Legal Cases

- AA Source Position
- Chrysler – Windshield Wiper
- Italian Trade Com. – pasta's country of origin

Table 2

Illustrative Area of Applications of Conjoint Analysis Studies

- **Market Segmentation**
 - As a basis for segmentation-
"benefit" segmentation
 - As a descriptor of segments
 - Flexible segmentation
 - Componential segmentation and
models for simultaneous evaluation
(i.e. SIMPOT)
 - **Product Decisions**
 - Positioning
 - Concept evaluation
 - Product development guidelines
 - Quality function development
 - **Pricing Decisions**
 - Price sensitivity
 - Value of different models of pricing
 - **Promotional Decisions**
 - Semantic equivalents
 - **Distribution Decisions**
 - Value of different outlets
 - Design of a product/service mix for
distribution outlets
 - **Management: Decision Criteria**
 - Product portfolio
 - New product evaluation
 - Allocation of resources
 - Business strategy brand equity
 - **Consumer Behavior**
 - Consumer choice of items and item
collections
 - Allocation of time and money
among activities
 - Satisfaction / referenceability
-

Table 3

List of Attributes and Levels for the Conjoint Task of the Satellite Radio Study

A. Music Programming

1. **No** music programming
2. Substantially **fewer** channels and **less** variety of music than currently offered
3. The **same** number of channels and the **same** variety of music as currently offered
4. Substantially **more** channels and **more** variety of music than currently offered

B. News

1. **No** news programming
2. Substantially **fewer** channels and **less** variety of news than currently offered
3. The **same** number of channels and the **same** variety of news as currently offered
4. Substantially **more** channels and **more** variety of news than currently offered

C. Sports

1. **No** sports programming
2. Substantially **fewer** channels and **less** variety of sports than currently offered
3. The **same** number of channels and the **same** variety of sports as currently offered
4. Substantially **more** channels and **more** variety of sports than currently offered

D. Talk & Entertainment

1. **No** talk and entertainment programming
2. Substantially **fewer** channels and **less** sports variety than currently offered
3. The **same** number of channels and the **same** talk and entertainment variety as currently offered
4. Substantially **more** channels and **more** talk and entertainment variety than currently offered

E. The Number of Minutes Of Commercials Per Hour on Music Channels

1. **No** commercials on music channels
2. **2** minutes of commercials per hour
3. **5** minutes of commercials per hour
4. **12** minutes of commercials per hour

F. Geographic Coverage

1. Typical FM coverage
2. Complete Nationwide Coverage

G. The Monthly Price for a Single Subscription

1. \$8.95 per month
2. \$10.95 per month
3. \$12.95 per month
4. \$14.95 per month

A conjoint analysis typically has three phases:

1. Creating the survey and collecting the data
2. Estimating the parameters from the results of the survey
3. Incorporating the estimates of the parameters into a “simulator”

Data Collection

At the heart of conjoint analysis is the presentation of profiles to each individual. A profile is a potential offering. For example, in the application used here one such profile is *an offering that includes the same number of channels and variety as currently offered for sports and talk and entertainment, no news programming, substantially more music channels and variety than is currently offered, five minutes of commercials on music channels with typical FM coverage. This offering is priced at \$12.95 per month.*

Note that the number of possible profiles is the product of the number of levels. In our application six of the attributes have four levels and the other attribute has two levels, hence the number of possible profiles is $4^6 \times 2 = 8192$. Respondents, however, see only a small subset of all possible profiles. The selected profiles are generated in a statistical way that enables one to estimate the importance of each level of each attribute independent of other levels of attributes. The set that is generated is referred to in the literature as a fractional factorial design and special software was used to create this set of 64 profiles. This set was further divided into eight blocks of eight profiles, and each respondent saw one of the eight blocks. The master design of 64 profiles is included in Table 4.

TABLE 4
The Master Design

	Music Programming	News	Sports	Talk & Entertainment	# of Minutes of Commercials	Geographic Coverage	Price
1	3 ¹	4	4	2	4	1	3
2	1 ²	2	3	3	5	2	4
3	2	3	3	3	3	1	1
4	4	1	4	4	2	2	2
5	1	2	2	4	5	1	3
6	4	4	1	2	3	1	2
7	2	3	1	1	1	2	4
8	3	1	2	1	1	2	1
9	4	2	4	1	4	1	1
10	2	4	1	2	4	2	4
11	3	3	2	4	3	2	2
12	1	4	4	3	5	1	1
13	1	3	2	2	5	1	3
14	4	1	3	1	1	2	4
15	3	1	3	4	3	1	2
16	2	2	1	3	2	2	3
17	4	3	3	2	1	1	3
18	3	3	3	1	4	1	2
19	3	4	4	2	2	2	4
20	1	1	1	4	5	2	3

¹ The numbers here refer to the levels stated in Table 3 (e.g., for music, “1” means no music, and “4” means substantially more music).

² Note that a “1” in column 1 (no music) is accompanied by a “5” (not applicable) in column 5 (number of minutes of commercials on music programs).

	Music Programming	News	Sports	Talk & Entertainment	# of Minutes of Commercials	Geographic Coverage	Price
21	4	4	1	3	1	2	2
22	2	2	4	4	3	1	1
23	1	2	2	1	5	2	1
24	2	1	2	3	2	1	4
25	1	4	2	3	5	2	3
26	3	2	1	4	1	1	4
27	2	1	3	2	4	1	1
28	2	4	3	1	2	1	2
29	4	3	2	4	3	2	4
30	3	2	1	2	3	2	1
31	4	1	4	1	4	2	3
32	1	3	4	3	5	1	2
33	1	1	1	4	5	1	1
34	2	2	3	2	1	2	2
35	4	2	4	2	2	1	3
36	3	4	2	1	2	2	1
37	2	3	4	4	4	2	4
38	1	3	1	1	5	1	2
39	3	1	2	3	3	1	4
40	4	4	3	3	3	2	3
41	4	2	2	3	4	1	2
42	2	4	2	1	3	1	3
43	1	1	4	2	5	2	4
44	3	4	3	4	1	1	2
45	1	1	3	2	5	2	1

	Music Programming	News	Sports	Talk & Entertainment	# of Minutes of Commercials	Geographic Coverage	Price
46	4	3	1	1	2	1	4
47	2	3	4	4	1	2	3
48	3	2	1	3	4	2	1
49	1	4	3	4	5	1	4
50	1	3	1	2	5	2	2
51	4	2	2	2	1	1	4
52	2	1	4	3	4	2	2
53	3	1	1	1	2	1	3
54	2	2	3	1	3	2	3
55	4	4	2	4	2	2	1
56	3	3	4	3	1	1	1
57	4	3	3	4	2	2	1
58	1	4	4	1	5	1	4
59	2	1	2	2	1	1	2
60	1	2	4	1	5	2	2
61	3	2	3	3	2	2	4
62	3	3	2	2	4	2	3
63	4	1	1	3	3	1	3
64	2	4	1	4	4	1	1
65	3	3	3	3	1	2	3
66	1	3	3	3	5	2	3

There are three major research designs and corresponding types of data collection procedures:

1. Full Profile: In full profile techniques, respondents are given profiles (one level for each attribute; as described above) and asked to rate each profile on a 0-10 likelihood-of-purchase scale. Alternatively, in choice based conjoint, the respondent is simply asked whether this profile (product offering) would be purchased by him/her or not.
2. Self Explicated: In compositional techniques (sometimes referred to as self explicated), each respondent rates the desirability of each level of each attribute and then rates the attributes by dividing 100 points to indicate the relative importances of attributes.
3. Hybrid: Since in large scale conjoint analysis, such as the EZ Pass application and this study, it is not practical to collect a sufficient number of profiles to estimate the effects of each level of each attribute at the individual level, hybrid techniques have become popular. In essence, both full profile data and self-explicated data (as described in (1) and (2)) are collected (Green 1984, and Green and Krieger 1996).

Parameter Estimation

Once the data are collected the next task is to build a conjoint model that relates the likelihood of purchase to the description of the products as described by its levels (e.g., the profiles). “Partworths” are derived that reflect the role of each level of each attribute in the decision making process.

Since individuals have different preferences and it is not feasible to collect a sufficient number of profile data, the approach, which was used in EZ Pass and other successful applications, is to build a hybrid model that combines the self- explicated data with the full profile. That is what was done here. Various forms of hybrid conjoint models

are employed and the one chosen is based on its ability to validate to a holdout set of profiles. In The Satellite Radio study two “control” profiles were included one presenting the current market offering and the other, the current offering but with no music offering. Thus, each respondent received 10 profiles – the eight from one of the blocks of the master design + the two control profiles.

We followed the same approach for arriving at partworths that was followed in the EZ Pass study. Studies have shown that the self-explicated desirabilities (which at least provides a ranking of the levels) are often accurate. In fact, in ACA implementations (a commonly-used commercial software package), it is assumed that the desirabilities are equally-spaced typically when the ordering of the levels is clear. In our analysis, that would assume that the difference between each level for a given attribute is the same (e.g., with music, it would assume that the difference in desirabilities between no music, substantially less music, the same amount of music, and substantially more music are the same). Since we did not want to have such a restrictive assumption, we provide respondents the opportunity to indicate the spacing among the levels of any given attribute to reflect their preferences. Thus, the desirability questions 5 and 6 in our study go a step further by eliciting the actual desirabilities thereby allowing for differential spacings.

Where a self-explicated model fails, however, is in the *weights* for these attributes. The approach that uses only the self-explicated data although used by some, is not sufficient. The self-explicated model treats the partworth as the product of the desirability for that level of the offering multiplied by the weight that the respondent gives that offering. It has been shown in validation studies that the self-explicated weights that individuals assign to each of the attributes are more equal than their selections would

imply (*i.e.* underestimating the importance of the most important attributes and overestimating the importance of the less important attributes).

The desirabilities for the programming attributes, non-programming attributes, and price are given in questions Q5, Q6a and Q6b respectively. The importance of the programming attributes are in Q4 and the non-programming and price attributes in Q7. This self-explicated data at the individual level is then blended with the responses to the 8 profiles, which were rated in question 10. Combining the self-explicated data and the profile data leads to a more accurate measure of the value (*i.e.*, the partworth) that an individual assigns an attribute by adjusting it (within constraints) until it best predicts the value that individual gave in the profile questions. Hence for each individual, we adjust the partworths by solving the following optimization problem.

We find the partworths that best predict the profile data subject to the constraint that the revised partworths differ from the self explicated partworths by no more than a prespecified amount. As shown below, this method leads to a more *conservative* result than if one used a constraint of 0, *i.e.*, where no change is allowed. We chose a maximum difference of .25 as in the EZ Pass application.

The partworths are scaled to be between 0 and 1. Sensitivity analysis to this constraint was done to assess its impact on the implied relative importance of the various attributes. In this case the algorithm looks to change one partworth by .01 (small step) to make the sum of the absolute errors of the predicted scores over the eight profiles and the actual scores as small as possible. Each of the twenty six possible levels to choose from (six of the attributes have four levels and one attribute has two levels) are considered and the one which does best is changed. Then all twenty six possibilities are considered and

one of the partworths is changed to again make the predicted scores closest to the actual scores as described above. This approach is repeated until no change is available to improve the accuracy of the predictions.

As noted, we used a constraint of .25. We ran the optimization program, however, for four values of the constraint: 0, 1, .25 and .5. The results did not vary very much when the value for the constraint was changed. For example, the value for music was:

0 = 35.2

.1 = 31.9

.25 = 29.8

.50 = 29.9

In consulting projects a value of .25 is typically used which might be viewed as high. It should be noted that as the value of the constraint increases it tends to give marginally *less* weight to music; hence a choice of .25 may be thought of as being conservative.

We chose the above method (prior to seeing the data) for the following reasons:

1. It is exactly the same method that we would recommend if we were asked to solve the problem as a consulting exercise rather than in a litigation setting.
2. The number of profiles that each individual can comfortably evaluate relative to the number of parameters (levels across all attributes) is such that regression at the individual level is not feasible.
3. Other methods for combining profiles across individuals have serious limitations. For example, assuming that there are k different types of people and allowing the data to solve for the optimal k and the common partworths within type, has been shown in the literature to perform worse in validation studies. Furthermore, this

would tend to distort the results if inferences are to be drawn for a subset of respondents.

The Simulator

Once the partworths are estimated they are then input into a simulator that allows for estimating the market share for any profile. This is not restricted to the 64 profiles in our design, but rather to all of the possible 8,192 profiles in the satellite application.

The standard approach to map the partworths into shares is to take the partworths associated with each level of each attribute and add them up. This is sometimes referred to as the utility of the profile. A constant intercept is added in to ensure that the utilities scale properly to the shares given for the profiles. This utility is most often converted into share by taking $\exp(\text{utility})/(1+\exp(\text{utility}))$.

The shares are computed at the individual level and then aggregated to the entire sample. If the survey allowed for differential sample weights for each individual then these weights can be incorporated in the final overall market share. For example, if older people are over-sampled, to ensure a sufficient sample size in that group, these people would then be given less weight (as is standard in sample survey methodology) to adjust for this.

This Study

The main focus in this study is not on the optimal profile, or the performances of potential profiles, but rather on the importance of the music offering. The conjoint data offers three ways to measure this:

We can compare the weights that individuals give to each of the attributes.

- a. Using the self-explicated weights.

- b. Using the implied weights as given by the self-explicated partworths. The weight of attribute “i” is the maximum difference of the partworths over the levels of attribute “i” over the sum of these quantities across all attributes.³
- c. Using the implied weights once the partworths are revised after the hybrid conjoint analysis.

Approach (c) can be tried for different implementations of the hybrid conjoint to see how sensitive the results are to the settings that were used.

In all cases the results can be reported for the entire sample or for subsets of individuals. Averages and standard deviations of importances may also be calculated. In addition, we can determine the number of individuals that give each attribute the highest importance, second highest importance etc.

Finally, the results are given with associated confidence intervals measuring the accuracy of the results. Since, in any study, we only observe a sample of individuals, the extent to which the importances vary across individuals reflects the uncertainty in using these importances to infer the results in the entire population.

Inclusion

We used two measures as a basis to include individuals in the analysis. The first measure computes the predicted utilities for the eight profiles each person received (not including the two holdout profiles, cards 65 and 66) using the self-explicated partworths (the desirability for each level of attribute was multiplied by the weight the individual gave

³ Note: We needed to use this approach to obtain the self-explicated weights. It was desirable to collect relative weights for the first four attributes and relative weights for the last three attributes. Instead of measuring explicitly the relative importances of the first four attributes to the last three attributes, we used the sum of the maximum differences of partworths as a way to combine these two subsets of attributes.

to that attribute). These eight utilities were correlated with the eight scores the individual gave to the eight profiles. Respondents who did not have positive correlations had inconsistent responses, as explained below.

The second measure we used was based on the final partworths using the scores for eight profiles as well as the self explicated data. These partworths give predicted scores for the two holdout profiles 65 and 66. If the preferred card (65 or 66) in terms of the predicted score agreed with the stated preference when the profile was seen then this person qualifies on this basis. The few respondents who gave equal score to cards 65 and 66, qualified if the predicted score was within one unit (the smallest gradation on the scale).

Cross tabulating these two criteria resulted in the following table:

		(2) Predicted rank of the two control cards based on the estimated partworths		Total
		Positive	Negative	
(1) Correlation between the estimated eight utilities and the actual data for the eight profiles	Positive	312	40	352
	Negative	60	16	76
	Total	372	56	428

As can be seen from the table only 16 respondents did not qualify on both measures.

These 16 individuals were deleted from the conjoint analysis task in the written testimony.

We did perform, however, full analyses for the conditions of:

- a. The full sample of **428**
- b. The sample of **412** in which we eliminated the 16 respondent who did not qualify on the two measures
- c. The sample of **328** in which we eliminated the 100 respondents (40 and 60) who did not meet one of the two conditions
- d. The sample of **312** in which we eliminated the 116 respondents who did not qualify on at least one of the two conditions (40 and 60) and on both (16).

The results of the four samples are summarized below.

Comparison Of The Four Samples On The Relative Importance Of The Seven Conjoint Factors

	(1) N=428	(2) (used in testimony) N=412	(3) N=328	(4) N=312
Music	29.8	30.4	32.4	33.3
News	10.7	10.5	10.8	10.5
Sports	13.3	13.4	12.5	12.6
Talk-Entertainment	11.9	11.8	11.2	11.1
Commercials	13.2	13.0	13.7	13.5
Coverage	6.5	6.3	6.2	6.0
Price	14.6	14.6	13.3	13.1

Comparison Of The Four Samples On The % Of Respondents Who Selected One Of The Factors As Their Most Important One

	(1) N=428	(2) (used in testimony) N=412	(3) N=328	(4) N=312
Music	44.9	46.6	52.4	55.1
News	7.2	6.6	7.0	6.1
Sports	10.8	10.9	8.8	9.0
Talk-Entertainment	10.8	10.7	9.2	9.0
Commercials	8.6	8.3	8.8	8.3
Coverage	3.3	2.9	2.7	2.2
Price	14.5	14.1	11.0	10.3

As can be seen from examination of these tables, the selection of option 2 in my written testimony – deletion of the 16 respondents resulting in 412 respondents – is a conservative approach.

Once we obtained the final partworths for each individual, we can create utilities for any profile by adding up the partworths for the levels that comprise the profile. This gives us a predicted score for a profile. These scores are computed for each individual for each of cards 65 and 66. The predicted scores for card 65 are correlated to the actual scores the individual gave to card 65. Note that card 65 was not used in creating these partworths so this is a true validation of the approach. Confidence intervals for these correlations show that there is a statistical significant relationship (at the 5% significance level) between the predicted scores and the actual scores that were given to these profiles.

The correlation for the 412 respondents were:

for card 65 .37 (from .28 to .45)

for card 66 .63 (from .57 to .69)

Summary

In our study, a hybrid conjoint analysis was employed as one of the various methods to determine the relative importance of music in the decision to subscribe to satellite radio. We chose the hybrid conjoint approach as one of the approaches because that is what we would have used if this was a consulting project. We found in our research that it validates better than most other procedures. If there is a bias, as in most conjoint analyses, too much weight is given to the least important attributes and *too little weight* to the most important attributes. Given that music turned out to be the most important attribute in the analysis, this suggests that the method underestimated its importance.

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APPENDIX I

PRE-TEST QUESTIONNAIRE



Data Development **Worldwide**

120 Fifth Avenue
New York, NY 10011
T: 212. 633. 1100
Field Fax: 212. 633. 6621
www.datadw.com

#02-629
September, 2006

SATELLITE RADIO STUDY

TOP SHEET

(THIS IS A PERSONAL INTERVIEW)

– SCREENER –

RESPONDENT I.D. #: _____

(RECORD AT END OF INTERVIEW. PLEASE PRINT.)

RESPONDENT'S NAME: _____ TEL. # () _____

ADDRESS: _____

CITY: _____ STATE: _____ ZIP: _____

INTERVIEWER: _____ DATE: _____



Data Development **Worldwide**

120 Fifth Avenue
New York, NY 10011
T: 212. 633. 1100
Field Fax: 212. 633. 6621
www.datadw.com

Time Main Interview Begins: _____ am/pm
Time Main Interview Ends: _____ am/pm
Length of Main Interview: _____(7)(8)

Study #02-629 ID #: 1 - 5
September, 2006 CARD #: 6 - 1

RECORD QUOTA:

- 1 Satellite Radio Subscriber Sirius
- 2 Satellite Radio Subscriber XM
- 3 Satellite Radio Considering Subscribing Sirius
- 4 Satellite Radio Considering Subscribing XM

RESPONDENT I.D. #: _____

(9) _____

SATELLITE RADIO STUDY

- SCREENER -

Hello, I'm _____ of Data Development Worldwide. We are a national marketing research firm and are currently conducting a survey and would like to include your opinions. Let me assure you we are doing this for research purposes only and that no one will sell you anything as a result of this study. Your answers will be held in the strictest confidence.

NOTE: RECORD ALL TERMINATIONS WHICH OCCUR IN ANY QUESTION A - D BY CIRCLING THE NEXT AVAILABLE NUMBER IN GRID AT BOTTOM OF THIS BOX. RECORD ONLY ONE TERMINATION PER CONTACT. RE-USE SCREENER UNTIL YOU REACH A QUALIFIED RESPONDENT.

- A. (IF RESPONDENT HAS LANGUAGE/HEARING PROBLEM, ETC., IS IN A HURRY, REFUSES INTERVIEW OR APPEARS INTOXICATED, TERMINATE.)
- B. (IF YOU KNOW THE RESPONDENT AT ALL, TERMINATE.)

(HAND RESPONDENT CARD 1)

- C. Are you or any members of your household employed in any of the industries listed on this card?

	<u>YES</u>	<u>NO</u>
An insurance company	[]	[]
A marketing research firm.....	[]	[]
An advertising agency	[]	[]
The entertainment industry.....	[]	[]
A satellite radio provider	[]	[]
A cable TV provider	[]	[]
An Internet service provider.....	[]	[]

(IF "YES" TO ANY BOXED INDUSTRY, TERMINATE AND RECORD BELOW.) ←

(TAKE BACK CARD 1)

- D. During the past three months have you taken part in any market research survey other than a political poll? (IF "YES," TERMINATE.)

RECORD TERMINATIONS WHICH OCCUR IN ANY QUESTION A - D HERE:

01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25		
26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	(10)	(11)

(HAND RESPONDENT CARD 2)

E. I'm going to ask you a few questions, but please be assured that this is only for classification purposes and that your responses will be kept confidential. Which of these groups includes your age?
(RECORD ONE ANSWER.)

(TERMINATE IN FIRST BOX BELOW) ← A. Under 18 years a
 (12)

IF AGE SCREENING QUOTA OPEN, CONTINUE. IF FILLED, TERMINATE IN APPROPRIATE BOX BELOW.
--

- B. 18 – 24 years 1
- C. 25 – 34 years 2
- D. 35 – 49 years 3
- E. 50 – 64 years 4
- F. 65 or over..... 5

(TERMINATE IN FIRST BOX BELOW) ← **(DO NOT READ)** Refused b

(TAKE BACK CARD 2)

IF "UNDER 18" OR "REFUSED AGE", TERMINATE. CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.												
1	2	3	4	5	6	7	8	9	10	11	12	(13)

TERMINATE -- OVER QUOTA MALES – 18-24 -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.												
1	2	3	4	5	6	7	8	9	10	11	12	(14)

TERMINATE -- OVER QUOTA MALES – 25-34 -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.												
1	2	3	4	5	6	7	8	9	10	11	12	(15)

TERMINATE -- OVER QUOTA MALES – 35-49 -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.												
1	2	3	4	5	6	7	8	9	10	11	12	(16)

TERMINATE -- OVER QUOTA MALES – 50-64 -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.												
1	2	3	4	5	6	7	8	9	10	11	12	(17)

TERMINATE -- OVER QUOTA MALES – 65+ -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.												
1	2	3	4	5	6	7	8	9	10	11	12	()

TERMINATE -- OVER QUOTA FEMALES – 18-24 -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.												
1	2	3	4	5	6	7	8	9	10	11	12	()

TERMINATE -- OVER QUOTA FEMALES – 25-34 -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.												
1	2	3	4	5	6	7	8	9	10	11	12	()

TERMINATE -- OVER QUOTA FEMALES – 35-49 -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.												
1	2	3	4	5	6	7	8	9	10	11	12	()

TERMINATE -- OVER QUOTA FEMALES – 50-64 -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.												
1	2	3	4	5	6	7	8	9	10	11	12	()

TERMINATE -- OVER QUOTA FEMALES – 65+ -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.												
1	2	3	4	5	6	7	8	9	10	11	12	()

(HAND RESPONDENT CARD 3)

F. Which, if any, of the following decisions do you make or take part in making for your household?
(CIRCLE ALL THAT APPLY.)

- () Decision to subscribe to cable TV 1
- Decision to subscribe to an Internet service 2
- Decision to subscribe to satellite radio 3
- Decision to subscribe to a wireless phone service 4
- Decision to subscribe to satellite TV 5
- None of these *
- Refused *

(TERMINATE) ←

(TAKE BACK CARD)

<p>RESPONDENT MUST BE A BOXED ANSWER IN Q. F. IF NOT, TERMINATE IN APPROPRIATE BOX BELOW.</p>
--

<p>TERMINATE -- MALE 18-24 -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.</p> <p>1 2 3 4 5 6 7 8 9 10 11 12 ()</p>
<p>TERMINATE -- MALE 25-34 -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.</p> <p>1 2 3 4 5 6 7 8 9 10 11 12 ()</p>
<p>TERMINATE -- MALE 35-49 -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.</p> <p>1 2 3 4 5 6 7 8 9 10 11 12 ()</p>
<p>TERMINATE -- MALE 50-64 -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.</p> <p>1 2 3 4 5 6 7 8 9 10 11 12 ()</p>
<p>TERMINATE -- MALE 65+ -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.</p> <p>1 2 3 4 5 6 7 8 9 10 11 12 ()</p>

<p>TERMINATE -- FEMALE 18-24 -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.</p> <p>1 2 3 4 5 6 7 8 9 10 11 12 ()</p>
<p>TERMINATE -- FEMALE 25-34 -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.</p> <p>1 2 3 4 5 6 7 8 9 10 11 12 ()</p>
<p>TERMINATE -- FEMALE 35-49 -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.</p> <p>1 2 3 4 5 6 7 8 9 10 11 12 ()</p>
<p>TERMINATE -- FEMALE 50-64 -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.</p> <p>1 2 3 4 5 6 7 8 9 10 11 12 ()</p>
<p>TERMINATE -- FEMALE 65+ -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.</p> <p>1 2 3 4 5 6 7 8 9 10 11 12 ()</p>

CARD 1

(HAND RESPONDENT CARD 4)

G. Which of these services, if any, do you or your household currently subscribe to? **(CIRCLE ALL THAT APPLY.)**

- ()
- Cable TV 1
- Satellite TV 2
- Broadband Internet 3
- Satellite radio 4**
- Wireless phone service 5
- None of these 6
- Don't know 0

(ASK Q. H IF "SATELLITE RADIO" CIRCLED IN Q. G ABOVE. OTHERWISE, SKIP TO INSTRUCTIONS BEFORE Q. I)

(HAND RESPONDENT CARD 5)

H. Which of the following best describes the type of satellite radio you or your household currently subscribes to? **(RECORD ONE ANSWER)**

- ()
- A paid or trial subscription (such as from the purchase of a car) directly from XM or Sirius. 1**
- Part of a package from a third party (such as through DirecTV, DiSH Network or AOL) 2
- Both 3**
- Don't know 0

(ASK Q. I FOR EACH ITEM NOT CIRCLED IN Q. G.)

I. Are you or your household currently considering subscribing to **(INSERT ITEM)** in the next 30 days? **(RECORD ONE ANSWER FOR EACH LISTED ITEM)**

	Yes	No	Don't Know	
Cable TV	1	2	3	()
Satellite TV	1	2	3	()
Broadband Internet	1	2	3	()
Satellite radio	1	2	3	()
Wireless phone service	1	2	3	()

(ASK Q. J IF "YES" TO "SATELLITE RADIO" CIRCLED IN Q. I ABOVE. OTHERWISE, SKIP TO INSTRUCTIONS BEFORE Q. K)

(HAND RESPONDENT CARD 5)

J. Which of the following best describes the type of satellite radio you or your household are considering? **(RECORD ONE ANSWER)**

- ()
- A paid or trial subscription (such as from the purchase of a car) directly from XM or Sirius. 1**
- Part of a package from a third party (such as through DirecTV, DiSH Network or AOL) 2
- Both 3**
- Don't know 0

CARD 1

(ASK Q. K IF BOXED ANSWER IN Qs. G AND H - SATELLITE RADIO SUBSCRIBER)
 (HAND RESPONDENT CARD 6)

K. Which satellite radio service do you or your household currently subscribe to? (RECORD ONE MENTION.)

- Sirius ()
- XM 1
- Both 2
- Don't know 3

(TERMINATE) ←

TERMINATE -- DON'T KNOW SERVICE -- MALES -- 18-24 -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.												
1	2	3	4	5	6	7	8	9	10	11	12	()
TERMINATE -- DON'T KNOW SERVICE -- MALES -- 25-34 -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.												
1	2	3	4	5	6	7	8	9	10	11	12	()
TERMINATE -- DON'T KNOW SERVICE -- MALES -- 35-49 -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.												
1	2	3	4	5	6	7	8	9	10	11	12	()
TERMINATE -- DON'T KNOW SERVICE -- MALES -- 50-64 -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.												
1	2	3	4	5	6	7	8	9	10	11	12	()
TERMINATE -- DON'T KNOW SERVICE -- MALES -- 65+ -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.												
1	2	3	4	5	6	7	8	9	10	11	12	()

TERMINATE -- DON'T KNOW SERVICE -- FEMALES -- 18-24 -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.												
1	2	3	4	5	6	7	8	9	10	11	12	()
TERMINATE -- DON'T KNOW SERVICE -- FEMALES -- 25-34 -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.												
1	2	3	4	5	6	7	8	9	10	11	12	()
TERMINATE -- DON'T KNOW SERVICE -- FEMALES -- 35-49 -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.												
1	2	3	4	5	6	7	8	9	10	11	12	()
TERMINATE -- DON'T KNOW SERVICE -- FEMALES -- 50-64 -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.												
1	2	3	4	5	6	7	8	9	10	11	12	()
TERMINATE -- DON'T KNOW SERVICE -- FEMALES -- 65+ -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.												
1	2	3	4	5	6	7	8	9	10	11	12	()

(ASK Q. L IF BOXED ANSWER IN Qs. I AND J -- SATELLITE RADIO CONSIDERING)
 (HAND RESPONDENT CARD 6)

L. Which satellite radio service are you currently considering subscribing to? (RECORD ONE MENTION.)

- Sirius ()
- XM 1
- Both 2
- Don't know/have not decided 3
- 4

QUOTA QUALIFICATIONS

SATELLITE SUBSCRIBER: MUST BE SATELLITE RADIO CIRCLED IN Q.G **AND BOXED** ANSWER CIRCLED IN Q.H **AND "SIRIUS", "XM" OR "BOTH" IN Q.K.**

SATELLITE RADIO CONSIDERING SUBSCRIBING: MUST BE "YES" TO SATELLITE RADIO CIRCLED IN Q.I **AND BOXED** ANSWER CIRCLED IN Q.J.

REFER TO QUOTA QUALIFICATION ABOVE. IF RESPONDENT DOES NOT QUALIFY FOR EITHER QUOTA GROUP, TERMINATE AND CIRCLE NEXT AVAILABLE NUMBER IN APPROPRIATE BOX BELOW..

TERMINATE -- DOES NOT SUBSCRIBE/CONSIDER SUBSCRIBING -- MALES -- 18-24 -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.

1 2 3 4 5 6 7 8 9 10 11 12 ()

TERMINATE -- DOES NOT SUBSCRIBE/CONSIDER SUBSCRIBING -- MALES -- 25-34 -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.

1 2 3 4 5 6 7 8 9 10 11 12 ()

TERMINATE -- DOES NOT SUBSCRIBE/CONSIDER SUBSCRIBING -- MALES -- 35-49 -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.

1 2 3 4 5 6 7 8 9 10 11 12 ()

TERMINATE -- DOES NOT SUBSCRIBE/CONSIDER SUBSCRIBING -- MALES -- 50-64 -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.

1 2 3 4 5 6 7 8 9 10 11 12 ()

TERMINATE -- DOES NOT SUBSCRIBE/CONSIDER SUBSCRIBING -- MALES -- 65+ -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.

1 2 3 4 5 6 7 8 9 10 11 12 ()

TERMINATE -- DOES NOT SUBSCRIBE/CONSIDER SUBSCRIBING -- FEMALES -- 18-24 -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.

1 2 3 4 5 6 7 8 9 10 11 12 ()

TERMINATE -- DOES NOT SUBSCRIBE/CONSIDER SUBSCRIBING -- FEMALES -- 25-34 -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.

1 2 3 4 5 6 7 8 9 10 11 12 ()

TERMINATE -- DOES NOT SUBSCRIBE/CONSIDER SUBSCRIBING -- FEMALES -- 35-49 -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.

1 2 3 4 5 6 7 8 9 10 11 12 ()

TERMINATE -- DOES NOT SUBSCRIBE/CONSIDER SUBSCRIBING -- FEMALES -- 50-64 -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.

1 2 3 4 5 6 7 8 9 10 11 12 ()

TERMINATE -- DOES NOT SUBSCRIBE/CONSIDER SUBSCRIBING -- FEMALES -- 65+ -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.

1 2 3 4 5 6 7 8 9 10 11 12 ()

IF QUOTA FOR WHICH RESPONDENT QUALIFIES IS FILLED, TERMINATE AND RECORD IN APPROPRIATE BOX BELOW.

OVER QUOTA -- SATELLITE RADIO SUBSCRIBER -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.

01 02 03 04 05 06 07 08 09 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25
 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50

OVER QUOTA -- SATELLITE RADIO CONSIDERING SUBSCRIBING -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.

01 02 03 04 05 06 07 08 09 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25
 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50

M. Do you wear glasses or contact lenses when you read?

(ASK Q. N) ← Yes 1
(SKIP TO Q. O) ← No..... 2

(ASK ONLY IF "YES" IN Q. M)

N. Do you have your glasses with you or are you wearing your contact lenses today?

(CONTINUE WITH Q. O) ← Yes 1
(TERMINATE IN APPROPRIATE BOX BELOW) ← No..... *

TERMINATE -- NO GLASSES/CONTACTS -- SATELLITE RADIO SUBSCRIBER -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.

01 02 03 04 05 06 07 08 09 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25
26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50

TERMINATE -- NO GLASSES/CONTACTS -- SATELLITE RADIO CONSIDERING SUBSCRIBING -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.

01 02 03 04 05 06 07 08 09 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25
26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50

O. RECORD GENDER OF RESPONDENT

()
Male..... 1
Female..... 2

CARD 1

(ASK EVERYONE)

P. We would like to invite you to participate in a study that we think you will find interesting. The survey will take about 20 minutes. The survey we would like you to participate in requires you to read questions on a computer and either use a mouse to point and click on your answers or tell me your answers and I will record them. Would you like to participate in this study?

(CONTINUE WITH Q. Q) ← Yes, will participate 1

(TERMINATE IN APPROPRIATE BOX BELOW) ← No, will not participate *

TERMINATE -- REFUSED TO PARTICIPATE -- SATELLITE RADIO SUBSCRIBER -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.
01 02 03 04 05 06 07 08 09 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25
26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50

TERMINATE -- REFUSED TO PARTICIPATE -- SATELLITE RADIO CONSIDERING SUBSCRIBING -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.
01 02 03 04 05 06 07 08 09 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25
26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50

Q. May I please have your full name, address and phone number? You can be assured that your name and phone number will not be used to sell you anything or for any marketing or telemarketing purposes. It will only be used to verify your participation in the survey. **(RECORD ON FRONT PAGE OF SCREENER. YOU MUST VERIFY RESPONDENT'S PHONE NUMBER. IF RESPONDENT REFUSES TO GIVE PHONE NUMBER, SAY:)** I'm sorry but I cannot ask you to participate in our survey as my client needs your phone number to be able to verify your participation in this study.

(RECORD ADDRESS AND PHONE #, THEN CONTINUE) ← Gave phone number 1

(TERMINATE IN APPROPRIATE BOX BELOW) ← Refused phone number..... *

TERMINATE -- REFUSED PHONE NUMBER -- SATELLITE RADIO SUBSCRIBER -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.
01 02 03 04 05 06 07 08 09 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25
26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50

TERMINATE -- REFUSED PHONE NUMBER -- SATELLITE RADIO CONSIDERING SUBSCRIBING -- CIRCLE NEXT AVAILABLE NUMBER BELOW. ERASE AND RE-USE SCREENER.
01 02 03 04 05 06 07 08 09 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25
26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50

BRING RESPONDENT TO INTERVIEWING AREA. DO NOT DISCUSS THE SUBJECT MATTER OF THE STUDY WITH THE RESPONDENT WHILE WALKING TO FACILITY.

NOTE: IF RESPONDENT WEARS GLASSES/CONTACT LENSES, BE SURE HE/SHE IS WEARING THEM WHEN ADMINISTERING MAIN QUESTIONNAIRE.

END CD 1

PN: INSTRUCTIONS FOR DETERMINING WHICH QUESTIONNAIRE VERSION TO ADMINISTER

- ***SATELLITE RADIO SUBSCRIBER SIRIUS VERSION:***
MUST BE SATELLITE RADIO IN Q G AND BOXED ANSWER IN Q.H AND "SIRIUS" IN Q K

- ***SATELLITE RADIO SUBSCRIBER XM VERSION:***
MUST BE SATELLITE RADIO IN Q G AND BOXED ANSWER IN Q.H AND "XM" IN Q K

(NOTE IF SATELLITE RADIO SUBSCRIBER IN Q G. AND "BOTH" IN Q K ROTATE BETWEEN THE TWO SUBSCRIBER VERSIONS ABOVE

- ***SATELLITE RADIO CONSIDERING SUBSCRIBING SIRIUS VERSION:***
MUST BE " YES" TO SATELLITE RADIO IN Q I AND BOXED ANSWER IN Q.J AND "SIRIUS" IN Q L

- ***SATELLITE RADIO CONSIDERING SUBSCRIBING XM VERSION:***
MUST BE " YES" TO SATELLITE RADIO IN Q I AND BOXED ANSWER IN Q.J AND "XM" IN Q L

(NOTE IF " YES" TO SATELLITE RADIO CONSIDERING SUBSCRIBING AND " DON'T KNOW" OR "BOTH" IN Q L, ROTATE BETWEEN THE TWO CONSIDERING SUBSCRIBING VERSIONS ABOVE



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#02-629
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	()
Sirius.....	1
XM	2

SATELLITE RADIO

- MAIN QUESTIONNAIRE -

- SUBSCRIBERS -

(INTERVIEWER: RECORD ANSWERS TO QUESTIONS FROM PAPER SCREENER INTO PROGRAM BEFORE CONTINUING WITH Q. 1a.)

(READ VERBATIM:)

Thank you for agreeing to participate in our study. We would like to talk to you today about satellite radio. All of your answers will remain strictly confidential. No one will attempt to sell you anything as a result of participating in this study. We are only interested in your opinions. If you don't know an answer or don't have an answer to a particular question, please don't guess. Just tell me you don't know and we will go on to the next question. If, at anytime, you do not understand a question or do not understand what is being asked of you, just say so and I will repeat the question.

READ AND RECORD THE ANSWERS TO Q. 1a-3b. THIS PART IS NOT SELF-ADMINISTERED.

- 1(a) Thinking back to the time you first subscribed to satellite radio, why did you decide to subscribe? **(RECORD COMPLETE ANSWERS VERBATIM)**
- 1(b) **(PROBE)** Any other reason? **(RECORD COMPLETE ANSWERS VERBATIM)**
- 2(a) What types of satellite radio programming were most critical to your decision to subscribe to satellite radio? **(RECORD COMPLETE ANSWERS VERBATIM)**

NOTE: IF RESPONDENT ASKS WHAT IS MEANT BY PROGRAMMING, SAY:

By programming we mean both categories of programs or specific programs or channels.

- 2(b) **(PROBE)** Any others? **(RECORD COMPLETE ANSWERS VERBATIM)**
- 3(a) And now, reflecting on your experience with satellite radio, what types of satellite radio programming are most critical to your decision to continue to subscribe? **(RECORD COMPLETE ANSWERS VERBATIM)**
- 3(b) **(PROBE)** Any others? **(RECORD COMPLETE ANSWERS VERBATIM)**

INTERVIEWER: HAVE THE RESPONDENT SIT IN FRONT OF COMPUTER AND ANSWER QUESTIONS TO THE REMAINDER OF THE SURVEY HIM/HERSELF. BE SURE TO SIT WITH THE RESPONDENT WHILE HE/SHE IS ANSWERING IN CASE HE/SHE HAS ANY QUESTIONS.

IF THE RESPONDENT PREFERS, HAVE HIM/HER READ THE QUESTIONS ON THE SCREEN, BUT YOU WILL ENTER THE ANSWERS.

RECORD:

- 1 Respondent entering answers
- 2 Interviewer entering answers

(ASK EVERYONE)

4. Below is a list of the types of satellite radio programming. Please review the list and allocate 100 points among the seven types of programming in such a way that the number of points (0 to 100) you give each type of programming best reflects the relative importance of that type of programming to you and your family's decision to subscribe and retain your subscription to satellite radio.

If a specific type of programming is not important at all, feel free to give it zero points. If, on the other hand, your decision was affected by only one of the types of programming and none of the others were important to you, give that type of programming all of the 100 points. There are no right or wrong answers and we are just looking for your evaluation of the relative importance of the seven types of programming reflecting both the consideration you used in deciding to subscribe and your experience with satellite radio. Please make sure that the total adds to 100. Is this clear? **(RECORD 0-100 FOR EACH. TOTAL MUST EQUAL 100.)**

- ()
- 1 Yes **(CONTINUE)**
 - 2 No
 - 3 Don't know → **(REPEAT EXPLANATION)**

INTERVIEWER NOTE: IF RESPONDENT ASKS HOW TO CATEGORIZE A PARTICULAR SHOW, REFER TO APPROPRIATE PROGRAMMING GUIDE (i.e., SIRIUS OR XM) AND CLASSIFY ACCORDINGLY.

[PN: ROTATE PROGRAM TYPES]

Types of Programming	Relative Importance As Reflected In # Of Allocated Points
Comedy	()
Kids.....	()
Local Weather and Traffic	()
Music	()
News.....	()
Sports	()
Talk and Entertainment.....	()
	TOTAL MUST EQUAL 100

5. Now I would like to show you four of these programming types. For each type of programming you will see a number of hypothetical options showing different amounts of programming. For each hypothetical option, please indicate how desirable it would be for you relative to the other options. Please assume that in each case all other programming and non-programming features of the service including price remain the same. Please use a number from 0 (zero) = extremely undesirable to 10 = extremely desirable. You can use any number from "0 to 10" to indicate your answer. Please examine each hypothetical amount of programming and record the number that best reflects its level of desirability or undesirability. Is this clear? **(RECORD ONE ANSWER FOR EACH BELOW)**

- ()
 1 Yes **(CONTINUE)**
 2 No
 3 Don't know → **(REPEAT EXPLANATION)**

[PN: ROTATE PROGRAM TYPES USING SAME ROTATION USED IN Q. 4. RESPONDENT CAN NOT GIVE THE SAME NUMBER TO OPTIONS "1" AND "4" WITHIN A GIVEN TYPE OF PROGRAMMING. ONLY SHOW ONE PROGRAMMING TYPE ON THE SCREEN AT A TIME, i.e., SHOW ALL OF MUSIC PROGRAMMING, THEN ALL OF NEWS, ETC.]

	<u>Extremely Undesirable</u>														<u>Extremely Desirable</u>
A. <u>Music Programming</u> (Current Offering includes A.)															
1. No music programming	0	1	2	3	4	5	6	7	8	9	10	()	()
2. Substantially fewer channels and less variety of music than currently offered.....	0	1	2	3	4	5	6	7	8	9	10	()	()
3. The same number of channels and the same variety of music as currently offered....	0	1	2	3	4	5	6	7	8	9	10	()	()
4. Substantially more channels and more variety of music than currently offered.....	0	1	2	3	4	5	6	7	8	9	10	()	()
B. <u>News</u> (Current Offering includes B)															
1. No news programming	0	1	2	3	4	5	6	7	8	9	10	()	()
2. Substantially fewer channels and less variety of news than currently offered.....	0	1	2	3	4	5	6	7	8	9	10	()	()
3. The same number of channels and the same variety of news as currently offered....	0	1	2	3	4	5	6	7	8	9	10	()	()
4. Substantially more channels and more variety of news than currently offered.....	0	1	2	3	4	5	6	7	8	9	10	()	()
C. <u>Sports</u> (Current Offering includes C)															
1. No sports programming	0	1	2	3	4	5	6	7	8	9	10	()	()
2. Substantially fewer channels and less variety of sports than currently offered	0	1	2	3	4	5	6	7	8	9	10	()	()
3. The same number of channels and same variety of sports as currently offered	0	1	2	3	4	5	6	7	8	9	10	()	()
4. Substantially more channels and more variety of sports than currently offered	0	1	2	3	4	5	6	7	8	9	10	()	()
D. <u>Talk & Entertainment</u> (Current Offering includes D)															
1. No talk and entertainment programming	0	1	2	3	4	5	6	7	8	9	10	()	()
2. Substantially fewer channels and less variety of talk and entertainment than currently offered.....	0	1	2	3	4	5	6	7	8	9	10	()	()
3. The same number of channels and same variety of talk and entertainment as currently offered.....	0	1	2	3	4	5	6	7	8	9	10	()	()
4. Substantially more channels and more variety of talk and entertainment than currently offered.....	0	1	2	3	4	5	6	7	8	9	10	()	()

- A. For Sirius : 66 Music Channels, For XM : 74 Music Channels
 B. For Sirius : 15 News Channels, For XM : 13 News Channels
 C. For Sirius : 8 Sports Channels and Live Game Channels for NBA, NFL, etc. For XM : 13 Sports Channels and Live Game channels for Major League Baseball, NASCAR, etc.
 D. For Sirius :22 Talk and Entertainment channels including Howard Stern, Martha Stewart, etc, For XM : 17 Talk and Entertainment channels including Opie and Anthony, Air America, etc.

6(a) Now, we would like you to consider the non-programming features of satellite radio such as the number of minutes of commercials per hour on music channels and geographic coverage. For each type of non-programming feature you will see a hypothetical option showing different amounts for that non-programming feature. Please repeat the desirability task we did before for the types of programming, but this time let's do it with respect to the various options for each of the non-programming features. Please indicate how desirable each of the different options of a given feature would be to you relative to the other options of that feature. Again, please assume that all other programming and non-programming features of the service, including price, remain the same. Again, please use a number from 0 (zero) – extremely undesirable to 10 – extremely desirable. Please examine each option and record the number that best reflects the level of desirability or undesirability of the option. **(RECORD ONE ANSWER FOR EACH BELOW)**

[PN: ROTATE FEATURES. FOR STUB A. BELOW RESPONDENT CAN NOT GIVE THE SAME NUMBER TO OPTION 1 AS GIVEN TO OPTIONS 2 – 4]

	<u>Extremely Undesirable</u>											<u>Extremely Desirable</u>	
A. <u>The Number of Minutes of Commercials Per Hour on Music Channels</u>													
1. No commercials on music channels.....	0	1	2	3	4	5	6	7	8	9	10	()	()
2. 2 minutes of commercials per hour.....	0	1	2	3	4	5	6	7	8	9	10	()	()
3. 5 minutes of commercials per hour.....	0	1	2	3	4	5	6	7	8	9	10	()	()
4. 12 minutes of commercials per hour.....	0	1	2	3	4	5	6	7	8	9	10	()	()
B. <u>Geographic Coverage</u>													
1. Typical FM coverage	0	1	2	3	4	5	6	7	8	9	10	()	()
2. Complete nationwide coverage	0	1	2	3	4	5	6	7	8	9	10	()	()

6(b) Now, let's turn to price. I'd like you to repeat the desirability task for various monthly prices for a single subscription. Please indicate how desirable each of the different price options would be to you relative to the other options. Again, please assume that all other programming and non-programming features of the service remain the same. Again, please use a number from 0 (zero) – extremely undesirable to 10 – extremely desirable. Please examine each option and record the number that best reflects the level of desirability or undesirability of the option. **(RECORD ONE ANSWER FOR EACH BELOW)**

	<u>Extremely Undesirable</u>											<u>Extremely Desirable</u>	
C. <u>The Monthly Price for A Single Subscription</u>													
1. \$8.95 per month.....	0	1	2	3	4	5	6	7	8	9	10	()	()
2. \$10.95 per month.....	0	1	2	3	4	5	6	7	8	9	10	()	()
3. \$12.95 per month.....	0	1	2	3	4	5	6	7	8	9	10	()	()
4. \$14.95 per month.....	0	1	2	3	4	5	6	7	8	9	10	()	()

6(c) Please review the list below and tell me if there are any other non-programming features besides the ones listed that you considered in your decision to subscribe and retain your subscription to satellite radio? **(RECORD ALL MENTIONS)**

[PN: ROTATE LIST]

- The number of minutes of commercials per hour on music channels
- Geographic coverage
- The monthly price for a single subscription

()
 1 Other **(RECORD VERBATIM AND PROBE: Anything else?)** _____

0 No others considered

7. Below is a list of the non-programming features of satellite radio. Please review the list and allocate 100 points among the features in a way that the number of points (0 to 100) you give each feature best reflects the relative importance of that feature to you and your family's decision to subscribe and retain your subscription to satellite radio.

As in the previous 100 point allocation task, please assign each feature a number from 0 to 100 that best reflects its relative importance to you and your family's decision to subscribe and retain your subscription to satellite radio.

The more important a feature is, the higher the number of points you would give it, while the less important a feature is, the fewer number of points you would give it. Please make sure that the total adds to 100. **(RECORD 0-100 FOR EACH. TOTAL MUST EQUAL 100.)**

[PN: SHOW OTHERS FROM Q. 6c. USE SAME ROTATION USED IN Q. 6a.]

Non-programming Type Features Of Satellite Radio	Relative Importance As Reflected In # Of Allocated Points	
The Number of Minutes of Commercials Per Hour on Music Channels.....		()
Geographic Coverage.....		()
The Monthly Price for A Single Subscription ...		()
Other (FROM Q. 6c)		()
Other (FROM Q. 6c)		()
_____		()
_____		()
	TOTAL MUST EQUAL 100	

8. Reflecting on your and your family's usage of satellite radio in a typical week how would you estimate the amount of time spent on each of the following program types. Again please do so by allocating 100 points among the type of programming reflecting the % of time allocated to each. If you did not (or will not) spend any time listening to a particular type of program, please give it a zero. The type of programming listened to the most should get the highest number of points, the second most should get fewer points, etc. Make sure the total adds up to 100%. **(RECORD 0-100 FOR EACH. TOTAL MUST EQUAL 100)**

[PN: ROTATE PROGRAM TYPES USING SAME ROTATION AS IN Q. 4]

Type of Programming	Percentage of Time Spent Listening	
Comedy		()
Kids		()
Local Weather and Traffic....		()
Music		()
News		()
Sports		()
Talk and Entertainment.....		()
	TOTAL MUST EQUAL 100%	

ASK Q. 9a FOR EACH PROGRAMMING TYPE LISTED BELOW. ASK Q. 9a AND 9b FOR EACH ONE BEFORE GOING ON TO THE NEXT PROGRAMMING TYPE. SHOW ONE AT A TIME. ROTATE ORDER.

9(a) As you know, the single subscription price per month for satellite radio is **\$12.95**. Let's assume that some of the current programming types were not available. Assuming that all other programming and non-programming features of the service, including price, remain the same. If (**INSERT PROGRAMMING TYPE**) were not available, would it affect the amount you would be willing to pay for satellite radio? (**RECORD YES, NO OR DON'T KNOW FOR EACH.**)

(ASK Q. 9b IF "YES" IN Q. 9a. OTHERWISE, SKIP TO NEXT PROGRAMMING TYPE.)

9(b) How much would you be willing to pay for satellite radio if (**INSERT PROGRAMMING TYPE**) were available? Please assume that all other programming and non-programming features of the service, including price, remain the same. Please tell me the dollar amount you would be willing to pay for satellite radio if these types of programming were not offered at all. Furthermore, if you think that not having this programming type would lead you to **cancel your subscription** please say so. (**TYPE IN AMOUNT IN DOLLARS AND CENTS**)

	Q. 9a				Q. 9b	
	Yes	No	Don't Know		Would Be Willing to Pay	Would Cancel Subscription
If no music programming	1	2	3	()	\$ _____ ()	0 ()
If no news programming	1	2	3	()	\$ _____ ()	0 ()
If no sports programming.....	1	2	3	()	\$ _____ ()	0 ()
If no talk and entertainment programming	1	2	3	()	\$ _____ ()	0 ()

10. Now, I am going to show you 10 different hypothetical satellite radio program offerings. Each one represents a specific hypothetical satellite radio offering that includes a set of available programming options, as well as various combinations of the non-programming features we discussed before and a monthly price for a single subscription. Please examine each profile carefully and assign it a number from "0" meaning "definitely would not subscribe" to "10" meaning "definitely would subscribe" that best reflects your likelihood of subscribing to that offering.

If you definitely would not subscribe to the offering, you would give it a 0. If you definitely would subscribe to the offering, you would give it a 10. For any other case, use a number between 0 and 10 that best reflects your likelihood of subscribing to that offering. If at anytime you want to change your answer to a particular offering, please let me know and we will go back and do that. (**SHOW ONE PROFILE AT A TIME AND RECORD 0-10 FOR EACH PROFILE. EACH RESPONDENT WILL SEE 8 PROFILES WITHIN A BLOCK RANDOMIZED. IN ADDITION, ALL RESPONDENTS WILL SEE THE TWO PROFILES IN BLOCK 9.**)

PN: RECORD BLOCK #: (1-8), 9

(ASK EVERYONE)

11(a) And finally, reflecting on your experience with satellite radio, if satellite radio was not available what, if anything, would you miss most about it? (**RECORD COMPLETE ANSWER VERBATIM**)

11(b) (**PROBE:**) Anything else? (**RECORD COMPLETE ANSWER VERBATIM**)

RESPONDENT

RESPONDENT: PLEASE READ AND SIGN:

I acknowledge that I was interviewed on this date. During this interview I was asked questions about satellite radio.

SIGNATURE: _____ DATE: _____

TELEPHONE #: _____ (FOR VERIFICATION PURPOSES ONLY)

INTERVIEWER

INTERVIEWER: PLEASE READ AND SIGN:

I hereby certify that all of the above information was obtained by me from the respondent named above who is not personally known to me. I agree to provide this affidavit under oath, immediately upon request.

SIGNATURE: _____ DATE: _____

THANK YOU VERY MUCH FOR YOUR COOPERATION !



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#02-629
September, 2006

	()
Sirius.....	3
XM	4

SATELLITE RADIO

- MAIN QUESTIONNAIRE -

- CONSIDERING SUBSCRIBING -

(INTERVIEWER: RECORD ANSWERS TO QUESTIONS FROM PAPER SCREENER INTO PROGRAM BEFORE CONTINUING WITH Q. 1a)

(READ VERBATIM:)

Thank you for agreeing to participate in our study. We would like to talk to you today about satellite radio. All of your answers will remain strictly confidential. No one will attempt to sell you anything as a result of participating in this study. We are only interested in your opinions. If you don't know an answer or don't have an answer to a particular question, please don't guess. Just tell me you don't know and we will go on to the next question. If, at anytime, you do not understand a question or do not understand what is being asked of you, just say so and I will repeat the question.

READ AND RECORD THE ANSWERS TO Q. 1a-3b. THIS PART IS NOT SELF-ADMINISTERED.

1(a) Why are you considering subscribing to satellite radio? **(RECORD COMPLETE ANSWERS VERBATIM)**

1(b) **(PROBE)** Any other reason? **(RECORD COMPLETE ANSWERS VERBATIM)**

2(a) What types of satellite radio programming are most critical to your decision whether to subscribe? **(RECORD COMPLETE ANSWERS VERBATIM)**

NOTE: IF RESPONDENT ASKS WHAT IS MEANT BY PROGRAMMING, SAY:

By programming we mean both categories of programs or specific programs or channels.

2(b) **(PROBE)** Any others? **(RECORD COMPLETE ANSWERS VERBATIM)**

THERE IS NO Q. 3 ON THIS VERSION

INTERVIEWER: HAVE THE RESPONDENT SIT IN FRONT OF COMPUTER AND ANSWER QUESTIONS TO THE REMAINDER OF THE SURVEY HIM/HERSELF. BE SURE TO SIT WITH THE RESPONDENT WHILE HE/SHE IS ANSWERING IN CASE HE/SHE HAS ANY QUESTIONS.

IF THE RESPONDENT PREFERS, HAVE HIM/HER READ THE QUESTIONS ON THE SCREEN, BUT YOU WILL ENTER THE ANSWERS.

RECORD:

- 1 Respondent entering answers
- 2 Interviewer entering answers

(ASK EVERYONE)

4. Below is a list of the types of satellite radio programming. Please review the list and allocate 100 points among the seven types of programming in such a way that the number of points (0 to 100) you give each type of programming best reflects the relative importance of that type of programming to you and your family's ultimate decision whether to subscribe to satellite radio.

If a specific type of programming is not important at all, feel free to give it zero points. If, on the other hand, your decision is likely to be affected by only one of the types of programming and none of the others are likely to be important to you, give that type of programming all of the 100 points. There are no right or wrong answers and we are just looking for your evaluation of the relative importance of the seven types of programming to your decision whether to subscribe to satellite radio. Please make sure that the total adds to 100. Is this clear? **(RECORD 0-100 FOR EACH. TOTAL MUST EQUAL 100.)**

- ()
- 1 Yes **(CONTINUE)**
 - 2 No
 - 3 Don't know → **(REPEAT EXPLANATION)**

INTERVIEWER NOTE: IF RESPONDENT ASKS HOW TO CATEGORIZE A PARTICULAR SHOW, REFER TO APPROPRIATE PROGRAMMING GUIDE (i.e., SIRIUS OR XM) AND CLASSIFY ACCORDINGLY.

[PN: ROTATE PROGRAM TYPES]

Types of Programming	Relative Importance As Reflected In # Of Allocated Points	()
Comedy		()
Kids.....		()
Local Weather and Traffic		()
Music		()
News.....		()
Sports		()
Talk and Entertainment.....		()
	TOTAL MUST EQUAL 100	

5. Now I would like to show you four of these programming types. For each type of programming you will see a number of hypothetical options showing different amounts of programming. For each hypothetical option, please indicate how desirable it would be for you relative to the other options. Please assume that in each case all other programming and non-programming features of the service including price remain the same. Please use a number from 0 (zero) = extremely undesirable to 10 = extremely desirable. You can use any number from "0 to 10" to indicate your answer. Please examine each hypothetical amount of programming and record the number that best reflects its level of desirability or undesirability. Is this clear? **(RECORD ONE ANSWER FOR EACH BELOW)**

- ()
 1 Yes (CONTINUE)
 2 No
 3 Don't know → (REPEAT EXPLANATION)

[PN: ROTATE PROGRAM TYPES USING SAME ROTATION USED IN Q. 4. RESPONDENT CAN NOT GIVE THE SAME NUMBER TO OPTIONS "1" AND "4" WITHIN A GIVEN TYPE OF PROGRAMMING. ONLY SHOW ONE PROGRAMMING TYPE ON THE SCREEN AT A TIME, i.e., SHOW ALL OF MUSIC PROGRAMMING, THEN ALL OF NEWS, ETC.]

	<u>Extremely Undesirable</u>										<u>Extremely Desirable</u>		
A. <u>Music Programming</u> (Current Offering includes A.)													
1. No music programming	0	1	2	3	4	5	6	7	8	9	10	()	()
2. Substantially fewer channels and less variety of music than currently offered.....	0	1	2	3	4	5	6	7	8	9	10	()	()
3. The same number of channels and the same variety of music as currently offered....	0	1	2	3	4	5	6	7	8	9	10	()	()
4. Substantially more channels and more variety of music than currently offered.....	0	1	2	3	4	5	6	7	8	9	10	()	()
B. <u>News</u> (Current Offering includes B)													
1. No news programming	0	1	2	3	4	5	6	7	8	9	10	()	()
2. Substantially fewer channels and less variety of news than currently offered.....	0	1	2	3	4	5	6	7	8	9	10	()	()
3. The same number of channels and the same variety of news as currently offered....	0	1	2	3	4	5	6	7	8	9	10	()	()
4. Substantially more channels and more variety of news than currently offered.....	0	1	2	3	4	5	6	7	8	9	10	()	()
C. <u>Sports</u> (Current Offering includes C)													
1. No sports programming	0	1	2	3	4	5	6	7	8	9	10	()	()
2. Substantially fewer channels and less variety of sports than currently offered	0	1	2	3	4	5	6	7	8	9	10	()	()
3. The same number of channels and same variety of sports as currently offered	0	1	2	3	4	5	6	7	8	9	10	()	()
4. Substantially more channels and more variety of sports than currently offered	0	1	2	3	4	5	6	7	8	9	10	()	()
D. <u>Talk & Entertainment</u> (Current Offering includes D)													
1. No talk and entertainment programming	0	1	2	3	4	5	6	7	8	9	10	()	()
2. Substantially fewer channels and less variety of talk and entertainment than currently offered.....	0	1	2	3	4	5	6	7	8	9	10	()	()
3. The same number of channels and same variety of talk and entertainment as currently offered.....	0	1	2	3	4	5	6	7	8	9	10	()	()
4. Substantially more channels and more variety of talk and entertainment than currently offered.....	0	1	2	3	4	5	6	7	8	9	10	()	()

- A. For Sirius : 66 Music Channels, For XM : 74 Music Channels
 B. For Sirius : 15 News Channels, For XM : 13 News Channels
 C. For Sirius : 8 Sports Channels and Live Game Channels for NBA, NFL, etc. For XM : 13 Sports Channels and Live Game channels for Major League Baseball, NASCAR, etc.
 D. For Sirius :22 Talk and Entertainment channels including Howard Stern, Martha Stewart, etc, For XM : 17 Talk and Entertainment channels including Opie and Anthony, Air America, etc.

6(a) Now, we would like you to consider the non-programming features of satellite radio such as the number of minutes of commercials per hour on music channels and geographic coverage. For each type of non-programming feature you will see a hypothetical option showing different amounts for that non-programming feature. Please repeat the desirability task we did before for the types of programming, but this time let's do it with respect to the various options for each of the non-programming features. Please indicate how desirable each of the different options of a given feature would be to you relative to the other options of that feature. Again, please assume that all other programming and non-programming features of the service, including price, remain the same. Again, please use a number from 0 (zero) – extremely undesirable to 10 – extremely desirable. Please examine each option and record the number that best reflects the level of desirability or undesirability of the option. **(RECORD ONE ANSWER FOR EACH BELOW)**

[PN: ROTATE FEATURES. FOR STUB A BELOW RESPONDENT CAN NOT GIVE THE SAME NUMBER TO OPTION 1 AS GIVEN TO OPTIONS 2-4.]

	<u>Extremely Undesirable</u>											<u>Extremely Desirable</u>	
A. <u>The Number of Minutes of Commercials Per Hour on Music Channels</u>													
1. No commercials on music channels.....	0	1	2	3	4	5	6	7	8	9	10	()	()
2. 2 minutes of commercials per hour.....	0	1	2	3	4	5	6	7	8	9	10	()	()
3. 5 minutes of commercials per hour.....	0	1	2	3	4	5	6	7	8	9	10	()	()
4. 12 minutes of commercials per hour.....	0	1	2	3	4	5	6	7	8	9	10	()	()
B. <u>Geographic Coverage</u>													
1. Typical FM coverage.....	0	1	2	3	4	5	6	7	8	9	10	()	()
2. Complete nationwide coverage	0	1	2	3	4	5	6	7	8	9	10	()	()

6(b) Now, let's turn to price. I'd like you to repeat the desirability task for various monthly prices for a single subscription. Please indicate how desirable each of the different price options would be to you relative to the other options. Again, please assume that all other programming and non-programming features of the service remain the same. Again, please use a number from 0 (zero) – extremely undesirable to 10 – extremely desirable. Please examine each option and record the number that best reflects the level of desirability or undesirability of the option. **(RECORD ONE ANSWER FOR EACH BELOW)**

	<u>Extremely Undesirable</u>											<u>Extremely Desirable</u>	
C. <u>The Monthly Price for A Single Subscription</u>													
1. \$8.95 per month.....	0	1	2	3	4	5	6	7	8	9	10	()	()
2. \$10.95 per month.....	0	1	2	3	4	5	6	7	8	9	10	()	()
3. \$12.95 per month.....	0	1	2	3	4	5	6	7	8	9	10	()	()
4. \$14.95 per month.....	0	1	2	3	4	5	6	7	8	9	10	()	()

6(c) Please review the list below and tell me if there are any other non-programming features besides the ones listed that would likely impact your decision whether to subscribe to satellite radio? **(RECORD ALL MENTIONS)**

[PN: ROTATE LIST]

- The number of minutes of commercials per hour on music channels
- Geographic coverage
- The monthly price for a single subscription

()
 1 Other **(RECORD VERBATIM AND PROBE: Anything else?)** _____

0 No others considered

7. Below is a list of the non-programming features of satellite radio. Please review the list and allocate 100 points among the features in a way that the number of points (0 to 100) you give each feature best reflects the relative importance of that feature to you and your family's ultimate decision whether to subscribe to satellite radio.

As in the previous 100 point allocation task, please assign each feature a number from 0 to 100 that best reflects its relative importance to you and your family's decision whether to subscribe to satellite radio.

The more important a feature is, the higher the number of points you would give it, while the less important a feature is, the fewer number of points you would give it. Please make sure that the total adds to 100. **(RECORD 0-100 FOR EACH. TOTAL MUST EQUAL 100.)**

[PN: SHOW OTHERS FROM Q. 6c. USE SAME ROTATION USED IN Q. 6a.]

Non-programming Type Features Of Satellite Radio	Relative Importance As Reflected In # Of Allocated Points	
The Number of Minutes of Commercials Per Hour on Music Channels.....		()
Geographic Coverage.....		()
The Monthly Price for A Single Subscription ...		()
Other (FROM Q. 6c)		()
Other (FROM Q. 6c)		()
_____		()
_____		()
	TOTAL MUST EQUAL 100	

(THERE IS NO Q. 8 ON THIS VERSION)

ASK Q. 9a FOR EACH PROGRAMMING TYPE LISTED BELOW. ASK Q. 9a AND 9b FOR EACH ONE BEFORE GOING ON TO THE NEXT PROGRAMMING TYPE. SHOW ONE AT A TIME. ROTATE ORDER.

9(a) As you know, the single subscription price per month for satellite radio is **\$12.95**. Let's assume that some of the current programming types were not available. Assuming that all other programming and non-programming features of the service, including price, remain the same. If **(INSERT PROGRAMMING TYPE)** were not available, would it affect the amount you would be willing to pay for satellite radio? **(RECORD YES, NO OR DON'T KNOW FOR EACH.)**

(ASK Q. 9b IF "YES" IN Q. 9a. OTHERWISE, SKIP TO NEXT PROGRAMMING TYPE.)

9(b) How much would you be willing to pay for satellite radio if **(INSERT PROGRAMMING TYPE)** were available? Please assume that all other programming and non-programming features of the service, including price, remain the same. Please tell me the dollar amount you would be willing to pay for satellite radio if these types of programming were not offered at all. Furthermore, if you think that not having this programming type would lead you to **prevent you from subscribing** please say so. **(TYPE IN AMOUNT IN DOLLARS AND CENTS)**

	Q. 9a			Q. 9b		
	Yes	No	Don't Know	Would Be Willing to Pay	Would Not Subscribe	
If no music programming.....	1	2	3	()	\$ _____ ()	0 ()
If no news programming.....	1	2	3	()	\$ _____ ()	0 ()
If no sports programming.....	1	2	3	()	\$ _____ ()	0 ()
If no talk and entertainment programming	1	2	3	()	\$ _____ ()	0 ()

10. Now, I am going to show you 10 different hypothetical satellite radio program offerings. Each one represents a specific hypothetical satellite radio offering that includes a set of available programming options, as well as various combinations of the non-programming features we discussed before and a monthly price for a single subscription. Please examine each profile carefully and assign it a number from "0" meaning "definitely would not subscribe" to "10" meaning "definitely would subscribe" that best reflects your likelihood of subscribing to that offering.

If you definitely would not subscribe to the offering, you would give it a 0. If you definitely would subscribe to the offering, you would give it a 10. For any other case, use a number between 0 and 10 that best reflects your likelihood of subscribing to that offering. If at anytime you want to change your answer to a particular offering, please let me know and we will go back and do that. **(SHOW ONE PROFILE AT A TIME AND RECORD 0-10 FOR EACH PROFILE. EACH RESPONDENT WILL SEE 8 PROFILES WITHIN A BLOCK RANDOMIZED. IN ADDITION, ALL RESPONDENTS WILL SEE THE TWO PROFILES IN BLOCK 9.)**

PN: RECORD BLOCK #: (1-8), 9

Q. 11 DOES NOT APPEAR ON THIS VERSION

RESPONDENT

RESPONDENT: PLEASE READ AND SIGN:

I acknowledge that I was interviewed on this date. During this interview I was asked questions about satellite radio.

SIGNATURE: _____ DATE: _____

TELEPHONE #: _____ (FOR VERIFICATION PURPOSES ONLY)

INTERVIEWER

INTERVIEWER: PLEASE READ AND SIGN:

I hereby certify that all of the above information was obtained by me from the respondent named above who is not personally known to me. I agree to provide this affidavit under oath, immediately upon request.

SIGNATURE: _____ DATE: _____

THANK YOU VERY MUCH FOR YOUR COOPERATION !

APPENDIX J

RESULTS BY CURRENT AND CONSIDERING SUBSCRIBERS

Figure 1. Effect On Willingness To Cancel If A Specific Programming Type Was Not Available (Q9)*

	Current Subscribers				Considering Subscribing			
	No Music	No News	No Sports	No Talk and Entertainment	No Music	No News	No Sports	No Talk and Entertainment
	(n=307)	(n=307)	(n=307)	(n=307)	(n=121)	(n=121)	(n=121)	(n=121)
	%	%	%	%	%	%	%	%
Would change amount willing to pay ¹	57	35	36	38	69	51	42	39
Would Cancel	42	11	12	15	44	19	21	14
Would reduce price	14	20	21	21	23	29	18	21
Would not change amount willing to pay	36	49	52	50	26	38	45	50
Don't Know if would change amount willing to pay	7	16	12	12	5	11	13	11

* See Appendix C for the text of this question.

¹ A few respondents indicated a willingness to pay a higher price than \$12.95. These included for current subscribers 1% for music, 4% for news, 3% for sports, 2% for talk and entertainment. For considerers, 2% for music, 3% for news, 3% for sports and 4% for talk and entertainment.

Figure 2. Effect On Willingness To Pay Without Specific Programming Type (Q9)*

	Current Subscribers				Considering Subscribers			
	No Music	No News	No Sports	No Talk and Entertainment	No Music	No News	No Sports	No Talk and Entertainment
	\$	\$	\$	\$	\$	\$	\$	\$
Average Price Among All Respondents ²	6.39	10.45	10.40	9.97	5.56	9.44	8.95	10.03
	(n=286)	(n=256)	(n=269)	(n=269)	(n=144)	(n=108)	(n=105)	(n=108)
Average price among all respondents who would change (including zero)	2.29	6.87	6.66	6.10	2.80	6.84	4.71	6.24
	(n=176)	(n=106)	(n=109)	(n=117)	(n=83)	(n=62)	(n=51)	(n=47)
Average price among those who would pay less (not including zero)	7.12	9.24	8.86	9.03	7.26	9.40	8.93	8.63
	(n=42)	(n=61)	(n=63)	(n=63)	(n=28)	(n=35)	(n=21)	(n=26)

* See Appendix C for the text of this question.

² Respondents who replied “did not know” are not included here.

**Figure 3. Open-Ended Question Answers
(Net³ for Q 1-3, 11)***

	Current Subscribers (n=307)			Considering Subscribing (n=121)		
	% Top Mention	% Top 3 Mention	% Any Mention	% Top Mention	% Top 3 Mention	% Any Mention
• Music programming (no mention of commercial free)	70	87	87	61	74	74
• Commercial free (no mention of music)	24	37	38	18	31	31
• Talk/Entertainment	20	36	37	7	22	24
• Sports	15	31	32	11	22	25
• Commercial Free music	9	13	13	3	6	7
• News	7	19	20	6	19	21
• Coverage	5	14	14	3	7	9
• Price	5	11	11	3	6	7
• Fewer/less commercials	5	11	12	2	4	4
• Comedy	3	13	14	2	7	8
• Kids	1	3	4	1	4	4
• Weather/traffic	1	4	6	2	3	5
• Any Music Mentions (Net)	74	88	89	63	78	78
• Any Commercial Mentions (Net)	33	51	51	22	39	40
• Any Commercial Free Mentions (Net)	29	43	44	21	36	37

³ Net results are presented to avoid double-counting, *i.e.*, a respondent who mentioned music as his top response to all four questions is counted only once. Because the figure shows cumulative results from multiple questions, columns may sum to more than 100%.

* See Appendix C for the text of these questions.

Figure 4. Top Reasons for Subscribing/Considering Subscribing– General Draw (Q1)*

	Current Subscribers (n=307)			Considering Subscribing (n=121)		
	% Top Mention	% Top 3 Mention	% Any Mention	% Top Mention	% Top 3 Mention	% Any Mention
• Music programming (no mention of commercial free)	18	34	35	14	35	36
• Commercial free (no mention of music)	15	25	25	18	31	31
• Talk/Entertainment	6	13	14	2	8	9
• Price	4	7	7	2	2	3
• News	2	3	4	2	4	4
• Coverage	2	7	7	3	6	7
• Fewer/less commercials	2	5	5	2	3	3
• Commercial Free music	2	4	4	2	4	4
• Comedy	1	1	2	0	0	0
• Sports	1	5	6	1	2	2
• Kids	0	0	0	1	2	2
• Weather/traffic	0	0	1	0	1	1
• Any Music Mentions (Net)	19	38	38	17	39	40
• Any Commercial Mentions (Net)	19	34	35	22	37	37
• Any Commercial Free Mentions (Net)	17	29	29	21	35	35

* Q1(a): Thinking back to the time you first subscribed to satellite radio, why did you decide to subscribe?/Why are you considering subscribing to satellite radio?

Q1(b): Any other reason?

**Figure 5. Programming Type Most Critical To Decision
To Subscribe/Consider Subscribing–Programming Draw (Q2)***

	Current Subscribers (n=307)			Considering Subscribing (n=121)		
	% Top Mention	% Top 3 Mention	% Any Mention	% Top Mention	% Top 3 Mention	% Any Mention
• Music programming (no mention of commercial free)	51	65	66	59	69	69
• Talk/Entertainment	11	22	23	6	19	20
• Sports	9	22	22	11	21	24
• Comedy	3	10	11	2	7	8
• News	3	12	12	4	16	18
• Commercial free (no mention of music)	3	5	5	0	0	0
• Commercial Free music	2	3	3	1	2	2
• Kids	1	2	2	0	2	2
• Weather/traffic	1	3	4	2	3	5
• Coverage	1	1	1	0	1	2
• Price	1	1	2	2	3	3
• Fewer/less commercials	0	1	1	0	1	1
• Any Music Mentions (Net)	53	68	68	60	71	71
• Any Commercial Mentions (Net)	6	9	9	1	2	3
• Any Commercial Free Mentions (Net)	5	8	8	1	2	2

* Q2(a): What types of satellite radio programming were most critical to your decision to subscribe to satellite radio?/What types of satellite radio programming are most critical to your decision whether to subscribe?

Q2(b): Any other reason?

Figure 6. Importance Of Programming Type (Q4)*

Type of Programming	Relative importance as reflected in # of allocated points			
	Current Subscribers		Considering Subscribing	
	<u>Share</u> (n=307) %	<u>Ranked Highest</u> %	<u>Share</u> (n=121) %	<u>Ranked Highest</u> %
Music	46 (42.50 – 48.84)	76 (71.11 – 80.68)	38 (33.48 – 43.18)	68 (59.44 – 76.10)
Sports	13 (10.75 – 14.67)	16 (11.86 – 20.06)	13 (9.83 – 16.09)	21 (13.45 – 27.88)
Talk and Entertainment	12 (10.66 – 14.53)	16 (11.37 – 19.70)	11 (8.38 – 13.17)	15 (8.54 – 21.22)
Comedy	10 (8.55 – 11.43)	13 (9.26 – 16.79)	11 (8.96 – 13.32)	15 (8.54 – 21.22)
News	9 (7.42 – 9.80)	11 (7.56 – 14.59)	12 (10.10 – 14.54)	21 (13.45 – 27.88)
Local Weather and Traffic	6 (5.39 – 7.75)	5 (2.73 – 7.70)	9 (7.36 – 10.70)	11 (5.23 – 16.26)
Kids	4 (2.66 – 5.02)	5 (2.47 – 7.30)	4 (3.92 – 6.96)	7 (2.18 – 11.04)
	100		100	









* Q4: Please review the list and allocate 100 points among the seven types of programming in such a way that the number of points (0 to 100) you give each type of programming best reflects the relative importance of that type of programming to you and your family's decision to subscribe and retain your subscription to satellite radio

Figure 7. Relative Importance Of The Programming and Non-Programming Attributes Of Satellite Radio Based On Conjoint Analysis– Value (Q4-7,10)*

	Current Subscribers (n=307)		Considering Subscribing (n=121)	
	Average Importance	Top Mention	Average Importance	Top Mention
<u>Type of Programming</u>				
A. Music	31 (28.71-33.24)	49 (45.38-51.21)	29 (25.30-32.77)	42 (37.82-46.92)
B. News	10 (9.08-11.62)	7 (5.03-7.90)	11 (8.63-12.85)	7 (4.47-9.09)
C. Sports	14 (11.91-15.28)	12 (9.70-13.43)	13 (10.38-15.57)	9 (6.65-12.00)
D. Talk and Entertainment	12 (10.06-13.23)	10 (8.44-11.97)	12 (9.62-14.99)	12 (8.69-14.84)
<u>Other Satellite Radio Features and Price</u>				
E. Number of Minutes Per Hour of Commercials on Music Channels	13 (11.67-14.68)	9 (7.19-10.50)	13 (10.26-14.91)	7 (4.47-9.09)
F. Geographic Coverage	6 (4.92-7.12)	2 (1.49-3.27)	7 (5.20-8.88)	4 (2.38-6.09)
G. The Monthly Price for a Single Subscription	14 (12.53-15.95)	12 (10.33-14.16)	15 (12.48-18.16)	19 (15.06-22.23)

* See Appendix C for the text of these questions.

Figure 8. Relative Importance Of Music As Reflected In The Choice Of Current Offering With Music Versus Current Offering Without Music (Q10)

	Current Subscribers (n=307)	Considering Subscribing (n=121)
	Intention To Subscribe	Intention To Subscribe
Current Offering (Card 65)	 7.42	 6.38
Current Offering With No Music (Card 66)	 2.47	 2.48
Ratio (current offering with no music ÷ current offering)	.33	.39
	% Giving 0 Points	% Giving 0 Points
Current Offering (Card 65)	 4%	 9%
Current Offering With No Music (Card 66)	 58%	 52%
Ratio (current offering with no music ÷ current offering)	14.5	5.8

APPENDIX K

RESULTS BY XM AND SIRIUS SUBSCRIBERS AND CONSIDERING SUBSCRIBERS

Figure 1. Effect On Willingness To Cancel If A Specific Programming Type Was Not Available (Q9)*

	Sirius				XM			
	No Music	No News	No Sports	No Talk and Entertainment	No Music	No News	No Sports	No Talk and Entertainment
	(n=220)	(n=220)	(n=220)	(n=220)	(n=208)	(n=208)	(n=208)	(n=208)
	%	%	%	%	%	%	%	%
Would change amount willing to pay ¹	58	40	40	40	63	39	35	37
Would Cancel	41	14	19	17	44	13	10	12
Would reduce price	15	22	18	20	18	23	22	22
Would not change amount willing to pay	36	46	50	49	36	45	50	51
Don't Know if would change amount willing to pay	6	14	10	11	7	16	16	12

* See Appendix C for the text of this question.

¹ A few respondents indicated a willingness to pay a higher price than \$12.95. These included for Sirius 2% for music, 4% for news, 3% for sports, 3% for talk and entertainment. For XM, 1% for music, 3% for news, 3% for sports and 3% for talk and entertainment.

Figure 2. Effect On Willingness To Pay Without Specific Programming Type (Q9)*

	Sirius				XM			
	No Music	No News	No Sports	No Talk and Entertainment	No Music	No News	No Sports	No Talk and Entertainment
	\$	\$	\$	\$	\$	\$	\$	\$
Average Price Among All Respondents ²	6.57	10.16	9.57	9.63	5.71	10.14	10.47	10.37
	(n=206)	(n=189)	(n=199)	(n=194)	(n=194)	(n=175)	(n=175)	(n=183)
Average price among all respondents who would change (including zero)	2.60	6.88	5.31	5.54	2.31	6.83	6.93	6.82
	(n=127)	(n=87)	(n=88)	(n=87)	(n=132)	(n=81)	(n=72)	(n=77)
Average price among those who would pay less (not including 0)	7.27	9.96	8.98	8.62	7.10	8.64	8.79	9.20
	(n=33)	(n=48)	(n=40)	(n=44)	(n=37)	(n=48)	(n=45)	(n=45)

* See Appendix C for the text of this question.

² Respondents who replied “did not know” are not included here.

**Figure 3. Open-Ended Question Answers
(Net³ for Q 1-3, 11)***

	Sirius (n=220)			XM (n=208)		
	% Top Mention	% Top 3 Mention	% Any Mention	% Top Mention	% Top 3 Mention	% Any Mention
• Music programming (no mention of commercial free)	65	80	80	71	87	87
• Talk/Entertainment	21	38	40	11	25	27
• Commercial free (no mention of music)	21	33	34	24	38	38
• Sports	17	30	31	11	27	28
• Coverage	7	14	15	2	10	11
• News	5	15	18	8	23	24
• Price	5	6	7	4	13	13
• Commercial Free music	5	11	12	10	11	11
• Comedy	4	10	11	2	13	14
• Weather/traffic	2	5	5	0	3	5
• Fewer/less commercials	2	7	7	5	12	12
• Kids	1	3	4	1	3	4
• Any Music Mentions (Net)	66	83	83	75	88	88
• Any Commercial Mentions (Net)	26	44	45	33	51	51
• Any Commercial Free Mentions (Net)	25	40	40	29	43	43

³ Net results are presented to avoid double-counting, *i.e.*, a respondent who mentioned music as his top response to two questions is counted only once. Because the figure shows the cumulative results from multiple questions, columns may sum to more than 100%.

* See Appendix C for the text of these questions.

Figure 4. Top Reasons for Subscribing/Considering Subscribing– General Draw (Q1)*

	Sirius (n=220)			XM (n=208)		
	% Top Mention	% Top 3 Mention	% Any Mention	% Top Mention	% Top 3 Mention	% Any Mention
• Music programming (no mention of commercial free)	15	32	32	18	37	39
• Commercial free (no mention of music)	15	24	25	17	29	29
• Talk/Entertainment	8	16	18	1	7	8
• Coverage	4	8	9	1	5	5
• Price	4	4	5	3	7	8
• News	3	5	5	1	2	2
• Sports	2	5	5	0	3	4
• Commercial Free music	2	5	5	2	4	4
• Comedy	1	1	1	0	0	1
• Fewer/less commercials	1	3	4	3	6	6
• Kids	0	1	1	0	0	0
• Weather/traffic	0	0	1	0	0	0
• Any Music Mentions (Net)	17	36	36	20	40	41
• Any Commercial Mentions (Net)	17	32	33	23	38	38
• Any Commercial Free Mentions (Net)	16	29	29	19	33	33

* Q1(a): Thinking back to the time you first subscribed to satellite radio, why did you decide to subscribe?/Why are you considering subscribing to satellite radio?

Q1(b): Any other reason?

**Figure 5. Programming Type Most Critical To Decision To Subscribe/Consider Subscribing–
Programming Draw (Q2)***

	Sirius (n=220)			XM (n=208)		
	% Top Mention	% Top 3 Mention	% Any Mention	% Top Mention	% Top 3 Mention	% Any Mention
• Music programming (no mention of commercial free)	49	62	62	57	72	72
• Sports	12	23	23	7	21	23
• Talk/Entertainment	12	27	27	6	16	17
• Comedy	3	10	10	2	10	10
• Weather/traffic	2	4	4	0	2	4
• News	2	9	11	4	17	17
• Commercial free (no mention of music)	2	3	3	3	4	5
• Coverage	1	1	1	0	1	1
• Commercial Free music	1	3	4	2	2	2
• Kids	0	2	2	0	3	3
• Price	0	0	0	1	3	4
• Fewer/less commercials	0	1	1	0	0	0
• Any Music Mentions (Net)	50	65	65	60	74	74
• Any Commercial Mentions (Net)	3	7	8	6	7	8
• Any Commercial Free Mentions (Net)	3	6	6	5	7	7

* Q2(a): What types of satellite radio programming were most critical to your decision to subscribe to satellite radio?/What types of satellite radio programming are most critical to your decision whether to subscribe?

Q2(b): Any other reason?

**Figure 6. Programming Type Most Critical To Decision
To Continue To Subscribe– Retention (Q3)***

	Sirius (n=160)			XM (n=147)		
	% Top Mention	% Top 3 Mention	% Any Mention	% Top Mention	% Top 3 Mention	% Any Mention
• Music programming (no mention of commercial free)	43	56	56	48	62	63
• Talk/Entertainment	14	25	26	8	15	15
• Sports	10	19	19	8	19	19
• Commercial free (no mention of music)	6	9	9	7	14	14
• Comedy	3	4	4	1	7	7
• News	3	9	10	2	7	7
• Kids	1	1	1	1	3	3
• Weather/traffic	1	3	3	1	2	2
• Price	1	3	3	1	3	3
• Commercial Free music	1	4	4	2	3	3
• Coverage	0	1	1	0	4	5
• Fewer/less commercials	0	0	0	1	2	2
• Any Music Mentions (Net)	44	59	59	50	64	65
• Any Commercial Mentions (Net)	8	13	13	11	18	18
• Any Commercial Free Mentions (Net)	8	13	13	10	16	16

* Q3(a): And now, reflecting on your experience with satellite radio, what types of satellite radio programming are most critical to your decision to continue to subscribe?

Q3(b): Any other reason?

Figure 7. Aspects Of Satellite Radio That Would Be Missed Most If The Service Were Not Available (Q11)*

	Sirius (n=160)			XM (n=147)		
	% Top Mention	% Top 3 Mention	% Any Mention	% Top Mention	% Top 3 Mention	% Any Mention
• Music programming (no mention of commercial free)	34	46	46	41	54	54
• Talk/Entertainment	13	22	22	3	10	10
• Commercial free (no mention of music)	7	16	18	5	12	12
• Sports	5	12	13	6	16	16
• Coverage	5	8	8	2	5	6
• Commercial Free music	3	6	6	9	10	10
• News	2	5	5	5	9	9
• Fewer/less commercials	2	4	4	3	8	9
• Comedy	1	4	4	1	4	6
• Kids	1	2	2	0	0	0
• Weather/traffic	1	2	2	0	1	1
• Price	0	0	0	1	2	2
• Any Music Mentions (Net)	36	50	50	50	64	64
• Any Commercial Mentions (Net)	11	26	29	18	30	31
• Any Commercial Free Mentions (Net)	9	23	24	14	22	22

* Q11a: And finally, reflecting on your experience with satellite radio, if satellite radio was not available what, if anything, would you miss most about it?

Q11b: Anything else?

Figure 8. Importance Of Programming Type (Q4)*

Type of Programming	Relative importance as reflected in # of allocated points			
	Sirius		XM	
	<u>Share</u> (n=220) %	<u>Ranked Highest</u> %	<u>Share</u> (n=208) %	<u>Ranked Highest</u> %
Music	39 (35.77 – 42.74)	69 (62.98 – 75.20)	48 (44.20 – 52.18)	78 (72.77 – 83.96)
Sports	14 (11.14 – 16.06)	19 (13.49 – 23.78)	12 (9.71 – 14.13)	16 (10.90 – 20.83)
Talk and Entertainment	14 (11.90 – 16.68)	17 (12.28 – 22.27)	10 (7.87 – 11.63)	14 (8.82 – 18.10)
Comedy	11 (8.73 – 12.21)	14 (9.49 – 18.69)	10 (8.49 – 11.81)	13 (8.41 – 17.55)
News	10 (8.32 – 11.14)	14 (9.49 – 18.69)	10 (7.96 – 11.22)	14 (8.82 – 18.10)
Local Weather and Traffic	8 (6.89 – 9.86)	7 (4.20 – 11.26)	6 (4.87 – 7.32)	6 (2.60 – 8.94)
Kids	4 (2.87 – 5.70)	5 (2.12 – 7.88)	4 (3.04 – 5.57)	6 (2.60 – 8.94)
	100		100	

* Q4: Please review the list and allocate 100 points among the seven types of programming in such a way that the number of points (0 to 100) you give each type of programming best reflects the relative importance of that type of programming to you and your family's decision to subscribe and retain your subscription to satellite radio

**Figure 9. Usage Of Programming Type (Q8)*
Current Subscribers**

Type of Programming	Time Allocation			
	Sirius		XM	
	<u>Share</u> (n=160) %	<u>Ranked Highest</u> %	<u>Share</u> (n=147) %	<u>Ranked Highest</u> %
Music	43 (38.61 – 47.28)	71 (63.57 – 77.68)	55 (49.90 – 59.24)	84 (78.48 – 90.23)
Talk and Entertainment	16 (12.70 – 18.83)	21 (14.36 – 26.89)	8 (5.96 – 9.64)	10 (4.78 – 14.27)
Sports	11 (8.97 – 13.68)	17 (11.07 – 22.68)	11 (8.81 – 13.91)	16 (10.35 – 22.30)
Comedy	11 (8.37 – 13.42)	13 (7.89 – 18.36)	9 (7.25 – 11.14)	10 (5.31 – 15.10)
News	8 (6.48 – 9.38)	9 (4.86 – 13.89)	8 (6.08 – 10.26)	8 (3.74 – 12.59)
Local Weather and Traffic	7 (5.83 – 8.88)	8 (3.42 – 11.58)	4 (3.16 – 5.11)	2 (-0.24 – 4.33)
Kids	4 (12.37 – 5.21)	4 (1.21 – 7.54)	5 (3.00 – 6.52)	7 (3.23 – 11.74)
	100		100	

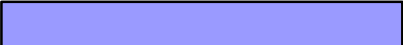







* Q8: Reflecting on your and your family's usage of satellite radio in a typical week how would you estimate the amount of time spent on each of the following program types.

Figure 10. Relative Importance Of The Programming and Non-Programming Attributes Of Satellite Radio Based On Conjoint Analysis– Value (Q4-7,10)*

	Sirius (n=220)		XM (n=208)	
	Average Importance	Top Mention	Average Importance	Top Mention
<u>Type of Programming</u>				
A. Music	31 (28.14-33.39)	45 (40.93-47.75)	30 (27.20- 32.92)	49 (45.47 -52.53)
B. News	10 (8.79-11.65)	4 (2.86-5.63)	11 (9.07 - 12.37)	9 (6.98 - 11.02)
C. Sports	13 (11.04-14.96)	11 (8.71-12.99)	14 (11.81-15.89)	11 (8.79-13.21)
D. Talk and Entertainment	13 (10.84-14.84)	12 (9.58-14.01)	11 (8.93-12.61)	10 (7.43-11.57)
<u>Other Satellite Radio Features and Price</u>				
E. Number of Minutes Per Hour of Commercials on Music Channels	13 (11.07-14.80)	11 (8.71-12.99)	13 (11.39-14.77)	6 (3.89-7.11)
F. Geographic Coverage	6 (5.02-7.54)	4 (2.46-5.08)	6 (4.92-7.76)	2 (1.01-2.99)
G. The Monthly Price for a Single Subscription	14 (12.00-15.92)	14 (11.76-16.54)	15 (12.98-17.37)	14 (11.55-16.45)

* See Appendix C for the text of these questions.

Figure 11. Relative Importance Of Music As Reflected In The Choice Of Current Offering With Music Versus Current Offering Without Music (Q10)

	Sirius (n=220)	XM (n=208)
	Intention To Subscribe	Intention To Subscribe
Current Offering (Card 65)	 7.32	 6.93
Current Offering With No Music (Card 66)	 2.40	 2.55
Ratio (current offering with no music ÷ current offering)	.33	.37
	% Giving 0 Points	% Giving 0 Points
Current Offering (Card 65)	 5%	 5%
Current Offering With No Music (Card 66)	 56%	 57%
Ratio (current offering with no music ÷ current offering)	11.2	11.4

APPENDIX L

REFERENCED SUPPORTING DATA

25 Oct 2006

Table 21
 Figure 9/17/28 Amount Willing To Pay For Satellite Radio If A Specific Type Of Programming is Not Offered (Q9)
 No Music

	Total	Subscriber	Considerer	Sirius	XM
	=====	=====	=====	=====	=====
Unweighted Base	428 100%	307 100%	121 100%	220 100%	208 100%
Base: Total Respondents	428 100%	307 100%	121 100%	220 100%	208 100%
Would change amount willing to pay	259 61%	176 57%	83 69%	127 58%	132 63%
Would cancel	182 43%	129 42%	53 44%	90 41%	92 44%
Would not change amount willing to pay	141 33%	110 36%	31 26%	79 36%	62 30%
Don't know if would change amount willing to pay	28 7%	21 7%	7 6%	14 6%	14 7%

25 Oct 2006

Table 22
 Figure 9/17/28 Amount Willing To Pay For Satellite Radio If A Specific Type Of Programming is Not Offered (Q9)
 No News

	Total	Subscriber	Considerer	Sirius	XM
	=====	=====	=====	=====	=====
Unweighted Base	428 100%	307 100%	121 100%	220 100%	208 100%
Base: Total Respondents	428 100%	307 100%	121 100%	220 100%	208 100%
Would change amount willing to pay	168 39%	106 35%	62 51%	87 40%	81 39%
Would cancel	57 13%	34 11%	23 19%	31 14%	26 13%
Would not change amount willing to pay	196 46%	150 49%	46 38%	102 46%	94 45%
Don't know if would change amount willing to pay	65 15%	52 17%	13 11%	31 14%	34 16%

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Table 23
 Figure 9/17/28 Amount Willing To Pay For Satellite Radio If A Specific Type Of Programming is Not Offered (Q9)
 No Sports

	Total	Subscriber	Considerer	Sirius	XM
	=====	=====	=====	=====	=====
Unweighted Base	428 100%	307 100%	121 100%	220 100%	208 100%
Base: Total Respondents	428 100%	307 100%	121 100%	220 100%	208 100%
Would change amount willing to pay	160 37%	109 36%	51 42%	88 40%	72 35%
Would cancel	62 14%	36 12%	26 21%	41 19%	21 10%
Would not change amount willing to pay	214 50%	160 52%	54 45%	111 50%	103 50%
Don't know if would change amount willing to pay	54 13%	38 12%	16 13%	21 10%	33 16%

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Table 24
 Figure 9/17/28 Amount Willing To Pay For Satellite Radio If A Specific Type Of Programming is Not Offered (Q9)
 No Talk and Entertainment

	Total	Subscriber	Considerer	Sirius	XM
	=====	=====	=====	=====	=====
Unweighted Base	428 100%	307 100%	121 100%	220 100%	208 100%
Base: Total Respondents	428 100%	307 100%	121 100%	220 100%	208 100%
Would change amount willing to pay	164 38%	117 38%	47 39%	87 40%	77 37%
Would cancel	62 14%	45 15%	17 14%	37 17%	25 12%
Would not change amount willing to pay	213 50%	152 50%	61 50%	107 49%	106 51%
Don't know if would change amount willing to pay	51 12%	38 12%	13 11%	26 12%	25 12%

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Table 25
 Figure 9/17/28 Amount Willing to Pay If No Music

	Total	Subscriber	Considerer	Sirius	XM
	=====	=====	=====	=====	=====
Unweighted Base	400 100%	286 100%	114 100%	206 100%	194 100%
Base: Respondents Who Would Change Price/Keep the Same Price	400 100%	286 100%	114 100%	206 100%	194 100%
0	182 46%	129 45%	53 46%	90 44%	92 47%
\$1.00	4 1%	3 1%	1 1%	- -	4 2%
\$2.00	1 *	- -	1 1%	- -	1 1%
\$2.01	1 *	1 *	- -	- -	1 1%
\$2.95	1 *	- -	1 1%	1 *	- -
\$2.99	1 *	- -	1 1%	1 *	- -
\$3.00	3 1%	2 1%	1 1%	3 1%	- -
\$3.95	2 1%	1 *	1 1%	1 *	1 1%
\$4.95	2 1%	2 1%	- -	1 *	1 1%
\$5.00	9 2%	5 2%	4 4%	6 3%	3 2%
\$5.95	4 1%	3 1%	1 1%	- -	4 2%
\$5.99	1 *	- -	1 1%	1 *	- -
\$6.00	2 1%	2 1%	- -	1 *	1 1%

25 Oct 2006

Table 25
 Figure 9/17/28 Amount Willing to Pay If No Music

	Total	Subscriber	Considerer	Sirius	XM
	=====	=====	=====	=====	=====
Base: Respondents	400	286	114	206	194
Who Would Change Price/Keep the Same Price	100%	100%	100%	100%	100%
\$6.95	1 *	1 *	-	-	1 1%
\$7.00	1 *	1 *	-	1 *	-
\$7.95	2 1%	-	2 2%	-	2 1%
\$8.00	1 *	1 *	-	-	1 1%
\$8.50	1 *	-	1 1%	-	1 1%
\$8.95	5 1%	4 1%	1 1%	2 1%	3 2%
\$8.99	3 1%	2 1%	1 1%	1 *	2 1%
\$9.00	1 *	1 *	-	1 *	-
\$9.90	1 *	1 *	-	-	1 1%
\$9.95	6 2%	2 1%	4 4%	4 2%	2 1%
\$9.98	1 *	1 *	-	1 *	-
\$9.99	4 1%	4 1%	-	2 1%	2 1%
\$10.00	5 1%	-	5 4%	4 2%	1 1%
\$10.50	1 *	-	1 1%	1 *	-

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Table 25
 Figure 9/17/28 Amount Willing to Pay If No Music

	Total	Subscriber	Considerer	Sirius	XM
	=====	=====	=====	=====	=====
Base: Respondents	400	286	114	206	194
Who Would Change Price/Keep the Same Price	100%	100%	100%	100%	100%
\$10.95	2 1%	2 1%	-	1 *	1 1%
\$10.99	2 1%	2 1%	-	-	2 1%
\$11.00	1 *	1 *	-	-	1 1%
\$12.92	1 *	-	1 1%	-	1 1%
\$12.95	141 35%	110 38%	31 27%	79 38%	62 32%
\$13.00	1 *	1 *	-	-	1 1%
\$14.00	1 *	-	1 1%	1 *	-
\$15.00	3 1%	2 1%	1 1%	1 *	2 1%
\$30.00	1 *	1 *	-	1 *	-
\$30.95	1 *	1 *	-	1 *	-
Sigma	400 100%	286 100%	114 100%	206 100%	194 100%
Mean (with 0)	6.15	6.39	5.56	6.57	5.71
Std. Err.	0.31	0.38	0.55	0.45	0.43
Mean (without 0)	11.29	11.64	10.39	11.66	10.87
Std. Err.	0.25	0.30	0.46	0.36	0.35

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Table 26
 Figure 9/17/28 Amount Willing to Pay If No News

	Total	Subscriber	Considerer	Sirius	XM
	=====	=====	=====	=====	=====
Unweighted Base	364 100%	256 100%	108 100%	189 100%	175 100%
Base: Respondents Who Would Change Price/Keep the Same Price	364 100%	256 100%	108 100%	189 100%	175 100%
0	57 16%	34 13%	23 21%	31 16%	26 15%
\$2.00	1 *	-	1 1%	-	1 1%
\$2.50	1 *	1 *	-	-	1 1%
\$2.99	1 *	1 *	-	-	1 1%
\$3.00	1 *	1 *	-	1 1%	-
\$5.00	5 1%	4 2%	1 1%	-	5 3%
\$6.00	1 *	1 *	-	-	1 1%
\$6.95	2 1%	1 *	1 1%	1 1%	1 1%
\$7.00	2 1%	2 1%	-	1 1%	1 1%
\$7.50	1 *	1 *	-	-	1 1%
\$7.95	3 1%	1 *	2 2%	1 1%	2 1%
\$8.00	4 1%	2 1%	2 2%	1 1%	3 2%
\$8.25	1 *	1 *	-	-	1 1%

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Table 26
 Figure 9/17/28 Amount Willing to Pay If No News

	Total	Subscriber	Considerer	Sirius	XM
	=====	=====	=====	=====	=====
Base: Respondents	364	256	108	189	175
Who Would Change	100%	100%	100%	100%	100%
Price/Keep the					
Same Price					
\$8.95	11 3%	5 2%	6 6%	5 3%	6 3%
\$8.99	2 1%	1 *	1 1%	1 1%	1 1%
\$9.00	3 1%	2 1%	1 1%	2 1%	1 1%
\$9.50	1 *	-	1 1%	1 1%	-
\$9.56	1 *	-	1 1%	-	1 1%
\$9.95	9 2%	4 2%	5 5%	7 4%	2 1%
\$9.99	2 1%	2 1%	-	1 1%	1 1%
\$10.00	15 4%	10 4%	5 5%	10 5%	5 3%
\$10.01	1 *	-	1 1%	-	1 1%
\$10.50	1 *	1 *	-	1 1%	-
\$10.95	14 4%	11 4%	3 3%	6 3%	8 5%
\$10.99	2 1%	2 1%	-	-	2 1%
\$11.00	1 *	1 *	-	1 1%	-
\$12.00	8 2%	6 2%	2 2%	6 3%	2 1%

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Table 26
 Figure 9/17/28 Amount Willing to Pay If No News

	Total	Subscriber	Considerer	Sirius	XM
	=====	=====	=====	=====	=====
Base: Respondents	364	256	108	189	175
Who Would Change Price/Keep the Same Price	100%	100%	100%	100%	100%
\$12.10	1 *	1 *	-	1 1%	-
\$12.77	1 *	-	1 1%	1 1%	-
\$12.92	1 *	-	1 1%	-	1 1%
\$12.95	196 54%	150 59%	46 43%	102 54%	94 54%
\$12.99	1 *	1 *	-	-	1 1%
\$13.50	1 *	1 *	-	1 1%	-
\$13.58	1 *	1 *	-	1 1%	-
\$14.00	1 *	1 *	-	1 1%	-
\$14.95	1 *	-	1 1%	-	1 1%
\$14.99	2 1%	1 *	1 1%	2 1%	-
\$15.00	4 1%	3 1%	1 1%	2 1%	2 1%
\$19.95	2 1%	2 1%	-	1 1%	1 1%
\$50.00	1 *	-	1 1%	-	1 1%
Sigma	364 100%	256 100%	108 100%	189 100%	175 100%
Mean (with 0)	10.14	10.43	9.44	10.16	10.12

Table 26
 Figure 9/17/28 Amount Willing to Pay If No News

	Total	Subscriber	Considerer	Sirius	XM
	=====	=====	=====	=====	=====
Base: Respondents	364	256	108	189	175
Who Would Change Price/Keep the Same Price	100%	100%	100%	100%	100%
Std. Err.	0.27	0.29	0.62	0.35	0.43
Mean (without 0)	12.02	12.03	11.99	12.15	11.89
Std. Err.	0.18	0.15	0.51	0.15	0.33

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Table 27
 Figure 9/17/28 Amount Willing to Pay If No Sports

	Total	Subscriber	Considerer	Sirius	XM
	=====	=====	=====	=====	=====
Unweighted Base	374 100%	269 100%	105 100%	199 100%	175 100%
Base: Respondents Who Would Change Price/Keep the Same Price	374 100%	269 100%	105 100%	199 100%	175 100%
0	62 17%	36 13%	26 25%	41 21%	21 12%
\$1.00	1 *	1 *	- -	- -	1 1%
\$3.00	1 *	1 *	- -	1 1%	- -
\$4.00	1 *	1 *	- -	- -	1 1%
\$4.95	2 1%	2 1%	- -	1 1%	1 1%
\$5.00	9 2%	6 2%	3 3%	3 2%	6 3%
\$5.95	1 *	1 *	- -	1 1%	- -
\$6.00	1 *	1 *	- -	- -	1 1%
\$7.00	3 1%	2 1%	1 1%	2 1%	1 1%
\$7.95	2 1%	1 *	1 1%	- -	2 1%
\$8.00	5 1%	3 1%	2 2%	2 1%	3 2%
\$8.25	1 *	1 *	- -	- -	1 1%
\$8.95	8 2%	4 1%	4 4%	3 2%	5 3%

Table 27
 Figure 9/17/28 Amount Willing to Pay If No Sports

	Total	Subscriber	Considerer	Sirius	XM
	=====	=====	=====	=====	=====
Base: Respondents	374	269	105	199	175
Who Would Change	100%	100%	100%	100%	100%
Price/Keep the					
Same Price					
\$9.00	5 1%	3 1%	2 2%	4 2%	1 1%
\$9.50	1 *	1 *	-	1 1%	-
\$9.95	6 2%	4 1%	2 2%	6 3%	-
\$9.99	1 *	1 *	-	-	1 1%
\$10.00	15 4%	12 4%	3 3%	9 5%	6 3%
\$10.30	1 *	1 *	-	1 1%	-
\$10.95	10 3%	9 3%	1 1%	3 2%	7 4%
\$10.99	4 1%	3 1%	1 1%	1 1%	3 2%
\$11.95	1 *	1 *	-	1 1%	-
\$12.00	5 1%	4 1%	1 1%	1 1%	4 2%
\$12.92	1 *	-	1 1%	-	1 1%
\$12.95	214 57%	160 59%	54 51%	111 56%	103 59%
\$13.00	1 *	1 *	-	1 1%	-
\$13.95	1 *	1 *	-	-	1 1%

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Table 27
 Figure 9/17/28 Amount Willing to Pay If No Sports

	Total	Subscriber	Considerer	Sirius	XM
	=====	=====	=====	=====	=====
Base: Respondents	374	269	105	199	175
Who Would Change Price/Keep the Same Price	100%	100%	100%	100%	100%
\$14.00	1 *	-	1 1%	1 1%	-
\$14.95	2 1%	1 *	1 1%	-	2 1%
\$14.99	2 1%	1 *	1 1%	2 1%	-
\$15.00	3 1%	3 1%	-	1 1%	2 1%
\$15.95	1 *	1 *	-	1 1%	-
\$20.00	1 *	1 *	-	1 1%	-
\$29.75	1 *	1 *	-	-	1 1%
Sigma	374 100%	269 100%	105 100%	199 100%	175 100%
Mean (with 0)	9.99	10.40	8.95	9.57	10.47
Std. Err.	0.26	0.29	0.54	0.37	0.36
Mean (without 0)	11.98	12.01	11.90	12.05	11.90
Std. Err.	0.14	0.17	0.24	0.17	0.23

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Table 28
 Figure 9/17/28 Amount Willing to Pay If No Talk and Entertainment

	Total	Subscriber	Considerer	Sirius	XM
	=====	=====	=====	=====	=====
Unweighted Base	377 100%	269 100%	108 100%	194 100%	183 100%
Base: Respondents Who Would Change Price/Keep the Same Price	377 100%	269 100%	108 100%	194 100%	183 100%
0	62 16%	45 17%	17 16%	37 19%	25 14%
\$0.99	1 *	1 *	-	1 1%	-
\$1.00	1 *	1 *	-	-	1 1%
\$2.00	1 *	-	1 1%	1 1%	-
\$2.95	1 *	1 *	-	1 1%	-
\$2.99	1 *	1 *	-	-	1 1%
\$3.00	1 *	1 *	-	1 1%	-
\$4.00	1 *	-	1 1%	-	1 1%
\$5.00	2 1%	2 1%	-	1 1%	1 1%
\$5.75	1 *	-	1 1%	1 1%	-
\$5.95	2 1%	1 *	1 1%	1 1%	1 1%
\$6.00	1 *	-	1 1%	-	1 1%
\$6.50	1 *	1 *	-	1 1%	-

Table 28
 Figure 9/17/28 Amount Willing to Pay If No Talk and Entertainment

	Total	Subscriber	Considerer	Sirius	XM
	=====	=====	=====	=====	=====
Base: Respondents	377	269	108	194	183
Who Would Change Price/Keep the Same Price	100%	100%	100%	100%	100%
\$6.95	2 1%	1 *	1 1%	- -	2 1%
\$6.99	1 *	1 *	- -	1 1%	- -
\$7.00	2 1%	1 *	1 1%	2 1%	- -
\$7.95	3 1%	1 *	2 2%	- -	3 2%
\$8.00	7 2%	6 2%	1 1%	6 3%	1 1%
\$8.50	1 *	1 *	- -	- -	1 1%
\$8.95	8 2%	4 1%	4 4%	4 2%	4 2%
\$8.99	1 *	1 *	- -	- -	1 1%
\$9.00	1 *	1 *	- -	1 1%	- -
\$9.50	1 *	1 *	- -	- -	1 1%
\$9.95	5 1%	3 1%	2 2%	1 1%	4 2%
\$9.99	1 *	1 *	- -	1 1%	- -
\$10.00	15 4%	11 4%	4 4%	9 5%	6 3%
\$10.25	1 *	- -	1 1%	1 1%	- -

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Table 28
 Figure 9/17/28 Amount Willing to Pay If No Talk and Entertainment

	Total	Subscriber	Considerer	Sirius	XM
	=====	=====	=====	=====	=====
Base: Respondents	377	269	108	194	183
Who Would Change Price/Keep the Same Price	100%	100%	100%	100%	100%
\$10.75	1 *	1 *	-	-	1 1%
\$10.95	15 4%	12 4%	3 3%	7 4%	8 4%
\$10.99	1 *	1 *	-	-	1 1%
\$11.25	1 *	1 *	-	-	1 1%
\$12.00	6 2%	4 1%	2 2%	2 1%	4 2%
\$12.29	1 *	1 *	-	-	1 1%
\$12.50	1 *	1 *	-	1 1%	-
\$12.95	213 56%	152 57%	61 56%	107 55%	106 58%
\$12.99	1 *	1 *	-	-	1 1%
\$13.95	2 1%	2 1%	-	2 1%	-
\$13.99	1 *	1 *	-	-	1 1%
\$14.00	1 *	-	1 1%	-	1 1%
\$14.95	1 *	1 *	-	-	1 1%
\$14.99	2 1%	1 *	1 1%	2 1%	-

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Table 28
 Figure 9/17/28 Amount Willing to Pay If No Talk and Entertainment

	Total	Subscriber	Considerer	Sirius	XM
	=====	=====	=====	=====	=====
Base: Respondents	377	269	108	194	183
Who Would Change Price/Keep the Same Price	100%	100%	100%	100%	100%
\$15.00	2 1%	2 1%	-	1 1%	1 1%
\$20.00	2 1%	-	2 2%	-	2 1%
\$30.00	1 *	1 *	-	1 1%	-
Sigma	377 100%	269 100%	108 100%	194 100%	183 100%
Mean (with 0)	9.99	9.97	10.03	9.63	10.37
Std. Err.	0.26	0.31	0.48	0.38	0.35
Mean (without 0)	11.95	11.97	11.90	11.90	12.01
Std. Err.	0.15	0.17	0.28	0.23	0.19

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Table 29
 Figure 9/17/28 Amount Willing to Pay If No Music

	Total	Subscriber	Considerer	Sirius	XM
	=====	=====	=====	=====	=====
Unweighted Base	259 100%	176 100%	83 100%	127 100%	132 100%
Base: Would Change Amount Willing to Pay	259 100%	176 100%	83 100%	127 100%	132 100%
0	182 70%	129 73%	53 64%	90 71%	92 70%
\$1.00	4 2%	3 2%	1 1%	- -	4 3%
\$2.00	1 *	- -	1 1%	- -	1 1%
\$2.01	1 *	1 1%	- -	- -	1 1%
\$2.95	1 *	- -	1 1%	1 1%	- -
\$2.99	1 *	- -	1 1%	1 1%	- -
\$3.00	3 1%	2 1%	1 1%	3 2%	- -
\$3.95	2 1%	1 1%	1 1%	1 1%	1 1%
\$4.95	2 1%	2 1%	- -	1 1%	1 1%
\$5.00	9 3%	5 3%	4 5%	6 5%	3 2%
\$5.95	4 2%	3 2%	1 1%	- -	4 3%
\$5.99	1 *	- -	1 1%	1 1%	- -
\$6.00	2 1%	2 1%	- -	1 1%	1 1%

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Table 29
 Figure 9/17/28 Amount Willing to Pay If No Music

	Total	Subscriber	Considerer	Sirius	XM
	=====	=====	=====	=====	=====
Base: Would	259	176	83	127	132
Change Amount	100%	100%	100%	100%	100%
Willing to Pay					
\$6.95	1 *	1 1%	- -	- -	1 1%
\$7.00	1 *	1 1%	- -	1 1%	- -
\$7.95	2 1%	- -	2 2%	- -	2 2%
\$8.00	1 *	1 1%	- -	- -	1 1%
\$8.50	1 *	- -	1 1%	- -	1 1%
\$8.95	5 2%	4 2%	1 1%	2 2%	3 2%
\$8.99	3 1%	2 1%	1 1%	1 1%	2 2%
\$9.00	1 *	1 1%	- -	1 1%	- -
\$9.90	1 *	1 1%	- -	- -	1 1%
\$9.95	6 2%	2 1%	4 5%	4 3%	2 2%
\$9.98	1 *	1 1%	- -	1 1%	- -
\$9.99	4 2%	4 2%	- -	2 2%	2 2%
\$10.00	5 2%	- -	5 6%	4 3%	1 1%
\$10.50	1 *	- -	1 1%	1 1%	- -

Table 29
 Figure 9/17/28 Amount Willing to Pay If No Music

	Total	Subscriber	Considerer	Sirius	XM
	=====	=====	=====	=====	=====
Base: Would	259	176	83	127	132
Change Amount	100%	100%	100%	100%	100%
Willing to Pay					
\$10.95	2 1%	2 1%	- -	1 1%	1 1%
\$10.99	2 1%	2 1%	- -	- -	2 2%
\$11.00	1 *	1 1%	- -	- -	1 1%
\$12.92	1 *	- -	1 1%	- -	1 1%
\$13.00	1 *	1 1%	- -	- -	1 1%
\$14.00	1 *	- -	1 1%	1 1%	- -
\$15.00	3 1%	2 1%	1 1%	1 1%	2 2%
\$30.00	1 *	1 1%	- -	1 1%	- -
\$30.95	1 *	1 1%	- -	1 1%	- -
Sigma	259 100%	176 100%	83 100%	127 100%	132 100%
Mean (with 0)	2.45	2.29	2.80	2.60	2.31
Std. Err.	0.29	0.36	0.47	0.46	0.35
Mean (without 0)	8.25	8.57	7.75	8.92	7.64
Std. Err.	0.57	0.84	0.65	1.00	0.59

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Table 30
 Figure 9/17/28 Amount Willing to Pay If No News

	Total	Subscriber	Considerer	Sirius	XM
	=====	=====	=====	=====	=====
Unweighted Base	168 100%	106 100%	62 100%	87 100%	81 100%
Base: Would Change Amount Willing To Pay	168 100%	106 100%	62 100%	87 100%	81 100%
0	57 34%	34 32%	23 37%	31 36%	26 32%
\$2.00	1 1%	- -	1 2%	- -	1 1%
\$2.50	1 1%	1 1%	- -	- -	1 1%
\$2.99	1 1%	1 1%	- -	- -	1 1%
\$3.00	1 1%	1 1%	- -	1 1%	- -
\$5.00	5 3%	4 4%	1 2%	- -	5 6%
\$6.00	1 1%	1 1%	- -	- -	1 1%
\$6.95	2 1%	1 1%	1 2%	1 1%	1 1%
\$7.00	2 1%	2 2%	- -	1 1%	1 1%
\$7.95	3 2%	1 1%	2 3%	1 1%	2 2%
\$8.00	4 2%	2 2%	2 3%	1 1%	3 4%
\$8.25	1 1%	1 1%	- -	- -	1 1%
\$8.95	11 7%	5 5%	6 10%	5 6%	6 7%

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Table 30
 Figure 9/17/28 Amount Willing to Pay If No News

	Total	Subscriber	Considerer	Sirius	XM
	=====	=====	=====	=====	=====
Base: Would	168	106	62	87	81
Change Amount	100%	100%	100%	100%	100%
Willing To Pay					
\$8.99	2 1%	1 1%	1 2%	1 1%	1 1%
\$9.00	3 2%	2 2%	1 2%	2 2%	1 1%
\$9.50	1 1%	- -	1 2%	1 1%	- -
\$9.56	1 1%	- -	1 2%	- -	1 1%
\$9.95	9 5%	4 4%	5 8%	7 8%	2 2%
\$9.99	2 1%	2 2%	- -	1 1%	1 1%
\$10.00	15 9%	10 9%	5 8%	10 11%	5 6%
\$10.01	1 1%	- -	1 2%	- -	1 1%
\$10.50	1 1%	1 1%	- -	1 1%	- -
\$10.95	14 8%	11 10%	3 5%	6 7%	8 10%
\$10.99	2 1%	2 2%	- -	- -	2 2%
\$11.00	1 1%	1 1%	- -	1 1%	- -
\$12.00	8 5%	6 6%	2 3%	6 7%	2 2%
\$12.10	1 1%	1 1%	- -	1 1%	- -

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Table 30
 Figure 9/17/28 Amount Willing to Pay If No News

	Total	Subscriber	Considerer	Sirius	XM
	=====	=====	=====	=====	=====
Base: Would	168	106	62	87	81
Change Amount	100%	100%	100%	100%	100%
Willing To Pay					
\$12.77	1 1%	- -	1 2%	1 1%	- -
\$12.92	1 1%	- -	1 2%	- -	1 1%
\$12.99	1 1%	1 1%	- -	- -	1 1%
\$13.50	1 1%	1 1%	- -	1 1%	- -
\$13.58	1 1%	1 1%	- -	1 1%	- -
\$14.00	1 1%	1 1%	- -	1 1%	- -
\$14.95	1 1%	- -	1 2%	- -	1 1%
\$14.99	2 1%	1 1%	1 2%	2 2%	- -
\$15.00	4 2%	3 3%	1 2%	2 2%	2 2%
\$19.95	2 1%	2 2%	- -	1 1%	1 1%
\$50.00	1 1%	- -	1 2%	- -	1 1%
Don't know/no answer	1 1%	1 1%	- -	- -	1 1%
Sigma	168 100%	106 100%	62 100%	87 100%	81 100%
Mean (with 0)	6.86	6.87	6.84	6.88	6.83
Std. Err.	0.48	0.53	0.96	0.59	0.78
Mean (without 0)	10.38	10.12	10.87	10.69	10.07

Table 30
 Figure 9/17/28 Amount Willing to Pay If No News

	Total	Subscriber	Considerer	Sirius	XM
	=====	=====	=====	=====	=====
Base: Would	168	106	62	87	81
Change Amount	100%	100%	100%	100%	100%
Willing To Pay					
Std. Err.	0.45	0.37	1.10	0.33	0.86

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Table 31
 Figure 9/17/28 Amount Willing to Pay If No Sports

	Total	Subscriber	Considerer	Sirius	XM
	=====	=====	=====	=====	=====
Unweighted Base	160 100%	109 100%	51 100%	88 100%	72 100%
Base: Would Change Amount Willing To Pay	160 100%	109 100%	51 100%	88 100%	72 100%
0	62 39%	36 33%	26 51%	41 47%	21 29%
\$1.00	1 1%	1 1%	- -	- -	1 1%
\$3.00	1 1%	1 1%	- -	1 1%	- -
\$4.00	1 1%	1 1%	- -	- -	1 1%
\$4.95	2 1%	2 2%	- -	1 1%	1 1%
\$5.00	9 6%	6 6%	3 6%	3 3%	6 8%
\$5.95	1 1%	1 1%	- -	1 1%	- -
\$6.00	1 1%	1 1%	- -	- -	1 1%
\$7.00	3 2%	2 2%	1 2%	2 2%	1 1%
\$7.95	2 1%	1 1%	1 2%	- -	2 3%
\$8.00	5 3%	3 3%	2 4%	2 2%	3 4%
\$8.25	1 1%	1 1%	- -	- -	1 1%
\$8.95	8 5%	4 4%	4 8%	3 3%	5 7%

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Table 31
 Figure 9/17/28 Amount Willing to Pay If No Sports

	Total	Subscriber	Considerer	Sirius	XM
	=====	=====	=====	=====	=====
Base: Would	160	109	51	88	72
Change Amount	100%	100%	100%	100%	100%
Willing To Pay					
\$9.00	5 3%	3 3%	2 4%	4 5%	1 1%
\$9.50	1 1%	1 1%	- -	1 1%	- -
\$9.95	6 4%	4 4%	2 4%	6 7%	- -
\$9.99	1 1%	1 1%	- -	- -	1 1%
\$10.00	15 9%	12 11%	3 6%	9 10%	6 8%
\$10.30	1 1%	1 1%	- -	1 1%	- -
\$10.95	10 6%	9 8%	1 2%	3 3%	7 10%
\$10.99	4 3%	3 3%	1 2%	1 1%	3 4%
\$11.95	1 1%	1 1%	- -	1 1%	- -
\$12.00	5 3%	4 4%	1 2%	1 1%	4 6%
\$12.92	1 1%	- -	1 2%	- -	1 1%
\$13.00	1 1%	1 1%	- -	1 1%	- -
\$13.95	1 1%	1 1%	- -	- -	1 1%
\$14.00	1 1%	- -	1 2%	1 1%	- -

Table 31
 Figure 9/17/28 Amount Willing to Pay If No Sports

	Total	Subscriber	Considerer	Sirius	XM
	=====	=====	=====	=====	=====
Base: Would	160	109	51	88	72
Change Amount	100%	100%	100%	100%	100%
Willing To Pay					
\$14.95	2 1%	1 1%	1 2%	- -	2 3%
\$14.99	2 1%	1 1%	1 2%	2 2%	- -
\$15.00	3 2%	3 3%	- -	1 1%	2 3%
\$15.95	1 1%	1 1%	- -	1 1%	- -
\$20.00	1 1%	1 1%	- -	1 1%	- -
\$29.75	1 1%	1 1%	- -	- -	1 1%
Sigma	160 100%	109 100%	51 100%	88 100%	72 100%
Mean (with 0)	6.04	6.66	4.71	5.31	6.93
Std. Err.	0.44	0.55	0.73	0.58	0.67
Mean (without 0)	9.86	9.94	9.62	9.94	9.78
Std. Err.	0.37	0.47	0.55	0.45	0.59

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Table 32
 Figure 9/17/28 Amount Willing to Pay If No Talk and Entertainment

	Total	Subscriber	Considerer	Sirius	XM
	=====	=====	=====	=====	=====
Unweighted Base	164 100%	117 100%	47 100%	87 100%	77 100%
Base: Would Change Amount Willing To Pay	164 100%	117 100%	47 100%	87 100%	77 100%
0	62 38%	45 38%	17 36%	37 43%	25 32%
\$0.99	1 1%	1 1%	- -	1 1%	- -
\$1.00	1 1%	1 1%	- -	- -	1 1%
\$2.00	1 1%	- -	1 2%	1 1%	- -
\$2.95	1 1%	1 1%	- -	1 1%	- -
\$2.99	1 1%	1 1%	- -	- -	1 1%
\$3.00	1 1%	1 1%	- -	1 1%	- -
\$4.00	1 1%	- -	1 2%	- -	1 1%
\$5.00	2 1%	2 2%	- -	1 1%	1 1%
\$5.75	1 1%	- -	1 2%	1 1%	- -
\$5.95	2 1%	1 1%	1 2%	1 1%	1 1%
\$6.00	1 1%	- -	1 2%	- -	1 1%
\$6.50	1 1%	1 1%	- -	1 1%	- -

Table 32
 Figure 9/17/28 Amount Willing to Pay If No Talk and Entertainment

	Total	Subscriber	Considerer	Sirius	XM
	=====	=====	=====	=====	=====
Base: Would	164	117	47	87	77
Change Amount	100%	100%	100%	100%	100%
Willing To Pay					
\$6.95	2 1%	1 1%	1 2%	- -	2 3%
\$6.99	1 1%	1 1%	- -	1 1%	- -
\$7.00	2 1%	1 1%	1 2%	2 2%	- -
\$7.95	3 2%	1 1%	2 4%	- -	3 4%
\$8.00	7 4%	6 5%	1 2%	6 7%	1 1%
\$8.50	1 1%	1 1%	- -	- -	1 1%
\$8.95	8 5%	4 3%	4 9%	4 5%	4 5%
\$8.99	1 1%	1 1%	- -	- -	1 1%
\$9.00	1 1%	1 1%	- -	1 1%	- -
\$9.50	1 1%	1 1%	- -	- -	1 1%
\$9.95	5 3%	3 3%	2 4%	1 1%	4 5%
\$9.99	1 1%	1 1%	- -	1 1%	- -
\$10.00	15 9%	11 9%	4 9%	9 10%	6 8%
\$10.25	1 1%	- -	1 2%	1 1%	- -

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Table 32
 Figure 9/17/28 Amount Willing to Pay If No Talk and Entertainment

	Total	Subscriber	Considerer	Sirius	XM
	=====	=====	=====	=====	=====
Base: Would	164	117	47	87	77
Change Amount	100%	100%	100%	100%	100%
Willing To Pay					
\$10.75	1 1%	1 1%	- -	- -	1 1%
\$10.95	15 9%	12 10%	3 6%	7 8%	8 10%
\$10.99	1 1%	1 1%	- -	- -	1 1%
\$11.25	1 1%	1 1%	- -	- -	1 1%
\$12.00	6 4%	4 3%	2 4%	2 2%	4 5%
\$12.29	1 1%	1 1%	- -	- -	1 1%
\$12.50	1 1%	1 1%	- -	1 1%	- -
\$12.99	1 1%	1 1%	- -	- -	1 1%
\$13.95	2 1%	2 2%	- -	2 2%	- -
\$13.99	1 1%	1 1%	- -	- -	1 1%
\$14.00	1 1%	- -	1 2%	- -	1 1%
\$14.95	1 1%	1 1%	- -	- -	1 1%
\$14.99	2 1%	1 1%	1 2%	2 2%	- -
\$15.00	2 1%	2 2%	- -	1 1%	1 1%

Table 32
 Figure 9/17/28 Amount Willing to Pay If No Talk and Entertainment

	Total	Subscriber	Considerer	Sirius	XM
	=====	=====	=====	=====	=====
Base: Would	164	117	47	87	77
Change Amount	100%	100%	100%	100%	100%
Willing To Pay					
\$20.00	2 1%	- -	2 4%	- -	2 3%
\$30.00	1 1%	1 1%	- -	1 1%	- -
Sigma	164 100%	117 100%	47 100%	87 100%	77 100%
Mean (with 0)	6.14	6.10	6.24	5.54	6.82
Std. Err.	0.44	0.53	0.83	0.62	0.63
Mean (without 0)	9.87	9.92	9.78	9.64	10.10
Std. Err.	0.38	0.45	0.71	0.60	0.47

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Table 33
 Figure 9/17/28 Amount Willing To Pay If No Music (Q9)

	Total	Subscriber	Considerer	Sirius	XM
	=====	=====	=====	=====	=====
Unweighted Base	70 100%	42 100%	28 100%	33 100%	37 100%
Base: Total Respondents Who Would Reduce Price Paid For Satellite Radio If No Music	70 100%	42 100%	28 100%	33 100%	37 100%
0	- -	- -	- -	- -	- -
\$1.00	4 6%	3 7%	1 4%	- -	4 11%
\$2.00	1 1%	- -	1 4%	- -	1 3%
\$2.01	1 1%	1 2%	- -	- -	1 3%
\$2.95	1 1%	- -	1 4%	1 3%	- -
\$2.99	1 1%	- -	1 4%	1 3%	- -
\$3.00	3 4%	2 5%	1 4%	3 9%	- -
\$3.95	2 3%	1 2%	1 4%	1 3%	1 3%
\$4.95	2 3%	2 5%	- -	1 3%	1 3%
\$5.00	9 13%	5 12%	4 14%	6 18%	3 8%
\$5.95	4 6%	3 7%	1 4%	- -	4 11%
\$5.99	1 1%	- -	1 4%	1 3%	- -

Table 33
 Figure 9/17/28 Amount Willing To Pay If No Music (Q9)

	Total	Subscriber	Considerer	Sirius	XM
	=====	=====	=====	=====	=====
Base: Total Respondents Who Would Reduce Price Paid For Satellite Radio If No Music	70 100%	42 100%	28 100%	33 100%	37 100%
\$6.00	2 3%	2 5%	- -	1 3%	1 3%
\$6.95	1 1%	1 2%	- -	- -	1 3%
\$7.00	1 1%	1 2%	- -	1 3%	- -
\$7.95	2 3%	- -	2 7%	- -	2 5%
\$8.00	1 1%	1 2%	- -	- -	1 3%
\$8.50	1 1%	- -	1 4%	- -	1 3%
\$8.95	5 7%	4 10%	1 4%	2 6%	3 8%
\$8.99	3 4%	2 5%	1 4%	1 3%	2 5%
\$9.00	1 1%	1 2%	- -	1 3%	- -
\$9.90	1 1%	1 2%	- -	- -	1 3%
\$9.95	6 9%	2 5%	4 14%	4 12%	2 5%
\$9.98	1 1%	1 2%	- -	1 3%	- -
\$9.99	4 6%	4 10%	- -	2 6%	2 5%

Table 33
 Figure 9/17/28 Amount Willing To Pay If No Music (Q9)

	Total	Subscriber	Considerer	Sirius	XM
	=====	=====	=====	=====	=====
Base: Total	70	42	28	33	37
Respondents Who	100%	100%	100%	100%	100%
Would Reduce					
Price Paid For					
Satellite Radio					
If No Music					
\$10.00	5 7%	- -	5 18%	4 12%	1 3%
\$10.50	1 1%	- -	1 4%	1 3%	- -
\$10.95	2 3%	2 5%	- -	1 3%	1 3%
\$10.99	2 3%	2 5%	- -	- -	2 5%
\$11.00	1 1%	1 2%	- -	- -	1 3%
\$12.92	1 1%	- -	1 4%	- -	1 3%
Sigma	70 100%	42 100%	28 100%	33 100%	37 100%
Mean	7.18	7.12	7.26	7.27	7.10
Std. Err.	0.37	0.47	0.60	0.49	0.55

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Table 34
 Figure 9/17/28 Amount Willing To Pay If No News (Q9)

	Total	Subscriber	Considerer	Sirius	XM
	=====	=====	=====	=====	=====
Unweighted Base	96 100%	61 100%	35 100%	48 100%	48 100%
Base: Total Respondents Who Would Reduce Price Paid For Satellite Radio If No News	96 100%	61 100%	35 100%	48 100%	48 100%
0	- -	- -	- -	- -	- -
\$2.00	1 1%	- -	1 3%	- -	1 2%
\$2.50	1 1%	1 2%	- -	- -	1 2%
\$2.99	1 1%	1 2%	- -	- -	1 2%
\$3.00	1 1%	1 2%	- -	1 2%	- -
\$5.00	5 5%	4 7%	1 3%	- -	5 10%
\$6.00	1 1%	1 2%	- -	- -	1 2%
\$6.95	2 2%	1 2%	1 3%	1 2%	1 2%
\$7.00	2 2%	2 3%	- -	1 2%	1 2%
\$7.95	3 3%	1 2%	2 6%	1 2%	2 4%
\$8.00	4 4%	2 3%	2 6%	1 2%	3 6%
\$8.25	1 1%	1 2%	- -	- -	1 2%

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Table 34
 Figure 9/17/28 Amount Willing To Pay If No News (Q9)

	Total	Subscriber	Considerer	Sirius	XM
	=====	=====	=====	=====	=====
Base: Total Respondents Who Would Reduce Price Paid For Satellite Radio If No News	96 100%	61 100%	35 100%	48 100%	48 100%
\$8.95	11 11%	5 8%	6 17%	5 10%	6 13%
\$8.99	2 2%	1 2%	1 3%	1 2%	1 2%
\$9.00	3 3%	2 3%	1 3%	2 4%	1 2%
\$9.50	1 1%	- -	1 3%	1 2%	- -
\$9.56	1 1%	- -	1 3%	- -	1 2%
\$9.95	9 9%	4 7%	5 14%	7 15%	2 4%
\$9.99	2 2%	2 3%	- -	1 2%	1 2%
\$10.00	15 16%	10 16%	5 14%	10 21%	5 10%
\$10.01	1 1%	- -	1 3%	- -	1 2%
\$10.50	1 1%	1 2%	- -	1 2%	- -
\$10.95	13 14%	10 16%	3 9%	6 13%	7 15%
\$10.99	2 2%	2 3%	- -	- -	2 4%
\$11.00	1 1%	1 2%	- -	1 2%	- -

Table 34
 Figure 9/17/28 Amount Willing To Pay If No News (Q9)

	Total	Subscriber	Considerer	Sirius	XM
	=====	=====	=====	=====	=====
Base: Total Respondents Who Would Reduce Price Paid For Satellite Radio If No News	96 100%	61 100%	35 100%	48 100%	48 100%
\$12.00	8 8%	6 10%	2 6%	6 13%	2 4%
\$12.10	1 1%	1 2%	-	1 2%	-
\$12.77	1 1%	-	1 3%	1 2%	-
\$12.92	1 1%	-	1 3%	-	1 2%
Don't know/no answer	1 1%	1 2%	-	-	1 2%
Sigma	96 100%	61 100%	35 100%	48 100%	48 100%
Mean	9.30	9.24	9.40	9.96	8.64
Std. Err.	0.23	0.30	0.34	0.24	0.37

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Table 35
 Figure 9/17/28 Amount Willing To Pay If No Sports (Q9)

	Total	Subscriber	Considerer	Sirius	XM
	=====	=====	=====	=====	=====
Unweighted Base	85 100%	63 100%	22 100%	40 100%	45 100%
Base: Total Respondents Who Would Reduce Price Paid For Satellite Radio If No Sports	85 100%	63 100%	22 100%	40 100%	45 100%
0	- -	- -	- -	- -	- -
\$1.00	1 1%	1 2%	- -	- -	1 2%
\$3.00	1 1%	1 2%	- -	1 3%	- -
\$4.00	1 1%	1 2%	- -	- -	1 2%
\$4.95	2 2%	2 3%	- -	1 3%	1 2%
\$5.00	9 11%	6 10%	3 14%	3 8%	6 13%
\$5.95	1 1%	1 2%	- -	1 3%	- -
\$6.00	1 1%	1 2%	- -	- -	1 2%
\$7.00	3 4%	2 3%	1 5%	2 5%	1 2%
\$7.95	2 2%	1 2%	1 5%	- -	2 4%
\$8.00	5 6%	3 5%	2 9%	2 5%	3 7%
\$8.25	1 1%	1 2%	- -	- -	1 2%

Table 35
 Figure 9/17/28 Amount Willing To Pay If No Sports (Q9)

	Total	Subscriber	Considerer	Sirius	XM
	=====	=====	=====	=====	=====
Base: Total Respondents Who Would Reduce Price Paid For Satellite Radio If No Sports	85 100%	63 100%	22 100%	40 100%	45 100%
\$8.95	8 9%	4 6%	4 18%	3 8%	5 11%
\$9.00	5 6%	3 5%	2 9%	4 10%	1 2%
\$9.50	1 1%	1 2%	- -	1 3%	- -
\$9.95	6 7%	4 6%	2 9%	6 15%	- -
\$9.99	1 1%	1 2%	- -	- -	1 2%
\$10.00	15 18%	12 19%	3 14%	9 23%	6 13%
\$10.30	1 1%	1 2%	- -	1 3%	- -
\$10.95	10 12%	9 14%	1 5%	3 8%	7 16%
\$10.99	4 5%	3 5%	1 5%	1 3%	3 7%
\$11.95	1 1%	1 2%	- -	1 3%	- -
\$12.00	5 6%	4 6%	1 5%	1 3%	4 9%
\$12.92	1 1%	- -	1 5%	- -	1 2%
Sigma	85 100%	63 100%	22 100%	40 100%	45 100%
Mean	8.88	8.86	8.93	8.98	8.79

Table 35
 Figure 9/17/28 Amount Willing To Pay If No Sports (Q9)

	Total	Subscriber	Considerer	Sirius	XM
	=====	=====	=====	=====	=====
Base: Total	85	63	22	40	45
Respondents Who Would Reduce Price Paid For Satellite Radio If No Sports	100%	100%	100%	100%	100%
Std. Err.	0.26	0.32	0.45	0.33	0.40

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Table 36
 Figure 9/17/28 Amount Willing To Pay If No Talk and Entertainment (Q9)

	Total	Subscriber	Considerer	Sirius	XM
	=====	=====	=====	=====	=====
Unweighted Base	89 100%	63 100%	26 100%	44 100%	45 100%
Base: Total Respondents Who Would Reduce Price Paid For Satellite Radio If No Talk and Entertainment	89 100%	63 100%	26 100%	44 100%	45 100%
0	- -	- -	- -	- -	- -
\$0.99	1 1%	1 2%	- -	1 2%	- -
\$1.00	1 1%	1 2%	- -	- -	1 2%
\$2.00	1 1%	- -	1 4%	1 2%	- -
\$2.95	1 1%	1 2%	- -	1 2%	- -
\$2.99	1 1%	1 2%	- -	- -	1 2%
\$3.00	1 1%	1 2%	- -	1 2%	- -
\$4.00	1 1%	- -	1 4%	- -	1 2%
\$5.00	2 2%	2 3%	- -	1 2%	1 2%
\$5.75	1 1%	- -	1 4%	1 2%	- -
\$5.95	2 2%	1 2%	1 4%	1 2%	1 2%
\$6.00	1 1%	- -	1 4%	- -	1 2%

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Table 36
 Figure 9/17/28 Amount Willing To Pay If No Talk and Entertainment (Q9)

	Total	Subscriber	Considerer	Sirius	XM
	=====	=====	=====	=====	=====
Base: Total Respondents Who Would Reduce Price Paid For Satellite Radio If No Talk and Entertainment	89 100%	63 100%	26 100%	44 100%	45 100%
\$6.50	1 1%	1 2%	-	1 2%	-
\$6.95	2 2%	1 2%	1 4%	-	2 4%
\$6.99	1 1%	1 2%	-	1 2%	-
\$7.00	2 2%	1 2%	1 4%	2 5%	-
\$7.95	3 3%	1 2%	2 8%	-	3 7%
\$8.00	7 8%	6 10%	1 4%	6 14%	1 2%
\$8.50	1 1%	1 2%	-	-	1 2%
\$8.95	8 9%	4 6%	4 15%	4 9%	4 9%
\$8.99	1 1%	1 2%	-	-	1 2%
\$9.00	1 1%	1 2%	-	1 2%	-
\$9.50	1 1%	1 2%	-	-	1 2%
\$9.95	5 6%	3 5%	2 8%	1 2%	4 9%
\$9.99	1 1%	1 2%	-	1 2%	-

Table 36
 Figure 9/17/28 Amount Willing To Pay If No Talk and Entertainment (Q9)

	Total	Subscriber	Considerer	Sirius	XM
	=====	=====	=====	=====	=====
Base: Total Respondents Who Would Reduce Price Paid For Satellite Radio If No Talk and Entertainment	89 100%	63 100%	26 100%	44 100%	45 100%
\$10.00	15 17%	11 17%	4 15%	9 20%	6 13%
\$10.25	1 1%	- -	1 4%	1 2%	- -
\$10.75	1 1%	1 2%	- -	- -	1 2%
\$10.95	15 17%	12 19%	3 12%	7 16%	8 18%
\$10.99	1 1%	1 2%	- -	- -	1 2%
\$11.25	1 1%	1 2%	- -	- -	1 2%
\$12.00	6 7%	4 6%	2 8%	2 5%	4 9%
\$12.29	1 1%	1 2%	- -	- -	1 2%
\$12.50	1 1%	1 2%	- -	1 2%	- -
Sigma	89 100%	63 100%	26 100%	44 100%	45 100%
Mean	8.91	9.03	8.63	8.62	9.20
Std. Err.	0.27	0.33	0.48	0.40	0.37

SC: Are you or any members of your household employed in any of the industries listed on this card?
Response: An insurance company: **No**
A marketing research firm: **No**
An advertising agency: **No**
The entertainment industry: **No**
A satellite radio provider: **No**
A cable TV provider: **No**
An Internet service provider: **No**

SD: During the past three months have you taken part in any market research survey other than a political poll?
Response: **No**

SE: I'm going to ask you a few questions, but please be assured that this is only for classification purposes and that your responses will be kept confidential. Which of these groups includes your age?
Response: **50 - 64 years**

SF: Which, if any, of the following decisions do you make or take part in making for your household?
Response: **Decision to subscribe to cable TV**
Decision to subscribe to an Internet service
Decision to subscribe to satellite radio
Decision to subscribe to a wireless phone service
Decision to subscribe to satellite TV

SG: Which of these services, if any, do you or your household currently subscribe to?
Response: **Cable TV**
Broadband Internet
Satellite radio
Wireless phone service

SH: Which of the following best describe the type of satellite radio you or your household currently subscribes to?
Response: **A paid or trial subscription (such as from the purchase of a car) directly from XM or Sirius**

SI: Are you or your household currently considering subscribing to (INSERT ITEM) in the next 30 days?
Response: **Satellite TV: Yes**

SK: Which satellite radio service do you or your household currently subscribe to?
Response: **XM**

SM: Do you wear glasses or contact lenses when you read?
Response: **Yes**

SN: Do you have your glasses with you or are you wearing your contact lenses today?
Response: **Yes**

SO: RECORD GENDER OF RESPONDENT
Response: **Male**

SP: We would like to invite you to participate in a study that we think you will find interesting. The survey will take about 20 minutes. The survey we would like you to participate in requires you to read questions on a computer and either use a mouse to point and click on your answers or tell me your answers and I will record them. Would you like to participate in this study?
Response: **Yes, will participate**

SQ: May I please have your full name, address and phone number? You can be assured that your name and phone number will not be used to sell you anything or for any marketing or telemarketing purposes. It will only be used to verify your participation in the survey. (RECORD ON FRONT PAGE OF SCREENER. YOU MUST VERIFY RESPONDENT'S PHONE NUMBER. IF RESPONDENT REFUSES TO GIVE PHONE NUMBER, SAY:) I'm sorry but I cannot ask you to participate in our survey as my client needs your phone number to be able to verify your participation in this study.
Response: **Gave phone number**

Q1a: Q1(a) Thinking back to the time you first subscribed to satellite radio, why did you decide to subscribe? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **I put it in my vehicles,(P) I needed to have more options in what kind of music I wanted to listen to and there are no commercials. (P)no (w/e)nothing**

Q1b: 1(b) (PROBE) Any other reason? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **nothing**

Q2a: 2(a) What types of satellite radio programming were most critical to your decision to subscribe to satellite radio? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **Rock stations, and sometimes comedy stations. They also had college football. (P)no (w/e)nothing**

Q2b: 2(b) (PROBE) Any others? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **nothing**

Q3a: 3(a) And now, reflecting on your experience with satellite radio, what types of satellite radio programming are most critical to your decision to continue to subscribe? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **The rock stations and the college football stations are most critical to me and I love the way it works. (P)no(w/e)nothing**

Q3b: 3(b) (PROBE) Any others? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **Nothing**

HO1: INTERVIEWER: HAVE THE RESPONDENT SIT IN FRONT OF THE COMPUTER AND ANSWER QUESTIONS TO THE REMAINDER OF THE SURVEY HIM/HERSELF. BE SURE TO SIT WITH THE RESPONDENT WHILE HE/SHE IS ANSWERING IN CASE HE/SHE HAS ANY QUESTIONS. IF THE RESPONDENT PREFERS, HAVE HIM/HER READ THE QUESTIONS ON THE SCREEN, BUT YOU WILL ENTER THE ANSWERS. RECORD:
Response: **Respondent entering answers**

Q4: Below is a list of the types of satellite radio programming. Please review the list and allocate 100 points among the seven types of programming in such a way that the number of points (0 to 100) you give each type of programming best reflects the relative importance of that type of programming to you and your family's decision to subscribe and retain your subscription to satellite radio.

If a specific type of programming is not important at all, feel free to give it zero points. If, on the other hand, your decision was affected by only one of the types of programming and none of the others were important to you, give that type of programming all of the 100 points. There are no right or wrong answers and we are just looking for your evaluation of the relative importance of the seven types of programming reflecting both the consideration you used in deciding to subscribe and your experience with satellite radio. Please make sure that the total adds to 100. Is this clear? (RECORD 0-100 FOR EACH. TOTAL MUST EQUAL 100.)

Please click "Okay" if this is clear.

Response: Okay

Q4: Please enter a whole number response from 0 to 100 in each of the spaces provided. Your responses must sum to 100.

Response: Comedy: 0

Kids: 0

Local Weather and Traffic: 0

Music: 60

News: 20

Sports: 20

Talk and Entertainment: 0

Q5: Now I would like to show you four of these programming types. For each type of programming you will see a number of hypothetical options showing different amounts of programming. For each hypothetical option, please indicate how desirable it would be for you relative to the other options. Please assume that in each case all other programming and non-programming features of the service including price remain the same. Please use a number from 0 (zero) = extremely undesirable to 10 = extremely desirable. You can use any number from "0 to 10" to indicate your answer. Please examine each hypothetical amount of programming and record the number that best reflects its level of desirability or undesirability. Is this clear?

Please click "Okay" if this is clear.

Response: Okay

Q5A: A. Music Programming (Current Offering includes 74 Music Channels.)

Response: 1. No music programming: 0

2. Substantially fewer channels and less variety of music than currently offered: 1

3. The same number of channels and the same variety of music as currently offered: 7

4. Substantially more channels and more variety of music than currently offered: 8

Q5B: B. News (Current Offering includes 13 News Channels.)

Response: 1. No news programming: 0

2. Substantially fewer channels and less variety of news than currently offered: 7

3. The same number of channels and the same variety of news as currently offered: 3

4. Substantially more channels and more variety of news than currently offered: 1

Q5C: C. Sports (Current Offering includes 13 Sports Channels and Live Game Channels for Major League Baseball, NASCAR, etc.)

Response: 1. No sports programming: 0

2. Substantially fewer channels and less variety of sports than currently offered: 1

3. The same number of channels and same variety of sports as currently offered: 7

4. Substantially more channels and more variety of sports than currently offered: 5

Q5D: D. Talk & Entertainment (Current Offering includes 17 Talk and Entertainment channels including Opie and Anthony, Air America, etc.)

Response: 1. No talk and entertainment programming: 7

2. Substantially fewer channels and less variety of talk and entertainment than currently offered: 8

3. The same number of channels and same variety of talk and entertainment as currently offered: 3

4. Substantially more channels and more variety of talk and entertainment than currently offered: 0

Q6a: Now, we would like you to consider the non-programming features of satellite radio such as the number of minutes of commercials per hour on music channels and geographic coverage. For each type of non-programming feature you will see a hypothetical option showing different amounts for that non-programming feature. Please repeat the desirability task we did before for the types of programming, but this time let's do it with respect to the various options for each of the non-programming features. Please indicate how desirable each of the different options of a given feature would be to you relative to the other options of that feature. Again, please assume that all other programming and non-programming features of the service, including price, remain the same. Again, please use a number from 0 (zero) - extremely undesirable to 10 - extremely desirable. Please examine each option and record the number that best reflects the level of desirability or undesirability of the option.

Response: A. The Number of Minutes of Commercials Per Hour on Music Channels

1. No commercials on music channels: 10

2. 2 minutes of commercials per hour: 6

3. 5 minutes of commercials per hour: 3

4. 12 minutes of commercials per hour: 0

B. Geographic Coverage

1. Typical FM coverage: 9

2. Complete nationwide coverage: 10

Q6b: Now, let's turn to price. I'd like you to repeat the desirability task for various monthly prices for a single subscription. Please indicate how desirable each of the different price options would be to you relative to the other options. Again, please assume that all other programming and non-programming features of the service remain the same. Again, please use a number from 0 (zero) - extremely undesirable to 10 - extremely desirable. Please examine each option and record the number that best reflects the level of desirability or undesirability of the option.

Response: C. The Monthly Price for A Single Subscription
1. \$8.95 per month: **10**
2. \$10.95 per month: **9**
3. \$12.95 per month: **8**
4. \$14.95 per month: **8**

Q6c: Please review the list below and tell me if there are any other non-programming features besides the ones listed that you considered in your decision to subscribe and retain your subscription to satellite radio?

- The number of minutes of commercials per hour on music channels
- Geographic coverage
- The monthly price for a single subscription

Response: Other, please specify: **specificity of sports stations**

Q6cf1: Anything else?

Response: **Yes**

Q6cf2: What else?

Response: **vast variety of contrasting options eg: conservative talk radio right next to liberal talk radio**

Q7: Below is a list of the non-programming features of satellite radio. Please review the list and allocate 100 points among the features in a way that the number of points (0 to 100) you give each feature best reflects the relative importance of that feature to you and your family's decision to subscribe and retain your subscription to satellite radio. As in the previous 100 point allocation task, please assign each feature a number from 0 to 100 that best reflects its relative importance to you and your family's decision to subscribe and retain your subscription to satellite radio. The more important a feature is, the higher the number of points you would give it, while the less important a feature is, the fewer number of points you would give it. Please make sure that the total adds to 100. (RECORD 0-100 FOR EACH. TOTAL MUST E#QUAL 100.)

Response: The number of minutes of commercials per hour on music channels: **30**
Geographic coverage: **20**
The monthly price for a single subscription: **0**
Other (specificity of sports stations): **20**

Other (vast variety of contrasting options eg: conservative talk radio right next to liberal talk radio): **30**

Q8: Reflecting on your and your family's usage of satellite radio in a typical week how would you estimate the amount of time spent on each of the following program types. Again please do so by allocating 100 points among the type of programming reflecting the % of time allocated to each. If you did not (or will not) spend any time listening to a particular type of program, please give it a zero. The type of programming listened to the most should get the highest number of points, the second most should get fewer points, etc. Make sure the total adds up to 100%.

Response: Comedy: **0**
Kids: **0**
Local Weather and Traffic: **0**
Music: **75**
News: **10**
Sports: **10**
Talk and Entertainment: **5**

Q9a: As you know, the single subscription price per month for satellite radio is \$12.95. Let's assume that some of the current programming types were not available. Assuming that all other programming and non-programming features of the service, including price, remain the same. If no [PRGTYPE] programming were available, would it affect the amount you would be willing to pay for satellite radio?

Response: MUSIC: **No**
NEWS: **No**
SPORTS: **Yes**
TALK AND ENTERTAINMENT: **Yes**

Q9b: How much would you be willing to pay for satellite radio if no [PRGTYPE] programming were available? Please assume that all other programming and non-programming features of the service, including price, remain the same. Please tell me the dollar amount you would be willing to pay for satellite radio if these types of programming were not offered at all. Furthermore, if you think that not having this programming type would lead you to cancel your subscription please say so.

Response: Would be willing to pay:
SPORTS: **\$10.00**
TALK AND ENTERTAINMENT: **Would Cancel Subscription**

Q10: Now, I am going to show you 10 different hypothetical satellite radio program offerings. Each one represents a specific hypothetical satellite radio offering that includes a set of available programming options, as well as various combinations of the non-programming features we discussed before and a monthly price for a single subscription. Please examine each profile carefully and assign it a number from "0" meaning "definitely would not subscribe" to "10" meaning "definitely would subscribe" that best reflects your likelihood of subscribing to that offering. If you definitely would not subscribe to the offering, you would give it a 0. If you definitely would subscribe to the offering, you would give it a 10. For any other case, use a number between 0 and 10 that best reflects your likelihood of subscribing to that offering. If at anytime you want to change your answer to a particular offering, please let me know and we will go back and do that.

Response: Card 57: 10
Card 58: 0
Card 59: 0
Card 60: 0
Card 61: 10
Card 62: 0
Card 63: 6
Card 64: 0
Card 65: 10
Card 66: 0

Q11a: And finally, reflecting on your experience with satellite radio, if satellite radio was not available what, if anything, would you miss most about it?

Response: The music.

Q11b: Anything else?

Response: I have enjoyed XM radio. I only use it in my vehicles. I hardly listen to regular radio except for sports and rarely play CD's anymore.

SC: Are you or any members of your household employed in any of the industries listed on this card?
Response: An insurance company: **No**
A marketing research firm: **No**
An advertising agency: **No**
The entertainment industry: **No**
A satellite radio provider: **No**
A cable TV provider: **No**
An Internet service provider: **No**

SD: During the past three months have you taken part in any market research survey other than a political poll?
Response: **No**

SE: I'm going to ask you a few questions, but please be assured that this is only for classification purposes and that your responses will be kept confidential. Which of these groups includes your age?
Response: **18 - 24 years**

SF: Which, if any, of the following decisions do you make or take part in making for your household?
Response: **Decision to subscribe to cable TV**
Decision to subscribe to an Internet service
Decision to subscribe to satellite radio
Decision to subscribe to a wireless phone service

SG: Which of these services, if any, do you or your household currently subscribe to?
Response: **Cable TV**
Broadband Internet
Wireless phone service

SI: Are you or your household currently considering subscribing to (INSERT ITEM) in the next 30 days?
Response: Satellite TV: **Yes**
Satellite radio: **Yes**

SJ: Which of the following best describes the type of satellite radio you or your household are considering?
Response: **A paid or trial subscription (such as from the purchase of a car) directly from XM or Sirius**

SL: Which satellite radio service are you currently considering subscribing to?
Response: **Both**

SM: Do you wear glasses or contact lenses when you read?
Response: **Yes**

SN: Do you have your glasses with you or are you wearing your contact lenses today?
Response: **Yes**

SO: RECORD GENDER OF RESPONDENT
Response: **Male**

SP: We would like to invite you to participate in a study that we think you will find interesting. The survey will take about 20 minutes. The survey we would like you to participate in requires you to read questions on a computer and either use a mouse to point and click on your answers or tell me your answers and I will record them. Would you like to participate in this study?
Response: **Yes, will participate**

SQ: May I please have your full name, address and phone number? You can be assured that your name and phone number will not be used to sell you anything or for any marketing or telemarketing purposes. It will only be used to verify your participation in the survey. (RECORD ON FRONT PAGE OF SCREENER. YOU MUST VERIFY RESPONDENT'S PHONE NUMBER. IF RESPONDENT REFUSES TO GIVE PHONE NUMBER, SAY:) I'm sorry but I cannot ask you to participate in our survey as my client needs your phone number to be able to verify your participation in this study.
Response: **Gave phone number**

Q1a: Q1(a) Why are you considering subscribing to satellite radio? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **No commercials convenient different types of music on them not the same old songs. w/e nothing else**

Q1b: 1(b) (PROBE) Any other reason? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **it will save me money by not buying alot of cds. That you have over 250 channels to choose from. w/e nothing else**

Q2a: 2(a) What types of satellite radio programming are most critical to your decision whether to subscribe? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **music and sport and news and about the traffic in different states if i am going on vacation. w/e nothing else**

Q2b: 2(b) (PROBE) Any others? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **the weather and a variaty of different area that you can get news in not only illinois but different states as well. w/e nothing else**

HO1: INTERVIEWER: HAVE THE RESPONDENT SIT IN FRONT OF THE COMPUTER AND ANSWER QUESTIONS TO THE REMAINDER OF THE SURVEY HIM/HERSELF. BE SURE TO SIT WITH THE RESPONDENT WHILE HE/SHE IS ANSWERING IN CASE HE/SHE HAS ANY QUESTIONS. IF THE RESPONDENT PREFERS, HAVE HIM/HER READ THE QUESTIONS ON THE SCREEN, BUT YOU WILL ENTER THE ANSWERS. RECORD:
Response: **interviewer entering answers**

Q4: Below is a list of the types of satellite radio programming. Please review the list and allocate 100 points among the seven types of programming in such a way that the number of points (0 to 100) you give each type of programming best reflects the relative importance of that type of programming to you and your family's ultimate decision whether to subscribe to satellite radio.

If a specific type of programming is not important at all, feel free to give it zero points. If, on the other hand, your decision is likely to be affected by only one of the types of programming and none of the others are likely to be important to you, give that type of programming all of the 100 points. There are no right or wrong answers and we are just looking for your evaluation of the relative importance of the seven types of programming to your decision whether to subscribe to satellite radio. Please make sure that the total adds to 100. Is this clear? (RECORD 0-100 FOR EACH. TOTAL MUST EQUAL 100.)

Please click "Okay" if this is clear.

Response: Okay

Q4: Please enter a whole number response from 0 to 100 in each of the spaces provided. Your responses must sum to 100.

Response: Comedy: 20

Kids: 5

Local Weather and Traffic: 10

Music: 20

News: 15

Sports: 20

Talk and Entertainment: 10

Q5: Now I would like to show you four of these programming types. For each type of programming you will see a number of hypothetical options showing different amounts of programming. For each hypothetical option, please indicate how desirable it would be for you relative to the other options. Please assume that in each case all other programming and non-programming features of the service including price remain the same. Please use a number from 0 (zero) = extremely undesirable to 10 = extremely desirable. You can use any number from "0 to 10" to indicate your answer. Please examine each hypothetical amount of programming and record the number that best reflects its level of desirability or undesirability. Is this clear?

Please click "Okay" if this is clear.

Response: Okay

Q5A: A. Music Programming (Current Offering includes 74 Music Channels.)

Response: 1. No music programming: 0

2. Substantially fewer channels and less variety of music than currently offered: 0

3. The same number of channels and the same variety of music as currently offered: 8

4. Substantially more channels and more variety of music than currently offered: 10

Q5B: B. News (Current Offering includes 13 News Channels.)

Response: 1. No news programming: 0

2. Substantially fewer channels and less variety of news than currently offered: 0

3. The same number of channels and the same variety of news as currently offered: 9

4. Substantially more channels and more variety of news than currently offered: 10

Q5C: C. Sports (Current Offering includes 13 Sports Channels and Live Game Channels for Major League Baseball, NASCAR, etc.)

Response: 1. No sports programming: 0

2. Substantially fewer channels and less variety of sports than currently offered: 0

3. The same number of channels and same variety of sports as currently offered: 4

4. Substantially more channels and more variety of sports than currently offered: 8

Q5D: D. Talk & Entertainment (Current Offering includes 17 Talk and Entertainment channels including Opie and Anthony, Air America, etc.)

Response: 1. No talk and entertainment programming: 7

2. Substantially fewer channels and less variety of talk and entertainment than currently offered: 4

3. The same number of channels and same variety of talk and entertainment as currently offered: 5

4. Substantially more channels and more variety of talk and entertainment than currently offered: 8

Q6a: Now, we would like you to consider the non-programming features of satellite radio such as the number of minutes of commercials per hour on music channels and geographic coverage. For each type of non-programming feature you will see a hypothetical option showing different amounts for that non-programming feature. Please repeat the desirability task we did before for the types of programming, but this time let's do it with respect to the various options for each of the non-programming features. Please indicate how desirable each of the different options of a given feature would be to you relative to the other options of that feature. Again, please assume that all other programming and non-programming features of the service, including price, remain the same. Again, please use a number from 0 (zero) - extremely undesirable to 10 - extremely desirable. Please examine each option and record the number that best reflects the level of desirability or undesirability of the option.

Response: A. The Number of Minutes of Commercials Per Hour on Music Channels

1. No commercials on music channels: 10

2. 2 minutes of commercials per hour: 3

3. 5 minutes of commercials per hour: 2

4. 12 minutes of commercials per hour: 1

B. Geographic Coverage

1. Typical FM coverage: 1

2. Complete nationwide coverage: 10

Q6b: Now, let's turn to price. I'd like you to repeat the desirability task for various monthly prices for a single subscription. Please indicate how desirable each of the different price options would be to you relative to the other options. Again, please assume that all other programming and non-programming features of the service remain the same. Again, please use a number from 0 (zero) - extremely undesirable to 10 - extremely desirable. Please examine each option and record the number that best reflects the level of desirability or undesirability of the option.

Response: C. The Monthly Price for A Single Subscription
1. \$8.95 per month: **10**
2. \$10.95 per month: **5**
3. \$12.95 per month: **4**
4. \$14.95 per month: **3**

Q6c: Please review the list below and tell me if there are any other non-programming features besides the ones listed that would likely impact your decision whether to subscribe to satellite radio?

- The number of minutes of commercials per hour on music channels
- Geographic coverage
- The monthly price for a single subscription

Response: **No others considered**

Q7: Below is a list of the non-programming features of satellite radio. Please review the list and allocate 100 points among the features in a way that the number of points (0 to 100) you give each feature best reflects the relative importance of that feature to you and your family's ultimate decision whether to subscribe to satellite radio. As in the previous 100 point allocation task, please assign each feature a number from 0 to 100 that best reflects its relative importance to you and your family's decision whether to subscribe to satellite radio. The more important a feature is, the higher the number of points you would give it, while the less important a feature is, the fewer number of points you would give it. Please make sure that the total adds to 100. (RECORD 0-100 FOR EACH. TOTAL MUST E#QUAL 100.)

Response: The number of minutes of commercials per hour on music channels: **33**
Geographic coverage: **33**
The monthly price for a single subscription: **34**

Q9a: As you know, the single subscription price per month for satellite radio is \$12.95. Let's assume that some of the current programming types were not available. Assuming that all other programming and non-programming features of the service, including price, remain the same. If no [PRGTYPE] programming were available, would it affect the amount you would be willing to pay for satellite radio?

Response: MUSIC: **Yes**
NEWS: **No**
SPORTS: **Yes**
TALK AND ENTERTAINMENT: **No**

Q9b: How much would you be willing to pay for satellite radio if no [PRGTYPE] programming were available? Please assume that all other programming and non-programming features of the service, including price, remain the same. Please tell me the dollar amount you would be willing to pay for satellite radio if these types of programming were not offered at all. Furthermore, if you think that not having this programming type would lead you to prevent you from subscribing please say so.

Response: Would be willing to pay:
MUSIC: **\$3.95**
SPORTS: **\$8.95**

Q10: Now, I am going to show you 10 different hypothetical satellite radio program offerings. Each one represents a specific hypothetical satellite radio offering that includes a set of available programming options, as well as various combinations of the non-programming features we discussed before and a monthly price for a single subscription. Please examine each profile carefully and assign it a number from "0" meaning "definitely would not subscribe" to "10" meaning "definitely would subscribe" that best reflects your likelihood of subscribing to that offering.

If you definitely would not subscribe to the offering, you would give it a 0. If you definitely would subscribe to the offering, you would give it a 10. For any other case, use a number between 0 and 10 that best reflects your likelihood of subscribing to that offering. If at anytime you want to change your answer to a particular offering, please let me know and we will go back and do that.

Response: Card 57: **9**
Card 58: **0**
Card 59: **1**
Card 60: **0**
Card 61: **6**
Card 62: **6**
Card 63: **3**
Card 64: **4**
Card 65: **5**
Card 66: **2**

SC: Are you or any members of your household employed in any of the industries listed on this card?
Response: An insurance company: **No**
 A marketing research firm: **No**
 An advertising agency: **No**
 The entertainment industry: **No**
 A satellite radio provider: **No**
 A cable TV provider: **No**
 An Internet service provider: **No**

SD: During the past three months have you taken part in any market research survey other than a political poll?
Response: **No**

SE: I'm going to ask you a few questions, but please be assured that this is only for classification purposes and that your responses will be kept confidential. Which of these groups includes your age?
Response: **35 - 49 years**

SF: Which, if any, of the following decisions do you make or take part in making for your household?
Response: **Decision to subscribe to cable TV**
Decision to subscribe to an Internet service
Decision to subscribe to satellite radio
Decision to subscribe to a wireless phone service
Decision to subscribe to satellite TV

SG: Which of these services, if any, do you or your household currently subscribe to?
Response: **Cable TV**
Broadband Internet
Satellite radio
Wireless phone service

SH: Which of the following best describe the type of satellite radio you or your household currently subscribes to?
Response: **A paid or trial subscription (such as from the purchase of a car) directly from XM or Sirius**

SI: Are you or your household currently considering subscribing to (INSERT ITEM) in the next 30 days?
Response: Satellite TV: **No**

SK: Which satellite radio service do you or your household currently subscribe to?
Response: **XM**

SM: Do you wear glasses or contact lenses when you read?
Response: **No**

SO: RECORD GENDER OF RESPONDENT
Response: **Female**

SP: We would like to invite you to participate in a study that we think you will find interesting. The survey will take about 20 minutes. The survey we would like you to participate in requires you to read questions on a computer and either use a mouse to point and click on your answers or tell me your answers and I will record them. Would you like to participate in this study?
Response: **Yes, will participate**

SQ: May I please have your full name, address and phone number? You can be assured that your name and phone number will not be used to sell you anything or for any marketing or telemarketing purposes. It will only be used to verify your participation in the survey. (RECORD ON FRONT PAGE OF SCREENER. YOU MUST VERIFY RESPONDENT'S PHONE NUMBER. IF RESPONDENT REFUSES TO GIVE PHONE NUMBER, SAY:) I'm sorry but I cannot ask you to participate in our survey as my client needs your phone number to be able to verify your participation in this study.
Response: **Gave phone number**

Q1a: Q1(a) Thinking back to the time you first subscribed to satellite radio, why did you decide to subscribe? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **it's anything you want to hear at anytime.**

Q1b: 1(b) (PROBE) Any other reason? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **(P) it's an easy way to listen to all types of music.**

Q2a: 2(a) What types of satellite radio programming were most critical to your decision to subscribe to satellite radio? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **the music for sure and the news and the sports for my husband**

Q2b: 2(b) (PROBE) Any others? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **nothing else.**

Q3a: 3(a) And now, reflecting on your experience with satellite radio, what types of satellite radio programming are most critical to your decision to continue to subscribe? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **music**

Q3b: 3(b) (PROBE) Any others? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **news**

HO1: INTERVIEWER: HAVE THE RESPONDENT SIT IN FRONT OF THE COMPUTER AND ANSWER QUESTIONS TO THE REMAINDER OF THE SURVEY HIM/HERSELF. BE SURE TO SIT WITH THE RESPONDENT WHILE HE/SHE IS ANSWERING IN CASE HE/SHE HAS ANY QUESTIONS. IF THE RESPONDENT PREFERS, HAVE HIM/HER READ THE QUESTIONS ON THE SCREEN, BUT YOU WILL ENTER THE ANSWERS. RECORD:
Response: **Respondent entering answers**

Q4: Below is a list of the types of satellite radio programming. Please review the list and allocate 100 points among the seven types of programming in such a way that the number of points (0 to 100) you give each type of programming best reflects the relative importance of that type of programming to you and your family's decision to subscribe and retain your subscription to satellite radio.

If a specific type of programming is not important at all, feel free to give it zero points. If, on the other hand, your decision was affected by only one of the types of programming and none of the others were important to you, give that type of programming all of the 100 points. There are no right or wrong answers and we are just looking for your evaluation of the relative importance of the seven types of programming reflecting both the consideration you used in deciding to subscribe and your experience with satellite radio. Please make sure that the total adds to 100. Is this clear? (RECORD 0-100 FOR EACH. TOTAL MUST EQUAL 100.)

Please click "Okay" if this is clear.

Response: Okay

Q4: Please enter a whole number response from 0 to 100 in each of the spaces provided. Your responses must sum to 100.

Response: Comedy: 0

Kids: 0

Local Weather and Traffic: 10

Music: 40

News: 25

Sports: 20

Talk and Entertainment: 5

Q5: Now I would like to show you four of these programming types. For each type of programming you will see a number of hypothetical options showing different amounts of programming. For each hypothetical option, please indicate how desirable it would be for you relative to the other options. Please assume that in each case all other programming and non-programming features of the service including price remain the same. Please use a number from 0 (zero) = extremely undesirable to 10 = extremely desirable. You can use any number from "0 to 10" to indicate your answer. Please examine each hypothetical amount of programming and record the number that best reflects its level of desirability or undesirability. Is this clear?

Please click "Okay" if this is clear.

Response: Okay

Q5A: A. Music Programming (Current Offering includes 74 Music Channels.)

Response: 1. No music programming: 0

2. Substantially fewer channels and less variety of music than currently offered: 1

3. The same number of channels and the same variety of music as currently offered: 3

4. Substantially more channels and more variety of music than currently offered: 10

Q5B: B. News (Current Offering includes 13 News Channels.)

Response: 1. No news programming: 0

2. Substantially fewer channels and less variety of news than currently offered: 1

3. The same number of channels and the same variety of news as currently offered: 4

4. Substantially more channels and more variety of news than currently offered: 8

Q5C: C. Sports (Current Offering includes 13 Sports Channels and Live Game Channels for Major League Baseball, NASCAR, etc.)

Response: 1. No sports programming: 0

2. Substantially fewer channels and less variety of sports than currently offered: 0

3. The same number of channels and same variety of sports as currently offered: 7

4. Substantially more channels and more variety of sports than currently offered: 8

Q5D: D. Talk & Entertainment (Current Offering includes 17 Talk and Entertainment channels including Opie and Anthony, Air America, etc.)

Response: 1. No talk and entertainment programming: 0

2. Substantially fewer channels and less variety of talk and entertainment than currently offered: 1

3. The same number of channels and same variety of talk and entertainment as currently offered: 4

4. Substantially more channels and more variety of talk and entertainment than currently offered: 8

Q6a: Now, we would like you to consider the non-programming features of satellite radio such as the number of minutes of commercials per hour on music channels and geographic coverage. For each type of non-programming feature you will see a hypothetical option showing different amounts for that non-programming feature. Please repeat the desirability task we did before for the types of programming, but this time let's do it with respect to the various options for each of the non-programming features. Please indicate how desirable each of the different options of a given feature would be to you relative to the other options of that feature. Again, please assume that all other programming and non-programming features of the service, including price, remain the same. Again, please use a number from 0 (zero) - extremely undesirable to 10 - extremely desirable. Please examine each option and record the number that best reflects the level of desirability or undesirability of the option.

Response: A. The Number of Minutes of Commercials Per Hour on Music Channels

1. No commercials on music channels: 10

2. 2 minutes of commercials per hour: 7

3. 5 minutes of commercials per hour: 4

4. 12 minutes of commercials per hour: 0

B. Geographic Coverage

1. Typical FM coverage: 6

2. Complete nationwide coverage: 10

Q6b: Now, let's turn to price. I'd like you to repeat the desirability task for various monthly prices for a single subscription. Please indicate how desirable each of the different price options would be to you relative to the other options. Again, please assume that all other programming and non-programming features of the service remain the same. Again, please use a number from 0 (zero) - extremely undesirable to 10 - extremely desirable. Please examine each option and record the number that best reflects the level of desirability or undesirability of the option.

Response: C. The Monthly Price for A Single Subscription
1. \$8.95 per month: **10**
2. \$10.95 per month: **6**
3. \$12.95 per month: **3**
4. \$14.95 per month: **0**

Q6c: Please review the list below and tell me if there are any other non-programming features besides the ones listed that you considered in your decision to subscribe and retain your subscription to satellite radio?

- The number of minutes of commercials per hour on music channels
- Geographic coverage
- The monthly price for a single subscription

Response: **No others considered**

Q7: Below is a list of the non-programming features of satellite radio. Please review the list and allocate 100 points among the features in a way that the number of points (0 to 100) you give each feature best reflects the relative importance of that feature to you and your family's decision to subscribe and retain your subscription to satellite radio. As in the previous 100 point allocation task, please assign each feature a number from 0 to 100 that best reflects its relative importance to you and your family's decision to subscribe and retain your subscription to satellite radio. The more important a feature is, the higher the number of points you would give it, while the less important a feature is, the fewer number of points you would give it. Please make sure that the total adds to 100. (RECORD 0-100 FOR EACH. TOTAL MUST E#QUAL 100.)

Response: The number of minutes of commercials per hour on music channels: **50**
Geographic coverage: **10**
The monthly price for a single subscription: **40**

Q8: Reflecting on your and your family's usage of satellite radio in a typical week how would you estimate the amount of time spent on each of the following program types. Again please do so by allocating 100 points among the type of programming reflecting the % of time allocated to each. If you did not (or will not) spend any time listening to a particular type of program, please give it a zero. The type of programming listened to the most should get the highest number of points, the second most should get fewer points, etc. Make sure the total adds up to 100%.

Response: Comedy: **0**
Kids: **0**
Local Weather and Traffic: **10**
Music: **40**
News: **20**
Sports: **20**
Talk and Entertainment: **10**

Q9a: As you know, the single subscription price per month for satellite radio is \$12.95. Let's assume that some of the current programming types were not available. Assuming that all other programming and non-programming features of the service, including price, remain the same. If no [PRGTYPE] programming were available, would it affect the amount you would be willing to pay for satellite radio?

Response: MUSIC: **No**
NEWS: **No**
SPORTS: **No**
TALK AND ENTERTAINMENT: **No**

Q10: Now, I am going to show you 10 different hypothetical satellite radio program offerings. Each one represents a specific hypothetical satellite radio offering that includes a set of available programming options, as well as various combinations of the non-programming features we discussed before and a monthly price for a single subscription. Please examine each profile carefully and assign it a number from "0" meaning "definitely would not subscribe" to "10" meaning "definitely would subscribe" that best reflects your likelihood of subscribing to that offering.

If you definitely would not subscribe to the offering, you would give it a 0. If you definitely would subscribe to the offering, you would give it a 10. For any other case, use a number between 0 and 10 that best reflects your likelihood of subscribing to that offering. If at anytime you want to change your answer to a particular offering, please let me know and we will go back and do that.

Response: Card 17: **9**
Card 18: **3**
Card 19: **9**
Card 20: **0**
Card 21: **0**
Card 22: **2**
Card 23: **0**
Card 24: **2**
Card 65: **10**
Card 66: **0**

Q11a: And finally, reflecting on your experience with satellite radio, if satellite radio was not available what, if anything, would you miss most about it?

Response: **The variety**

Q11b: Anything else?
Response: no, nothing else.

SC: Are you or any members of your household employed in any of the industries listed on this card?
Response: An insurance company: **No**
A marketing research firm: **No**
An advertising agency: **No**
The entertainment industry: **No**
A satellite radio provider: **No**
A cable TV provider: **No**
An Internet service provider: **No**

SD: During the past three months have you taken part in any market research survey other than a political poll?
Response: **No**

SE: I'm going to ask you a few questions, but please be assured that this is only for classification purposes and that your responses will be kept confidential. Which of these groups includes your age?
Response: **35 - 49 years**

SF: Which, if any, of the following decisions do you make or take part in making for your household?
Response: **Decision to subscribe to satellite radio**

SG: Which of these services, if any, do you or your household currently subscribe to?
Response: **Cable TV**
Broadband Internet
Satellite radio

SH: Which of the following best describe the type of satellite radio you or your household currently subscribes to?
Response: **A paid or trial subscription (such as from the purchase of a car) directly from XM or Sirius**

SI: Are you or your household currently considering subscribing to (INSERT ITEM) in the next 30 days?
Response: Satellite TV: **Yes**
Wireless phone service: **Yes**

SK: Which satellite radio service do you or your household currently subscribe to?
Response: **Sirius**

SM: Do you wear glasses or contact lenses when you read?
Response: **Yes**

SN: Do you have your glasses with you or are you wearing your contact lenses today?
Response: **Yes**

SO: RECORD GENDER OF RESPONDENT
Response: **Male**

SP: We would like to invite you to participate in a study that we think you will find interesting. The survey will take about 20 minutes. The survey we would like you to participate in requires you to read questions on a computer and either use a mouse to point and click on your answers or tell me your answers and I will record them. Would you like to participate in this study?
Response: **Yes, will participate**

SQ: May I please have your full name, address and phone number? You can be assured that your name and phone number will not be used to sell you anything or for any marketing or telemarketing purposes. It will only be used to verify your participation in the survey. (RECORD ON FRONT PAGE OF SCREENER. YOU MUST VERIFY RESPONDENT'S PHONE NUMBER. IF RESPONDENT REFUSES TO GIVE PHONE NUMBER, SAY:) I'm sorry but I cannot ask you to participate in our survey as my client needs your phone number to be able to verify your participation in this study.
Response: **Gave phone number**

Q1a: Q1(a) Thinking back to the time you first subscribed to satellite radio, why did you decide to subscribe? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **IT WAS A GIFT**

Q1b: 1(b) (PROBE) Any other reason? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **BECAUSE I AM HARD TO BUY FOR**

Q2a: 2(a) What types of satellite radio programming were most critical to your decision to subscribe to satellite radio? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **THE COMEDY**

Q2b: 2(b) (PROBE) Any others? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **CLASSIC ROCK**

Q3a: 3(a) And now, reflecting on your experience with satellite radio, what types of satellite radio programming are most critical to your decision to continue to subscribe? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **MUSIC AND COMEDY**

Q3b: 3(b) (PROBE) Any others? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **MUSIC**

HO1: INTERVIEWER: HAVE THE RESPONDENT SIT IN FRONT OF THE COMPUTER AND ANSWER QUESTIONS TO THE REMAINDER OF THE SURVEY HIM/HERSELF. BE SURE TO SIT WITH THE RESPONDENT WHILE HE/SHE IS ANSWERING IN CASE HE/SHE HAS ANY QUESTIONS. IF THE RESPONDENT PREFERS, HAVE HIM/HER READ THE QUESTIONS ON THE SCREEN, BUT YOU WILL ENTER THE ANSWERS. RECORD:
Response: **Interviewer entering answers**

Q4: Below is a list of the types of satellite radio programming. Please review the list and allocate 100 points among the seven types of programming in such a way that the number of points (0 to 100) you give each type of programming best reflects the relative importance of that type of programming to you and your family's decision to subscribe and retain your subscription to satellite radio.

If a specific type of programming is not important at all, feel free to give it zero points. If, on the other hand, your decision was affected by only one of the types of programming and none of the others were important to you, give that type of programming all of the 100 points. There are no right or wrong answers and we are just looking for your evaluation of the relative importance of the seven types of programming reflecting both the consideration you used in deciding to subscribe and your experience with satellite radio. Please make sure that the total adds to 100. Is this clear? (RECORD 0-100 FOR EACH. TOTAL MUST EQUAL 100.)

Please click "Okay" if this is clear.

Response: Okay

Q4: Please enter a whole number response from 0 to 100 in each of the spaces provided. Your responses must sum to 100.

Response: Comedy: 50

Kids: 0

Local Weather and Traffic: 0

Music: 50

News: 0

Sports: 0

Talk and Entertainment: 0

Q5: Now I would like to show you four of these programming types. For each type of programming you will see a number of hypothetical options showing different amounts of programming. For each hypothetical option, please indicate how desirable it would be for you relative to the other options. Please assume that in each case all other programming and non-programming features of the service including price remain the same. Please use a number from 0 (zero) = extremely undesirable to 10 = extremely desirable. You can use any number from "0 to 10" to indicate your answer. Please examine each hypothetical amount of programming and record the number that best reflects its level of desirability or undesirability. Is this clear?

Please click "Okay" if this is clear.

Response: Okay

Q5A: A. Music Programming (Current Offering includes 66 Music Channels.)

Response: 1. No music programming: 0

2. Substantially fewer channels and less variety of music than currently offered: 0

3. The same number of channels and the same variety of music as currently offered: 0

4. Substantially more channels and more variety of music than currently offered: 9

Q5B: B. News (Current Offering includes 15 News Channels.)

Response: 1. No news programming: 1

2. Substantially fewer channels and less variety of news than currently offered: 1

3. The same number of channels and the same variety of news as currently offered: 1

4. Substantially more channels and more variety of news than currently offered: 9

Q5C: C. Sports (Current Offering includes 8 Sports Channels and Live Game Channels for NBA, NFL, etc.)

Response: 1. No sports programming: 0

2. Substantially fewer channels and less variety of sports than currently offered: 1

3. The same number of channels and same variety of sports as currently offered: 0

4. Substantially more channels and more variety of sports than currently offered: 1

Q5D: D. Talk & Entertainment (Current Offering includes 22 Talk and Entertainment channels including Howard Stern, Martha Stewart, etc.)

Response: 1. No talk and entertainment programming: 2

2. Substantially fewer channels and less variety of talk and entertainment than currently offered: 8

3. The same number of channels and same variety of talk and entertainment as currently offered: 3

4. Substantially more channels and more variety of talk and entertainment than currently offered: 3

Q6a: Now, we would like you to consider the non-programming features of satellite radio such as the number of minutes of commercials per hour on music channels and geographic coverage. For each type of non-programming feature you will see a hypothetical option showing different amounts for that non-programming feature. Please repeat the desirability task we did before for the types of programming, but this time let's do it with respect to the various options for each of the non-programming features. Please indicate how desirable each of the different options of a given feature would be to you relative to the other options of that feature. Again, please assume that all other programming and non-programming features of the service, including price, remain the same. Again, please use a number from 0 (zero) - extremely undesirable to 10 - extremely desirable. Please examine each option and record the number that best reflects the level of desirability or undesirability of the option.

Response: A. The Number of Minutes of Commercials Per Hour on Music Channels

1. No commercials on music channels: 0

2. 2 minutes of commercials per hour: 1

3. 5 minutes of commercials per hour: 2

4. 12 minutes of commercials per hour: 3

B. Geographic Coverage

1. Typical FM coverage: 2

2. Complete nationwide coverage: 2

Q6b: Now, let's turn to price. I'd like you to repeat the desirability task for various monthly prices for a single subscription. Please indicate how desirable each of the different price options would be to you relative to the other options. Again, please assume that all other programming and non-programming features of the service remain the same. Again, please use a number from 0 (zero) - extremely undesirable to 10 - extremely desirable. Please examine each option and record the number that best reflects the level of desirability or undesirability of the option.

Response: C. The Monthly Price for A Single Subscription

1. \$8.95 per month: **9**
2. \$10.95 per month: **8**
3. \$12.95 per month: **7**
4. \$14.95 per month: **6**

Q6c: Please review the list below and tell me if there are any other non-programming features besides the ones listed that you considered in your decision to subscribe and retain your subscription to satellite radio?

- The number of minutes of commercials per hour on music channels
- Geographic coverage
- The monthly price for a single subscription

Response: Other, please specify: **VARIETY OF PROGRAMMING**

Q6cf1: Anything else?

Response: **No**

Q7: Below is a list of the non-programming features of satellite radio. Please review the list and allocate 100 points among the features in a way that the number of points (0 to 100) you give each feature best reflects the relative importance of that feature to you and your family's decision to subscribe and retain your subscription to satellite radio. As in the previous 100 point allocation task, please assign each feature a number from 0 to 100 that best reflects its relative importance to you and your family's decision to subscribe and retain your subscription to satellite radio. The more important a feature is, the higher the number of points you would give it, while the less important a feature is, the fewer number of points you would give it. Please make sure that the total adds to 100. (RECORD 0-100 FOR EACH. TOTAL MUST E#QUAL 100.)

Response: The number of minutes of commercials per hour on music channels: **10**

Geographic coverage: **0**

The monthly price for a single subscription: **60**

Other (VARIETY OF PROGRAMMING): **30**

Q8: Reflecting on your and your family's usage of satellite radio in a typical week how would you estimate the amount of time spent on each of the following program types. Again please do so by allocating 100 points among the type of programming reflecting the % of time allocated to each. If you did not (or will not) spend any time listening to a particular type of program, please give it a zero. The type of programming listened to the most should get the highest number of points, the second most should get fewer points, etc. Make sure the total adds up to 100%.

Response: Comedy: **50**

Kids: **0**

Local Weather and Traffic: **0**

Music: **50**

News: **0**

Sports: **0**

Talk and Entertainment: **0**

Q9a: As you know, the single subscription price per month for satellite radio is \$12.95. Let's assume that some of the current programming types were not available. Assuming that all other programming and non-programming features of the service, including price, remain the same. If no [PRGTYPE] programming were available, would it affect the amount you would be willing to pay for satellite radio?

Response: MUSIC: **No**

NEWS: **Yes**

SPORTS: **Yes**

TALK AND ENTERTAINMENT: **Yes**

Q9b: How much would you be willing to pay for satellite radio if no [PRGTYPE] programming were available? Please assume that all other programming and non-programming features of the service, including price, remain the same. Please tell me the dollar amount you would be willing to pay for satellite radio if these types of programming were not offered at all. Furthermore, if you think that not having this programming type would lead you to cancel your subscription please say so.

Would be willing to pay:

Response: NEWS: **\$14.99**

SPORTS: **\$14.99**

TALK AND ENTERTAINMENT: **\$14.99**

Q9c: Are you willing to pay more than the current price of \$12.95 per month if no [PRGTYPE] were available but all other programming features of the service remain the same?

Response: NEWS: **Yes**

SPORTS: **Yes**

TALK AND ENTERTAINMENT: **Yes**

Q10: Now, I am going to show you 10 different hypothetical satellite radio program offerings. Each one represents a specific hypothetical satellite radio offering that includes a set of available programming options, as well as various combinations of the non-programming features we discussed before and a monthly price for a single subscription. Please examine each profile carefully and assign it a number from "0" meaning "definitely would not subscribe" to "10" meaning "definitely would subscribe" that best reflects your likelihood of subscribing to that offering.
If you definitely would not subscribe to the offering, you would give it a 0. If you definitely would subscribe to the offering, you would give it a 10. For any other case, use a number between 0 and 10 that best reflects your likelihood of subscribing to that offering. If at anytime you want to change your answer to a particular offering, please let me know and we will go back and do that.

Response: Card 9: 8
Card 10: 8
Card 11: 8
Card 12: 8
Card 13: 9
Card 14: 8
Card 15: 8
Card 16: 9
Card 65: 9
Card 66: 8

Q11a: And finally, reflecting on your experience with satellite radio, if satellite radio was not available what, if anything, would you miss most about it?

Response: THE VARIETY

Q11b: Anything else?

Response: NO COMMERCIALS

SC: Are you or any members of your household employed in any of the industries listed on this card?
Response: An insurance company: **No**
A marketing research firm: **No**
An advertising agency: **No**
The entertainment industry: **No**
A satellite radio provider: **No**
A cable TV provider: **No**
An Internet service provider: **No**

SD: During the past three months have you taken part in any market research survey other than a political poll?
Response: **No**

SE: I'm going to ask you a few questions, but please be assured that this is only for classification purposes and that your responses will be kept confidential. Which of these groups includes your age?
Response: **35 - 49 years**

SF: Which, if any, of the following decisions do you make or take part in making for your household?
Response: **Decision to subscribe to an Internet service**
Decision to subscribe to satellite radio
Decision to subscribe to a wireless phone service
Decision to subscribe to satellite TV

SG: Which of these services, if any, do you or your household currently subscribe to?
Response: **Satellite radio**
Wireless phone service

SH: Which of the following best describe the type of satellite radio you or your household currently subscribes to?
Response: **A paid or trial subscription (such as from the purchase of a car) directly from XM or Sirius**

SI: Are you or your household currently considering subscribing to (INSERT ITEM) in the next 30 days?
Response: Cable TV: **Yes**
Satellite TV: **Yes**
Broadband Internet: **Yes**

SK: Which satellite radio service do you or your household currently subscribe to?
Response: **Sirius**

SM: Do you wear glasses or contact lenses when you read?
Response: **No**

SO: RECORD GENDER OF RESPONDENT
Response: **Male**

SP: We would like to invite you to participate in a study that we think you will find interesting. The survey will take about 20 minutes. The survey we would like you to participate in requires you to read questions on a computer and either use a mouse to point and click on your answers or tell me your answers and I will record them. Would you like to participate in this study?
Response: **Yes, will participate**

SQ: May I please have your full name, address and phone number? You can be assured that your name and phone number will not be used to sell you anything or for any marketing or telemarketing purposes. It will only be used to verify your participation in the survey. (RECORD ON FRONT PAGE OF SCREENER. YOU MUST VERIFY RESPONDENT'S PHONE NUMBER. IF RESPONDENT REFUSES TO GIVE PHONE NUMBER, SAY:) I'm sorry but I cannot ask you to participate in our survey as my client needs your phone number to be able to verify your participation in this study.
Response: **Gave phone number**

Q1a: Q1(a) Thinking back to the time you first subscribed to satellite radio, why did you decide to subscribe? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **WELL I WANTED A LARGER SELECTION OF MUSIC**

Q1b: 1(b) (PROBE) Any other reason? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **NOTHING**

Q2a: 2(a) What types of satellite radio programming were most critical to your decision to subscribe to satellite radio? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **I DONT KNOW**

Q2b: 2(b) (PROBE) Any others? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **NOTHING**

Q3a: 3(a) And now, reflecting on your experience with satellite radio, what types of satellite radio programming are most critical to your decision to continue to subscribe? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **THE MUSIC PROGRAMS**

Q3b: 3(b) (PROBE) Any others? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **I LIKE MUSIC**

HO1: INTERVIEWER: HAVE THE RESPONDENT SIT IN FRONT OF THE COMPUTER AND ANSWER QUESTIONS TO THE REMAINDER OF THE SURVEY HIM/HERSELF. BE SURE TO SIT WITH THE RESPONDENT WHILE HE/SHE IS ANSWERING IN CASE HE/SHE HAS ANY QUESTIONS. IF THE RESPONDENT PREFERS, HAVE HIM/HER READ THE QUESTIONS ON THE SCREEN, BUT YOU WILL ENTER THE ANSWERS. RECORD:
Response: **Respondent entering answers**

Q4: Below is a list of the types of satellite radio programming. Please review the list and allocate 100 points among the seven types of programming in such a way that the number of points (0 to 100) you give each type of programming best reflects the relative importance of that type of programming to you and your family's decision to subscribe and retain your subscription to satellite radio.

If a specific type of programming is not important at all, feel free to give it zero points. If, on the other hand, your decision was affected by only one of the types of programming and none of the others were important to you, give that type of programming all of the 100 points. There are no right or wrong answers and we are just looking for your evaluation of the relative importance of the seven types of programming reflecting both the consideration you used in deciding to subscribe and your experience with satellite radio. Please make sure that the total adds to 100. Is this clear? (RECORD 0-100 FOR EACH. TOTAL MUST EQUAL 100.)

Please click "Okay" if this is clear.

Response: Okay

Q4: Please enter a whole number response from 0 to 100 in each of the spaces provided. Your responses must sum to 100.

Response: Comedy: 25

Kids: 10

Local Weather and Traffic: 20

Music: 20

News: 10

Sports: 10

Talk and Entertainment: 5

Q5: Now I would like to show you four of these programming types. For each type of programming you will see a number of hypothetical options showing different amounts of programming. For each hypothetical option, please indicate how desirable it would be for you relative to the other options. Please assume that in each case all other programming and non-programming features of the service including price remain the same. Please use a number from 0 (zero) = extremely undesirable to 10 = extremely desirable. You can use any number from "0 to 10" to indicate your answer. Please examine each hypothetical amount of programming and record the number that best reflects its level of desirability or undesirability. Is this clear?

Please click "Okay" if this is clear.

Response: Okay

Q5A: A. Music Programming (Current Offering includes 66 Music Channels.)

Response:

1. No music programming: 0

2. Substantially fewer channels and less variety of music than currently offered: 4

3. The same number of channels and the same variety of music as currently offered: 8

4. Substantially more channels and more variety of music than currently offered: 9

Q5B: B. News (Current Offering includes 15 News Channels.)

Response:

1. No news programming: 6

2. Substantially fewer channels and less variety of news than currently offered: 4

3. The same number of channels and the same variety of news as currently offered: 5

4. Substantially more channels and more variety of news than currently offered: 7

Q5C: C. Sports (Current Offering includes 8 Sports Channels and Live Game Channels for NBA, NFL, etc.)

Response:

1. No sports programming: 5

2. Substantially fewer channels and less variety of sports than currently offered: 7

3. The same number of channels and same variety of sports as currently offered: 3

4. Substantially more channels and more variety of sports than currently offered: 8

Q5D: D. Talk & Entertainment (Current Offering includes 22 Talk and Entertainment channels including Howard Stern, Martha Stewart, etc.)

Response:

1. No talk and entertainment programming: 4

2. Substantially fewer channels and less variety of talk and entertainment than currently offered: 1

3. The same number of channels and same variety of talk and entertainment as currently offered: 1

4. Substantially more channels and more variety of talk and entertainment than currently offered: 8

Q6a: Now, we would like you to consider the non-programming features of satellite radio such as the number of minutes of commercials per hour on music channels and geographic coverage. For each type of non-programming feature you will see a hypothetical option showing different amounts for that non-programming feature. Please repeat the desirability task we did before for the types of programming, but this time let's do it with respect to the various options for each of the non-programming features. Please indicate how desirable each of the different options of a given feature would be to you relative to the other options of that feature. Again, please assume that all other programming and non-programming features of the service, including price, remain the same. Again, please use a number from 0 (zero) - extremely undesirable to 10 - extremely desirable. Please examine each option and record the number that best reflects the level of desirability or undesirability of the option.

Response: A. The Number of Minutes of Commercials Per Hour on Music Channels

1. No commercials on music channels: 6

2. 2 minutes of commercials per hour: 9

3. 5 minutes of commercials per hour: 2

4. 12 minutes of commercials per hour: 2

B. Geographic Coverage

1. Typical FM coverage: 7

2. Complete nationwide coverage: 10

Q6b: Now, let's turn to price. I'd like you to repeat the desirability task for various monthly prices for a single subscription. Please indicate how desirable each of the different price options would be to you relative to the other options. Again, please assume that all other programming and non-programming features of the service remain the same. Again, please use a number from 0 (zero) - extremely undesirable to 10 - extremely desirable. Please examine each option and record the number that best reflects the level of desirability or undesirability of the option.

Response: C. The Monthly Price for A Single Subscription
1. \$8.95 per month: **5**
2. \$10.95 per month: **6**
3. \$12.95 per month: **3**
4. \$14.95 per month: **0**

Q6c: Please review the list below and tell me if there are any other non-programming features besides the ones listed that you considered in your decision to subscribe and retain your subscription to satellite radio?
•The number of minutes of commercials per hour on music channels
•Geographic coverage
•The monthly price for a single subscription

Response: **No others considered**
Q7: Below is a list of the non-programming features of satellite radio. Please review the list and allocate 100 points among the features in a way that the number of points (0 to 100) you give each feature best reflects the relative importance of that feature to you and your family's decision to subscribe and retain your subscription to satellite radio. As in the previous 100 point allocation task, please assign each feature a number from 0 to 100 that best reflects its relative importance to you and your family's decision to subscribe and retain your subscription to satellite radio. The more important a feature is, the higher the number of points you would give it, while the less important a feature is, the fewer number of points you would give it. Please make sure that the total adds to 100. (RECORD 0-100 FOR EACH. TOTAL MUST EQUAL 100.)

Response: The number of minutes of commercials per hour on music channels: **25**
Geographic coverage: **50**
The monthly price for a single subscription: **25**

Q8: Reflecting on your and your family's usage of satellite radio in a typical week how would you estimate the amount of time spent on each of the following program types. Again please do so by allocating 100 points among the type of programming reflecting the % of time allocated to each. If you did not (or will not) spend any time listening to a particular type of program, please give it a zero. The type of programming listened to the most should get the highest number of points, the second most should get fewer points, etc. Make sure the total adds up to 100%.

Response: Comedy: **15**
Kids: **5**
Local Weather and Traffic: **10**
Music: **15**
News: **20**
Sports: **25**
Talk and Entertainment: **10**

Q9a: As you know, the single subscription price per month for satellite radio is \$12.95. Let's assume that some of the current programming types were not available. Assuming that all other programming and non-programming features of the service, including price, remain the same. If no [PRGTYPE] programming were available, would it affect the amount you would be willing to pay for satellite radio?

Response: MUSIC: **Yes**
NEWS: **No**
SPORTS: **Yes**
TALK AND ENTERTAINMENT: **Yes**

Q9b: How much would you be willing to pay for satellite radio if no [PRGTYPE] programming were available? Please assume that all other programming and non-programming features of the service, including price, remain the same. Please tell me the dollar amount you would be willing to pay for satellite radio if these types of programming were not offered at all. Furthermore, if you think that not having this programming type would lead you to cancel your subscription please say so.

Response: Would be willing to pay:
MUSIC: **\$5.00**
SPORTS: **\$5.00**
TALK AND ENTERTAINMENT: **\$5.00**

Q10: Now, I am going to show you 10 different hypothetical satellite radio program offerings. Each one represents a specific hypothetical satellite radio offering that includes a set of available programming options, as well as various combinations of the non-programming features we discussed before and a monthly price for a single subscription. Please examine each profile carefully and assign it a number from "0" meaning "definitely would not subscribe" to "10" meaning "definitely would subscribe" that best reflects your likelihood of subscribing to that offering.

If you definitely would not subscribe to the offering, you would give it a 0. If you definitely would subscribe to the offering, you would give it a 10. For any other case, use a number between 0 and 10 that best reflects your likelihood of subscribing to that offering. If at anytime you want to change your answer to a particular offering, please let me know and we will go back and do that.

Response: Card 1: 7
Card 2: 0
Card 3: 5
Card 4: 10
Card 5: 0
Card 6: 3
Card 7: 0
Card 8: 3
Card 65: 9
Card 66: 5

Q11a: And finally, reflecting on your experience with satellite radio, if satellite radio was not available what, if anything, would you miss most about it?

Response: MUSIC

Q11b: Anything else?

Response: NO

SC: Are you or any members of your household employed in any of the industries listed on this card?
Response: An insurance company: **No**
 A marketing research firm: **No**
 An advertising agency: **No**
 The entertainment industry: **No**
 A satellite radio provider: **No**
 A cable TV provider: **No**
 An Internet service provider: **No**

SD: During the past three months have you taken part in any market research survey other than a political poll?
Response: **No**

SE: I'm going to ask you a few questions, but please be assured that this is only for classification purposes and that your responses will be kept confidential. Which of these groups includes your age?
Response: **18 - 24 years**

SF: Which, if any, of the following decisions do you make or take part in making for your household?
Response: **Decision to subscribe to cable TV**
Decision to subscribe to an internet service
Decision to subscribe to satellite radio
Decision to subscribe to a wireless phone service
Decision to subscribe to satellite TV

SG: Which of these services, if any, do you or your household currently subscribe to?
Response: **Satellite TV**
Satellite radio
Wireless phone service

SH: Which of the following best describe the type of satellite radio you or your household currently subscribes to?
Response: **A paid or trial subscription (such as from the purchase of a car) directly from XM or Sirius**

SI: Are you or your household currently considering subscribing to (INSERT ITEM) in the next 30 days?
Response: Cable TV: **Don't know**
 Broadband Internet: **Don't know**

SK: Which satellite radio service do you or your household currently subscribe to?
Response: **Sirius**

SM: Do you wear glasses or contact lenses when you read?
Response: **No**

SO: RECORD GENDER OF RESPONDENT
Response: **Male**

SP: We would like to invite you to participate in a study that we think you will find interesting. The survey will take about 20 minutes. The survey we would like you to participate in requires you to read questions on a computer and either use a mouse to point and click on your answers or tell me your answers and I will record them. Would you like to participate in this study?
Response: **Yes, will participate**

SQ: May I please have your full name, address and phone number? You can be assured that your name and phone number will not be used to sell you anything or for any marketing or telemarketing purposes. It will only be used to verify your participation in the survey. (RECORD ON FRONT PAGE OF SCREENER. YOU MUST VERIFY RESPONDENT'S PHONE NUMBER. IF RESPONDENT REFUSES TO GIVE PHONE NUMBER, SAY:) I'm sorry but I cannot ask you to participate in our survey as my client needs your phone number to be able to verify your participation in this study.
Response: **Gave phone number**

Q1a: Q1(a) Thinking back to the time you first subscribed to satellite radio, why did you decide to subscribe? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **I LIKE TO TRY NEW STUFF**

Q1b: 1(b) (PROBE) Any other reason? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **NONE**

Q2a: 2(a) What types of satellite radio programming were most critical to your decision to subscribe to satellite radio? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **HIP HOP, SPORTS, PRAISE**

Q2b: 2(b) (PROBE) Any others? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **NONE**

Q3a: 3(a) And now, reflecting on your experience with satellite radio, what types of satellite radio programming are most critical to your decision to continue to subscribe? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **HIP HOP, SPORTS AND PRAISE**

Q3b: 3(b) (PROBE) Any others? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **NONE**

HO1: INTERVIEWER: HAVE THE RESPONDENT SIT IN FRONT OF THE COMPUTER AND ANSWER QUESTIONS TO THE REMAINDER OF THE SURVEY HIM/HERSELF. BE SURE TO SIT WITH THE RESPONDENT WHILE HE/SHE IS ANSWERING IN CASE HE/SHE HAS ANY QUESTIONS. IF THE RESPONDENT PREFERS, HAVE HIM/HER READ THE QUESTIONS ON THE SCREEN, BUT YOU WILL ENTER THE ANSWERS. RECORD:
Response: **Respondent entering answers**

Q4: Below is a list of the types of satellite radio programming. Please review the list and allocate 100 points among the seven types of programming in such a way that the number of points (0 to 100) you give each type of programming best reflects the relative importance of that type of programming to you and your family's decision to subscribe and retain your subscription to satellite radio.

If a specific type of programming is not important at all, feel free to give it zero points. If, on the other hand, your decision was affected by only one of the types of programming and none of the others were important to you, give that type of programming all of the 100 points. There are no right or wrong answers and we are just looking for your evaluation of the relative importance of the seven types of programming reflecting both the consideration you used in deciding to subscribe and your experience with satellite radio. Please make sure that the total adds to 100. Is this clear? (RECORD 0-100 FOR EACH. TOTAL MUST EQUAL 100.)

Please click "Okay" if this is clear.

Response: Okay

Q4: Please enter a whole number response from 0 to 100 in each of the spaces provided. Your responses must sum to 100.

Response: Comedy: 0

Kids: 0

Local Weather and Traffic: 100

Music: 0

News: 0

Sports: 0

Talk and Entertainment: 0

Q5: Now I would like to show you four of these programming types. For each type of programming you will see a number of hypothetical options showing different amounts of programming. For each hypothetical option, please indicate how desirable it would be for you relative to the other options. Please assume that in each case all other programming and non-programming features of the service including price remain the same. Please use a number from 0 (zero) = extremely undesirable to 10 = extremely desirable. You can use any number from "0 to 10" to indicate your answer. Please examine each hypothetical amount of programming and record the number that best reflects its level of desirability or undesirability. Is this clear?

Please click "Okay" if this is clear.

Response: Okay

Q5A: A. Music Programming (Current Offering includes 66 Music Channels.)

Response:

1. No music programming: 2

2. Substantially fewer channels and less variety of music than currently offered: 4

3. The same number of channels and the same variety of music as currently offered: 2

4. Substantially more channels and more variety of music than currently offered: 5

Q5B: B. News (Current Offering includes 15 News Channels.)

Response:

1. No news programming: 1

2. Substantially fewer channels and less variety of news than currently offered: 4

3. The same number of channels and the same variety of news as currently offered: 6

4. Substantially more channels and more variety of news than currently offered: 9

Q5C: C. Sports (Current Offering includes 8 Sports Channels and Live Game Channels for NBA, NFL, etc.)

Response:

1. No sports programming: 8

2. Substantially fewer channels and less variety of sports than currently offered: 1

3. The same number of channels and same variety of sports as currently offered: 3

4. Substantially more channels and more variety of sports than currently offered: 5

Q5D: D. Talk & Entertainment (Current Offering includes 22 Talk and Entertainment channels including Howard Stern, Martha Stewart, etc.)

Response:

1. No talk and entertainment programming: 4

2. Substantially fewer channels and less variety of talk and entertainment than currently offered: 6

3. The same number of channels and same variety of talk and entertainment as currently offered: 4

4. Substantially more channels and more variety of talk and entertainment than currently offered: 8

Q6a: Now, we would like you to consider the non-programming features of satellite radio such as the number of minutes of commercials per hour on music channels and geographic coverage. For each type of non-programming feature you will see a hypothetical option showing different amounts for that non-programming feature. Please repeat the desirability task we did before for the types of programming, but this time let's do it with respect to the various options for each of the non-programming features. Please indicate how desirable each of the different options of a given feature would be to you relative to the other options of that feature. Again, please assume that all other programming and non-programming features of the service, including price, remain the same. Again, please use a number from 0 (zero) - extremely undesirable to 10 - extremely desirable. Please examine each option and record the number that best reflects the level of desirability or undesirability of the option.

Response: A. The Number of Minutes of Commercials Per Hour on Music Channels

1. No commercials on music channels: 4

2. 2 minutes of commercials per hour: 3

3. 5 minutes of commercials per hour: 5

4. 12 minutes of commercials per hour: 2

B. Geographic Coverage

1. Typical FM coverage: 1

2. Complete nationwide coverage: 8

Q6b: Now, let's turn to price. I'd like you to repeat the desirability task for various monthly prices for a single subscription. Please indicate how desirable each of the different price options would be to you relative to the other options. Again, please assume that all other programming and non-programming features of the service remain the same. Again, please use a number from 0 (zero) - extremely undesirable to 10 - extremely desirable. Please examine each option and record the number that best reflects the level of desirability or undesirability of the option.

Response: C. The Monthly Price for A Single Subscription
1. \$8.95 per month: **7**
2. \$10.95 per month: **8**
3. \$12.95 per month: **9**
4. \$14.95 per month: **10**

Q6c: Please review the list below and tell me if there are any other non-programming features besides the ones listed that you considered in your decision to subscribe and retain your subscription to satellite radio?

- The number of minutes of commercials per hour on music channels
- Geographic coverage
- The monthly price for a single subscription

Response: **No others considered**

Q7: Below is a list of the non-programming features of satellite radio. Please review the list and allocate 100 points among the features in a way that the number of points (0 to 100) you give each feature best reflects the relative importance of that feature to you and your family's decision to subscribe and retain your subscription to satellite radio. As in the previous 100 point allocation task, please assign each feature a number from 0 to 100 that best reflects its relative importance to you and your family's decision to subscribe and retain your subscription to satellite radio. The more important a feature is, the higher the number of points you would give it, while the less important a feature is, the fewer number of points you would give it. Please make sure that the total adds to 100. (RECORD 0-100 FOR EACH. TOTAL MUST EQUAL 100.)

Response: The number of minutes of commercials per hour on music channels: **0**
Geographic coverage: **0**
The monthly price for a single subscription: **100**

Q8: Reflecting on your and your family's usage of satellite radio in a typical week how would you estimate the amount of time spent on each of the following program types. Again please do so by allocating 100 points among the type of programming reflecting the % of time allocated to each. If you did not (or will not) spend any time listening to a particular type of program, please give it a zero. The type of programming listened to the most should get the highest number of points, the second most should get fewer points, etc. Make sure the total adds up to 100%.

Response: Comedy: **0**
Kids: **0**
Local Weather and Traffic: **50**
Music: **50**
News: **0**
Sports: **0**
Talk and Entertainment: **0**

Q9a: As you know, the single subscription price per month for satellite radio is \$12.95. Let's assume that some of the current programming types were not available. Assuming that all other programming and non-programming features of the service, including price, remain the same. If no [PRGTYPE] programming were available, would it affect the amount you would be willing to pay for satellite radio?

Response: MUSIC: **Don't know**
NEWS: **Don't know**
SPORTS: **Don't know**
TALK AND ENTERTAINMENT: **Don't know**

Q10: Now, I am going to show you 10 different hypothetical satellite radio program offerings. Each one represents a specific hypothetical satellite radio offering that includes a set of available programming options, as well as various combinations of the non-programming features we discussed before and a monthly price for a single subscription. Please examine each profile carefully and assign it a number from "0" meaning "definitely would not subscribe" to "10" meaning "definitely would subscribe" that best reflects your likelihood of subscribing to that offering.

If you definitely would not subscribe to the offering, you would give it a 0. If you definitely would subscribe to the offering, you would give it a 10. For any other case, use a number between 0 and 10 that best reflects your likelihood of subscribing to that offering. If at anytime you want to change your answer to a particular offering, please let me know and we will go back and do that.

Response: Card 17: **8**
Card 18: **6**
Card 19: **2**
Card 20: **10**
Card 21: **1**
Card 22: **5**
Card 23: **0**
Card 24: **9**
Card 65: **4**
Card 66: **10**

Q11a: And finally, reflecting on your experience with satellite radio, if satellite radio was not available what, if anything, would you miss most about it?

Response: **DONT KNOW**

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Q11b: Anything else?
Response: NO

SC: Are you or any members of your household employed in any of the industries listed on this card?
Response: An insurance company: **No**
 A marketing research firm: **No**
 An advertising agency: **No**
 The entertainment industry: **No**
 A satellite radio provider: **No**
 A cable TV provider: **No**
 An Internet service provider: **No**

SD: During the past three months have you taken part in any market research survey other than a political poll?
Response: **No**

SE: I'm going to ask you a few questions, but please be assured that this is only for classification purposes and that your responses will be kept confidential. Which of these groups includes your age?
Response: **18 - 24 years**

SF: Which, if any, of the following decisions do you make or take part in making for your household?
Response: **Decision to subscribe to cable TV**
Decision to subscribe to an internet service
Decision to subscribe to satellite radio
Decision to subscribe to a wireless phone service
Decision to subscribe to satellite TV

SG: Which of these services, if any, do you or your household currently subscribe to?
Response: **Satellite TV**
Satellite radio

SH: Which of the following best describe the type of satellite radio you or your household currently subscribes to?
Response: **A paid or trial subscription (such as from the purchase of a car) directly from XM or Sirius**

SI: Are you or your household currently considering subscribing to (INSERT ITEM) in the next 30 days?
Response: Cable TV: **No**
 Broadband Internet: **No**
 Wireless phone service: **No**

SK: Which satellite radio service do you or your household currently subscribe to?
Response: **XM**

SM: Do you wear glasses or contact lenses when you read?
Response: **No**

SO: RECORD GENDER OF RESPONDENT
Response: **Male**

SP: We would like to invite you to participate in a study that we think you will find interesting. The survey will take about 20 minutes. The survey we would like you to participate in requires you to read questions on a computer and either use a mouse to point and click on your answers or tell me your answers and I will record them. Would you like to participate in this study?
Response: **Yes, will participate**

SQ: May I please have your full name, address and phone number? You can be assured that your name and phone number will not be used to sell you anything or for any marketing or telemarketing purposes. It will only be used to verify your participation in the survey. (RECORD ON FRONT PAGE OF SCREENER. YOU MUST VERIFY RESPONDENT'S PHONE NUMBER. IF RESPONDENT REFUSES TO GIVE PHONE NUMBER, SAY:) I'm sorry but I cannot ask you to participate in our survey as my client needs your phone number to be able to verify your participation in this study.
Response: **Gave phone number**

Q1a: Q1(a) Thinking back to the time you first subscribed to satellite radio, why did you decide to subscribe? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **i got it as a gift**

Q1b: 1(b) (PROBE) Any other reason? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **nope**

Q2a: 2(a) What types of satellite radio programming were most critical to your decision to subscribe to satellite radio? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **no commercials**

Q2b: 2(b) (PROBE) Any others? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **no**

Q3a: 3(a) And now, reflecting on your experience with satellite radio, what types of satellite radio programming are most critical to your decision to continue to subscribe? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **its paid for already**

Q3b: 3(b) (PROBE) Any others? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **no**

HO1: INTERVIEWER: HAVE THE RESPONDENT SIT IN FRONT OF THE COMPUTER AND ANSWER QUESTIONS TO THE REMAINDER OF THE SURVEY HIM/HERSELF. BE SURE TO SIT WITH THE RESPONDENT WHILE HE/SHE IS ANSWERING IN CASE HE/SHE HAS ANY QUESTIONS. IF THE RESPONDENT PREFERS, HAVE HIM/HER READ THE QUESTIONS ON THE SCREEN, BUT YOU WILL ENTER THE ANSWERS. RECORD:
Response: **Respondent entering answers**

Q4: Below is a list of the types of satellite radio programming. Please review the list and allocate 100 points among the seven types of programming in such a way that the number of points (0 to 100) you give each type of programming best reflects the relative importance of that type of programming to you and your family's decision to subscribe and retain your subscription to satellite radio.

If a specific type of programming is not important at all, feel free to give it zero points. If, on the other hand, your decision was affected by only one of the types of programming and none of the others were important to you, give that type of programming all of the 100 points. There are no right or wrong answers and we are just looking for your evaluation of the relative importance of the seven types of programming reflecting both the consideration you used in deciding to subscribe and your experience with satellite radio. Please make sure that the total adds to 100. Is this clear? (RECORD 0-100 FOR EACH. TOTAL MUST EQUAL 100.)

Please click "Okay" if this is clear.

Response: Okay

Q4: Please enter a whole number response from 0 to 100 in each of the spaces provided. Your responses must sum to 100.

Response: Comedy: 10

Kids: 10

Local Weather and Traffic: 10

Music: 40

News: 10

Sports: 10

Talk and Entertainment: 10

Q5: Now I would like to show you four of these programming types. For each type of programming you will see a number of hypothetical options showing different amounts of programming. For each hypothetical option, please indicate how desirable it would be for you relative to the other options. Please assume that in each case all other programming and non-programming features of the service including price remain the same. Please use a number from 0 (zero) = extremely undesirable to 10 = extremely desirable. You can use any number from "0 to 10" to indicate your answer. Please examine each hypothetical amount of programming and record the number that best reflects its level of desirability or undesirability. Is this clear?

Please click "Okay" if this is clear.

Response: Okay

Q5A: A. Music Programming (Current Offering includes 74 Music Channels.)

Response: 1. No music programming: 0

2. Substantially fewer channels and less variety of music than currently offered: 0

3. The same number of channels and the same variety of music as currently offered: 10

4. Substantially more channels and more variety of music than currently offered: 10

Q5B: B. News (Current Offering includes 13 News Channels.)

Response: 1. No news programming: 10

2. Substantially fewer channels and less variety of news than currently offered: 10

3. The same number of channels and the same variety of news as currently offered: 0

4. Substantially more channels and more variety of news than currently offered: 0

Q5C: C. Sports (Current Offering includes 13 Sports Channels and Live Game Channels for Major League Baseball, NASCAR, etc.)

Response: 1. No sports programming: 0

2. Substantially fewer channels and less variety of sports than currently offered: 0

3. The same number of channels and same variety of sports as currently offered: 10

4. Substantially more channels and more variety of sports than currently offered: 10

Q5D: D. Talk & Entertainment (Current Offering includes 17 Talk and Entertainment channels including Opie and Anthony, Air America, etc.)

Response: 1. No talk and entertainment programming: 10

2. Substantially fewer channels and less variety of talk and entertainment than currently offered: 10

3. The same number of channels and same variety of talk and entertainment as currently offered: 0

4. Substantially more channels and more variety of talk and entertainment than currently offered: 0

Q6a: Now, we would like you to consider the non-programming features of satellite radio such as the number of minutes of commercials per hour on music channels and geographic coverage. For each type of non-programming feature you will see a hypothetical option showing different amounts for that non-programming feature. Please repeat the desirability task we did before for the types of programming, but this time let's do it with respect to the various options for each of the non-programming features. Please indicate how desirable each of the different options of a given feature would be to you relative to the other options of that feature. Again, please assume that all other programming and non-programming features of the service, including price, remain the same. Again, please use a number from 0 (zero) - extremely undesirable to 10 - extremely desirable. Please examine each option and record the number that best reflects the level of desirability or undesirability of the option.

Response: A. The Number of Minutes of Commercials Per Hour on Music Channels

1. No commercials on music channels: 10

2. 2 minutes of commercials per hour: 0

3. 5 minutes of commercials per hour: 0

4. 12 minutes of commercials per hour: 0

B. Geographic Coverage

1. Typical FM coverage: 10

2. Complete nationwide coverage: 8

Q6b: Now, let's turn to price. I'd like you to repeat the desirability task for various monthly prices for a single subscription. Please indicate how desirable each of the different price options would be to you relative to the other options. Again, please assume that all other programming and non-programming features of the service remain the same. Again, please use a number from 0 (zero) - extremely undesirable to 10 - extremely desirable. Please examine each option and record the number that best reflects the level of desirability or undesirability of the option.

Response: C. The Monthly Price for A Single Subscription
1. \$8.95 per month: **0**
2. \$10.95 per month: **0**
3. \$12.95 per month: **10**
4. \$14.95 per month: **0**

Q6c: Please review the list below and tell me if there are any other non-programming features besides the ones listed that you considered in your decision to subscribe and retain your subscription to satellite radio?
•The number of minutes of commercials per hour on music channels
•Geographic coverage
•The monthly price for a single subscription

Response: **No others considered**
Q7: Below is a list of the non-programming features of satellite radio. Please review the list and allocate 100 points among the features in a way that the number of points (0 to 100) you give each feature best reflects the relative importance of that feature to you and your family's decision to subscribe and retain your subscription to satellite radio. As in the previous 100 point allocation task, please assign each feature a number from 0 to 100 that best reflects its relative importance to you and your family's decision to subscribe and retain your subscription to satellite radio. The more important a feature is, the higher the number of points you would give it, while the less important a feature is, the fewer number of points you would give it. Please make sure that the total adds to 100. (RECORD 0-100 FOR EACH. TOTAL MUST EQUAL 100.)

Response: The number of minutes of commercials per hour on music channels: **30**
Geographic coverage: **20**
The monthly price for a single subscription: **50**

Q8: Reflecting on your and your family's usage of satellite radio in a typical week how would you estimate the amount of time spent on each of the following program types. Again please do so by allocating 100 points among the type of programming reflecting the % of time allocated to each. If you did not (or will not) spend any time listening to a particular type of program, please give it a zero. The type of programming listened to the most should get the highest number of points, the second most should get fewer points, etc. Make sure the total adds up to 100%.

Response: Comedy: **10**
Kids: **10**
Local Weather and Traffic: **10**
Music: **40**
News: **10**
Sports: **10**
Talk and Entertainment: **10**

Q9a: As you know, the single subscription price per month for satellite radio is \$12.95. Let's assume that some of the current programming types were not available. Assuming that all other programming and non-programming features of the service, including price, remain the same. If no [PRGTYPE] programming were available, would it affect the amount you would be willing to pay for satellite radio?

Response: MUSIC: **Don't know**
NEWS: **Don't know**
SPORTS: **Don't know**
TALK AND ENTERTAINMENT: **Yes**

Q9b: How much would you be willing to pay for satellite radio if no [PRGTYPE] programming were available? Please assume that all other programming and non-programming features of the service, including price, remain the same. Please tell me the dollar amount you would be willing to pay for satellite radio if these types of programming were not offered at all. Furthermore, if you think that not having this programming type would lead you to cancel your subscription please say so.

Response: Would be willing to pay:
TALK AND ENTERTAINMENT: **Would Cancel Subscription**

Q10: Now, I am going to show you 10 different hypothetical satellite radio program offerings. Each one represents a specific hypothetical satellite radio offering that includes a set of available programming options, as well as various combinations of the non-programming features we discussed before and a monthly price for a single subscription. Please examine each profile carefully and assign it a number from "0" meaning "definitely would not subscribe" to "10" meaning "definitely would subscribe" that best reflects your likelihood of subscribing to that offering.

If you definitely would not subscribe to the offering, you would give it a 0. If you definitely would subscribe to the offering, you would give it a 10. For any other case, use a number between 0 and 10 that best reflects your likelihood of subscribing to that offering. If at anytime you want to change your answer to a particular offering, please let me know and we will go back and do that.

Response: Card 33: 10
Card 34: 10
Card 35: 8
Card 36: 0
Card 37: 0
Card 38: 6
Card 39: 8
Card 40: 9
Card 65: 10
Card 66: 7

Q11a: And finally, reflecting on your experience with satellite radio, if satellite radio was not available what, if anything, would you miss most about it?

Response: the whole any football game anytime i want

Q11b: Anything else?

Response: no

SC: Are you or any members of your household employed in any of the industries listed on this card?
Response: An insurance company: **No**
A marketing research firm: **No**
An advertising agency: **No**
The entertainment industry: **No**
A satellite radio provider: **No**
A cable TV provider: **No**
An Internet service provider: **No**

SD: During the past three months have you taken part in any market research survey other than a political poll?
Response: **No**

SE: I'm going to ask you a few questions, but please be assured that this is only for classification purposes and that your responses will be kept confidential. Which of these groups includes your age?
Response: **25 - 34 years**

SF: Which, if any, of the following decisions do you make or take part in making for your household?
Response: **Decision to subscribe to an Internet service**
Decision to subscribe to satellite radio
Decision to subscribe to a wireless phone service

SG: Which of these services, if any, do you or your household currently subscribe to?
Response: **Satellite TV**
Broadband Internet
Satellite radio
Wireless phone service

SH: Which of the following best describe the type of satellite radio you or your household currently subscribes to?
Response: **A paid or trial subscription (such as from the purchase of a car) directly from XM or Sirius**

SI: Are you or your household currently considering subscribing to (INSERT ITEM) in the next 30 days?
Response: Cable TV: **No**

SK: Which satellite radio service do you or your household currently subscribe to?
Response: **Sirius**

SM: Do you wear glasses or contact lenses when you read?
Response: **No**

SO: RECORD GENDER OF RESPONDENT
Response: **Male**

SP: We would like to invite you to participate in a study that we think you will find interesting. The survey will take about 20 minutes. The survey we would like you to participate in requires you to read questions on a computer and either use a mouse to point and click on your answers or tell me your answers and I will record them. Would you like to participate in this study?
Response: **Yes, will participate**

SQ: May I please have your full name, address and phone number? You can be assured that your name and phone number will not be used to sell you anything or for any marketing or telemarketing purposes. It will only be used to verify your participation in the survey. (RECORD ON FRONT PAGE OF SCREENER. YOU MUST VERIFY RESPONDENT'S PHONE NUMBER. IF RESPONDENT REFUSES TO GIVE PHONE NUMBER, SAY:) I'm sorry but I cannot ask you to participate in our survey as my client needs your phone number to be able to verify your participation in this study.
Response: **Gave phone number**

Q1a: Q1(a) Thinking back to the time you first subscribed to satellite radio, why did you decide to subscribe? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **Because on satellite radio there's more music and less talking and I can also listen to any genre of music that I'm in a mood for without hearing anything else at that point and time.**

Q1b: 1(b) (PROBE) Any other reason? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **None.**

Q2a: 2(a) What types of satellite radio programming were most critical to your decision to subscribe to satellite radio? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **Urban music and also some talk radio.**

Q2b: 2(b) (PROBE) Any others? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **None.**

Q3a: 3(a) And now, reflecting on your experience with satellite radio, what types of satellite radio programming are most critical to your decision to continue to subscribe? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **The urban music, talk radio, and sports.**

Q3b: 3(b) (PROBE) Any others? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **None.**

HO1: INTERVIEWER: HAVE THE RESPONDENT SIT IN FRONT OF THE COMPUTER AND ANSWER QUESTIONS TO THE REMAINDER OF THE SURVEY HIM/HERSELF. BE SURE TO SIT WITH THE RESPONDENT WHILE HE/SHE IS ANSWERING IN CASE HE/SHE HAS ANY QUESTIONS. IF THE RESPONDENT PREFERS, HAVE HIM/HER READ THE QUESTIONS ON THE SCREEN, BUT YOU WILL ENTER THE ANSWERS. RECORD:
Response: **Respondent entering answers**

Q4: Below is a list of the types of satellite radio programming. Please review the list and allocate 100 points among the seven types of programming in such a way that the number of points (0 to 100) you give each type of programming best reflects the relative importance of that type of programming to you and your family's decision to subscribe and retain your subscription to satellite radio.

If a specific type of programming is not important at all, feel free to give it zero points. If, on the other hand, your decision was affected by only one of the types of programming and none of the others were important to you, give that type of programming all of the 100 points. There are no right or wrong answers and we are just looking for your evaluation of the relative importance of the seven types of programming reflecting both the consideration you used in deciding to subscribe and your experience with satellite radio. Please make sure that the total adds to 100. Is this clear? (RECORD 0-100 FOR EACH. TOTAL MUST EQUAL 100.)

Please click "Okay" if this is clear.

Response: Okay

Q4: Please enter a whole number response from 0 to 100 in each of the spaces provided. Your responses must sum to 100.

Response: Comedy: 5

Kids: 0

Local Weather and Traffic: 0

Music: 60

News: 0

Sports: 10

Talk and Entertainment: 25

Q5: Now I would like to show you four of these programming types. For each type of programming you will see a number of hypothetical options showing different amounts of programming. For each hypothetical option, please indicate how desirable it would be for you relative to the other options. Please assume that in each case all other programming and non-programming features of the service including price remain the same. Please use a number from 0 (zero) = extremely undesirable to 10 = extremely desirable. You can use any number from "0 to 10" to indicate your answer. Please examine each hypothetical amount of programming and record the number that best reflects its level of desirability or undesirability. Is this clear?

Please click "Okay" if this is clear.

Response: Okay

Q5A: A. Music Programming (Current Offering includes 66 Music Channels.)

Response: 1. No music programming: 0

2. Substantially fewer channels and less variety of music than currently offered: 0

3. The same number of channels and the same variety of music as currently offered: 9

4. Substantially more channels and more variety of music than currently offered: 10

Q5B: B. News (Current Offering includes 15 News Channels.)

Response: 1. No news programming: 0

2. Substantially fewer channels and less variety of news than currently offered: 2

3. The same number of channels and the same variety of news as currently offered: 7

4. Substantially more channels and more variety of news than currently offered: 10

Q5C: C. Sports (Current Offering includes 8 Sports Channels and Live Game Channels for NBA, NFL, etc.)

Response: 1. No sports programming: 0

2. Substantially fewer channels and less variety of sports than currently offered: 2

3. The same number of channels and same variety of sports as currently offered: 8

4. Substantially more channels and more variety of sports than currently offered: 10

Q5D: D. Talk & Entertainment (Current Offering includes 22 Talk and Entertainment channels including Howard Stern, Martha Stewart, etc.)

Response: 1. No talk and entertainment programming: 0

2. Substantially fewer channels and less variety of talk and entertainment than currently offered: 2

3. The same number of channels and same variety of talk and entertainment as currently offered: 7

4. Substantially more channels and more variety of talk and entertainment than currently offered: 10

Q6a: Now, we would like you to consider the non-programming features of satellite radio such as the number of minutes of commercials per hour on music channels and geographic coverage. For each type of non-programming feature you will see a hypothetical option showing different amounts for that non-programming feature. Please repeat the desirability task we did before for the types of programming, but this time let's do it with respect to the various options for each of the non-programming features. Please indicate how desirable each of the different options of a given feature would be to you relative to the other options of that feature. Again, please assume that all other programming and non-programming features of the service, including price, remain the same. Again, please use a number from 0 (zero) - extremely undesirable to 10 - extremely desirable. Please examine each option and record the number that best reflects the level of desirability or undesirability of the option.

Response: A. The Number of Minutes of Commercials Per Hour on Music Channels

1. No commercials on music channels: 10

2. 2 minutes of commercials per hour: 9

3. 5 minutes of commercials per hour: 2

4. 12 minutes of commercials per hour: 0

B. Geographic Coverage

1. Typical FM coverage: 2

2. Complete nationwide coverage: 10

Q6b: Now, let's turn to price. I'd like you to repeat the desirability task for various monthly prices for a single subscription. Please indicate how desirable each of the different price options would be to you relative to the other options. Again, please assume that all other programming and non-programming features of the service remain the same. Again, please use a number from 0 (zero) - extremely undesirable to 10 - extremely desirable. Please examine each option and record the number that best reflects the level of desirability or undesirability of the option.

Response: C. The Monthly Price for A Single Subscription
1. \$8.95 per month: **10**
2. \$10.95 per month: **9**
3. \$12.95 per month: **7**
4. \$14.95 per month: **6**

Q6c: Please review the list below and tell me if there are any other non-programming features besides the ones listed that you considered in your decision to subscribe and retain your subscription to satellite radio?

- The number of minutes of commercials per hour on music channels
- Geographic coverage
- The monthly price for a single subscription

Response: **No others considered**

Q7: Below is a list of the non-programming features of satellite radio. Please review the list and allocate 100 points among the features in a way that the number of points (0 to 100) you give each feature best reflects the relative importance of that feature to you and your family's decision to subscribe and retain your subscription to satellite radio. As in the previous 100 point allocation task, please assign each feature a number from 0 to 100 that best reflects its relative importance to you and your family's decision to subscribe and retain your subscription to satellite radio. The more important a feature is, the higher the number of points you would give it, while the less important a feature is, the fewer number of points you would give it. Please make sure that the total adds to 100. (RECORD 0-100 FOR EACH. TOTAL MUST E#QUAL 100.)

Response: The number of minutes of commercials per hour on music channels: **10**
Geographic coverage: **40**
The monthly price for a single subscription: **50**

Q8: Reflecting on your and your family's usage of satellite radio in a typical week how would you estimate the amount of time spent on each of the following program types. Again please do so by allocating 100 points among the type of programming reflecting the % of time allocated to each. If you did not (or will not) spend any time listening to a particular type of program, please give it a zero. The type of programming listened to the most should get the highest number of points, the second most should get fewer points, etc. Make sure the total adds up to 100%.

Response: Comedy: **5**
Kids: **0**
Local Weather and Traffic: **0**
Music: **60**
News: **0**
Sports: **10**
Talk and Entertainment: **25**

Q9a: As you know, the single subscription price per month for satellite radio is \$12.95. Let's assume that some of the current programming types were not available. Assuming that all other programming and non-programming features of the service, including price, remain the same. If no [PRGTYPE] programming were available, would it affect the amount you would be willing to pay for satellite radio?

Response: MUSIC: **Yes**
NEWS: **Yes**
SPORTS: **Yes**
TALK AND ENTERTAINMENT: **Yes**

Q9b: How much would you be willing to pay for satellite radio if no [PRGTYPE] programming were available? Please assume that all other programming and non-programming features of the service, including price, remain the same. Please tell me the dollar amount you would be willing to pay for satellite radio if these types of programming were not offered at all. Furthermore, if you think that not having this programming type would lead you to cancel your subscription please say so.

Response: Would be willing to pay:
MUSIC: **Would Cancel Subscription**
NEWS: **\$10.50**
SPORTS: **Would Cancel Subscription**
TALK AND ENTERTAINMENT: **Would Cancel Subscription**

Q10: Now, I am going to show you 10 different hypothetical satellite radio program offerings. Each one represents a specific hypothetical satellite radio offering that includes a set of available programming options, as well as various combinations of the non-programming features we discussed before and a monthly price for a single subscription. Please examine each profile carefully and assign it a number from "0" meaning "definitely would not subscribe" to "10" meaning "definitely would subscribe" that best reflects your likelihood of subscribing to that offering. If you definitely would not subscribe to the offering, you would give it a 0. If you definitely would subscribe to the offering, you would give it a 10. For any other case, use a number between 0 and 10 that best reflects your likelihood of subscribing to that offering. If at anytime you want to change your answer to a particular offering, please let me know and we will go back and do that.

Response: Card 33: 0
Card 34: 3
Card 35: 8
Card 36: 6
Card 37: 0
Card 38: 0
Card 39: 3
Card 40: 7
Card 65: 10
Card 66: 0

Q11a: And finally, reflecting on your experience with satellite radio, if satellite radio was not available what, if anything, would you miss most about it?

Response: The freedom of being able to dictate what I want to listen to whenever.

Q11b: Anything else?

Response: Nothing.

SC: Are you or any members of your household employed in any of the industries listed on this card?
Response: An insurance company: **No**
A marketing research firm: **No**
An advertising agency: **No**
The entertainment industry: **No**
A satellite radio provider: **No**
A cable TV provider: **No**
An Internet service provider: **No**

SD: During the past three months have you taken part in any market research survey other than a political poll?
Response: **No**

SE: I'm going to ask you a few questions, but please be assured that this is only for classification purposes and that your responses will be kept confidential. Which of these groups includes your age?
Response: **25 - 34 years**

SF: Which, if any, of the following decisions do you make or take part in making for your household?
Response: **Decision to subscribe to cable TV**
Decision to subscribe to an Internet service
Decision to subscribe to satellite radio
Decision to subscribe to a wireless phone service
Decision to subscribe to satellite TV

SG: Which of these services, if any, do you or your household currently subscribe to?
Response: **Satellite TV**
Broadband Internet
Wireless phone service

SI: Are you or your household currently considering subscribing to (INSERT ITEM) in the next 30 days?
Response: Cable TV: **No**
Satellite radio: **Yes**

SJ: Which of the following best describes the type of satellite radio you or your household are considering?
Response: **A paid or trial subscription (such as from the purchase of a car) directly from XM or Sirius**

SL: Which satellite radio service are you currently considering subscribing to?
Response: **XM**

SM: Do you wear glasses or contact lenses when you read?
Response: **No**

SO: RECORD GENDER OF RESPONDENT
Response: **Male**

SP: We would like to invite you to participate in a study that we think you will find interesting. The survey will take about 20 minutes. The survey we would like you to participate in requires you to read questions on a computer and either use a mouse to point and click on your answers or tell me your answers and I will record them. Would you like to participate in this study?
Response: **Yes, will participate**

SQ: May I please have your full name, address and phone number? You can be assured that your name and phone number will not be used to sell you anything or for any marketing or telemarketing purposes. It will only be used to verify your participation in the survey. (RECORD ON FRONT PAGE OF SCREENER. YOU MUST VERIFY RESPONDENT'S PHONE NUMBER. IF RESPONDENT REFUSES TO GIVE PHONE NUMBER, SAY:) I'm sorry but I cannot ask you to participate in our survey as my client needs your phone number to be able to verify your participation in this study.
Response: **Gave phone number**

Q1a: Q1(a) Why are you considering subscribing to satellite radio? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **More selection than regular radio and less hassle than cd's**

Q1b: 1(b) (PROBE) Any other reason? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **no**

Q2a: 2(a) What types of satellite radio programming are most critical to your decision whether to subscribe? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **the variety of channels provided**

Q2b: 2(b) (PROBE) Any others? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **no**

HO1: INTERVIEWER: HAVE THE RESPONDENT SIT IN FRONT OF THE COMPUTER AND ANSWER QUESTIONS TO THE REMAINDER OF THE SURVEY HIM/HERSELF. BE SURE TO SIT WITH THE RESPONDENT WHILE HE/SHE IS ANSWERING IN CASE HE/SHE HAS ANY QUESTIONS. IF THE RESPONDENT PREFERS, HAVE HIM/HER READ THE QUESTIONS ON THE SCREEN, BUT YOU WILL ENTER THE ANSWERS. RECORD:
Response: **Respondent entering answers**

Q4: Below is a list of the types of satellite radio programming. Please review the list and allocate 100 points among the seven types of programming in such a way that the number of points (0 to 100) you give each type of programming best reflects the relative importance of that type of programming to you and your family's ultimate decision whether to subscribe to satellite radio.

If a specific type of programming is not important at all, feel free to give it zero points. If, on the other hand, your decision is likely to be affected by only one of the types of programming and none of the others are likely to be important to you, give that type of programming all of the 100 points. There are no right or wrong answers and we are just looking for your evaluation of the relative importance of the seven types of programming to your decision whether to subscribe to satellite radio. Please make sure that the total adds to 100. Is this clear? (RECORD 0-100 FOR EACH. TOTAL MUST EQUAL 100.)

Please click "Okay" if this is clear.

Response: Okay

Q4: Please enter a whole number response from 0 to 100 in each of the spaces provided. Your responses must sum to 100.

Response: Comedy: 10

Kids: 5

Local Weather and Traffic: 10

Music: 40

News: 5

Sports: 5

Talk and Entertainment: 25

Q5: Now I would like to show you four of these programming types. For each type of programming you will see a number of hypothetical options showing different amounts of programming. For each hypothetical option, please indicate how desirable it would be for you relative to the other options. Please assume that in each case all other programming and non-programming features of the service including price remain the same. Please use a number from 0 (zero) = extremely undesirable to 10 = extremely desirable. You can use any number from "0 to 10" to indicate your answer. Please examine each hypothetical amount of programming and record the number that best reflects its level of desirability or undesirability. Is this clear?

Please click "Okay" if this is clear.

Response: Okay

Q5A: A. Music Programming (Current Offering includes 74 Music Channels.)

Response: 1. No music programming: 0

2. Substantially fewer channels and less variety of music than currently offered: 1

3. The same number of channels and the same variety of music as currently offered: 4

4. Substantially more channels and more variety of music than currently offered: 10

Q5B: B. News (Current Offering includes 13 News Channels.)

Response: 1. No news programming: 2

2. Substantially fewer channels and less variety of news than currently offered: 6

3. The same number of channels and the same variety of news as currently offered: 4

4. Substantially more channels and more variety of news than currently offered: 3

Q5C: C. Sports (Current Offering includes 13 Sports Channels and Live Game Channels for Major League Baseball, NASCAR, etc.)

Response: 1. No sports programming: 0

2. Substantially fewer channels and less variety of sports than currently offered: 0

3. The same number of channels and same variety of sports as currently offered: 4

4. Substantially more channels and more variety of sports than currently offered: 8

Q5D: D. Talk & Entertainment (Current Offering includes 17 Talk and Entertainment channels including Opie and Anthony, Air America, etc.)

Response: 1. No talk and entertainment programming: 1

2. Substantially fewer channels and less variety of talk and entertainment than currently offered: 0

3. The same number of channels and same variety of talk and entertainment as currently offered: 5

4. Substantially more channels and more variety of talk and entertainment than currently offered: 10

Q6a: Now, we would like you to consider the non-programming features of satellite radio such as the number of minutes of commercials per hour on music channels and geographic coverage. For each type of non-programming feature you will see a hypothetical option showing different amounts for that non-programming feature. Please repeat the desirability task we did before for the types of programming, but this time let's do it with respect to the various options for each of the non-programming features. Please indicate how desirable each of the different options of a given feature would be to you relative to the other options of that feature. Again, please assume that all other programming and non-programming features of the service, including price, remain the same. Again, please use a number from 0 (zero) - extremely undesirable to 10 - extremely desirable. Please examine each option and record the number that best reflects the level of desirability or undesirability of the option.

Response: A. The Number of Minutes of Commercials Per Hour on Music Channels

1. No commercials on music channels: 10

2. 2 minutes of commercials per hour: 9

3. 5 minutes of commercials per hour: 8

4. 12 minutes of commercials per hour: 4

B. Geographic Coverage

1. Typical FM coverage: 4

2. Complete nationwide coverage: 10

Q6b: Now, let's turn to price. I'd like you to repeat the desirability task for various monthly prices for a single subscription. Please indicate how desirable each of the different price options would be to you relative to the other options. Again, please assume that all other programming and non-programming features of the service remain the same. Again, please use a number from 0 (zero) - extremely undesirable to 10 - extremely desirable. Please examine each option and record the number that best reflects the level of desirability or undesirability of the option.

Response: C. The Monthly Price for A Single Subscription
1. \$8.95 per month: **10**
2. \$10.95 per month: **8**
3. \$12.95 per month: **6**
4. \$14.95 per month: **4**

Q6c: Please review the list below and tell me if there are any other non-programming features besides the ones listed that would likely impact your decision whether to subscribe to satellite radio?
•The number of minutes of commercials per hour on music channels
•Geographic coverage
•The monthly price for a single subscription

Response: Other, please specify: **genres of music**
Q6cf1: Anything else?

Response: **No**

Q7: Below is a list of the non-programming features of satellite radio. Please review the list and allocate 100 points among the features in a way that the number of points (0 to 100) you give each feature best reflects the relative importance of that feature to you and your family's ultimate decision whether to subscribe to satellite radio. As in the previous 100 point allocation task, please assign each feature a number from 0 to 100 that best reflects its relative importance to you and your family's decision whether to subscribe to satellite radio. The more important a feature is, the higher the number of points you would give it, while the less important a feature is, the fewer number of points you would give it. Please make sure that the total adds to 100. (RECORD 0-100 FOR EACH. TOTAL MUST E#QUAL 100.)

Response: The number of minutes of commercials per hour on music channels: **25**
Geographic coverage: **15**
The monthly price for a single subscription: **35**
Other (genres of music): **25**

Q9a: As you know, the single subscription price per month for satellite radio is \$12.95. Let's assume that some of the current programming types were not available. Assuming that all other programming and non-programming features of the service, including price, remain the same. If no [PRGTYPE] programming were available, would it affect the amount you would be willing to pay for satellite radio?

Response: **MUSIC: Yes**
NEWS: Yes
SPORTS: Yes
TALK AND ENTERTAINMENT: Yes

Q9b: How much would you be willing to pay for satellite radio if no [PRGTYPE] programming were available? Please assume that all other programming and non-programming features of the service, including price, remain the same. Please tell me the dollar amount you would be willing to pay for satellite radio if these types of programming were not offered at all. Furthermore, if you think that not having this programming type would lead you to prevent you from subscribing please say so.

Response: Would be willing to pay:
MUSIC: Would Not Subscribe
NEWS: \$10.95
SPORTS: Would Not Subscribe
TALK AND ENTERTAINMENT: \$8.95

Q10: Now, I am going to show you 10 different hypothetical satellite radio program offerings. Each one represents a specific hypothetical satellite radio offering that includes a set of available programming options, as well as various combinations of the non-programming features we discussed before and a monthly price for a single subscription. Please examine each profile carefully and assign it a number from "0" meaning "definitely would not subscribe" to "10" meaning "definitely would subscribe" that best reflects your likelihood of subscribing to that offering.

If you definitely would not subscribe to the offering, you would give it a 0. If you definitely would subscribe to the offering, you would give it a 10. For any other case, use a number between 0 and 10 that best reflects your likelihood of subscribing to that offering. If at anytime you want to change your answer to a particular offering, please let me know and we will go back and do that.

Response: Card 33: **0**
Card 34: **6**
Card 35: **8**
Card 36: **1**
Card 37: **3**
Card 38: **0**
Card 39: **1**
Card 40: **6**
Card 65: **0**
Card 66: **0**

SC: Are you or any members of your household employed in any of the industries listed on this card?
Response: An insurance company: **No**
 A marketing research firm: **No**
 An advertising agency: **No**
 The entertainment industry: **No**
 A satellite radio provider: **No**
 A cable TV provider: **No**
 An Internet service provider: **No**

SD: During the past three months have you taken part in any market research survey other than a political poll?
Response: **No**

SE: I'm going to ask you a few questions, but please be assured that this is only for classification purposes and that your responses will be kept confidential. Which of these groups includes your age?
Response: **35 - 49 years**

SF: Which, if any, of the following decisions do you make or take part in making for your household?
Response: **Decision to subscribe to cable TV**
Decision to subscribe to an Internet service
Decision to subscribe to satellite radio
Decision to subscribe to a wireless phone service
Decision to subscribe to satellite TV

SG: Which of these services, if any, do you or your household currently subscribe to?
Response: **Cable TV**
Broadband Internet
Satellite radio
Wireless phone service

SH: Which of the following best describe the type of satellite radio you or your household currently subscribes to?
Response: **A paid or trial subscription (such as from the purchase of a car) directly from XM or Sirius**

SI: Are you or your household currently considering subscribing to (INSERT ITEM) in the next 30 days?
Response: **Satellite TV: No**

SK: Which satellite radio service do you or your household currently subscribe to?
Response: **Sirius**

SM: Do you wear glasses or contact lenses when you read?
Response: **No**

SO: RECORD GENDER OF RESPONDENT
Response: **Male**

SP: We would like to invite you to participate in a study that we think you will find interesting. The survey will take about 20 minutes. The survey we would like you to participate in requires you to read questions on a computer and either use a mouse to point and click on your answers or tell me your answers and I will record them. Would you like to participate in this study?
Response: **Yes, will participate**

SQ: May I please have your full name, address and phone number? You can be assured that your name and phone number will not be used to sell you anything or for any marketing or telemarketing purposes. It will only be used to verify your participation in the survey. (RECORD ON FRONT PAGE OF SCREENER. YOU MUST VERIFY RESPONDENT'S PHONE NUMBER. IF RESPONDENT REFUSES TO GIVE PHONE NUMBER, SAY:) I'm sorry but I cannot ask you to participate in our survey as my client needs your phone number to be able to verify your participation in this study.
Response: **Gave phone number**

Q1a: Q1(a) Thinking back to the time you first subscribed to satellite radio, why did you decide to subscribe? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **I liked the fact I could pick my music and it would only be that kind of music without having to hear a mix of something I dont like listening to.**

Q1b: 1(b) (PROBE) Any other reason? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **I didnt have to hear a lot of commericals that had no meaning to me. p I could program in several channels on the system, so if something came up I could switch over to news or the weather channel to find out the latest right when I needed to without having to wait. p no**

Q2a: 2(a) What types of satellite radio programming were most critical to your decision to subscribe to satellite radio? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **The types of music offered was the biggest but how many channels they had to offer of each type of program was also impressive.**

Q2b: 2(b) (PROBE) Any others? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **The sports channels, I live 8 doors down from Cubs park and I really keep up with what is going on with them and the bears too.**

Q3a: 3(a) And now, reflecting on your experience with satellite radio, what types of satellite radio programming are most critical to your decision to continue to subscribe? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **Music, its my life. I can record it on my lpod and not have to put up with a bunch of talk.**

Q3b: 3(b) (PROBE) Any others? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **They can play things other channels cant because you pay for it, and thier added comments with the talk shows can really be what they feel not what they have to watch what they say like on free radio. P no**

HO1: INTERVIEWER: HAVE THE RESPONDENT SIT IN FRONT OF THE COMPUTER AND ANSWER QUESTIONS TO THE REMAINDER OF THE SURVEY HIM/HERSELF. BE SURE TO SIT WITH THE RESPONDENT WHILE HE/SHE IS ANSWERING IN CASE HE/SHE HAS ANY QUESTIONS. IF THE RESPONDENT PREFERS, HAVE HIM/HER READ THE QUESTIONS ON THE SCREEN, BUT YOU WILL ENTER THE ANSWERS. RECORD:

Response: Respondent entering answers

Q4: Below is a list of the types of satellite radio programming. Please review the list and allocate 100 points among the seven types of programming in such a way that the number of points (0 to 100) you give each type of programming best reflects the relative importance of that type of programming to you and your family's decision to subscribe and retain your subscription to satellite radio.

If a specific type of programming is not important at all, feel free to give it zero points. If, on the other hand, your decision was affected by only one of the types of programming and none of the others were important to you, give that type of programming all of the 100 points. There are no right or wrong answers and we are just looking for your evaluation of the relative importance of the seven types of programming reflecting both the consideration you used in deciding to subscribe and your experience with satellite radio. Please make sure that the total adds to 100. Is this clear? (RECORD 0-100 FOR EACH. TOTAL MUST EQUAL 100.)

Please click "Okay" if this is clear.

Response: Okay

Q4: Please enter a whole number response from 0 to 100 in each of the spaces provided. Your responses must sum to 100.

Response: Comedy: 20

Kids: 0

Local Weather and Traffic: 5

Music: 50

News: 5

Sports: 10

Talk and Entertainment: 10

Q5: Now I would like to show you four of these programming types. For each type of programming you will see a number of hypothetical options showing different amounts of programming. For each hypothetical option, please indicate how desirable it would be for you relative to the other options. Please assume that in each case all other programming and non-programming features of the service including price remain the same. Please use a number from 0 (zero) = extremely undesirable to 10 = extremely desirable. You can use any number from "0 to 10" to indicate your answer. Please examine each hypothetical amount of programming and record the number that best reflects its level of desirability or undesirability. Is this clear?

Please click "Okay" if this is clear.

Response: Okay

Q5A: A. Music Programming (Current Offering includes 66 Music Channels.)

Response: 1. No music programming: 0

2. Substantially fewer channels and less variety of music than currently offered: 0

3. The same number of channels and the same variety of music as currently offered: 9

4. Substantially more channels and more variety of music than currently offered: 10

Q5B: B. News (Current Offering includes 15 News Channels.)

Response: 1. No news programming: 0

2. Substantially fewer channels and less variety of news than currently offered: 5

3. The same number of channels and the same variety of news as currently offered: 5

4. Substantially more channels and more variety of news than currently offered: 2

Q5C: C. Sports (Current Offering includes 8 Sports Channels and Live Game Channels for NBA, NFL, etc.)

Response: 1. No sports programming: 10

2. Substantially fewer channels and less variety of sports than currently offered: 8

3. The same number of channels and same variety of sports as currently offered: 0

4. Substantially more channels and more variety of sports than currently offered: 6

Q5D: D. Talk & Entertainment (Current Offering includes 22 Talk and Entertainment channels including Howard Stern, Martha Stewart, etc.)

Response: 1. No talk and entertainment programming: 3

2. Substantially fewer channels and less variety of talk and entertainment than currently offered: 4

3. The same number of channels and same variety of talk and entertainment as currently offered: 8

4. Substantially more channels and more variety of talk and entertainment than currently offered: 8

Q6a: Now, we would like you to consider the non-programming features of satellite radio such as the number of minutes of commercials per hour on music channels and geographic coverage. For each type of non-programming feature you will see a hypothetical option showing different amounts for that non-programming feature. Please repeat the desirability task we did before for the types of programming, but this time let's do it with respect to the various options for each of the non-programming features. Please indicate how desirable each of the different options of a given feature would be to you relative to the other options of that feature. Again, please assume that all other programming and non-programming features of the service, including price, remain the same. Again, please use a number from 0 (zero) - extremely undesirable to 10 - extremely desirable. Please examine each option and record the number that best reflects the level of desirability or undesirability of the option.

Response: A. The Number of Minutes of Commercials Per Hour on Music Channels
1. No commercials on music channels: **10**
2. 2 minutes of commercials per hour: **7**
3. 5 minutes of commercials per hour: **4**
4. 12 minutes of commercials per hour: **2**
B. Geographic Coverage
1. Typical FM coverage: **2**
2. Complete nationwide coverage: **10**

Q6b: Now, let's turn to price. I'd like you to repeat the desirability task for various monthly prices for a single subscription. Please indicate how desirable each of the different price options would be to you relative to the other options. Again, please assume that all other programming and non-programming features of the service remain the same. Again, please use a number from 0 (zero) - extremely undesirable to 10 - extremely desirable. Please examine each option and record the number that best reflects the level of desirability or undesirability of the option.

Response: C. The Monthly Price for A Single Subscription
1. \$8.95 per month: **10**
2. \$10.95 per month: **9**
3. \$12.95 per month: **8**
4. \$14.95 per month: **6**

Q6c: Please review the list below and tell me if there are any other non-programming features besides the ones listed that you considered in your decision to subscribe and retain your subscription to satellite radio?
•The number of minutes of commercials per hour on music channels
•Geographic coverage
•The monthly price for a single subscription

Response: Other, please specify: **I guess you could say Speak Freely**

Q6cf1: Anything else?

Response: **No**

Q7: Below is a list of the non-programming features of satellite radio. Please review the list and allocate 100 points among the features in a way that the number of points (0 to 100) you give each feature best reflects the relative importance of that feature to you and your family's decision to subscribe and retain your subscription to satellite radio. As in the previous 100 point allocation task, please assign each feature a number from 0 to 100 that best reflects its relative importance to you and your family's decision to subscribe and retain your subscription to satellite radio. The more important a feature is, the higher the number of points you would give it, while the less important a feature is, the fewer number of points you would give it. Please make sure that the total adds to 100. (RECORD 0-100 FOR EACH. TOTAL MUST E#QUAL 100.)

Response: The number of minutes of commercials per hour on music channels: **80**
Geographic coverage: **4**
The monthly price for a single subscription: **1**
Other (I guess you could say Speak Freely): **15**

Q8: Reflecting on your and your family's usage of satellite radio in a typical week how would you estimate the amount of time spent on each of the following program types. Again please do so by allocating 100 points among the type of programming reflecting the % of time allocated to each. If you did not (or will not) spend any time listening to a particular type of program, please give it a zero. The type of programming listened to the most should get the highest number of points, the second most should get fewer points, etc. Make sure the total adds up to 100%.

Response: Comedy: **20**
Kids: **0**
Local Weather and Traffic: **5**
Music: **60**
News: **5**
Sports: **5**
Talk and Entertainment: **5**

Q9a: As you know, the single subscription price per month for satellite radio is \$12.95. Let's assume that some of the current programming types were not available. Assuming that all other programming and non-programming features of the service, including price, remain the same. If no [PRGTYPE] programming were available, would it affect the amount you would be willing to pay for satellite radio?

Response: MUSIC: **Yes**
NEWS: **No**
SPORTS: **No**
TALK AND ENTERTAINMENT: **No**

Q9b: How much would you be willing to pay for satellite radio if no [PRGTYPE] programming were available? Please assume that all other programming and non-programming features of the service, including price, remain the same. Please tell me the dollar amount you would be willing to pay for satellite radio if these types of programming were not offered at all. Furthermore, if you think that not having this programming type would lead you to cancel your subscription please say so.

Response: Would be willing to pay:
MUSIC: Would Cancel Subscription

Q10: Now, I am going to show you 10 different hypothetical satellite radio program offerings. Each one represents a specific hypothetical satellite radio offering that includes a set of available programming options, as well as various combinations of the non-programming features we discussed before and a monthly price for a single subscription. Please examine each profile carefully and assign it a number from "0" meaning "definitely would not subscribe" to "10" meaning "definitely would subscribe" that best reflects your likelihood of subscribing to that offering. If you definitely would not subscribe to the offering, you would give it a 0. If you definitely would subscribe to the offering, you would give it a 10. For any other case, use a number between 0 and 10 that best reflects your likelihood of subscribing to that offering. If at anytime you want to change your answer to a particular offering, please let me know and we will go back and do that.

Response: Card 9: 7
Card 10: 1
Card 11: 7
Card 12: 0
Card 13: 0
Card 14: 10
Card 15: 4
Card 16: 5
Card 65: 10
Card 66: 0

Q11a: And finally, reflecting on your experience with satellite radio, if satellite radio was not available what, if anything, would you miss most about it?

Response: **Selecting the kind of music and other programming I like to hear without interruption.**

Q11b: Anything else?

Response: **The fact that I could not hear people speak their own mind without fear of offending someone.**

SC: Are you or any members of your household employed in any of the industries listed on this card?
Response: An insurance company: **No**
A marketing research firm: **No**
An advertising agency: **No**
The entertainment industry: **No**
A satellite radio provider: **No**
A cable TV provider: **No**
An Internet service provider: **No**

SD: During the past three months have you taken part in any market research survey other than a political poll?
Response: **No**

SE: I'm going to ask you a few questions, but please be assured that this is only for classification purposes and that your responses will be kept confidential. Which of these groups includes your age?
Response: **18 - 24 years**

SF: Which, if any, of the following decisions do you make or take part in making for your household?
Response: **Decision to subscribe to cable TV**
Decision to subscribe to an Internet service
Decision to subscribe to satellite radio
Decision to subscribe to a wireless phone service
Decision to subscribe to satellite TV

SG: Which of these services, if any, do you or your household currently subscribe to?
Response: **Cable TV**
Broadband Internet
Satellite radio
Wireless phone service

SH: Which of the following best describe the type of satellite radio you or your household currently subscribes to?
Response: **A paid or trial subscription (such as from the purchase of a car) directly from XM or Sirius**

SI: Are you or your household currently considering subscribing to (INSERT ITEM) in the next 30 days?
Response: **Satellite TV: No**

SK: Which satellite radio service do you or your household currently subscribe to?
Response: **XM**

SM: Do you wear glasses or contact lenses when you read?
Response: **No**

SO: RECORD GENDER OF RESPONDENT
Response: **Male**

SP: We would like to invite you to participate in a study that we think you will find interesting. The survey will take about 20 minutes. The survey we would like you to participate in requires you to read questions on a computer and either use a mouse to point and click on your answers or tell me your answers and I will record them. Would you like to participate in this study?
Response: **Yes, will participate**

SQ: May I please have your full name, address and phone number? You can be assured that your name and phone number will not be used to sell you anything or for any marketing or telemarketing purposes. It will only be used to verify your participation in the survey. (RECORD ON FRONT PAGE OF SCREENER. YOU MUST VERIFY RESPONDENT'S PHONE NUMBER. IF RESPONDENT REFUSES TO GIVE PHONE NUMBER, SAY:) I'm sorry but I cannot ask you to participate in our survey as my client needs your phone number to be able to verify your participation in this study.
Response: **Gave phone number**

Q1a: Q1(a) Thinking back to the time you first subscribed to satellite radio, why did you decide to subscribe? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **there was a free offer connected with buying the car adapter. w/e, i have always liked the XM programing.**

Q1b: 1(b) (PROBE) Any other reason? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **none.**

Q2a: 2(a) What types of satellite radio programming were most critical to your decision to subscribe to satellite radio? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **i really like the wide verity of programs , there is something for evryone.w/e noting**

Q2b: 2(b) (PROBE) Any others? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **nope**

Q3a: 3(a) And now, reflecting on your experience with satellite radio, what types of satellite radio programming are most critical to your decision to continue to subscribe? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **i really like the xm radio b ecuase i get all the stations i love, wherever i go.**

Q3b: 3(b) (PROBE) Any others? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **nothing else**

HO1: INTERVIEWER: HAVE THE RESPONDENT SIT IN FRONT OF THE COMPUTER AND ANSWER QUESTIONS TO THE REMAINDER OF THE SURVEY HIM/HERSELF. BE SURE TO SIT WITH THE RESPONDENT WHILE HE/SHE IS ANSWERING IN CASE HE/SHE HAS ANY QUESTIONS. IF THE RESPONDENT PREFERS, HAVE HIM/HER READ THE QUESTIONS ON THE SCREEN, BUT YOU WILL ENTER THE ANSWERS. RECORD:
Response: **Respondent entering answers**

Q4: Below is a list of the types of satellite radio programming. Please review the list and allocate 100 points among the seven types of programming in such a way that the number of points (0 to 100) you give each type of programming best reflects the relative importance of that type of programming to you and your family's decision to subscribe and retain your subscription to satellite radio.

If a specific type of programming is not important at all, feel free to give it zero points. If, on the other hand, your decision was affected by only one of the types of programming and none of the others were important to you, give that type of programming all of the 100 points. There are no right or wrong answers and we are just looking for your evaluation of the relative importance of the seven types of programming reflecting both the consideration you used in deciding to subscribe and your experience with satellite radio. Please make sure that the total adds to 100. Is this clear? (RECORD 0-100 FOR EACH. TOTAL MUST EQUAL 100.)

Please click "Okay" if this is clear.

Response: Okay

Q4: Please enter a whole number response from 0 to 100 in each of the spaces provided. Your responses must sum to 100.

Response: Comedy: 20

Kids: 0

Local Weather and Traffic: 0

Music: 20

News: 30

Sports: 10

Talk and Entertainment: 20

Q5: Now I would like to show you four of these programming types. For each type of programming you will see a number of hypothetical options showing different amounts of programming. For each hypothetical option, please indicate how desirable it would be for you relative to the other options. Please assume that in each case all other programming and non-programming features of the service including price remain the same. Please use a number from 0 (zero) = extremely undesirable to 10 = extremely desirable. You can use any number from "0 to 10" to indicate your answer. Please examine each hypothetical amount of programming and record the number that best reflects its level of desirability or undesirability. Is this clear?

Please click "Okay" if this is clear.

Response: Okay

Q5A: A. Music Programming (Current Offering includes 74 Music Channels.)

Response: 1. No music programming: 2

2. Substantially fewer channels and less variety of music than currently offered: 2

3. The same number of channels and the same variety of music as currently offered: 8

4. Substantially more channels and more variety of music than currently offered: 10

Q5B: B. News (Current Offering includes 13 News Channels.)

Response: 1. No news programming: 2

2. Substantially fewer channels and less variety of news than currently offered: 4

3. The same number of channels and the same variety of news as currently offered: 4

4. Substantially more channels and more variety of news than currently offered: 4

Q5C: C. Sports (Current Offering includes 13 Sports Channels and Live Game Channels for Major League Baseball, NASCAR, etc.)

Response: 1. No sports programming: 2

2. Substantially fewer channels and less variety of sports than currently offered: 5

3. The same number of channels and same variety of sports as currently offered: 7

4. Substantially more channels and more variety of sports than currently offered: 5

Q5D: D. Talk & Entertainment (Current Offering includes 17 Talk and Entertainment channels including Opie and Anthony, Air America, etc.)

Response: 1. No talk and entertainment programming: 0

2. Substantially fewer channels and less variety of talk and entertainment than currently offered: 3

3. The same number of channels and same variety of talk and entertainment as currently offered: 7

4. Substantially more channels and more variety of talk and entertainment than currently offered: 10

Q6a: Now, we would like you to consider the non-programming features of satellite radio such as the number of minutes of commercials per hour on music channels and geographic coverage. For each type of non-programming feature you will see a hypothetical option showing different amounts for that non-programming feature. Please repeat the desirability task we did before for the types of programming, but this time let's do it with respect to the various options for each of the non-programming features. Please indicate how desirable each of the different options of a given feature would be to you relative to the other options of that feature. Again, please assume that all other programming and non-programming features of the service, including price, remain the same. Again, please use a number from 0 (zero) - extremely undesirable to 10 - extremely desirable. Please examine each option and record the number that best reflects the level of desirability or undesirability of the option.

Response: A. The Number of Minutes of Commercials Per Hour on Music Channels

1. No commercials on music channels: 10

2. 2 minutes of commercials per hour: 0

3. 5 minutes of commercials per hour: 6

4. 12 minutes of commercials per hour: 0

B. Geographic Coverage

1. Typical FM coverage: 1

2. Complete nationwide coverage: 7

Q6b: Now, let's turn to price. I'd like you to repeat the desirability task for various monthly prices for a single subscription. Please indicate how desirable each of the different price options would be to you relative to the other options. Again, please assume that all other programming and non-programming features of the service remain the same. Again, please use a number from 0 (zero) - extremely undesirable to 10 - extremely desirable. Please examine each option and record the number that best reflects the level of desirability or undesirability of the option.

Response: C. The Monthly Price for A Single Subscription

1. \$8.95 per month: 1
2. \$10.95 per month: 1
3. \$12.95 per month: 1
4. \$14.95 per month: 2

Q6c: Please review the list below and tell me if there are any other non-programming features besides the ones listed that you considered in your decision to subscribe and retain your subscription to satellite radio?

- The number of minutes of commercials per hour on music channels
- Geographic coverage
- The monthly price for a single subscription

Response: **No others considered**

Q7: Below is a list of the non-programming features of satellite radio. Please review the list and allocate 100 points among the features in a way that the number of points (0 to 100) you give each feature best reflects the relative importance of that feature to you and your family's decision to subscribe and retain your subscription to satellite radio. As in the previous 100 point allocation task, please assign each feature a number from 0 to 100 that best reflects its relative importance to you and your family's decision to subscribe and retain your subscription to satellite radio. The more important a feature is, the higher the number of points you would give it, while the less important a feature is, the fewer number of points you would give it. Please make sure that the total adds to 100. (RECORD 0-100 FOR EACH. TOTAL MUST EQUAL 100.)

Response: The number of minutes of commercials per hour on music channels: **10**

Geographic coverage: **10**

The monthly price for a single subscription: **80**

Q8: Reflecting on your and your family's usage of satellite radio in a typical week how would you estimate the amount of time spent on each of the following program types. Again please do so by allocating 100 points among the type of programming reflecting the % of time allocated to each. If you did not (or will not) spend any time listening to a particular type of program, please give it a zero. The type of programming listened to the most should get the highest number of points, the second most should get fewer points, etc. Make sure the total adds up to 100%.

Response: Comedy: **20**

Kids: **0**

Local Weather and Traffic: **0**

Music: **20**

News: **10**

Sports: **10**

Talk and Entertainment: **40**

Q9a: As you know, the single subscription price per month for satellite radio is \$12.95. Let's assume that some of the current programming types were not available. Assuming that all other programming and non-programming features of the service, including price, remain the same. If no [PRGTYPE] programming were available, would it affect the amount you would be willing to pay for satellite radio?

Response: MUSIC: **No**

NEWS: **No**

SPORTS: **No**

TALK AND ENTERTAINMENT: **Yes**

Q9b: How much would you be willing to pay for satellite radio if no [PRGTYPE] programming were available? Please assume that all other programming and non-programming features of the service, including price, remain the same. Please tell me the dollar amount you would be willing to pay for satellite radio if these types of programming were not offered at all. Furthermore, if you think that not having this programming type would lead you to cancel your subscription please say so.

Would be willing to pay:

Response: TALK AND ENTERTAINMENT: **Would Cancel Subscription**

Q10: Now, I am going to show you 10 different hypothetical satellite radio program offerings. Each one represents a specific hypothetical satellite radio offering that includes a set of available programming options, as well as various combinations of the non-programming features we discussed before and a monthly price for a single subscription. Please examine each profile carefully and assign it a number from "0" meaning "definitely would not subscribe" to "10" meaning "definitely would subscribe" that best reflects your likelihood of subscribing to that offering. If you definitely would not subscribe to the offering, you would give it a 0. If you definitely would subscribe to the offering, you would give it a 10. For any other case, use a number between 0 and 10 that best reflects your likelihood of subscribing to that offering. If at anytime you want to change your answer to a particular offering, please let me know and we will go back and do that.

Response: Card 41: 5
Card 42: 0
Card 43: 0
Card 44: 10
Card 45: 3
Card 46: 0
Card 47: 7
Card 48: 10
Card 65: 10
Card 66: 0

Q11a: And finally, reflecting on your experience with satellite radio, if satellite radio was not available what, if anything, would you miss most about it?

Response: the variety of channels i dont get with my local stations

Q11b: Anything else?

Response: not that i can think of

SC: Are you or any members of your household employed in any of the industries listed on this card?
Response: An insurance company: **No**
A marketing research firm: **No**
An advertising agency: **No**
The entertainment industry: **No**
A satellite radio provider: **No**
A cable TV provider: **No**
An Internet service provider: **No**

SD: During the past three months have you taken part in any market research survey other than a political poll?
Response: **No**

SE: I'm going to ask you a few questions, but please be assured that this is only for classification purposes and that your responses will be kept confidential. Which of these groups includes your age?
Response: **18 - 24 years**

SF: Which, if any, of the following decisions do you make or take part in making for your household?
Response: **Decision to subscribe to cable TV**
Decision to subscribe to an Internet service
Decision to subscribe to satellite radio

SG: Which of these services, if any, do you or your household currently subscribe to?
Response: **Cable TV**
Satellite radio

SH: Which of the following best describe the type of satellite radio you or your household currently subscribes to?
Response: **Both**

SI: Are you or your household currently considering subscribing to (INSERT ITEM) in the next 30 days?
Response: **Satellite TV: Yes**
Broadband Internet: Yes
Wireless phone service: Yes

SK: Which satellite radio service do you or your household currently subscribe to?
Response: **Both**

SM: Do you wear glasses or contact lenses when you read?
Response: **Yes**

SN: Do you have your glasses with you or are you wearing your contact lenses today?
Response: **Yes**

SO: RECORD GENDER OF RESPONDENT
Response: **Female**

SP: We would like to invite you to participate in a study that we think you will find interesting. The survey will take about 20 minutes. The survey we would like you to participate in requires you to read questions on a computer and either use a mouse to point and click on your answers or tell me your answers and I will record them. Would you like to participate in this study?
Response: **Yes, will participate**

SQ: May I please have your full name, address and phone number? You can be assured that your name and phone number will not be used to sell you anything or for any marketing or telemarketing purposes. It will only be used to verify your participation in the survey. (RECORD ON FRONT PAGE OF SCREENER. YOU MUST VERIFY RESPONDENT'S PHONE NUMBER. IF RESPONDENT REFUSES TO GIVE PHONE NUMBER, SAY:) I'm sorry but I cannot ask you to participate in our survey as my client needs your phone number to be able to verify your participation in this study.
Response: **Gave phone number**

Q1a: Q1(a) Thinking back to the time you first subscribed to satellite radio, why did you decide to subscribe? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **i like the radio**

Q1b: 1(b) (PROBE) Any other reason? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **none**

Q2a: 2(a) What types of satellite radio programming were most critical to your decision to subscribe to satellite radio? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **the bid pack**

Q2b: 2(b) (PROBE) Any others? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **no**

Q3a: 3(a) And now, reflecting on your experience with satellite radio, what types of satellite radio programming are most critical to your decision to continue to subscribe? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **xm chill**

Q3b: 3(b) (PROBE) Any others? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **no**

HO1: INTERVIEWER: HAVE THE RESPONDENT SIT IN FRONT OF THE COMPUTER AND ANSWER QUESTIONS TO THE REMAINDER OF THE SURVEY HIM/HERSELF. BE SURE TO SIT WITH THE RESPONDENT WHILE HE/SHE IS ANSWERING IN CASE HE/SHE HAS ANY QUESTIONS. IF THE RESPONDENT PREFERS, HAVE HIM/HER READ THE QUESTIONS ON THE SCREEN, BUT YOU WILL ENTER THE ANSWERS. RECORD:
Response: **Interviewer entering answers**

Q4: Below is a list of the types of satellite radio programming. Please review the list and allocate 100 points among the seven types of programming in such a way that the number of points (0 to 100) you give each type of programming best reflects the relative importance of that type of programming to you and your family's decision to subscribe and retain your subscription to satellite radio.

If a specific type of programming is not important at all, feel free to give it zero points. If, on the other hand, your decision was affected by only one of the types of programming and none of the others were important to you, give that type of programming all of the 100 points. There are no right or wrong answers and we are just looking for your evaluation of the relative importance of the seven types of programming reflecting both the consideration you used in deciding to subscribe and your experience with satellite radio. Please make sure that the total adds to 100. Is this clear? (RECORD 0-100 FOR EACH. TOTAL MUST EQUAL 100.)
Please click "Okay" if this is clear.

Response: Okay

Q4: Please enter a whole number response from 0 to 100 in each of the spaces provided. Your responses must sum to 100.

Response: Comedy: 10
Kids: 10
Local Weather and Traffic: 10
Music: 10
News: 10
Sports: 10
Talk and Entertainment: 40

Q5: Now I would like to show you four of these programming types. For each type of programming you will see a number of hypothetical options showing different amounts of programming. For each hypothetical option, please indicate how desirable it would be for you relative to the other options. Please assume that in each case all other programming and non-programming features of the service including price remain the same. Please use a number from 0 (zero) = extremely undesirable to 10 = extremely desirable. You can use any number from "0 to 10" to indicate your answer. Please examine each hypothetical amount of programming and record the number that best reflects its level of desirability or undesirability. Is this clear?
Please click "Okay" if this is clear.

Response: Okay

Q5A: A. Music Programming (Current Offering includes 74 Music Channels.)

Response: 1. No music programming: 10
2. Substantially fewer channels and less variety of music than currently offered: 9
3. The same number of channels and the same variety of music as currently offered: 8
4. Substantially more channels and more variety of music than currently offered: 7

Q5B: B. News (Current Offering includes 13 News Channels.)

Response: 1. No news programming: 9
2. Substantially fewer channels and less variety of news than currently offered: 8
3. The same number of channels and the same variety of news as currently offered: 10
4. Substantially more channels and more variety of news than currently offered: 7

Q5C: C. Sports (Current Offering includes 13 Sports Channels and Live Game Channels for Major League Baseball, NASCAR, etc.)

Response: 1. No sports programming: 8
2. Substantially fewer channels and less variety of sports than currently offered: 7
3. The same number of channels and same variety of sports as currently offered: 9
4. Substantially more channels and more variety of sports than currently offered: 10

Q5D: D. Talk & Entertainment (Current Offering includes 17 Talk and Entertainment channels including Opie and Anthony, Air America, etc.)

Response: 1. No talk and entertainment programming: 8
2. Substantially fewer channels and less variety of talk and entertainment than currently offered: 9
3. The same number of channels and same variety of talk and entertainment as currently offered: 10
4. Substantially more channels and more variety of talk and entertainment than currently offered: 7

Q6a: Now, we would like you to consider the non-programming features of satellite radio such as the number of minutes of commercials per hour on music channels and geographic coverage. For each type of non-programming feature you will see a hypothetical option showing different amounts for that non-programming feature. Please repeat the desirability task we did before for the types of programming, but this time let's do it with respect to the various options for each of the non-programming features. Please indicate how desirable each of the different options of a given feature would be to you relative to the other options of that feature. Again, please assume that all other programming and non-programming features of the service, including price, remain the same. Again, please use a number from 0 (zero) - extremely undesirable to 10 - extremely desirable. Please examine each option and record the number that best reflects the level of desirability or undesirability of the option.

Response: A. The Number of Minutes of Commercials Per Hour on Music Channels

1. No commercials on music channels: 6
2. 2 minutes of commercials per hour: 7
3. 5 minutes of commercials per hour: 8
4. 12 minutes of commercials per hour: 9

B. Geographic Coverage

1. Typical FM coverage: 10
2. Complete nationwide coverage: 5

Q6b: Now, let's turn to price. I'd like you to repeat the desirability task for various monthly prices for a single subscription. Please indicate how desirable each of the different price options would be to you relative to the other options. Again, please assume that all other programming and non-programming features of the service remain the same. Again, please use a number from 0 (zero) - extremely undesirable to 10 - extremely desirable. Please examine each option and record the number that best reflects the level of desirability or undesirability of the option.

Response: C. The Monthly Price for A Single Subscription
1. \$8.95 per month: **3**
2. \$10.95 per month: **4**
3. \$12.95 per month: **5**
4. \$14.95 per month: **6**

Q6c: Please review the list below and tell me if there are any other non-programming features besides the ones listed that you considered in your decision to subscribe and retain your subscription to satellite radio?
•The number of minutes of commercials per hour on music channels
•Geographic coverage
•The monthly price for a single subscription

Response: **No others considered**
Q7: Below is a list of the non-programming features of satellite radio. Please review the list and allocate 100 points among the features in a way that the number of points (0 to 100) you give each feature best reflects the relative importance of that feature to you and your family's decision to subscribe and retain your subscription to satellite radio. As in the previous 100 point allocation task, please assign each feature a number from 0 to 100 that best reflects its relative importance to you and your family's decision to subscribe and retain your subscription to satellite radio. The more important a feature is, the higher the number of points you would give it, while the less important a feature is, the fewer number of points you would give it. Please make sure that the total adds to 100. (RECORD 0-100 FOR EACH. TOTAL MUST EQUAL 100.)

Response: The number of minutes of commercials per hour on music channels: **50**
Geographic coverage: **50**
The monthly price for a single subscription: **0**

Q8: Reflecting on your and your family's usage of satellite radio in a typical week how would you estimate the amount of time spent on each of the following program types. Again please do so by allocating 100 points among the type of programming reflecting the % of time allocated to each. If you did not (or will not) spend any time listening to a particular type of program, please give it a zero. The type of programming listened to the most should get the highest number of points, the second most should get fewer points, etc. Make sure the total adds up to 100%.

Response: Comedy: **0**
Kids: **0**
Local Weather and Traffic: **0**
Music: **50**
News: **0**
Sports: **50**
Talk and Entertainment: **0**

Q9a: As you know, the single subscription price per month for satellite radio is \$12.95. Let's assume that some of the current programming types were not available. Assuming that all other programming and non-programming features of the service, including price, remain the same. If no [PRGTYPE] programming were available, would it affect the amount you would be willing to pay for satellite radio?

Response: MUSIC: **No**
NEWS: **No**
SPORTS: **No**
TALK AND ENTERTAINMENT: **Yes**

Q9b: How much would you be willing to pay for satellite radio if no [PRGTYPE] programming were available? Please assume that all other programming and non-programming features of the service, including price, remain the same. Please tell me the dollar amount you would be willing to pay for satellite radio if these types of programming were not offered at all. Furthermore, if you think that not having this programming type would lead you to cancel your subscription please say so.

Response: Would be willing to pay:
TALK AND ENTERTAINMENT: **\$23.99**

Q9c: Are you willing to pay more than the current price of \$12.95 per month if no [PRGTYPE] were available but all other programming features of the service remain the same?

Response: TALK AND ENTERTAINMENT: **No**

Q9d: How much would you be willing to pay for satellite radio if no [PRGTYPE] programming were available?
Would be willing to pay:

Response: TALK AND ENTERTAINMENT: **\$2.99**

Q10: Now, I am going to show you 10 different hypothetical satellite radio program offerings. Each one represents a specific hypothetical satellite radio offering that includes a set of available programming options, as well as various combinations of the non-programming features we discussed before and a monthly price for a single subscription. Please examine each profile carefully and assign it a number from "0" meaning "definitely would not subscribe" to "10" meaning "definitely would subscribe" that best reflects your likelihood of subscribing to that offering.
If you definitely would not subscribe to the offering, you would give it a 0. If you definitely would subscribe to the offering, you would give it a 10. For any other case, use a number between 0 and 10 that best reflects your likelihood of subscribing to that offering. If at anytime you want to change your answer to a particular offering, please let me know and we will go back and do that.

Response: Card 17: 9
Card 18: 7
Card 19: 9
Card 20: 8
Card 21: 9
Card 22: 9
Card 23: 9
Card 24: 9
Card 65: 8
Card 66: 9

Q11a: And finally, reflecting on your experience with satellite radio, if satellite radio was not available what, if anything, would you miss most about it?

Response: nothing i just get over it

Q11b: Anything else?

Response: no

SC: Are you or any members of your household employed in any of the industries listed on this card?
Response: An insurance company: **No**
 A marketing research firm: **No**
 An advertising agency: **No**
 The entertainment industry: **No**
 A satellite radio provider: **No**
 A cable TV provider: **No**
 An Internet service provider: **No**

SD: During the past three months have you taken part in any market research survey other than a political poll?
Response: **No**

SE: I'm going to ask you a few questions, but please be assured that this is only for classification purposes and that your responses will be kept confidential. Which of these groups includes your age?
Response: **35 - 49 years**

SF: Which, if any, of the following decisions do you make or take part in making for your household?
Response: **Decision to subscribe to satellite radio**

SG: Which of these services, if any, do you or your household currently subscribe to?
Response: **Satellite radio**

SH: Which of the following best describe the type of satellite radio you or your household currently subscribes to?
Response: **A paid or trial subscription (such as from the purchase of a car) directly from XM or Sirius**

SI: Are you or your household currently considering subscribing to (INSERT ITEM) in the next 30 days?
Response: Cable TV: **No**
 Satellite TV: **No**
 Broadband Internet: **No**
 Wireless phone service: **No**

SK: Which satellite radio service do you or your household currently subscribe to?
Response: **XM**

SM: Do you wear glasses or contact lenses when you read?
Response: **Yes**

SN: Do you have your glasses with you or are you wearing your contact lenses today?
Response: **Yes**

SO: RECORD GENDER OF RESPONDENT
Response: **Female**

SP: We would like to invite you to participate in a study that we think you will find interesting. The survey will take about 20 minutes. The survey we would like you to participate in requires you to read questions on a computer and either use a mouse to point and click on your answers or tell me your answers and I will record them. Would you like to participate in this study?
Response: **Yes, will participate**

SQ: May I please have your full name, address and phone number? You can be assured that your name and phone number will not be used to sell you anything or for any marketing or telemarketing purposes. It will only be used to verify your participation in the survey. (RECORD ON FRONT PAGE OF SCREENER. YOU MUST VERIFY RESPONDENT'S PHONE NUMBER. IF RESPONDENT REFUSES TO GIVE PHONE NUMBER, SAY:) I'm sorry but I cannot ask you to participate in our survey as my client needs your phone number to be able to verify your participation in this study.
Response: **Gave phone number**

Q1a: Q1(a) Thinking back to the time you first subscribed to satellite radio, why did you decide to subscribe? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **it was commercial free**

Q1b: 1(b) (PROBE) Any other reason? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **there is no other reason**

Q2a: 2(a) What types of satellite radio programming were most critical to your decision to subscribe to satellite radio? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **there was nothing that was critical**

Q2b: 2(b) (PROBE) Any others? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **there was nothing else**

Q3a: 3(a) And now, reflecting on your experience with satellite radio, what types of satellite radio programming are most critical to your decision to continue to subscribe? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **there was nothing else**

Q3b: 3(b) (PROBE) Any others? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **there was nothing else**

HO1: INTERVIEWER: HAVE THE RESPONDENT SIT IN FRONT OF THE COMPUTER AND ANSWER QUESTIONS TO THE REMAINDER OF THE SURVEY HIM/HERSELF. BE SURE TO SIT WITH THE RESPONDENT WHILE HE/SHE IS ANSWERING IN CASE HE/SHE HAS ANY QUESTIONS. IF THE RESPONDENT PREFERS, HAVE HIM/HER READ THE QUESTIONS ON THE SCREEN, BUT YOU WILL ENTER THE ANSWERS. RECORD:
Response: **Interviewer entering answers**

Q4: Below is a list of the types of satellite radio programming. Please review the list and allocate 100 points among the seven types of programming in such a way that the number of points (0 to 100) you give each type of programming best reflects the relative importance of that type of programming to you and your family's decision to subscribe and retain your subscription to satellite radio.

If a specific type of programming is not important at all, feel free to give it zero points. If, on the other hand, your decision was affected by only one of the types of programming and none of the others were important to you, give that type of programming all of the 100 points. There are no right or wrong answers and we are just looking for your evaluation of the relative importance of the seven types of programming reflecting both the consideration you used in deciding to subscribe and your experience with satellite radio. Please make sure that the total adds to 100. Is this clear? (RECORD 0-100 FOR EACH. TOTAL MUST EQUAL 100.)

Please click "Okay" if this is clear.

Response: Okay

Q4: Please enter a whole number response from 0 to 100 in each of the spaces provided. Your responses must sum to 100.

Response: Comedy: 20

Kids: 0

Local Weather and Traffic: 20

Music: 20

News: 20

Sports: 0

Talk and Entertainment: 20

Q5: Now I would like to show you four of these programming types. For each type of programming you will see a number of hypothetical options showing different amounts of programming. For each hypothetical option, please indicate how desirable it would be for you relative to the other options. Please assume that in each case all other programming and non-programming features of the service including price remain the same. Please use a number from 0 (zero) = extremely undesirable to 10 = extremely desirable. You can use any number from "0 to 10" to indicate your answer. Please examine each hypothetical amount of programming and record the number that best reflects its level of desirability or undesirability. Is this clear?

Please click "Okay" if this is clear.

Response: Okay

Q5A: A. Music Programming (Current Offering includes 74 Music Channels.)

Response: 1. No music programming: 1

2. Substantially fewer channels and less variety of music than currently offered: 5

3. The same number of channels and the same variety of music as currently offered: 6

4. Substantially more channels and more variety of music than currently offered: 7

Q5B: B. News (Current Offering includes 13 News Channels.)

Response: 1. No news programming: 5

2. Substantially fewer channels and less variety of news than currently offered: 4

3. The same number of channels and the same variety of news as currently offered: 3

4. Substantially more channels and more variety of news than currently offered: 2

Q5C: C. Sports (Current Offering includes 13 Sports Channels and Live Game Channels for Major League Baseball, NASCAR, etc.)

Response: 1. No sports programming: 9

2. Substantially fewer channels and less variety of sports than currently offered: 5

3. The same number of channels and same variety of sports as currently offered: 4

4. Substantially more channels and more variety of sports than currently offered: 5

Q5D: D. Talk & Entertainment (Current Offering includes 17 Talk and Entertainment channels including Opie and Anthony, Air America, etc.)

Response: 1. No talk and entertainment programming: 5

2. Substantially fewer channels and less variety of talk and entertainment than currently offered: 4

3. The same number of channels and same variety of talk and entertainment as currently offered: 5

4. Substantially more channels and more variety of talk and entertainment than currently offered: 6

Q6a: Now, we would like you to consider the non-programming features of satellite radio such as the number of minutes of commercials per hour on music channels and geographic coverage. For each type of non-programming feature you will see a hypothetical option showing different amounts for that non-programming feature. Please repeat the desirability task we did before for the types of programming, but this time let's do it with respect to the various options for each of the non-programming features. Please indicate how desirable each of the different options of a given feature would be to you relative to the other options of that feature. Again, please assume that all other programming and non-programming features of the service, including price, remain the same. Again, please use a number from 0 (zero) - extremely undesirable to 10 - extremely desirable. Please examine each option and record the number that best reflects the level of desirability or undesirability of the option.

Response: A. The Number of Minutes of Commercials Per Hour on Music Channels

1. No commercials on music channels: 5

2. 2 minutes of commercials per hour: 4

3. 5 minutes of commercials per hour: 3

4. 12 minutes of commercials per hour: 2

B. Geographic Coverage

1. Typical FM coverage: 7

2. Complete nationwide coverage: 6

Q6b: Now, let's turn to price. I'd like you to repeat the desirability task for various monthly prices for a single subscription. Please indicate how desirable each of the different price options would be to you relative to the other options. Again, please assume that all other programming and non-programming features of the service remain the same. Again, please use a number from 0 (zero) - extremely undesirable to 10 - extremely desirable. Please examine each option and record the number that best reflects the level of desirability or undesirability of the option.

Response: C. The Monthly Price for A Single Subscription
1. \$8.95 per month: **5**
2. \$10.95 per month: **4**
3. \$12.95 per month: **3**
4. \$14.95 per month: **2**

Q6c: Please review the list below and tell me if there are any other non-programming features besides the ones listed that you considered in your decision to subscribe and retain your subscription to satellite radio?

- The number of minutes of commercials per hour on music channels
- Geographic coverage
- The monthly price for a single subscription

Response: **No others considered**

Q7: Below is a list of the non-programming features of satellite radio. Please review the list and allocate 100 points among the features in a way that the number of points (0 to 100) you give each feature best reflects the relative importance of that feature to you and your family's decision to subscribe and retain your subscription to satellite radio. As in the previous 100 point allocation task, please assign each feature a number from 0 to 100 that best reflects its relative importance to you and your family's decision to subscribe and retain your subscription to satellite radio. The more important a feature is, the higher the number of points you would give it, while the less important a feature is, the fewer number of points you would give it. Please make sure that the total adds to 100. (RECORD 0-100 FOR EACH. TOTAL MUST EQUAL 100.)

Response: The number of minutes of commercials per hour on music channels: **0**
Geographic coverage: **100**
The monthly price for a single subscription: **0**

Q8: Reflecting on your and your family's usage of satellite radio in a typical week how would you estimate the amount of time spent on each of the following program types. Again please do so by allocating 100 points among the type of programming reflecting the % of time allocated to each. If you did not (or will not) spend any time listening to a particular type of program, please give it a zero. The type of programming listened to the most should get the highest number of points, the second most should get fewer points, etc. Make sure the total adds up to 100%.

Response: Comedy: **0**
Kids: **0**
Local Weather and Traffic: **0**
Music: **0**
News: **100**
Sports: **0**
Talk and Entertainment: **0**

Q9a: As you know, the single subscription price per month for satellite radio is \$12.95. Let's assume that some of the current programming types were not available. Assuming that all other programming and non-programming features of the service, including price, remain the same. If no [PRGTYPE] programming were available, would it affect the amount you would be willing to pay for satellite radio?

Response: MUSIC: **Yes**
NEWS: **Yes**
SPORTS: **Yes**
TALK AND ENTERTAINMENT: **No**

Q9b: How much would you be willing to pay for satellite radio if no [PRGTYPE] programming were available? Please assume that all other programming and non-programming features of the service, including price, remain the same. Please tell me the dollar amount you would be willing to pay for satellite radio if these types of programming were not offered at all. Furthermore, if you think that not having this programming type would lead you to cancel your subscription please say so.

Response: Would be willing to pay:
MUSIC: **\$11.00**
NEWS: **\$12.00**
SPORTS: **\$12.00**

Q10: Now, I am going to show you 10 different hypothetical satellite radio program offerings. Each one represents a specific hypothetical satellite radio offering that includes a set of available programming options, as well as various combinations of the non-programming features we discussed before and a monthly price for a single subscription. Please examine each profile carefully and assign it a number from "0" meaning "definitely would not subscribe" to "10" meaning "definitely would subscribe" that best reflects your likelihood of subscribing to that offering. If you definitely would not subscribe to the offering, you would give it a 0. If you definitely would subscribe to the offering, you would give it a 10. For any other case, use a number between 0 and 10 that best reflects your likelihood of subscribing to that offering. If at anytime you want to change your answer to a particular offering, please let me know and we will go back and do that.

Response: Card 33: 4
Card 34: 3
Card 35: 8
Card 36: 7
Card 37: 3
Card 38: 7
Card 39: 5
Card 40: 8
Card 65: 4
Card 66: 8

Q11a: And finally, reflecting on your experience with satellite radio, if satellite radio was not available what, if anything, would you miss most about it?

Response: there was nothing that i would miss

Q11b: Anything else?

Response: there was nothing else

SC: Are you or any members of your household employed in any of the industries listed on this card?
Response: An insurance company: **No**
A marketing research firm: **No**
An advertising agency: **No**
The entertainment industry: **No**
A satellite radio provider: **No**
A cable TV provider: **No**
An Internet service provider: **No**

SD: During the past three months have you taken part in any market research survey other than a political poll?
Response: **No**

SE: I'm going to ask you a few questions, but please be assured that this is only for classification purposes and that your responses will be kept confidential. Which of these groups includes your age?
Response: **35 - 49 years**

SF: Which, if any, of the following decisions do you make or take part in making for your household?
Response: **Decision to subscribe to cable TV**
Decision to subscribe to an Internet service
Decision to subscribe to satellite radio
Decision to subscribe to a wireless phone service
Decision to subscribe to satellite TV

SG: Which of these services, if any, do you or your household currently subscribe to?
Response: **Cable TV**
Broadband Internet
Satellite radio
Wireless phone service

SH: Which of the following best describe the type of satellite radio you or your household currently subscribes to?
Response: **A paid or trial subscription (such as from the purchase of a car) directly from XM or Sirius**

SI: Are you or your household currently considering subscribing to (INSERT ITEM) in the next 30 days?
Response: **Satellite TV: No**

SK: Which satellite radio service do you or your household currently subscribe to?
Response: **XM**

SM: Do you wear glasses or contact lenses when you read?
Response: **Yes**

SN: Do you have your glasses with you or are you wearing your contact lenses today?
Response: **Yes**

SO: RECORD GENDER OF RESPONDENT
Response: **Female**

SP: We would like to invite you to participate in a study that we think you will find interesting. The survey will take about 20 minutes. The survey we would like you to participate in requires you to read questions on a computer and either use a mouse to point and click on your answers or tell me your answers and I will record them. Would you like to participate in this study?
Response: **Yes, will participate**

SQ: May I please have your full name, address and phone number? You can be assured that your name and phone number will not be used to sell you anything or for any marketing or telemarketing purposes. It will only be used to verify your participation in the survey. (RECORD ON FRONT PAGE OF SCREENER. YOU MUST VERIFY RESPONDENT'S PHONE NUMBER. IF RESPONDENT REFUSES TO GIVE PHONE NUMBER, SAY:) I'm sorry but I cannot ask you to participate in our survey as my client needs your phone number to be able to verify your participation in this study.
Response: **Gave phone number**

Q1a: Q1(a) Thinking back to the time you first subscribed to satellite radio, why did you decide to subscribe? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **First year came free w/my car. Liked it and keot it.**

Q1b: 1(b) (PROBE) Any other reason? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **good variety**

Q2a: 2(a) What types of satellite radio programming were most critical to your decision to subscribe to satellite radio? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **comedy, kids stations, international news**

Q2b: 2(b) (PROBE) Any others? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **nothing else**

Q3a: 3(a) And now, reflecting on your experience with satellite radio, what types of satellite radio programming are most critical to your decision to continue to subscribe? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **comedy, kids stations, international news**

Q3b: 3(b) (PROBE) Any others? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **no**

HO1: INTERVIEWER: HAVE THE RESPONDENT SIT IN FRONT OF THE COMPUTER AND ANSWER QUESTIONS TO THE REMAINDER OF THE SURVEY HIM/HERSELF. BE SURE TO SIT WITH THE RESPONDENT WHILE HE/SHE IS ANSWERING IN CASE HE/SHE HAS ANY QUESTIONS. IF THE RESPONDENT PREFERS, HAVE HIM/HER READ THE QUESTIONS ON THE SCREEN, BUT YOU WILL ENTER THE ANSWERS. RECORD:
Response: **Respondent entering answers**

Q4: Below is a list of the types of satellite radio programming. Please review the list and allocate 100 points among the seven types of programming in such a way that the number of points (0 to 100) you give each type of programming best reflects the relative importance of that type of programming to you and your family's decision to subscribe and retain your subscription to satellite radio.

If a specific type of programming is not important at all, feel free to give it zero points. If, on the other hand, your decision was affected by only one of the types of programming and none of the others were important to you, give that type of programming all of the 100 points. There are no right or wrong answers and we are just looking for your evaluation of the relative importance of the seven types of programming reflecting both the consideration you used in deciding to subscribe and your experience with satellite radio. Please make sure that the total adds to 100. Is this clear? (RECORD 0-100 FOR EACH. TOTAL MUST EQUAL 100.)

Please click "Okay" if this is clear.

Response: Okay

Q4: Please enter a whole number response from 0 to 100 in each of the spaces provided. Your responses must sum to 100.

Response: Comedy: 30

Kids: 30

Local Weather and Traffic: 5

Music: 20

News: 5

Sports: 5

Talk and Entertainment: 5

Q5: Now I would like to show you four of these programming types. For each type of programming you will see a number of hypothetical options showing different amounts of programming. For each hypothetical option, please indicate how desirable it would be for you relative to the other options. Please assume that in each case all other programming and non-programming features of the service including price remain the same. Please use a number from 0 (zero) = extremely undesirable to 10 = extremely desirable. You can use any number from "0 to 10" to indicate your answer.

Please examine each hypothetical amount of programming and record the number that best reflects its level of desirability or undesirability. Is this clear?

Please click "Okay" if this is clear.

Response: Okay

Q5A: A. Music Programming (Current Offering includes 74 Music Channels.)

Response: 1. No music programming: 0

2. Substantially fewer channels and less variety of music than currently offered: 0

3. The same number of channels and the same variety of music as currently offered: 6

4. Substantially more channels and more variety of music than currently offered: 9

Q5B: B. News (Current Offering includes 13 News Channels.)

Response: 1. No news programming: 0

2. Substantially fewer channels and less variety of news than currently offered: 2

3. The same number of channels and the same variety of news as currently offered: 3

4. Substantially more channels and more variety of news than currently offered: 5

Q5C: C. Sports (Current Offering includes 13 Sports Channels and Live Game Channels for Major League Baseball, NASCAR, etc.)

Response: 1. No sports programming: 7

2. Substantially fewer channels and less variety of sports than currently offered: 0

3. The same number of channels and same variety of sports as currently offered: 5

4. Substantially more channels and more variety of sports than currently offered: 8

Q5D: D. Talk & Entertainment (Current Offering includes 17 Talk and Entertainment channels including Opie and Anthony, Air America, etc.)

Response: 1. No talk and entertainment programming: 0

2. Substantially fewer channels and less variety of talk and entertainment than currently offered: 3

3. The same number of channels and same variety of talk and entertainment as currently offered: 5

4. Substantially more channels and more variety of talk and entertainment than currently offered: 6

Q6a: Now, we would like you to consider the non-programming features of satellite radio such as the number of minutes of commercials per hour on music channels and geographic coverage. For each type of non-programming feature you will see a hypothetical option showing different amounts for that non-programming feature. Please repeat the desirability task we did before for the types of programming, but this time let's do it with respect to the various options for each of the non-programming features. Please indicate how desirable each of the different options of a given feature would be to you relative to the other options of that feature. Again, please assume that all other programming and non-programming features of the service, including price, remain the same. Again, please use a number from 0 (zero) - extremely undesirable to 10 - extremely desirable. Please examine each option and record the number that best reflects the level of desirability or undesirability of the option.

Response: A. The Number of Minutes of Commercials Per Hour on Music Channels

1. No commercials on music channels: 10

2. 2 minutes of commercials per hour: 9

3. 5 minutes of commercials per hour: 1

4. 12 minutes of commercials per hour: 0

B. Geographic Coverage

1. Typical FM coverage: 2

2. Complete nationwide coverage: 10

Q6b: Now, let's turn to price. I'd like you to repeat the desirability task for various monthly prices for a single subscription. Please indicate how desirable each of the different price options would be to you relative to the other options. Again, please assume that all other programming and non-programming features of the service remain the same. Again, please use a number from 0 (zero) - extremely undesirable to 10 - extremely desirable. Please examine each option and record the number that best reflects the level of desirability or undesirability of the option.

Response: C. The Monthly Price for A Single Subscription

1. \$8.95 per month: **10**
2. \$10.95 per month: **9**
3. \$12.95 per month: **8**
4. \$14.95 per month: **7**

Q6c: Please review the list below and tell me if there are any other non-programming features besides the ones listed that you considered in your decision to subscribe and retain your subscription to satellite radio?

- The number of minutes of commercials per hour on music channels
- Geographic coverage
- The monthly price for a single subscription

Response: **No others considered**

Q7: Below is a list of the non-programming features of satellite radio. Please review the list and allocate 100 points among the features in a way that the number of points (0 to 100) you give each feature best reflects the relative importance of that feature to you and your family's decision to subscribe and retain your subscription to satellite radio. As in the previous 100 point allocation task, please assign each feature a number from 0 to 100 that best reflects its relative importance to you and your family's decision to subscribe and retain your subscription to satellite radio. The more important a feature is, the higher the number of points you would give it, while the less important a feature is, the fewer number of points you would give it. Please make sure that the total adds to 100. (RECORD 0-100 FOR EACH. TOTAL MUST E#QUAL 100.)

Response: The number of minutes of commercials per hour on music channels: **10**

Geographic coverage: **85**

The monthly price for a single subscription: **5**

Q8: Reflecting on your and your family's usage of satellite radio in a typical week how would you estimate the amount of time spent on each of the following program types. Again please do so by allocating 100 points among the type of programming reflecting the % of time allocated to each. If you did not (or will not) spend any time listening to a particular type of program, please give it a zero. The type of programming listened to the most should get the highest number of points, the second most should get fewer points, etc. Make sure the total adds up to 100%.

Response: Comedy: **20**

Kids: **30**

Local Weather and Traffic: **5**

Music: **30**

News: **5**

Sports: **5**

Talk and Entertainment: **5**

Q9a: As you know, the single subscription price per month for satellite radio is \$12.95. Let's assume that some of the current programming types were not available. Assuming that all other programming and non-programming features of the service, including price, remain the same. If no [PRGTYPE] programming were available, would it affect the amount you would be willing to pay for satellite radio?

Response: MUSIC: **Yes**

NEWS: **No**

SPORTS: **Don't know**

TALK AND ENTERTAINMENT: **No**

Q9b: How much would you be willing to pay for satellite radio if no [PRGTYPE] programming were available? Please assume that all other programming and non-programming features of the service, including price, remain the same. Please tell me the dollar amount you would be willing to pay for satellite radio if these types of programming were not offered at all. Furthermore, if you think that not having this programming type would lead you to cancel your subscription please say so.

Would be willing to pay:

Response: MUSIC: **Would Cancel Subscription**

Q10: Now, I am going to show you 10 different hypothetical satellite radio program offerings. Each one represents a specific hypothetical satellite radio offering that includes a set of available programming options, as well as various combinations of the non-programming features we discussed before and a monthly price for a single subscription. Please examine each profile carefully and assign it a number from "0" meaning "definitely would not subscribe" to "10" meaning "definitely would subscribe" that best reflects your likelihood of subscribing to that offering. If you definitely would not subscribe to the offering, you would give it a 0. If you definitely would subscribe to the offering, you would give it a 10. For any other case, use a number between 0 and 10 that best reflects your likelihood of subscribing to that offering. If at anytime you want to change your answer to a particular offering, please let me know and we will go back and do that.

Response: Card 9: 1
Card 10: 0
Card 11: 5
Card 12: 0
Card 13: 0
Card 14: 10
Card 15: 7
Card 16: 1
Card 65: 10
Card 66: 0

Q11a: And finally, reflecting on your experience with satellite radio, if satellite radio was not available what, if anything, would you miss most about it?

Response: **geographic reach, variety of stations**

Q11b: Anything else?

Response: **less commercials than fm radio**

SC: Are you or any members of your household employed in any of the industries listed on this card?
Response: An insurance company: **No**
A marketing research firm: **No**
An advertising agency: **No**
The entertainment industry: **No**
A satellite radio provider: **No**
A cable TV provider: **No**
An Internet service provider: **No**

SD: During the past three months have you taken part in any market research survey other than a political poll?
Response: **No**

SE: I'm going to ask you a few questions, but please be assured that this is only for classification purposes and that your responses will be kept confidential. Which of these groups includes your age?
Response: **25 - 34 years**

SF: Which, if any, of the following decisions do you make or take part in making for your household?
Response: **Decision to subscribe to cable TV**
Decision to subscribe to an Internet service
Decision to subscribe to satellite radio
Decision to subscribe to a wireless phone service
Decision to subscribe to satellite TV

SG: Which of these services, if any, do you or your household currently subscribe to?
Response: **Cable TV**
Satellite radio
Wireless phone service

SH: Which of the following best describe the type of satellite radio you or your household currently subscribes to?
Response: **A paid or trial subscription (such as from the purchase of a car) directly from XM or Sirius**

SI: Are you or your household currently considering subscribing to (INSERT ITEM) in the next 30 days?
Response: Satellite TV: **Yes**
Broadband Internet: **Yes**

SK: Which satellite radio service do you or your household currently subscribe to?
Response: **Sirius**

SM: Do you wear glasses or contact lenses when you read?
Response: **No**

SO: RECORD GENDER OF RESPONDENT
Response: **Female**

SP: We would like to invite you to participate in a study that we think you will find interesting. The survey will take about 20 minutes. The survey we would like you to participate in requires you to read questions on a computer and either use a mouse to point and click on your answers or tell me your answers and I will record them. Would you like to participate in this study?
Response: **Yes, will participate**

SQ: May I please have your full name, address and phone number? You can be assured that your name and phone number will not be used to sell you anything or for any marketing or telemarketing purposes. It will only be used to verify your participation in the survey. (RECORD ON FRONT PAGE OF SCREENER. YOU MUST VERIFY RESPONDENT'S PHONE NUMBER. IF RESPONDENT REFUSES TO GIVE PHONE NUMBER, SAY:) I'm sorry but I cannot ask you to participate in our survey as my client needs your phone number to be able to verify your participation in this study.
Response: **Gave phone number**

Q1a: Q1(a) Thinking back to the time you first subscribed to satellite radio, why did you decide to subscribe? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **because it would give me a wider range of stations**

Q1b: 1(b) (PROBE) Any other reason? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **nothing else**

Q2a: 2(a) What types of satellite radio programming were most critical to your decision to subscribe to satellite radio? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **praise radio disney**

Q2b: 2(b) (PROBE) Any others? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **heart and soul**

Q3a: 3(a) And now, reflecting on your experience with satellite radio, what types of satellite radio programming are most critical to your decision to continue to subscribe? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **praise**

Q3b: 3(b) (PROBE) Any others? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **radio disney**

HO1: INTERVIEWER: HAVE THE RESPONDENT SIT IN FRONT OF THE COMPUTER AND ANSWER QUESTIONS TO THE REMAINDER OF THE SURVEY HIM/HERSELF. BE SURE TO SIT WITH THE RESPONDENT WHILE HE/SHE IS ANSWERING IN CASE HE/SHE HAS ANY QUESTIONS. IF THE RESPONDENT PREFERS, HAVE HIM/HER READ THE QUESTIONS ON THE SCREEN, BUT YOU WILL ENTER THE ANSWERS. RECORD:
Response: **Respondent entering answers**

Q4: Below is a list of the types of satellite radio programming. Please review the list and allocate 100 points among the seven types of programming in such a way that the number of points (0 to 100) you give each type of programming best reflects the relative importance of that type of programming to you and your family's decision to subscribe and retain your subscription to satellite radio.
If a specific type of programming is not important at all, feel free to give it zero points. If, on the other hand, your decision was affected by only one of the types of programming and none of the others were important to you, give that type of programming all of the 100 points. There are no right or wrong answers and we are just looking for your evaluation of the relative importance of the seven types of programming reflecting both the consideration you used in deciding to subscribe and your experience with satellite radio. Please make sure that the total adds to 100. Is this clear? (RECORD 0-100 FOR EACH. TOTAL MUST EQUAL 100.)
Please click "Okay" if this is clear.

Response: Okay
Q4: Please enter a whole number response from 0 to 100 in each of the spaces provided. Your responses must sum to 100.

Response: Comedy: 10
Kids: 25
Local Weather and Traffic: 10
Music: 30
News: 10
Sports: 10
Talk and Entertainment: 5

Q5: Now I would like to show you four of these programming types. For each type of programming you will see a number of hypothetical options showing different amounts of programming. For each hypothetical option, please indicate how desirable it would be for you relative to the other options. Please assume that in each case all other programming and non-programming features of the service including price remain the same. Please use a number from 0 (zero) = extremely undesirable to 10 = extremely desirable. You can use any number from "0 to 10" to indicate your answer. Please examine each hypothetical amount of programming and record the number that best reflects its level of desirability or undesirability. Is this clear?
Please click "Okay" if this is clear.

Response: Okay
Q5A: A. Music Programming (Current Offering includes 66 Music Channels.)

Response: 1. No music programming: 0
2. Substantially fewer channels and less variety of music than currently offered: 1
3. The same number of channels and the same variety of music as currently offered: 5
4. Substantially more channels and more variety of music than currently offered: 7

Q5B: B. News (Current Offering includes 15 News Channels.)

Response: 1. No news programming: 0
2. Substantially fewer channels and less variety of news than currently offered: 1
3. The same number of channels and the same variety of news as currently offered: 2
4. Substantially more channels and more variety of news than currently offered: 4

Q5C: C. Sports (Current Offering includes 8 Sports Channels and Live Game Channels for NBA, NFL, etc.)

Response: 1. No sports programming: 0
2. Substantially fewer channels and less variety of sports than currently offered: 1
3. The same number of channels and same variety of sports as currently offered: 2
4. Substantially more channels and more variety of sports than currently offered: 4

Q5D: D. Talk & Entertainment (Current Offering includes 22 Talk and Entertainment channels including Howard Stern, Martha Stewart, etc.)

Response: 1. No talk and entertainment programming: 1
2. Substantially fewer channels and less variety of talk and entertainment than currently offered: 1
3. The same number of channels and same variety of talk and entertainment as currently offered: 2
4. Substantially more channels and more variety of talk and entertainment than currently offered: 4

Q6a: Now, we would like you to consider the non-programming features of satellite radio such as the number of minutes of commercials per hour on music channels and geographic coverage. For each type of non-programming feature you will see a hypothetical option showing different amounts for that non-programming feature. Please repeat the desirability task we did before for the types of programming, but this time let's do it with respect to the various options for each of the non-programming features. Please indicate how desirable each of the different options of a given feature would be to you relative to the other options of that feature. Again, please assume that all other programming and non-programming features of the service, including price, remain the same. Again, please use a number from 0 (zero) - extremely undesirable to 10 - extremely desirable. Please examine each option and record the number that best reflects the level of desirability or undesirability of the option.

Response: A. The Number of Minutes of Commercials Per Hour on Music Channels

1. No commercials on music channels: 5
2. 2 minutes of commercials per hour: 8
3. 5 minutes of commercials per hour: 2
4. 12 minutes of commercials per hour: 0

B. Geographic Coverage

1. Typical FM coverage: 1
2. Complete nationwide coverage: 3

Q6b: Now, let's turn to price. I'd like you to repeat the desirability task for various monthly prices for a single subscription. Please indicate how desirable each of the different price options would be to you relative to the other options. Again, please assume that all other programming and non-programming features of the service remain the same. Again, please use a number from 0 (zero) - extremely undesirable to 10 - extremely desirable. Please examine each option and record the number that best reflects the level of desirability or undesirability of the option.

Response: C. The Monthly Price for A Single Subscription
1. \$8.95 per month: 5
2. \$10.95 per month: 2
3. \$12.95 per month: 1
4. \$14.95 per month: 0

Q6c: Please review the list below and tell me if there are any other non-programming features besides the ones listed that you considered in your decision to subscribe and retain your subscription to satellite radio?

- The number of minutes of commercials per hour on music channels
- Geographic coverage
- The monthly price for a single subscription

Response: **No others considered**

Q7: Below is a list of the non-programming features of satellite radio. Please review the list and allocate 100 points among the features in a way that the number of points (0 to 100) you give each feature best reflects the relative importance of that feature to you and your family's decision to subscribe and retain your subscription to satellite radio. As in the previous 100 point allocation task, please assign each feature a number from 0 to 100 that best reflects its relative importance to you and your family's decision to subscribe and retain your subscription to satellite radio. The more important a feature is, the higher the number of points you would give it, while the less important a feature is, the fewer number of points you would give it. Please make sure that the total adds to 100. (RECORD 0-100 FOR EACH. TOTAL MUST EQUAL 100.)

Response: The number of minutes of commercials per hour on music channels: **30**
Geographic coverage: **30**
The monthly price for a single subscription: **40**

Q8: Reflecting on your and your family's usage of satellite radio in a typical week how would you estimate the amount of time spent on each of the following program types. Again please do so by allocating 100 points among the type of programming reflecting the % of time allocated to each. If you did not (or will not) spend any time listening to a particular type of program, please give it a zero. The type of programming listened to the most should get the highest number of points, the second most should get fewer points, etc. Make sure the total adds up to 100%.

Response: Comedy: 5
Kids: 20
Local Weather and Traffic: 20
Music: 30
News: 20
Sports: 5
Talk and Entertainment: 0

Q9a: As you know, the single subscription price per month for satellite radio is \$12.95. Let's assume that some of the current programming types were not available. Assuming that all other programming and non-programming features of the service, including price, remain the same. If no [PRGTYPE] programming were available, would it affect the amount you would be willing to pay for satellite radio?

Response: MUSIC: **Yes**
NEWS: **Yes**
SPORTS: **Yes**
TALK AND ENTERTAINMENT: **Yes**

Q9b: How much would you be willing to pay for satellite radio if no [PRGTYPE] programming were available? Please assume that all other programming and non-programming features of the service, including price, remain the same. Please tell me the dollar amount you would be willing to pay for satellite radio if these types of programming were not offered at all. Furthermore, if you think that not having this programming type would lead you to cancel your subscription please say so.

Response: Would be willing to pay:
MUSIC: **\$3.00**
NEWS: **\$3.00**
SPORTS: **\$3.00**
TALK AND ENTERTAINMENT: **\$3.00**

Q10: Now, I am going to show you 10 different hypothetical satellite radio program offerings. Each one represents a specific hypothetical satellite radio offering that includes a set of available programming options, as well as various combinations of the non-programming features we discussed before and a monthly price for a single subscription. Please examine each profile carefully and assign it a number from "0" meaning "definitely would not subscribe" to "10" meaning "definitely would subscribe" that best reflects your likelihood of subscribing to that offering.

If you definitely would not subscribe to the offering, you would give it a 0. If you definitely would subscribe to the offering, you would give it a 10. For any other case, use a number between 0 and 10 that best reflects your likelihood of subscribing to that offering. If at anytime you want to change your answer to a particular offering, please let me know and we will go back and do that.

Response: Card 33: 0
Card 34: 0
Card 35: 5
Card 36: 5
Card 37: 1
Card 38: 0
Card 39: 1
Card 40: 6
Card 65: 2
Card 66: 0

Q11a: And finally, reflecting on your experience with satellite radio, if satellite radio was not available what, if anything, would you miss most about it?

Response: i would miss the variety of other stations i would be able to listen to if and when i wanted.

Q11b: Anything else?

Response: no

SC: Are you or any members of your household employed in any of the industries listed on this card?
Response: An insurance company: **No**
A marketing research firm: **No**
An advertising agency: **No**
The entertainment industry: **No**
A satellite radio provider: **No**
A cable TV provider: **No**
An Internet service provider: **No**

SD: During the past three months have you taken part in any market research survey other than a political poll?
Response: **No**

SE: I'm going to ask you a few questions, but please be assured that this is only for classification purposes and that your responses will be kept confidential. Which of these groups includes your age?
Response: **18 - 24 years**

SF: Which, if any, of the following decisions do you make or take part in making for your household?
Response: **Decision to subscribe to cable TV**
Decision to subscribe to an Internet service
Decision to subscribe to satellite radio
Decision to subscribe to a wireless phone service
Decision to subscribe to satellite TV

SG: Which of these services, if any, do you or your household currently subscribe to?
Response: **Cable TV**
Satellite TV
Broadband Internet
Satellite radio
Wireless phone service

SH: Which of the following best describe the type of satellite radio you or your household currently subscribes to?
Response: **A paid or trial subscription (such as from the purchase of a car) directly from XM or Sirius**

SK: Which satellite radio service do you or your household currently subscribe to?
Response: **XM**

SM: Do you wear glasses or contact lenses when you read?
Response: **No**

SO: RECORD GENDER OF RESPONDENT
Response: **Male**

SP: We would like to invite you to participate in a study that we think you will find interesting. The survey will take about 20 minutes. The survey we would like you to participate in requires you to read questions on a computer and either use a mouse to point and click on your answers or tell me your answers and I will record them. Would you like to participate in this study?
Response: **Yes, will participate**

SQ: May I please have your full name, address and phone number? You can be assured that your name and phone number will not be used to sell you anything or for any marketing or telemarketing purposes. It will only be used to verify your participation in the survey. (RECORD ON FRONT PAGE OF SCREENER. YOU MUST VERIFY RESPONDENT'S PHONE NUMBER. IF RESPONDENT REFUSES TO GIVE PHONE NUMBER, SAY:) I'm sorry but I cannot ask you to participate in our survey as my client needs your phone number to be able to verify your participation in this study.
Response: **Gave phone number**

Q1a: Q1(a) Thinking back to the time you first subscribed to satellite radio, why did you decide to subscribe? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **because it was new plus more music station because i listen to music all day**

Q1b: 1(b) (PROBE) Any other reason? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **just to have something new**

Q2a: 2(a) What types of satellite radio programming were most critical to your decision to subscribe to satellite radio? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **Xm radio**

Q2b: 2(b) (PROBE) Any others? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **No**

Q3a: 3(a) And now, reflecting on your experience with satellite radio, what types of satellite radio programming are most critical to your decision to continue to subscribe? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **Xm radio on my TV and Car**

Q3b: 3(b) (PROBE) Any others? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **No**

HO1: INTERVIEWER: HAVE THE RESPONDENT SIT IN FRONT OF THE COMPUTER AND ANSWER QUESTIONS TO THE REMAINDER OF THE SURVEY HIM/HERSELF. BE SURE TO SIT WITH THE RESPONDENT WHILE HE/SHE IS ANSWERING IN CASE HE/SHE HAS ANY QUESTIONS. IF THE RESPONDENT PREFERS, HAVE HIM/HER READ THE QUESTIONS ON THE SCREEN, BUT YOU WILL ENTER THE ANSWERS. RECORD:
Response: **Interviewer entering answers**

Q4: Below is a list of the types of satellite radio programming. Please review the list and allocate 100 points among the seven types of programming in such a way that the number of points (0 to 100) you give each type of programming best reflects the relative importance of that type of programming to you and your family's decision to subscribe and retain your subscription to satellite radio.

If a specific type of programming is not important at all, feel free to give it zero points. If, on the other hand, your decision was affected by only one of the types of programming and none of the others were important to you, give that type of programming all of the 100 points. There are no right or wrong answers and we are just looking for your evaluation of the relative importance of the seven types of programming reflecting both the consideration you used in deciding to subscribe and your experience with satellite radio. Please make sure that the total adds to 100. Is this clear? (RECORD 0-100 FOR EACH. TOTAL MUST EQUAL 100.)

Please click "Okay" if this is clear.

Response: Okay

Q4: Please enter a whole number response from 0 to 100 in each of the spaces provided. Your responses must sum to 100.

Response: Comedy: 15

Kids: 0

Local Weather and Traffic: 20

Music: 35

News: 25

Sports: 0

Talk and Entertainment: 5

Q5: Now I would like to show you four of these programming types. For each type of programming you will see a number of hypothetical options showing different amounts of programming. For each hypothetical option, please indicate how desirable it would be for you relative to the other options. Please assume that in each case all other programming and non-programming features of the service including price remain the same. Please use a number from 0 (zero) = extremely undesirable to 10 = extremely desirable. You can use any number from "0 to 10" to indicate your answer. Please examine each hypothetical amount of programming and record the number that best reflects its level of desirability or undesirability. Is this clear?

Please click "Okay" if this is clear.

Response: Okay

Q5A: A. Music Programming (Current Offering includes 74 Music Channels.)

Response: 1. No music programming: 10

2. Substantially fewer channels and less variety of music than currently offered: 6

3. The same number of channels and the same variety of music as currently offered: 5

4. Substantially more channels and more variety of music than currently offered: 6

Q5B: B. News (Current Offering includes 13 News Channels.)

Response: 1. No news programming: 0

2. Substantially fewer channels and less variety of news than currently offered: 10

3. The same number of channels and the same variety of news as currently offered: 0

4. Substantially more channels and more variety of news than currently offered: 10

Q5C: C. Sports (Current Offering includes 13 Sports Channels and Live Game Channels for Major League Baseball, NASCAR, etc.)

Response: 1. No sports programming: 5

2. Substantially fewer channels and less variety of sports than currently offered: 3

3. The same number of channels and same variety of sports as currently offered: 5

4. Substantially more channels and more variety of sports than currently offered: 1

Q5D: D. Talk & Entertainment (Current Offering includes 17 Talk and Entertainment channels including Opie and Anthony, Air America, etc.)

Response: 1. No talk and entertainment programming: 0

2. Substantially fewer channels and less variety of talk and entertainment than currently offered: 10

3. The same number of channels and same variety of talk and entertainment as currently offered: 1

4. Substantially more channels and more variety of talk and entertainment than currently offered: 7

Q6a: Now, we would like you to consider the non-programming features of satellite radio such as the number of minutes of commercials per hour on music channels and geographic coverage. For each type of non-programming feature you will see a hypothetical option showing different amounts for that non-programming feature. Please repeat the desirability task we did before for the types of programming, but this time let's do it with respect to the various options for each of the non-programming features. Please indicate how desirable each of the different options of a given feature would be to you relative to the other options of that feature. Again, please assume that all other programming and non-programming features of the service, including price, remain the same. Again, please use a number from 0 (zero) - extremely undesirable to 10 - extremely desirable. Please examine each option and record the number that best reflects the level of desirability or undesirability of the option.

Response: A. The Number of Minutes of Commercials Per Hour on Music Channels

1. No commercials on music channels: 8

2. 2 minutes of commercials per hour: 7

3. 5 minutes of commercials per hour: 6

4. 12 minutes of commercials per hour: 5

B. Geographic Coverage

1. Typical FM coverage: 10

2. Complete nationwide coverage: 9

Q6b: Now, let's turn to price. I'd like you to repeat the desirability task for various monthly prices for a single subscription. Please indicate how desirable each of the different price options would be to you relative to the other options. Again, please assume that all other programming and non-programming features of the service remain the same. Again, please use a number from 0 (zero) - extremely undesirable to 10 - extremely desirable. Please examine each option and record the number that best reflects the level of desirability or undesirability of the option.

Response: C. The Monthly Price for A Single Subscription
1. \$8.95 per month: **10**
2. \$10.95 per month: **8**
3. \$12.95 per month: **9**
4. \$14.95 per month: **8**

Q6c: Please review the list below and tell me if there are any other non-programming features besides the ones listed that you considered in your decision to subscribe and retain your subscription to satellite radio?

- The number of minutes of commercials per hour on music channels
- Geographic coverage
- The monthly price for a single subscription

Response: **No others considered**

Q7: Below is a list of the non-programming features of satellite radio. Please review the list and allocate 100 points among the features in a way that the number of points (0 to 100) you give each feature best reflects the relative importance of that feature to you and your family's decision to subscribe and retain your subscription to satellite radio. As in the previous 100 point allocation task, please assign each feature a number from 0 to 100 that best reflects its relative importance to you and your family's decision to subscribe and retain your subscription to satellite radio. The more important a feature is, the higher the number of points you would give it, while the less important a feature is, the fewer number of points you would give it. Please make sure that the total adds to 100. (RECORD 0-100 FOR EACH. TOTAL MUST E#QUAL 100.)

Response: The number of minutes of commercials per hour on music channels: **35**
Geographic coverage: **25**
The monthly price for a single subscription: **40**

Q8: Reflecting on your and your family's usage of satellite radio in a typical week how would you estimate the amount of time spent on each of the following program types. Again please do so by allocating 100 points among the type of programming reflecting the % of time allocated to each. If you did not (or will not) spend any time listening to a particular type of program, please give it a zero. The type of programming listened to the most should get the highest number of points, the second most should get fewer points, etc. Make sure the total adds up to 100%.

Response: Comedy: **10**
Kids: **10**
Local Weather and Traffic: **10**
Music: **10**
News: **20**
Sports: **10**
Talk and Entertainment: **30**

Q9a: As you know, the single subscription price per month for satellite radio is \$12.95. Let's assume that some of the current programming types were not available. Assuming that all other programming and non-programming features of the service, including price, remain the same. If no [PRGTYPE] programming were available, would it affect the amount you would be willing to pay for satellite radio?

Response: MUSIC: **Yes**
NEWS: **Don't know**
SPORTS: **Don't know**
TALK AND ENTERTAINMENT: **No**

Q9b: How much would you be willing to pay for satellite radio if no [PRGTYPE] programming were available? Please assume that all other programming and non-programming features of the service, including price, remain the same. Please tell me the dollar amount you would be willing to pay for satellite radio if these types of programming were not offered at all. Furthermore, if you think that not having this programming type would lead you to cancel your subscription please say so.

Would be willing to pay:
Response: MUSIC: **\$9.95**

Q10: Now, I am going to show you 10 different hypothetical satellite radio program offerings. Each one represents a specific hypothetical satellite radio offering that includes a set of available programming options, as well as various combinations of the non-programming features we discussed before and a monthly price for a single subscription. Please examine each profile carefully and assign it a number from "0" meaning "definitely would not subscribe" to "10" meaning "definitely would subscribe" that best reflects your likelihood of subscribing to that offering.

If you definitely would not subscribe to the offering, you would give it a 0. If you definitely would subscribe to the offering, you would give it a 10. For any other case, use a number between 0 and 10 that best reflects your likelihood of subscribing to that offering. If at anytime you want to change your answer to a particular offering, please let me know and we will go back and do that.

Response: Card 49: 10
Card 50: 10
Card 51: 10
Card 52: 10
Card 53: 9
Card 54: 10
Card 55: 10
Card 56: 10
Card 65: 10
Card 66: 10

Q11a: And finally, reflecting on your experience with satellite radio, if satellite radio was not available what, if anything, would you miss most about it?

Response: the music

Q11b: Anything else?

Response: no

SC: Are you or any members of your household employed in any of the industries listed on this card?
Response: An insurance company: **No**
A marketing research firm: **No**
An advertising agency: **No**
The entertainment industry: **No**
A satellite radio provider: **No**
A cable TV provider: **No**
An Internet service provider: **No**

SD: During the past three months have you taken part in any market research survey other than a political poll?
Response: **No**

SE: I'm going to ask you a few questions, but please be assured that this is only for classification purposes and that your responses will be kept confidential. Which of these groups includes your age?
Response: **25 - 34 years**

SF: Which, if any, of the following decisions do you make or take part in making for your household?
Response: **Decision to subscribe to an Internet service**
Decision to subscribe to satellite radio
Decision to subscribe to a wireless phone service
Decision to subscribe to satellite TV

SG: Which of these services, if any, do you or your household currently subscribe to?
Response: **Satellite radio**
Wireless phone service

SH: Which of the following best describe the type of satellite radio you or your household currently subscribes to?
Response: **A paid or trial subscription (such as from the purchase of a car) directly from XM or Sirius**

SI: Are you or your household currently considering subscribing to (INSERT ITEM) in the next 30 days?
Response: Cable TV: **Yes**
Satellite TV: **No**
Broadband Internet: **Yes**

SK: Which satellite radio service do you or your household currently subscribe to?
Response: **Sirius**

SM: Do you wear glasses or contact lenses when you read?
Response: **No**

SO: RECORD GENDER OF RESPONDENT
Response: **Male**

SP: We would like to invite you to participate in a study that we think you will find interesting. The survey will take about 20 minutes. The survey we would like you to participate in requires you to read questions on a computer and either use a mouse to point and click on your answers or tell me your answers and I will record them. Would you like to participate in this study?
Response: **Yes, will participate**

SQ: May I please have your full name, address and phone number? You can be assured that your name and phone number will not be used to sell you anything or for any marketing or telemarketing purposes. It will only be used to verify your participation in the survey. (RECORD ON FRONT PAGE OF SCREENER. YOU MUST VERIFY RESPONDENT'S PHONE NUMBER. IF RESPONDENT REFUSES TO GIVE PHONE NUMBER, SAY:) I'm sorry but I cannot ask you to participate in our survey as my client needs your phone number to be able to verify your participation in this study.
Response: **Gave phone number**

Q1a: Q1(a) Thinking back to the time you first subscribed to satellite radio, why did you decide to subscribe? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **I WANTED TO HAVE AVARIETY OF MUSIC.**

Q1b: 1(b) (PROBE) Any other reason? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **BECAUSE IT LOOKS NICE.**

Q2a: 2(a) What types of satellite radio programming were most critical to your decision to subscribe to satellite radio? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **I LIKE SPORTS.**

Q2b: 2(b) (PROBE) Any others? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **NOTHING ELSE.**

Q3a: 3(a) And now, reflecting on your experience with satellite radio, what types of satellite radio programming are most critical to your decision to continue to subscribe? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **I LIKE THE SPORTS AND THE MUSIC.**

Q3b: 3(b) (PROBE) Any others? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **THERE ARE NO OTHER REASONS.**

HO1: INTERVIEWER: HAVE THE RESPONDENT SIT IN FRONT OF THE COMPUTER AND ANSWER QUESTIONS TO THE REMAINDER OF THE SURVEY HIM/HERSELF. BE SURE TO SIT WITH THE RESPONDENT WHILE HE/SHE IS ANSWERING IN CASE HE/SHE HAS ANY QUESTIONS. IF THE RESPONDENT PREFERS, HAVE HIM/HER READ THE QUESTIONS ON THE SCREEN, BUT YOU WILL ENTER THE ANSWERS. RECORD:
Response: **interviewer entering answers**

Q4: Below is a list of the types of satellite radio programming. Please review the list and allocate 100 points among the seven types of programming in such a way that the number of points (0 to 100) you give each type of programming best reflects the relative importance of that type of programming to you and your family's decision to subscribe and retain your subscription to satellite radio.

If a specific type of programming is not important at all, feel free to give it zero points. If, on the other hand, your decision was affected by only one of the types of programming and none of the others were important to you, give that type of programming all of the 100 points. There are no right or wrong answers and we are just looking for your evaluation of the relative importance of the seven types of programming reflecting both the consideration you used in deciding to subscribe and your experience with satellite radio. Please make sure that the total adds to 100. Is this clear? (RECORD 0-100 FOR EACH. TOTAL MUST EQUAL 100.)

Please click "Okay" if this is clear.

Response: Okay

Q4: Please enter a whole number response from 0 to 100 in each of the spaces provided. Your responses must sum to 100.

Response: Comedy: 10
Kids: 0
Local Weather and Traffic: 10
Music: 50
News: 10
Sports: 20
Talk and Entertainment: 0

Q5: Now I would like to show you four of these programming types. For each type of programming you will see a number of hypothetical options showing different amounts of programming. For each hypothetical option, please indicate how desirable it would be for you relative to the other options. Please assume that in each case all other programming and non-programming features of the service including price remain the same. Please use a number from 0 (zero) = extremely undesirable to 10 = extremely desirable. You can use any number from "0 to 10" to indicate your answer. Please examine each hypothetical amount of programming and record the number that best reflects its level of desirability or undesirability. Is this clear?

Please click "Okay" if this is clear.

Response: Okay

Q5A: A. Music Programming (Current Offering includes 66 Music Channels.)

Response: 1. No music programming: 0
2. Substantially fewer channels and less variety of music than currently offered: 0
3. The same number of channels and the same variety of music as currently offered: 5
4. Substantially more channels and more variety of music than currently offered: 10

Q5B: B. News (Current Offering includes 15 News Channels.)

Response: 1. No news programming: 5
2. Substantially fewer channels and less variety of news than currently offered: 5
3. The same number of channels and the same variety of news as currently offered: 5
4. Substantially more channels and more variety of news than currently offered: 10

Q5C: C. Sports (Current Offering includes 8 Sports Channels and Live Game Channels for NBA, NFL, etc.)

Response: 1. No sports programming: 0
2. Substantially fewer channels and less variety of sports than currently offered: 3
3. The same number of channels and same variety of sports as currently offered: 5
4. Substantially more channels and more variety of sports than currently offered: 10

Q5D: D. Talk & Entertainment (Current Offering includes 22 Talk and Entertainment channels including Howard Stern, Martha Stewart, etc.)

Response: 1. No talk and entertainment programming: 0
2. Substantially fewer channels and less variety of talk and entertainment than currently offered: 3
3. The same number of channels and same variety of talk and entertainment as currently offered: 4
4. Substantially more channels and more variety of talk and entertainment than currently offered: 5

Q6a: Now, we would like you to consider the non-programming features of satellite radio such as the number of minutes of commercials per hour on music channels and geographic coverage. For each type of non-programming feature you will see a hypothetical option showing different amounts for that non-programming feature. Please repeat the desirability task we did before for the types of programming, but this time let's do it with respect to the various options for each of the non-programming features. Please indicate how desirable each of the different options of a given feature would be to you relative to the other options of that feature. Again, please assume that all other programming and non-programming features of the service, including price, remain the same. Again, please use a number from 0 (zero) - extremely undesirable to 10 - extremely desirable. Please examine each option and record the number that best reflects the level of desirability or undesirability of the option.

Response: A. The Number of Minutes of Commercials Per Hour on Music Channels

1. No commercials on music channels: 10
2. 2 minutes of commercials per hour: 0
3. 5 minutes of commercials per hour: 0
4. 12 minutes of commercials per hour: 0

B. Geographic Coverage

1. Typical FM coverage: 0
2. Complete nationwide coverage: 10

Q6b: Now, let's turn to price. I'd like you to repeat the desirability task for various monthly prices for a single subscription. Please indicate how desirable each of the different price options would be to you relative to the other options. Again, please assume that all other programming and non-programming features of the service remain the same. Again, please use a number from 0 (zero) - extremely undesirable to 10 - extremely desirable. Please examine each option and record the number that best reflects the level of desirability or undesirability of the option.

Response: C. The Monthly Price for A Single Subscription
1. \$8.95 per month: **10**
2. \$10.95 per month: **6**
3. \$12.95 per month: **6**
4. \$14.95 per month: **5**

Q6c: Please review the list below and tell me if there are any other non-programming features besides the ones listed that you considered in your decision to subscribe and retain your subscription to satellite radio?

- The number of minutes of commercials per hour on music channels
- Geographic coverage
- The monthly price for a single subscription

Response: **No others considered**

Q7: Below is a list of the non-programming features of satellite radio. Please review the list and allocate 100 points among the features in a way that the number of points (0 to 100) you give each feature best reflects the relative importance of that feature to you and your family's decision to subscribe and retain your subscription to satellite radio. As in the previous 100 point allocation task, please assign each feature a number from 0 to 100 that best reflects its relative importance to you and your family's decision to subscribe and retain your subscription to satellite radio. The more important a feature is, the higher the number of points you would give it, while the less important a feature is, the fewer number of points you would give it. Please make sure that the total adds to 100. (RECORD 0-100 FOR EACH. TOTAL MUST E#QUAL 100.)

Response: The number of minutes of commercials per hour on music channels: **40**
Geographic coverage: **10**
The monthly price for a single subscription: **50**

Q8: Reflecting on your and your family's usage of satellite radio in a typical week how would you estimate the amount of time spent on each of the following program types. Again please do so by allocating 100 points among the type of programming reflecting the % of time allocated to each. If you did not (or will not) spend any time listening to a particular type of program, please give it a zero. The type of programming listened to the most should get the highest number of points, the second most should get fewer points, etc. Make sure the total adds up to 100%.

Response: Comedy: **10**
Kids: **0**
Local Weather and Traffic: **10**
Music: **50**
News: **10**
Sports: **20**
Talk and Entertainment: **0**

Q9a: As you know, the single subscription price per month for satellite radio is \$12.95. Let's assume that some of the current programming types were not available. Assuming that all other programming and non-programming features of the service, including price, remain the same. If no [PRGTYPE] programming were available, would it affect the amount you would be willing to pay for satellite radio?

Response: MUSIC: **No**
NEWS: **No**
SPORTS: **Yes**
TALK AND ENTERTAINMENT: **Yes**

Q9b: How much would you be willing to pay for satellite radio if no [PRGTYPE] programming were available? Please assume that all other programming and non-programming features of the service, including price, remain the same. Please tell me the dollar amount you would be willing to pay for satellite radio if these types of programming were not offered at all. Furthermore, if you think that not having this programming type would lead you to cancel your subscription please say so.

Response: Would be willing to pay:
SPORTS: **Would Cancel Subscription**
TALK AND ENTERTAINMENT: **\$13.95**

Q9c: Are you willing to pay more than the current price of \$12.95 per month if no [PRGTYPE] were available but all other programming features of the service remain the same?

Response: TALK AND ENTERTAINMENT: **Yes**

Q10: Now, I am going to show you 10 different hypothetical satellite radio program offerings. Each one represents a specific hypothetical satellite radio offering that includes a set of available programming options, as well as various combinations of the non-programming features we discussed before and a monthly price for a single subscription. Please examine each profile carefully and assign it a number from "0" meaning "definitely would not subscribe" to "10" meaning "definitely would subscribe" that best reflects your likelihood of subscribing to that offering.

If you definitely would not subscribe to the offering, you would give it a 0. If you definitely would subscribe to the offering, you would give it a 10. For any other case, use a number between 0 and 10 that best reflects your likelihood of subscribing to that offering. If at anytime you want to change your answer to a particular offering, please let me know and we will go back and do that.

Response: Card 17: 4
Card 18: 10
Card 19: 6
Card 20: 0
Card 21: 4
Card 22: 6
Card 23: 0
Card 24: 1
Card 65: 5
Card 66: 0

Q11a: And finally, reflecting on your experience with satellite radio, if satellite radio was not available what, if anything, would you miss most about it?

Response: THE MUSIC AND THE VARIETY.

Q11b: Anything else?

Response: NOTHING ELSE

SC: Are you or any members of your household employed in any of the industries listed on this card?
Response: An insurance company: **No**
A marketing research firm: **No**
An advertising agency: **No**
The entertainment industry: **No**
A satellite radio provider: **No**
A cable TV provider: **No**
An Internet service provider: **No**

SD: During the past three months have you taken part in any market research survey other than a political poll?
Response: **No**

SE: I'm going to ask you a few questions, but please be assured that this is only for classification purposes and that your responses will be kept confidential. Which of these groups includes your age?
Response: **35 - 49 years**

SF: Which, if any, of the following decisions do you make or take part in making for your household?
Response: **Decision to subscribe to satellite radio**

SG: Which of these services, if any, do you or your household currently subscribe to?
Response: **Cable TV**
Satellite radio

SH: Which of the following best describe the type of satellite radio you or your household currently subscribes to?
Response: **A paid or trial subscription (such as from the purchase of a car) directly from XM or Sirius**

SI: Are you or your household currently considering subscribing to (INSERT ITEM) in the next 30 days?
Response: Satellite TV: **Don't know**
Broadband Internet: **Don't know**
Wireless phone service: **Don't know**

SK: Which satellite radio service do you or your household currently subscribe to?
Response: **XM**

SM: Do you wear glasses or contact lenses when you read?
Response: **Yes**

SN: Do you have your glasses with you or are you wearing your contact lenses today?
Response: **Yes**

SO: RECORD GENDER OF RESPONDENT
Response: **Female**

SP: We would like to invite you to participate in a study that we think you will find interesting. The survey will take about 20 minutes. The survey we would like you to participate in requires you to read questions on a computer and either use a mouse to point and click on your answers or tell me your answers and I will record them. Would you like to participate in this study?
Response: **Yes, will participate**

SQ: May I please have your full name, address and phone number? You can be assured that your name and phone number will not be used to sell you anything or for any marketing or telemarketing purposes. It will only be used to verify your participation in the survey. (RECORD ON FRONT PAGE OF SCREENER. YOU MUST VERIFY RESPONDENT'S PHONE NUMBER. IF RESPONDENT REFUSES TO GIVE PHONE NUMBER, SAY:) I'm sorry but I cannot ask you to participate in our survey as my client needs your phone number to be able to verify your participation in this study.
Response: **Gave phone number**

Q1a: Q1(a) Thinking back to the time you first subscribed to satellite radio, why did you decide to subscribe? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **My husband wanted it**

Q1b: 1(b) (PROBE) Any other reason? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **I also wanted it**

Q2a: 2(a) What types of satellite radio programming were most critical to your decision to subscribe to satellite radio? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **talk, news,**

Q2b: 2(b) (PROBE) Any others? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **music**

Q3a: 3(a) And now, reflecting on your experience with satellite radio, what types of satellite radio programming are most critical to your decision to continue to subscribe? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **everything i just mentioned**

Q3b: 3(b) (PROBE) Any others? (RECORD COMPLETE ANSWERS VERBATIM)
Response: **no**

HO1: INTERVIEWER: HAVE THE RESPONDENT SIT IN FRONT OF THE COMPUTER AND ANSWER QUESTIONS TO THE REMAINDER OF THE SURVEY HIM/HERSELF. BE SURE TO SIT WITH THE RESPONDENT WHILE HE/SHE IS ANSWERING IN CASE HE/SHE HAS ANY QUESTIONS. IF THE RESPONDENT PREFERS, HAVE HIM/HER READ THE QUESTIONS ON THE SCREEN, BUT YOU WILL ENTER THE ANSWERS. RECORD:
Response: **Interviewer entering answers**

Q4: Below is a list of the types of satellite radio programming. Please review the list and allocate 100 points among the seven types of programming in such a way that the number of points (0 to 100) you give each type of programming best reflects the relative importance of that type of programming to you and your family's decision to subscribe and retain your subscription to satellite radio.

If a specific type of programming is not important at all, feel free to give it zero points. If, on the other hand, your decision was affected by only one of the types of programming and none of the others were important to you, give that type of programming all of the 100 points. There are no right or wrong answers and we are just looking for your evaluation of the relative importance of the seven types of programming reflecting both the consideration you used in deciding to subscribe and your experience with satellite radio. Please make sure that the total adds to 100. Is this clear? (RECORD 0-100 FOR EACH. TOTAL MUST EQUAL 100.)

Please click "Okay" if this is clear.

Response: Okay

Q4: Please enter a whole number response from 0 to 100 in each of the spaces provided. Your responses must sum to 100.

Response: Comedy: 5

Kids: 0

Local Weather and Traffic: 10

Music: 25

News: 25

Sports: 10

Talk and Entertainment: 25

Q5: Now I would like to show you four of these programming types. For each type of programming you will see a number of hypothetical options showing different amounts of programming. For each hypothetical option, please indicate how desirable it would be for you relative to the other options. Please assume that in each case all other programming and non-programming features of the service including price remain the same. Please use a number from 0 (zero) = extremely undesirable to 10 = extremely desirable. You can use any number from "0 to 10" to indicate your answer. Please examine each hypothetical amount of programming and record the number that best reflects its level of desirability or undesirability. Is this clear?

Please click "Okay" if this is clear.

Response: Okay

Q5A: A. Music Programming (Current Offering includes 74 Music Channels.)

Response: 1. No music programming: 0

2. Substantially fewer channels and less variety of music than currently offered: 0

3. The same number of channels and the same variety of music as currently offered: 10

4. Substantially more channels and more variety of music than currently offered: 10

Q5B: B. News (Current Offering includes 13 News Channels.)

Response: 1. No news programming: 0

2. Substantially fewer channels and less variety of news than currently offered: 0

3. The same number of channels and the same variety of news as currently offered: 0

4. Substantially more channels and more variety of news than currently offered: 10

Q5C: C. Sports (Current Offering includes 13 Sports Channels and Live Game Channels for Major League Baseball, NASCAR, etc.)

Response: 1. No sports programming: 6

2. Substantially fewer channels and less variety of sports than currently offered: 10

3. The same number of channels and same variety of sports as currently offered: 4

4. Substantially more channels and more variety of sports than currently offered: 0

Q5D: D. Talk & Entertainment (Current Offering includes 17 Talk and Entertainment channels including Opie and Anthony, Air America, etc.)

Response: 1. No talk and entertainment programming: 0

2. Substantially fewer channels and less variety of talk and entertainment than currently offered: 0

3. The same number of channels and same variety of talk and entertainment as currently offered: 0

4. Substantially more channels and more variety of talk and entertainment than currently offered: 10

Q6a: Now, we would like you to consider the non-programming features of satellite radio such as the number of minutes of commercials per hour on music channels and geographic coverage. For each type of non-programming feature you will see a hypothetical option showing different amounts for that non-programming feature. Please repeat the desirability task we did before for the types of programming, but this time let's do it with respect to the various options for each of the non-programming features. Please indicate how desirable each of the different options of a given feature would be to you relative to the other options of that feature. Again, please assume that all other programming and non-programming features of the service, including price, remain the same. Again, please use a number from 0 (zero) - extremely undesirable to 10 - extremely desirable. Please examine each option and record the number that best reflects the level of desirability or undesirability of the option.

Response: A. The Number of Minutes of Commercials Per Hour on Music Channels

1. No commercials on music channels: 10

2. 2 minutes of commercials per hour: 9

3. 5 minutes of commercials per hour: 5

4. 12 minutes of commercials per hour: 6

B. Geographic Coverage

1. Typical FM coverage: 8

2. Complete nationwide coverage: 9

Q6b: Now, let's turn to price. I'd like you to repeat the desirability task for various monthly prices for a single subscription. Please indicate how desirable each of the different price options would be to you relative to the other options. Again, please assume that all other programming and non-programming features of the service remain the same. Again, please use a number from 0 (zero) - extremely undesirable to 10 - extremely desirable. Please examine each option and record the number that best reflects the level of desirability or undesirability of the option.

Response: C. The Monthly Price for A Single Subscription
1. \$8.95 per month: **10**
2. \$10.95 per month: **9**
3. \$12.95 per month: **2**
4. \$14.95 per month: **0**

Q6c: Please review the list below and tell me if there are any other non-programming features besides the ones listed that you considered in your decision to subscribe and retain your subscription to satellite radio?
•The number of minutes of commercials per hour on music channels
•Geographic coverage
•The monthly price for a single subscription

Response: **No others considered**

Q7: Below is a list of the non-programming features of satellite radio. Please review the list and allocate 100 points among the features in a way that the number of points (0 to 100) you give each feature best reflects the relative importance of that feature to you and your family's decision to subscribe and retain your subscription to satellite radio. As in the previous 100 point allocation task, please assign each feature a number from 0 to 100 that best reflects its relative importance to you and your family's decision to subscribe and retain your subscription to satellite radio. The more important a feature is, the higher the number of points you would give it, while the less important a feature is, the fewer number of points you would give it. Please make sure that the total adds to 100. (RECORD 0-100 FOR EACH. TOTAL MUST EQUAL 100.)

Response: The number of minutes of commercials per hour on music channels: **50**
Geographic coverage: **25**
The monthly price for a single subscription: **25**

Q8: Reflecting on your and your family's usage of satellite radio in a typical week how would you estimate the amount of time spent on each of the following program types. Again please do so by allocating 100 points among the type of programming reflecting the % of time allocated to each. If you did not (or will not) spend any time listening to a particular type of program, please give it a zero. The type of programming listened to the most should get the highest number of points, the second most should get fewer points, etc. Make sure the total adds up to 100%.

Response: Comedy: **15**
Kids: **0**
Local Weather and Traffic: **15**
Music: **40**
News: **15**
Sports: **0**
Talk and Entertainment: **15**

Q9a: As you know, the single subscription price per month for satellite radio is \$12.95. Let's assume that some of the current programming types were not available. Assuming that all other programming and non-programming features of the service, including price, remain the same. If no [PRGTYPE] programming were available, would it affect the amount you would be willing to pay for satellite radio?

Response: MUSIC: **No**
NEWS: **No**
SPORTS: **Yes**
TALK AND ENTERTAINMENT: **No**

Q9b: How much would you be willing to pay for satellite radio if no [PRGTYPE] programming were available? Please assume that all other programming and non-programming features of the service, including price, remain the same. Please tell me the dollar amount you would be willing to pay for satellite radio if these types of programming were not offered at all. Furthermore, if you think that not having this programming type would lead you to cancel your subscription please say so.

Response: Would be willing to pay:
SPORTS: **\$10.00**

Q10: Now, I am going to show you 10 different hypothetical satellite radio program offerings. Each one represents a specific hypothetical satellite radio offering that includes a set of available programming options, as well as various combinations of the non-programming features we discussed before and a monthly price for a single subscription. Please examine each profile carefully and assign it a number from "0" meaning "definitely would not subscribe" to "10" meaning "definitely would subscribe" that best reflects your likelihood of subscribing to that offering.
If you definitely would not subscribe to the offering, you would give it a 0. If you definitely would subscribe to the offering, you would give it a 10. For any other case, use a number between 0 and 10 that best reflects your likelihood of subscribing to that offering. If at anytime you want to change your answer to a particular offering, please let me know and we will go back and do that.

Response: Card 25: 0
Card 26: 5
Card 27: 0
Card 28: 3
Card 29: 8
Card 30: 6
Card 31: 1
Card 32: 0
Card 65: 0
Card 66: 0

Q11a: And finally, reflecting on your experience with satellite radio, if satellite radio was not available what, if anything, would you miss most about it?

Response: I would miss the whole thing, I never want to go bac to the regualr radio

Q11b: Anything else?

Response: no

Transcript of:

Date: June 14, 2007

Volume: VIII

Case: Adjustment of Rates for Pre-Existing Subscriptions

Neal R. Gross & Co., Inc.
Phone: 202-234-4433
Fax: 202-387-7330
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Internet: www.nealrgross.com

Before the
COPYRIGHT ROYALTY BOARD
LIBRARY OF CONGRESS
Washington, D.C.

In the matter of:

Adjustment of Rates and Terms for Preexisting Subscriptions Services, and Satellite Digital Audio Radio Services	Docket No. 2006-1 CRB DSTR
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Room LM-408
Library of Congress
First and Independence Avenue, S.E.
Washington, D.C. 20540
Thursday,
June 14, 2007

The above-entitled matter came on for
hearing, pursuant to notice, at 9:30 a.m.

BEFORE:
THE HONORABLE JAMES SLEDGE, Chief Judge
THE HONORABLE WILLIAM J. ROBERTS, JR., Judge

THE HONORABLE STAN WISNIEWSKI, Judge

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I N D E X

WITNESS	DIRECT	CROSS	REDIRECT	RECROSS
Yoram Wind				
By Mr. Handzo	52			
By Mr. Meyer		173		

NO.	DESCRIPTION	MARK	RECD
	SoundExchange		

51	Wind Report	59	65
52	Amended Wind Testimony	153	163
SDARS			
1	Wind Depo Transcript		183
2	Reference Guide	203	203
3	Data Development document	238	240
4	Data Development document	238	241
5	Verbatim	241	247
6	Verbatim response	248	249
7	Verbatim response	251	252
8	Verbatim	254	255
9	Verbatim	259	259
10	Verbatim	260	261
11	Verbatim	262	263
12	Verbatim	264	265

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1 PROCEEDINGS
2 9:37 a.m.
3 CHIEF JUDGE SLEDGE: Mr. Handzo?
4 MR. HANDZO: Thank you, Your
5 Honor. SoundExchange is ready to begin its
6 case with its first witness, Dr. Yoram Wind.
7 CHIEF JUDGE SLEDGE: All right.
8 And we have a motion pending.
9 MR. HANDZO: We do, Your Honor.
10 We filed a response to that motion yesterday,
11 late afternoon. Hopefully, the Court has
12 received that.
13 CHIEF JUDGE SLEDGE: We have.
14 MR. HANDZO: We also had a
15 supplemental declaration which we weren't able
16 to get in in time with that filing. That got
17 filed this morning. And I assume you probably
18 hadn't received that, so I do have courtesy
19 copies of that.
20 CHIEF JUDGE SLEDGE: We'll address
21 the motion first.
22 MR. HANDZO: Okay. That's fine.

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1 argue the motion for the services.
2 CHIEF JUDGE SLEDGE: All right,
3 good. Thank you.
4 MR. STURM: Thank you, Your Honor.
5 In the response to the motion that was filed,
6 SoundExchange has said that the services knew
7 the facts related to this motion for some
8 time. In fact, what we learned for the first
9 time last night is that critical documents
10 that contradict the responses that were given
11 to the Wind Survey have been destroyed. We
12 learned that for the first time last night
13 after months of trial.
14 We originally asked for these
15 verification-related documents back in the
16 first document request in March. The time we
17 took Dr. Wind, we didn't receive them in
18 response to the request for production. And
19 so we asked Dr. Wind about it at his
20 deposition which took place on April 27th.
21 His testimony is quoted in our brief.
22 "Question: There should be a

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1 I'd just like to, if I may, the supplemental
2 declaration is part of our response to the
3 motion.
4 CHIEF JUDGE SLEDGE: Of Kathy
5 Ramono?
6 MR. HANDZO: No. That declaration
7 was part of our response, but there was a
8 second declaration that we had wanted to make
9 part of the response that we didn't get in
10 time. That's the declaration of Aileen
11 English. And that's what we filed this
12 morning that I would ask if I could provide
13 courtesy copies to the Court.
14 CHIEF JUDGE SLEDGE: That's fine.
15 MR. HANDZO: Copies have already
16 been given to counsel.
17 (Pause.)
18 CHIEF JUDGE SLEDGE: Mr. Wind.
19 MR. MEYER: Bruce Meyer, Your
20 Honor.
21 CHIEF JUDGE SLEDGE: I'm sorry.
22 MR. MEYER: Mr. Sturm is going to

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1 filled-out form for each verification, right?
2 Answer: Correct.
3 Question: Do you have those
4 forms?
5 Answer: I don't. Data
6 Development has them and I thought they were
7 part of the package that you got. If you
8 don't have it, I can find out.
9 Question: Okay, I don't believe
10 we received those."
11 Now in view of that testimony, the
12 services moved to compel production of the
13 documents. The SoundExchange response was
14 that these forms are not available at the
15 individual level.
16 According to Ms. Ramono's
17 declaration, which was filed with the response
18 in March, before the Wind deposition and
19 before that response to the Motion to Compel
20 was filed, Data Direct advised counsel for
21 SoundExchange that the verification for that
22 verification forms had been destroyed.

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1 Paragraph 9 of Ms. Ramono's declaration.
2 So in view of the fact that we
3 still didn't have the documents, as I said, we
4 moved to compel and the Court granted the
5 Motion to Compel. The Court's order was
6 entered May 17 and on June 1st we received
7 this, along with other Motions to Compel. On
8 June 1st, we received a massive dump of about
9 80,000 pages of documents; and about a week
10 later, another 12,000 pages of documents, with
11 no indexes at the time, although they were
12 apparently provided some time later.
13 So we went through those documents
14 and still couldn't find the verification forms
15 that Dr. Wind had said existed. And so we
16 again contacted SoundExchange and we received
17 back orally and then in email, this is
18 Saturday, June 9th, which is attached as
19 Exhibit G to our motion. It says in part, "at
20 his deposition, Dr. Wind did not mean to
21 suggest that additional materials such as
22 individual verification forms for each

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1 testimony show why this is so important.
2 Exhibit A is this validation form
3 which was supposed to be filled out and
4 apparently it is these filled-out forms, what
5 we've been seeking all along, and what was
6 destroyed. It has a place, a blank, for the
7 response to each of the three questions,
8 including Question 2 which, if you flip over
9 to the next page is the verification
10 questionnaire. And it says from Data
11 Development Worldwide, it says "I'm calling to
12 confirm a few points in the survey, one where
13 you in a mall and ask questions and then ask
14 to go to a facility to do a survey; and then
15 two is the critical one. "Did you tell the
16 interviewer that you currently have satellite
17 radio in your household?"
18 Now as we set out in our motion,
19 between a quarter and a third of Dr. Wind's
20 survey respondents were so-called considering
21 subscribers or nonsubscribers. So the
22 truthful answer to them, to that question

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1 respondent exists regarding the verification
2 process. The materials we provided are the
3 only ones that exist."
4 Now that appeared irreconcilable
5 with the testimony that I just read from Dr.
6 Wind who said there were forms that were
7 filled out and that Data Direct had them. And
8 that's what prompted us to file the motion on
9 Tuesday.
10 Now so there have been multiple
11 opportunities since March when SoundExchange
12 counsel first found out that these documents
13 had been destroyed to advise both us and the
14 Court that these documents had been destroyed.
15 But that was never done, despite a knowledge
16 and despite Dr. Wind's sworn testimony that
17 the documents existed.
18 Well, why is this such a big deal?
19 Ms. Ramono's declaration which was Exhibit 2
20 to the SoundExchange response puts the key
21 documents together and I think that the
22 documents taken together with Dr. Wind's

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1 would have been no. But Dr. Wind testified
2 that every respondent who was contacted
3 responded yes to that question.
4 He said and this is the short part
5 of it, but the whole thing is in there at
6 pages six and seven, "they basically reported
7 that there was no case of any no responses
8 from the people they got."
9 So you have all these considerers
10 saying in the main survey, no, I don't have
11 satellite radio. And in the verification
12 saying yes, I do. "I currently have satellite
13 radio in my household." And with that record
14 the survey would be fundamentally unreliable
15 because if there's inconsistent data regarding
16 whether they even have satellite radio,
17 responses to much more subtle questions in the
18 survey wouldn't have any credibility.
19 Now the story that has been told
20 in response to this motion is that well,
21 actually, we had a special rule for
22 considerers. A successful verification for

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1 them would be yes, no, yes. Well, look at the
2 form. It says "I'm calling to confirm a few
3 points in the survey."
4 Now you wouldn't normally say "I'm
5 calling to confirm a few points in the survey,
6 one of which isn't true." That doesn't make
7 any sense. Secondly, the form has the desired
8 response, yes, yes, yes pre-marked. If they
9 were going to do something different in
10 verification for considerers, they could have
11 done a separate form. They could have said
12 with the no marked in response to question
13 two, or they could have asked a different
14 question, did you tell the interviewer that
15 you currently have or are considering getting
16 satellite radio? But there isn't any of that.
17 And certainly Dr. Wind didn't seem
18 to be aware of it at his deposition because as
19 I said, he testified unequivocally that 54
20 percent of the respondents answered no to
21 every one of the questions.
22 MR. MEYER: Said yes.

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1 according to Ms. Ramono, it took a week and
2 involved hundreds of phone calls. And for
3 there to be absolutely no documents concerning
4 it is just unbelievable. No emails?
5 Apparently there were instructions
6 given that yes, no, yes, was the desired
7 response for considerers. There's no written
8 instructions. There's nothing. And again, it
9 is directly contrary to what Dr. Wind
10 testified which is that every single one that
11 they reached said yes to all three questions.
12 JUDGE ROBERTS: You may be the
13 wrong person to ask this question of, but
14 looking at Exhibit C --
15 MR. STURM: Yes.
16 JUDGE ROBERTS: Do you know what
17 those numbers are? For instance, I look and
18 I see Atlanta, Angel, I presume is the first
19 name of the person contacted and then there's
20 a five followed by a two. Does that mean that
21 the surveyor, maybe it's a surveyor who is
22 Angel and she conducted five surveys, two of

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1 MR. STURM: Excuse me, said yes to
2 every one of the questions. Thank you.
3 Then the lost document we have is
4 this Exhibit C. And this is a -- just the
5 summary and it says names, apparently of
6 interviewers, and it says validation is good.
7 So it says they were good, but it doesn't say
8 what the answer was.
9 And so you've got this massive gap
10 in the record between the blank form, the
11 questionnaire, which appears to be directed to
12 getting all yeses, and then some completed
13 results which say everything is good. You
14 have nothing in the middle. There is not one
15 document anywhere that shows this supposed
16 special rule for considerers. Nothing. And
17 keep in mind, there were three independent
18 parties involved in this process. There was
19 Dr. Wind. There was DDW, Data Development
20 Worldwide. And then there was the
21 subcontractor for this, ABC Research. And to
22 have these three entities in this process,

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1 which were validated? Is that what that
2 means?
3 MR. STURM: That's what I've taken
4 this to mean. And just eyeballing it, it
5 appeared that the number verified in some of
6 them, some of them have no name on them. It
7 appeared that the number of verified was close
8 to the 54 percent where the validation is
9 good. That's what I took it to mean.
10 Then, it just says --
11 CHIEF JUDGE SLEDGE: Why then did
12 you just say that the last document says that
13 all the validations are good?
14 MR. STURM: It says validation is
15 good, but you don't know what's missing is
16 what "good" means. What were the answers to
17 the validation?
18 CHIEF JUDGE SLEDGE: What you also
19 don't know is whether that's all the
20 validations. You said that they say that all
21 the validations are good. How do you reach
22 that conclusion?

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1 MR. STURM: There's a validation
2 is good; there's nothing about validations
3 bad.
4 CHIEF JUDGE SLEDGE: But the
5 number of validations good is less than the
6 number of surveys.
7 MR. STURM: And he said in his
8 original written direct testimony that they
9 validated 54 percent.
10 CHIEF JUDGE SLEDGE: Right. So
11 you're assuming that this is all the
12 validations, but you don't have anything to
13 show that?
14 MR. STURM: Your Honor, the five
15 sheets of paper that we have here are all we
16 have about validation. That's all we've got.
17 JUDGE ROBERTS: So we don't know,
18 going back to the Atlanta market, we don't
19 know if interviewer Angel of the five surveys
20 that she conducted, we don't know of the three
21 that are missing here, whether there was even
22 an attempt to verify those, correct?

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1 number of surveys done?
2 MR. STURM: Your Honor, I
3 eyeballed it and it looked close and I did not
4 attempt to see if it was exact.
5 (Pause.)
6 MR. STURM: So Your Honors, the
7 absence of this data, the destruction of this
8 data regarding the verification process,
9 particularly when coupled with what Dr. Wind
10 testified to very clearly, under oath, makes
11 this survey unreliable. It justifies drawing
12 an inference that as Dr. Wind explicitly
13 testified, that respondents who were reached
14 during the verification process answered yes
15 to all the questions, that would mean that for
16 the considerers that they were testifying that
17 they both had satellite radio, didn't have
18 satellite radio, that would make the survey
19 fundamentally unreliable and should make it
20 inadmissible and therefore we would request
21 that it be excluded from evidence.
22 JUDGE ROBERTS: Mr. Sturm, what in

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1 MR. STURM: Not from these
2 documents. The representation has been that
3 two calls were made to each recipient, each
4 survey respondent. But again, there's no
5 documents to reflect what would be hundreds of
6 phone calls.
7 JUDGE ROBERTS: So it could be
8 that all five were contacted of which only two
9 received a positive validation and the other
10 three for some reason or other answered no to
11 one or more of those questions?
12 MR. STURM: That's right. And we
13 just don't know.
14 JUDGE ROBERTS: Or they were never
15 contacted at all.
16 MR. STURM: They were never
17 contacted.
18 CHIEF JUDGE SLEDGE: And did you
19 say that the 54 percent is close to the number
20 that say the validations are good or is
21 exactly the same as the number of the
22 validations that are good compared to the

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1 our rules require the retention of the
2 individual validation?
3 MR. STURM: There is the
4 requirement that input data be retained.
5 JUDGE ROBERTS: Can you point to
6 that? I think I'm looking at it, 351.10(e),
7 but perhaps I'm not reading the rule quite
8 like you are.
9 MR. STURM: May I grab my copy of
10 the rule, Your Honor?
11 I'm sorry I didn't bring that.
12 (Pause.)
13 It's the last sentence,
14 "summarized descriptions of input data,
15 aberrations of input data and the input data
16 themselves should be retained." And I believe
17 that the responses to the verification
18 process, they're part of the survey, an
19 essential part of the survey and they should
20 have been retained.
21 JUDGE ROBERTS: How are they input
22 data?

<p style="text-align: right;">Page 21</p> <p>1 MR. STURM: Well, they are the 2 same. They are Respondent's answers to 3 questions related to the survey. I believe 4 the same as any other responses to questions 5 related to the survey. It's all part of one 6 process. 7 JUDGE ROBERTS: I think that 8 certainly if the inputs that the initial 9 responses that they gave and in the mall when 10 they were contacted by these various 11 interviewers, if they had disposed of those, 12 that's clearly the input data because that is, 13 in fact, a number. They generated the numbers 14 that Dr. Wind was using, but I'm less clear as 15 to how the verification forms are, in fact, 16 the input data as they do not generate any 17 numbers that document. 18 MR. STURM: Well, they generate 19 the 54 percent verification that Dr. Wind 20 refers to in his report. 21 JUDGE ROBERTS: He refers to it, 22 yes, but he doesn't actually use the 54</p>	<p style="text-align: right;">Page 22</p> <p>1 percent number. 2 MR. STURM: Other than to 3 demonstrate the reliability of the survey 4 which is a critical part, portion of its 5 admissability. 6 (Pause.) 7 MR. MEYER: May I be heard to 8 address that point? 9 CHIEF JUDGE SLEDGE: No, sir. 10 MR. STURM: Just one more thing to 11 add and obviously I was answering the 12 question, there have now been two affidavits 13 and neither one of them, as I pointed out 14 before, says anything about how these supposed 15 special instructions were implemented or 16 communicated. There is no explanation for the 17 destruction of the verification forms. 18 They just were destroyed. Thank 19 you. 20 CHIEF JUDGE SLEDGE: Thank you. 21 (Pause.) 22 Does Sirius have anything to</p>
<p style="text-align: right;">Page 23</p> <p>1 present on this motion? 2 MR. STURM: I am representing 3 Sirius, Your Honor. Do you mean, XM? 4 CHIEF JUDGE SLEDGE: No. 5 MR. STURM: I know it gets 6 confusing. 7 CHIEF JUDGE SLEDGE: Thank you, I 8 was confused. Let me go back and change that. 9 Just a moment. 10 (Pause.) 11 MR. MEYER: The only point I 12 wanted to add to Mr. Sturm's presentation and 13 it was in response, I believe, to Judge 14 Roberts' question is first of all, I think 15 they have a general obligation to retain any 16 documents that are relevant to the case, and 17 certainly documents that were responsive to 18 one of our document requests, even apart from 19 the portion of the rule that speaks of the 20 inputs to the survey. 21 But the other point I wanted to 22 make --</p>	<p style="text-align: right;">Page 24</p> <p>1 JUDGE ROBERTS: Let me stop you 2 right there. 3 MR. STURM: Yes, sir. 4 JUDGE ROBERTS: How can you be 5 responsible for holding documents that are 6 going to responsive to a document request? 7 You don't know at the time you have the 8 documents whether or not they're going to be 9 asked for at some point in time? 10 MR. STURM: Your Honor, I think 11 it's like in any litigation, they put in a 12 report that affirmatively represents in the 13 body of the report that 54 percent of the 14 people were validated. The report contains, 15 as an exhibit, Dr. Wind's report contains as 16 Appendix E the instructions to the 17 interviewers which themselves say that it's 18 contemplated that there will be 100 percent 19 telephone validation on all completed 20 interviews. That's in Tab E to Dr. Wind's 21 report, field instructions. 22 Then also attached to Dr. Wind's</p>

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1 report --
2 JUDGE ROBERTS: He's wrong there.
3 MR. MEYER: I mean clearly that
4 didn't happen for whatever reason and we don't
5 know exactly why not. But so he makes the
6 affirmative representation in the report that
7 it was 54 percent. He attaches to his report
8 the instructions to the interviewers which
9 says that it's contemplated that there will be
10 100 percent validation. And then he attaches,
11 as Exhibit F to his report, the verification
12 form saying this is the form that is supposed
13 to be used to verify and it's this form that
14 they have inexplicably destroyed with no
15 explanation.
16 So I would say, Judge Roberts,
17 that to argue that what we didn't realize that
18 we should have kept these, really stretches
19 the bounds of credulity, if not ethics. I
20 mean the fact that something that you attach
21 is an exhibit to your expert's report which
22 you say is part of the protocol of the report

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1 retains yet another independent company called
2 ABC to do the verification, again independent
3 of DDW, independent of Dr. Wind and they have
4 no idea what all of this is for or it's about.
5 Now the way the verification
6 process works and Judge Roberts, to some of
7 your questions is, if you look at the
8 validation summary form, you're correct that
9 the -- when you look at Atlanta and then
10 there's a list of names. Those are the names
11 of the DDW interviewers, who did the
12 interviews in the malls in that market.
13 So what the verification firm does
14 is they attempt to contact every one of the
15 people who was a survey respondent and when
16 you've heard referred to 100 percent
17 verification, they don't mean that they
18 complete 100 percent. They mean they attempt
19 100 percent. They try and call every survey
20 respondent. They agree to call twice. If
21 they reach them, great. If they don't, they
22 figure that's enough.

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1 and then to come in and say well, we didn't
2 realize that it might be asked for, that we
3 would have to keep it, seems to me to be
4 somewhat of a stretch. But that's the extra
5 point I wanted to make.
6 CHIEF JUDGE SLEDGE: Thank you.
7 MR. MEYER: Thank you.
8 CHIEF JUDGE SLEDGE: Mr. Handzo.
9 MR. HANDZO: Thank you, Your
10 Honor. Let me start where Sirius did, with
11 the rhetorical question why is this a big
12 deal? The answer is it's not. It's all a red
13 herring.
14 Here's what happens. Dr. Wind
15 designs a survey. He hires an independent
16 research firm, Data Development, DDW, to field
17 the survey. It's a double-blind survey, by
18 the way. DDW doesn't even know who the survey
19 is being run for or why it's being run.
20 DDW fields the survey. They have
21 the interviewers who go out to the malls and
22 they do the interview. DDW then, in turn,

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1 And so --
2 CHIEF JUDGE SLEDGE: What is the
3 basis of that statement?
4 MR. HANDZO: I'm sorry?
5 CHIEF JUDGE SLEDGE: What is the
6 basis of that statement?
7 MR. HANDZO: Dr. Wind, that may
8 actually be in Dr. Wind's testimony, but he
9 would certainly testify to that and he's here
10 today.
11 JUDGE ROBERTS: So just to
12 clarify, Mr. Handzo, Angel, here in Atlanta,
13 did five surveys?
14 MR. HANDZO: Right.
15 JUDGE ROBERTS: And you're saying
16 that of those five surveys, those people were
17 called twice?
18 MR. HANDZO: Correct.
19 JUDGE ROBERTS: Okay, and it
20 yielded two positive responses?
21 MR. HANDZO: Two people were
22 actually reached.

7 (Pages 25 to 28)

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1 JUDGE ROBERTS: Two people were
2 actually reached?
3 MR. HANDZO: Correct.
4 CHIEF JUDGE SLEDGE: I don't
5 understand. What do you mean they were called
6 twice?
7 MR. HANDZO: Your Honor, what
8 happens is if, let's take Angel from Atlanta
9 who did five surveys.
10 CHIEF JUDGE SLEDGE: Oh, I see.
11 They weren't called for the survey --
12 MR. HANDZO: No, these five people
13 had completed the survey and Angel from DDW
14 had done the survey with these five people.
15 Then we give those names and addresses or DDW
16 gives those names and addresses to the
17 verification firm. The verification firm then
18 tries to call each of those people and make
19 two attempts to call each of those five people
20 just to ask these questions. Well, they don't
21 reach all five. In this case, with Angel,
22 they reach two. And so they ask the

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1 then make sure that they contact every person
2 who was interviewed by Angel, for example. Or
3 whether they go back and try to verify truly
4 reaching 100 percent. But the point is, if
5 you get one that doesn't --
6 JUDGE ROBERTS: Wait a minute.
7 You said that they're already trying to
8 contact all the people, Angel's survey.
9 MR. HANDZO: Right, but you're
10 only making two attempts. If you found that
11 one of Angel's didn't verify, that you reached
12 somebody who said oh no, I never got
13 interviewed in the mall, then you would make
14 sure. You'd keep trying until you got all
15 five of Angel's. But if you don't get -- so
16 the numbers that you're seeing here, on the
17 right, those are the evaluations --
18 verifications that were successful. There
19 weren't any where people said oh no, I wasn't
20 interviewed. If there had been, there would
21 have been a further step in the process. But
22 that further step in the process never

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1 verification questions of those two people.
2 And the result is that we get the
3 verification numbers that you've heard talk
4 about, I think it's 54 percent. Now as it
5 turns out, that 54 percent verification is
6 actually way higher than industry standards
7 and research standards typically would have
8 you do.
9 JUDGE ROBERTS: Mr. Handzo, do you
10 know why on this chart there's not a
11 validation is bad or another category that
12 says no response?
13 MR. HANDZO: Because and again I
14 think this is in Dr. Wind's testimony, but he
15 can certainly testify to it. Had they gotten
16 a bad verification, in other words, had
17 somebody answered the questions in a way which
18 said oh no, I wasn't interviewed or I'm not a
19 subscriber or whatever, then they would have
20 gone back and done a complete review. I'm not
21 sure about this. I need to ask Dr. Wind.
22 I don't know whether they do a --

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1 happened, because the verifications were all
2 good.
3 So that's the process. Now what
4 Sirius and XM want to argue is oh my goodness,
5 in the verification process, some of the
6 people should have said yes, yes, yes, on the
7 verification form, the people who are current
8 subscribers and in order to be correctly
9 verified, some of the people should have said
10 yes, no, yes. Those are the people who are
11 not yet subscribers, but are considered.
12 So what was ABC told to do? We
13 know what they were told to do because we've
14 given you declarations from DVW, Kathy Ramono
15 and from ABC and the declarations say exactly
16 --
17 MR. MEYER: Your Honor, I am
18 sorry. It just occurred to us that perhaps
19 Dr. Wind should not be in the courtroom while
20 Mr. Handzo is arguing about what he
21 understands to have really happened here, just
22 as a matter of sequestration.

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1 MR. HANDZO: I don't have an
2 objection.
3 CHIEF JUDGE SLEDGE: Dr. Wind will
4 please remove himself from the courtroom.
5 (Pause.)
6 MR. HANDZO: Your Honors, if you
7 look at the Ramono declaration that we
8 attached last night, she tells us what DDW
9 instructed ABC with respect to verifying the
10 survey results. And she says "for respondents
11 who are subscribers, a respondent would be
12 verified if she or he answered yes to all
13 three question son the verification
14 questionnaire. The respondents who were
15 considering subscribing, a respondent would be
16 verified if she or he answered yes to
17 questions one and three, and no to question
18 two. I further instructed ABC to notify me if
19 any respondent answered a question
20 incorrectly."
21 So we've got testimony from her
22 about how she instructed the verification to

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1 Ramono's declaration. But that's what she
2 told them to do. And we further have the
3 declaration of ABC, where ABC says that they
4 got the instructions from DDW and they
5 confirmed the 54 percent of the respondents of
6 the survey were contacted by ABC and that
7 those individuals gave the proper responses to
8 the questions.
9 In particular, each of the
10 respondents who had previously identified
11 themselves as subscribers to satellite radio
12 answered all three questions yes. Each of the
13 respondents who had previously identified
14 themselves as considering a subscription to
15 satellite radio answered the questions yes,
16 no, yes.
17 So we've got both: DDW and ABC
18 submitting sworn declarations to this Court
19 saying ABC was correctly instructed by DDW how
20 to conduct the verification and what the
21 correct answers were for both considering
22 subscribers and current subscribers. You've

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1 be done. We then have a declaration from the
2 verification firm, ABC.
3 JUDGE ROBERTS: Mr. Handzo,
4 looking at Exhibit B, the verification
5 questionnaire?
6 MR. HANDZO: Yes.
7 JUDGE ROBERTS: And this was
8 brought up by Mr. Sturm. Why are the boxes
9 already checked?
10 MR. HANDZO: That was given to ABC
11 by DDW as a sample, but then there were,
12 apparently Ms. Ramono called them and said for
13 the considering subscribers, here's how you
14 need to do it.
15 JUDGE ROBERTS: Was there one sent
16 that had a yes box, a no box, and a yes box
17 checked?
18 MR. HANDZO: I don't believe so.
19 My understanding is that those communications
20 were communicated orally by Ms. Ramono.
21 So -- but we do know that those
22 communications happened because we have Ms.

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1 got ABC saying we got those instructions.
2 That's how we did it and we verified according
3 to that process.
4 So basically what you have to
5 believe in order to accept this motion is that
6 these two people from ABC and DDW are lying to
7 this Court. Why in the world these two
8 independent companies which have no dog in
9 this fight, they don't even know what this
10 case was about. They weren't told because
11 it's a double-blind survey, who was ultimately
12 conducting the survey or what it being used
13 for, why they would come in and lie about what
14 happened is utterly beyond me. Nobody has
15 attempted to explain that one.
16 So it's simply not true to say we
17 don't know what happened here. We know
18 exactly what happened here because we have the
19 declarations of two totally uninterested
20 witnesses with no stake in this case, not to
21 mention the fact that in order to accept the
22 arguments of XM and Sirius, you'd have to

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1 believe that ABC faked the responses, faked
2 the verification in the first place, which
3 also doesn't make any sense.
4 CHIEF JUDGE SLEDGE: No stake in
5 this case, except these are people that want
6 business from Dr. Wind.
7 MR. HANDZO: Your Honor, I'm not
8 even sure that ABC would have known that Dr.
9 Wind was involved.
10 I have to say I'm not sure about
11 that. I'd have to ask Dr. Wind. But my
12 understanding of the process is Dr. Wind does
13 retain DDW. Then DDW retains ABC. But I also
14 have to say these are companies that are in
15 the business of doing this. If they were
16 faking results and lying to Courts, they're
17 jeopardizing their own business by doing that.
18 They're not going to do something like that
19 and there's certainly no reason to believe
20 that would have happened in this case.
21 CHIEF JUDGE SLEDGE: Can the same
22 argument be made for experts that slant their

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1 was all correct.
2 So again, you've got ABC doing the
3 verification, but then DDW reviewing their
4 work to make sure it's all correct. And
5 again, that's in Ms. Ramono's declaration
6 about which she'd have to be lying in order
7 for the services' motion to be correct.
8 However, those forms, those
9 individual forms, we can't get our hands on.
10 Now, Mr. Sturm keeps saying they're destroyed.
11 Frankly, I don't really know. What I know is
12 that we asked DDW for them and they said they
13 can't be located or they weren't retained or
14 whatever. I mean what I've heard is that they
15 were painting their offices and they were
16 moving and they can't find things.
17 For all I know, it may turn up in
18 two months, but the bottom line is from our
19 perspective, we can't get our hands on them,
20 but I don't want the Court to think that
21 somebody went off to a shredder and purposely
22 destroyed these things. That's not what

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1 opinion to support the party that hires them?
2 MR. HANDZO: Your Honor, these
3 declarations couldn't -- there couldn't be a
4 slant in here. They'd have to be flat out
5 lying to you, okay? Because they flat out say
6 here's how we did the verification. We did
7 the verification getting yes, yes, yes answers
8 for people who were current subscribers. And
9 we did the verification getting yes, no, yes
10 answers for the people who were considering
11 subscribing.
12 There's no -- this is not shading
13 an opinion. They're telling you exactly what
14 they did.
15 Now, that's the evidence. Sworn
16 testimony as to what happened, all absolutely
17 on the up and up. So why are we even arguing
18 about this? Well, when ABC did the
19 verification, they filled out a form for each
20 one. And then they transmit those forms to
21 DDW and as you see from the Ramono declaration
22 DDW then looks over them to make sure that it

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1 happened.
2 But given that we can't --
3 CHIEF JUDGE SLEDGE: Well, how do
4 you know that?
5 MR. HANDZO: Well, it's true, I
6 don't know. All I know is we asked them for
7 them and they say they're not available. I
8 don't know what happened to them.
9 But that sort of leads us to Judge
10 Roberts' question, is there any violation of
11 any rule or regulation or order here? And I
12 read the regulation at 351.10(e) to say that
13 what we are required to retain is the inputs
14 to the survey.
15 Now this verification happens
16 after the survey is over. It's done. The
17 responses are in. This is not an input to the
18 survey results or an input to the survey
19 itself. And there's nothing in its
20 verification process that is a number that
21 anybody is relying on to set a rate in this
22 case.

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1 The inputs are the survey
2 questionnaires, the responses to those
3 questionnaires and the tabulations, all of
4 which we provided every piece of appear there
5 is and nobody suggests otherwise.
6 There's just no way to consider
7 these verification forms an input into the
8 survey itself. The Court, in addition to that
9 regulation, of course, there was a motion to
10 compel which the Court granted. We went to
11 DDW. We asked them for the forms. They don't
12 have them for whatever reasons. We can't
13 produce what we don't have.
14 JUDGE ROBERTS: Dr. Wind's
15 statement about 54 percent verification, we
16 don't have any data now apparently to verify
17 his 54 percent.
18 MR. HANDZO: Well, we do have data
19 in the sense we've got the summary sheet which
20 shows you the number of contacts and that they
21 were verified. So we do have that. But in
22 addition, we've got the testimony that it

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1 surveys in this case, there's no verification
2 of those at all, period.
3 So it's not like verification
4 means the survey is simply not admissible to
5 begin with. It's an issue that the Court can
6 consider with respect to weight. But the fact
7 again is it was done and we know it's done and
8 we've got sworn testimony that it was done.
9 CHIEF JUDGE SLEDGE: Sounds like
10 an improper comparison. Here, we've got an
11 expert witness whose testimony is subject to
12 the gatekeeping responsibility of Court, and
13 that doesn't apply to any of those surveys
14 that you mention.
15 MR. HANDZO: What I would suggest
16 to you, Judge. That's a fair point, but the
17 case law which addresses that gatekeeping
18 function doesn't say oh, if there's no
19 verification you automatically throw the
20 survey out. They say you can consider it as
21 an issue going to the weight of the survey.
22 What all of this at the end of the

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1 happened. We've got testimony not only from
2 Dr. Wind, but we've got the declarations from
3 ABC and DDW which seems to me is pretty
4 compelling evidence that it happened just as
5 we say.
6 And I would also say we should
7 keep in mind that verification is just one
8 element of proving that a survey is accurate
9 and provides useful data. I mean let's say we
10 hadn't verified at all. Those Courts under
11 the federal rules would say well, that's an
12 issue that we'll consider in looking at the
13 weight of the survey. Courts don't throw out
14 a survey if it wasn't -- if nobody even
15 attempted to verify it.
16 What happened here as Dr. Wind
17 will testify is that DDW and ABC actually went
18 beyond what is ordinarily required for survey
19 research. They did more verification than one
20 would ordinarily do, even for a very, very
21 rigorous survey. I mean, for example, you've
22 heard a lot of testimony about Sirius and XM

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1 day comes down to is that in his deposition,
2 Dr. Wind said well, the verification would
3 have required people to say yes, yes, yes.
4 Well, what happened in the deposition and
5 again, I think Dr. Wind will explain his
6 testimony. In the deposition, he's handed
7 that sample form, that you've seen and it's
8 got the yes, yes, yes answers. So he
9 understands the question to be addressing
10 people who are current subscribers for whom
11 the answers would be yes, yes, yes, and that
12 was the basis for his answer.
13 He was intending to say that would
14 be the correct answers for people who say yes,
15 no, yes. So bottom line, I think that's all
16 a misunderstanding which he will explain, but
17 at the end of the day, as I say, what we do
18 know is that we have sworn testimony from
19 disinterested witnesses that the verification
20 was performed correctly, with the correct
21 responses for 54 percent of the respondents.
22 If the Court has any questions,

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1 I'm happy to address them.
2 CHIEF JUDGE SLEDGE: A lot of your
3 explanation comes from the declarations and
4 you say that Dr. Wind will explain his
5 deposition testimony which is -- needs
6 explanation, and yet your response to this
7 motion says that the motion is frivolous.
8 Hyperbole is not a good trial
9 tactic.
10 MR. HANDZO: I understand, Your
11 Honor.
12 CHIEF JUDGE SLEDGE: You made
13 another statement that may be confusing. You
14 said that the content of the two declarations
15 is evidence to establish the facts on the
16 verification process. Those declarations are
17 not evidence.
18 MR. HANDZO: Your Honor, for that
19 matter, I would suggest then that Dr. Wind's
20 deposition on which the services rely is
21 likewise not evidence. That's not in the
22 record either.

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1 is there isn't a separate form like this for
2 the considerers. There's only this. And so
3 his testimony makes perfect sense.
4 Now, Mr. Handzo also said well,
5 maybe these things will turn up because they
6 were painting their office or whatever.
7 Again, paragraph 9 of the Ramono declaration
8 says we don't know anything more than this.
9 It says "counsel for SoundExchange requested
10 in March 2007 that DDW provide all materials
11 relating to the validation process. At that
12 time, I discovered that the validation forms
13 had not been retained." So it doesn't sound
14 like the prospects are very good for these
15 things ever showing up.
16 Mr. Handzo also described the
17 process which is ABC does the validation and
18 then DDW reviews it to make sure it's correct.
19 But that's what we want to do. And that's
20 what we're not going to be able to do because
21 the documents have not been retained. Thank
22 you.

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1 But we are certainly happen to
2 submit the declarations into evidence if the
3 Court desires that.
4 CHIEF JUDGE SLEDGE: If you can
5 get them into evidence, you can submit them.
6 That still wouldn't make them evidence.
7 Okay. All right, any follow up,
8 Mr. Sturm?
9 MR. STURM: Very briefly, Your
10 Honor. Mr. Handzo says we know what happened
11 because we have the sworn declarations from
12 the two survey people to tell us.
13 But as Your Honor pointed out, we
14 also have Dr. Wind's testimony which is
15 directly contrary with respect to the results
16 of the responses that were given in the
17 verification process.
18 Mr. Handzo tries to explain that
19 testimony away saying well, Dr. Wind was
20 looking at this forum which is marked yes,
21 yes, yes and he says so he thought they were
22 just talking about subscribers, but the point

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1 CHIEF JUDGE SLEDGE: Mr. Meyer,
2 anything in addition?
3 MR. MEYER: No, Your Honor.
4 CHIEF JUDGE SLEDGE: Mr. Handzo?
5 MR. HANDZO: Your Honor, the one
6 point I was going to add is that in the
7 volumes of documents we produced, they not
8 only have all of the verbatim responses, they
9 actually have the names and addresses of all
10 of the survey respondents. So to say oh,
11 we're wholly at a loss, there's nothing we can
12 do to verify this. It's not true. They could
13 actually go through a verification process
14 themselves. They have the names and addresses
15 of the survey respondents.
16 So if they're willing to check on
17 this, they can do it. They could have done
18 it. So it's not like there's no remedy here
19 for them. They could go through and check on
20 the accuracy of these responses and verify
21 themselves that they have that information to
22 do it.

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1 CHIEF JUDGE SLEDGE: Don't the
 2 rules on unsolicited calls to people who put
 3 their name in the no box interfere with that
 4 statement?
 5 MR. HANDZO: Your Honor, you are a
 6 little bit beyond me in my knowledge of the
 7 "do not call rule" so as far as I can tell,
 8 nobody honors those things anyway.
 9 (Laughter.)
 10 CHIEF JUDGE SLEDGE: I don't know.
 11 MR. HANDZO: My point is they have
 12 the information.
 13 MR. STURM: May I address --
 14 CHIEF JUDGE SLEDGE: I think
 15 that's clear.
 16 (Pause.)
 17 JUDGE SLEDGE: Thank you. We'll
 18 recess for consideration.
 19 (On the record at 10:49 a.m.)
 20 CHIEF JUDGE SLEDGE: Thank you,
 21 we'll come to order. All right, considering
 22 the presentation on the emergency motion, the

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1 testimony that I'd like to distribute to the
 2 Court.
 3 JUDGE ROBERTS: By the way, so
 4 that everybody's clear, with respect to this
 5 motion on the record and any others that may
 6 be made during the course of this proceeding,
 7 the time that has gone through during this
 8 period is charged to the moving party.
 9 MR. HANDZO: Your Honor,
 10 SoundExchange if we can proceed now, will call
 11 Dr. Wind.
 12 CHIEF JUDGE SLEDGE: Please raise
 13 your right hand.
 14 Whereupon,
 15 YORAM WIND
 16 was called as a witness and, having been first
 17 duly sworn, was examined and testified as
 18 follows:
 19 CHIEF JUDGE SLEDGE: Thank you, be
 20 seated.
 21 MR. HANDZO: Good morning, Dr.
 22 Wind.

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1 Judges find that the requirement of Regulation
 2 351.10(e) for presenting and preserving
 3 underlying data does not apply to the
 4 information in question. There is no -- it has
 5 not been determined that verification is
 6 required for a survey to be admissible and,
 7 therefore, the verification data is not
 8 underlying data for the survey. On our gate-
 9 keeping responsibilities for expert testimony,
 10 there has not been established from the
 11 evidence that the industry standard for
 12 surveying requires that surveys be verified
 13 nor do our rules of procedure require that
 14 surveys be verified.
 15 Verification is an element to fit
 16 within the weight of the evidence presented
 17 and does not -- is not a required part of
 18 admissibility and with these findings, the
 19 motion filed is denied.
 20 MR. HANDZO: Your Honor, if I may,
 21 I think Dr. Wind is still outside. While
 22 we're getting him, we do have binders of the

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1 THE WITNESS: Good morning.
 2 DIRECT EXAMINATION
 3 BY MR. HANDZO:
 4 Q For the record, could you
 5 introduce yourself to the Court?
 6 A Yeah, I'm Yoram Wind. I am a
 7 Professor of Marketing and a Lauder Professor
 8 at the Wharton School, University of
 9 Pennsylvania.
 10 Q How long have you taught at the
 11 University of Pennsylvania?
 12 A Forty years.
 13 Q What courses do you teach?
 14 A Various marketing courses,
 15 marketing strategy, consumer behavior and
 16 marketing research, marketing research and
 17 modeling for business decisions and so on.
 18 Q Do you teach graduate or
 19 undergraduate courses?
 20 A Mostly MBA and Executive
 21 Development which is basically senior
 22 executives.

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<p>1 Q Is that a particular focus to your 2 own academic work?</p> <p>3 A Mostly in the marketing area, the 4 marketing strategy, relating to the use of new 5 methods for better decision relating to areas 6 such as corporate growth, market segmentation, 7 positioning, new product development and the 8 like.</p> <p>9 Q Dr. Wind, what is your educational 10 background?</p> <p>11 A My Doctorate is from Stanford 12 University.</p> <p>13 Q That is a Doctorate in what?</p> <p>14 A In marketing and the behavioral 15 sciences.</p> <p>16 Q When did you receive that degree?</p> <p>17 A In January `67 when I started 18 teaching at Wharton.</p> <p>19 Q Have you authored any books or 20 publications?</p> <p>21 A Yes, about 21, I think books and 22 over 250 articles, monographs, chapters on</p>	<p>1 various topics related to marketing.</p> <p>2 Q Dr. Wind, in the course of your 3 academic work have you had occasion to perform 4 or supervise surveys?</p> <p>5 A Yes, many of them. I probably 6 conducted over the last 40 some years probably 7 thousands of surveys, supervised dissertations 8 of research of students in many of the courses 9 I teach, conducted and evaluated research for 10 companies for whom I've consulted over the 11 years, evaluated research as an editor those, 12 when I was the Editor in Chief of Journal of 13 Marketing as well as being on editorial review 14 boards of most of the marketing publications.</p> <p>15 Q Between the surveys that you've 16 conducted yourself, the ones that you've 17 reviewed for your students, and the ones that 18 you reviewed as an editor, do you have a 19 number of the surveys you've been involved in?</p> <p>20 A It would have to be in the 21 thousands.</p> <p>22 Q You mentioned doing some survey</p>
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<p>1 work for companies. Do you occasionally serve 2 as a consultant to companies?</p> <p>3 A Yes, I regularly serve as a 4 consultant to companies both with respect to 5 marketing strategy in general, business 6 strategy as well as with respect to specific 7 issues they have that require research.</p> <p>8 Q And have you conducted market 9 research or survey research for the companies 10 that you consult with?</p> <p>11 A Many of them, yes.</p> <p>12 Q Okay. Can you give us an example?</p> <p>13 A Well, IBM, I was involved in the 14 design of the AS-400. Courtyard by Marriott, 15 actually it was Marriott Corporation, 16 basically it was the design of the Courtyard 17 by Marriott Hotel.</p> <p>18 Q And let me just stop you there. 19 Did that involve survey research?</p> <p>20 A It involved a conjoint analysis 21 study which would fall under the category of 22 survey research.</p>	<p>1 Q Okay, we'll get to contract in 2 awhile but does that involve going out and 3 actually doing a survey and getting 4 respondents and all that sort of thing?</p> <p>5 A Yes, most of the studies involve 6 development of a research instrument and then 7 going out and interviewing consumers.</p> <p>8 Q Now, in addition to the consulting 9 work that you've done for businesses, have you 10 testified in Court with respect to survey 11 evidence?</p> <p>12 A Yes, I have.</p> <p>13 Q Do you recall how many times?</p> <p>14 A Not really. In my resume there is 15 a listing of cases in which I have been 16 involved. I suspect probably in terms of 17 actual court appearances, somewhere in 30, 40 18 times over the span of the last probably 30 19 years or so.</p> <p>20 Q And in those 30 to 40 cases have 21 you been accepted by the court as a survey 22 research expert?</p>

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1 A Yes.
2 MR. HANDZO: Your Honor, I would
3 offer Dr. Wind as an expert in marketing,
4 marketing strategy and marketing research.
5 CHIEF JUDGE SLEDGE: Any
6 objection?
7 MR. MEYER: No objection.
8 CHIEF JUDGE SLEDGE: Without
9 objection, the offer is admitted.
10 BY MR. HANDZO:
11 Q Dr. Wind, in the course of your
12 work in this case, were you assisted by anyone
13 at the University of Pennsylvania?
14 A Yes. For the statistical analysis
15 and the analysis of the conjoint analysis part
16 of the study I conducted, I worked closely
17 with Professor Abba Krieger, who is a
18 professor and Chairman of the Statistic
19 Department at Wharton actually.
20 Q How long have you worked with Dr.
21 Krieger?
22 A Almost since he came to Wharton,

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1 you to open that up and take a look at the
2 document that appears in the first tab that
3 says "Testimony".
4 A Yes.
5 MR. HANDZO: Your Honor, I believe
6 we have marked that as SoundExchange Trial
7 Exhibit 51 for identification.
8 (SX Trial Exhibit 51
9 marked for
10 identification.)
11 BY MR. HANDZO:
12 Q Dr. Wind, can you identify this
13 document for me?
14 A Yeah, this is a report I prepared
15 that summarizes the research I conducted in
16 this case and involves also behind it tabs
17 from A to L with appendices relating to the
18 study.
19 Q Okay, let me ask you to turn to
20 page 52 of the report itself.
21 A Yes.
22 Q Is that your signature?

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1 probably over 20 years. He got his Doctorate
2 as far as I recall, from Harvard, came to us
3 and since he came to Wharton, we have been
4 working very closely, he and another colleague
5 of ours who retired recently, Paul Green. So
6 many of the publications that you will see in
7 my resume will be a Green, Krieger, Wind, some
8 combination of that.
9 Q Okay, and Dr. Krieger assisted you
10 with the statistical analysis?
11 CHIEF JUDGE SLEDGE: And you said
12 he's a Professor of German of the Statistical
13 Department?
14 THE WITNESS: No, no, Statistics.
15 He is a Professor of Statistics and the
16 Chairman, the Chairman of the Statistics
17 Department at Wharton.
18 CHIEF JUDGE SLEDGE: Chairman.
19 THE WITNESS: Chairman, sorry.
20 BY MR. HANDZO:
21 Q Dr. Wind, we've got a very large
22 notebook in front of you. I'm going to ask

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1 A Yes.
2 Q Okay, and did you prepare this
3 report?
4 A Yes.
5 Q What -- well, let me start at the
6 beginning. Do you recall when you were
7 retained by SoundExchange?
8 JUDGE WISNIEWSKI: Can I clarify
9 one thing? Dr. Wind, you said you prepared
10 this report. Did you prepare it or was it
11 prepared under your supervision?
12 THE WITNESS: No, I prepared it.
13 JUDGE WISNIEWSKI: Okay, thank
14 you.
15 THE WITNESS: Would you like me to
16 elaborate the process?
17 JUDGE WISNIEWSKI: No, I'm sure
18 that we'll get to that.
19 BY MR. HANDZO:
20 Q Well, since we're on it now, you
21 say you prepared it. Was it also reviewed by
22 lawyers?

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1 A Yes, but I prepared originally the
2 typical type of research report that I do
3 which is all the exhibits that we have here or
4 most of them, but in the form of a PowerPoint
5 presentation as opposed to a detailed written
6 report. When -- in this case, they included
7 I think virtually all the material we have
8 here.

9 This was then -- a draft of this
10 was prepared by Matt Helman in your office who
11 converted it from my PowerPoint to a report.
12 I reviewed it, worked over this number of
13 iterations in terms of changes so this is
14 basically my report reformatted in the form
15 that this Court requires.

16 Q Okay, now -- I'm not sure if I got
17 an answer to this question. Do you recall
18 when you retained by SoundExchange?

19 A I think around June or July of
20 last year.

21 Q Okay, and do you recall what you
22 were asked to do?

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1 Q Okay, and are the results of that
2 survey also reported in Exhibit 51?

3 A Yes.

4 MR. HANDZO: Your Honor, I would
5 move that admission of SoundExchange Exhibit
6 51 into evidence.

7 MR. STURM: I'm sorry, for
8 clarification, is that the whole binder or
9 just the original report?

10 MR. HANDZO: No, it's -- yes,
11 thank you. That's the original report with
12 the appendices to the original report. It is
13 not the amended testimony.

14 MR. STURM: I have to objection,
15 your Honor.

16 MR. MEYER: No objection, your
17 Honor.

18 BY MR. HANDZO:

19 Q Dr. Wind, let me ask you to turn
20 to page 5 of your testimony, your written
21 testimony, Exhibit 51 and you'll see a figure
22 1 there. Can you tell us what that

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1 A Yeah, generally, it was to explore
2 the possibility of designing a study that will
3 determine the relative importance of music to
4 satellite radio subscribers and those who
5 consider subscribing.

6 Q Okay. Are the methods that you
7 undertook for that research described in
8 Exhibit 51?

9 A I used a variety of methods. The
10 idea underlying it was to try to determine the
11 value of music. Probably the best way would
12 be to try to identify different dimensions of
13 value and to ask -- to use different
14 approaches to try to determine a consumer's
15 perceived value of music versus other
16 programming options.

17 Q Dr. Wind, let me just stop you
18 there because you're a step ahead of me.
19 Right now my question is just whether in
20 Exhibit 51 you've described the process that
21 you went through to create your survey?

22 A Yes, yes.

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1 represents?

2 A This is a summary figure that
3 reflects on the left side the different
4 measures of value that I used in this study
5 and the body of the figure, it represents the
6 key results. The results here are presented
7 primarily as the value on the specific measure
8 for music in the rate powers relative to the
9 highest ranked other programming type which
10 always is presented here as one.

11 And in the blue you can see
12 basically the type -- what is the other
13 programming type that was the next highest to
14 music. In the report itself, there will be
15 the details of the measures for each one of
16 these specific measures. Here to facilitate
17 comparison in the different measures, I used
18 the ratio approach of presenting the ratio of
19 the number of times that music is more
20 preferred than the other leading programming
21 type.

22 CHIEF JUDGE SLEDGE: As there was

16 (Pages 61 to 64)

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1 no objection to the offer of admission, the
2 Exhibit 51 is admitted.
3 (SX Trial Exhibit 51
4 having been marked for
5 identification was
6 received in evidence.)
7 MR. HANDZO: My apologies, your
8 Honor. I got ahead of myself.
9 BY MR. HANDZO:
10 Q Dr. Wind, looking at Figure 1,
11 you'll see a number -- you've got a number of
12 different bars on this chart representing from
13 the top cancellation, willingness to pay,
14 general draw and so on. Why is it that you
15 designed this survey to look at these
16 different aspects?
17 A This was primarily my
18 understanding of the different dimensions of
19 value that one can look at. So when given the
20 general assignment to determine -- of
21 determining the perceived value of music
22 versus other offering of satellite radio, this

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1 approaches and if I am getting the same
2 conclusions from all of these different
3 approaches, my confidence in the reliability
4 and validity of the results are by far
5 greater.
6 Q And applying that concept of
7 convergence validity to you study, what did
8 you find?
9 A A very strong convergence of all
10 the results, as you can see in this figure 1,
11 in all of them, we have the red bars which are
12 representing music, significantly higher than
13 the next highest programming type. And it
14 ranges from as low as 1.6 times the other
15 programming type for willingness to pay to as
16 high as 5.3 for general draw.
17 The last bar is the average, does
18 represent the average score across all these
19 different measures.
20 Q I think you indicated in response
21 to an earlier question that this figure 1
22 compares music to the next highest rated type

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1 is my operational interpretation of these,
2 that this implies these dimensions.
3 Therefore, the research design
4 included various tasks ranging all the way
5 from open-ended questions to some more
6 structured tasks involving conjoint analysis
7 to allow us to get a reliable and valid
8 measures of these dimensions.
9 Q Okay, is there a benefit from a
10 survey research perspective to -- looking at
11 a number of different measures with respect to
12 the importance of music and non-music content?
13 A Yes, obviously, in addition to the
14 insight it provides by looking at each one of
15 them as to what is the content it provides, it
16 provides us an opportunity to assess the
17 convergence validity of the results.
18 Q Now, you'll have to explain for us
19 what convergence validity is.
20 A Convergence validity primarily
21 relates to a situation where I am measuring a
22 phenomena using different methods, different

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1 of content. Do I have that right?
2 A Correct.
3 Q Can you tell me then why, for
4 example, in the first bar, cancellation, the
5 blue bar says both sports and talk?
6 A Because both of them apparently
7 had the same score as the next highest.
8 Q Now, let me take you back to the
9 beginning. After you were retained by
10 SoundExchange and given your assignment, what
11 was the first step in preparing this research?
12 A The first step was to develop a
13 research design to clearly understand the
14 objective, clearly understand the universe
15 involved and then decide what will be the
16 research design and once a research design is
17 developed, decide what type of data collection
18 procedure to use and so on.
19 Q Okay, and when you say what
20 research -- I'm sorry, what universe is
21 involved, what do you mean by that?
22 A Who should be the respondents, who

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1 should be asked. When we talk about
2 consumers, you know, who are the consumers.
3 Q Okay, and what did you conclude
4 about the universe for your study?
5 A The -- primarily the decision
6 makers relating to satellite radio as well as
7 those who either had or consider buying
8 satellite radio in the next months. The best
9 way to identify it is really to walk through
10 the screening questionnaire if you want, which
11 will give you exactly the questions that
12 qualify people for inclusion in the study.
13 Q Okay. I will come back to that.
14 After identifying the universe and the
15 purpose, did you prepare a survey
16 questionnaire?
17 A Yes.
18 Q Is that attached to your
19 testimony?
20 A Yes, this will be under Appendix
21 C.
22 Q Now, did you decide on a method

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1 qualify meeting the universe requirement and
2 some security requirement for inclusion in the
3 study.
4 The screening questionnaire is,
5 incidentally, in Tab B of this report.
6 Q Now, you mentioned that the
7 screening people go to various places in the
8 mall. Why do they do that?
9 A This is actually a very important
10 safeguard in this type of research because if
11 they were positioned let's say next to the
12 interviewing facility, the actual site, and
13 this site was next to Neimann Marcus, they're
14 most likely to get people who go to Neimann
15 Marcus. But what about people who shop at
16 Sears and not Neimann Marcus?
17 So the idea is to send them
18 constantly different part of the malls so they
19 will be able to capture people who buy at the
20 different type of stores in the mall.
21 Q How are the malls selected?
22 A They were selected randomly. It's

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1 for obtaining responses by respondents to your
2 survey questionnaire?
3 A Yes, once I developed the research
4 design and the research instrument, the main
5 question there which is in Tab C, then the
6 question was, what would be the best way to
7 collect the data? And I decided that the best
8 way would be to conduct a central location
9 interviewing.
10 Q And what do you mean by central
11 location interviewing?
12 A Central location is a very common,
13 one of the most common research approaches in
14 terms of data collection. The idea is that
15 there are in many shopping centers around the
16 country interviewing facilities. These
17 interviewing facilities have trained staff,
18 that conduct interviews. The process there is
19 typically they get the screening questionnaire
20 and they send screeners to various parts of
21 the mall to identify people who would be
22 willing to participate in the study and that

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1 basically, a three-step procedure that I use
2 for sampling. First I selected randomly six
3 markets in each of the four census regions.
4 So we had a random selection of markets
5 representing the entire country.
6 In each market, we then select
7 randomly the malls to participate, because
8 there are many malls with interviewing
9 facilities in each one of the markets and you
10 want, again, to select randomly the specific
11 mall. And the third phase is once the mall is
12 selected, then to go to the selection of the
13 respondents.
14 Q Okay, now --
15 CHIEF JUDGE SLEDGE: By limiting
16 your interviews to malls, aren't you excluding
17 lower income people in your survey?
18 THE WITNESS: The general
19 understanding in the market and research area
20 is that over 90 percent of the population
21 visits malls. Malls today are no longer just
22 a place to shop but they're actually an

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1 entertainment place. They're -- many of the
2 malls have fast-food restaurants, other
3 entertainment and so the going out to the mall
4 is becoming very very common in the country.
5 And the data that I have seen a
6 few years ago, I haven't seen more recent
7 data, is that over 90 percent of the people
8 visit malls.
9 CHIEF JUDGE SLEDGE: Visiting
10 malls requires private transportation --
11 THE WITNESS: In many --
12 CHIEF JUDGE SLEDGE: -- in most
13 places, doesn't it?
14 THE WITNESS: In many places, but
15 not all. That's the reason we select malls
16 randomly because there are also shopping malls
17 within cities.
18 CHIEF JUDGE SLEDGE: And malls do
19 not include discount stores, do they?
20 THE WITNESS: Typically, no, not
21 in terms of the big bucks retailers but
22 WalMart will rarely be there but --

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1 capture the inner city and other areas where
2 you don't have typically shopping malls.
3 So, yeah, you are right in terms
4 of the very low end, inner city probably where
5 people will be even afraid to interview, will
6 not be covered here but I don't think that the
7 problem here, because of the nature of the
8 product, is more up-scale than for the very
9 low income.
10 CHIEF JUDGE SLEDGE: People are
11 afraid to interview? People are afraid to
12 interview people that are walking on the
13 streets in inner city?
14 THE WITNESS: Yes, in some places,
15 yes. In some places, it's very difficult,
16 very difficult to get interviewers to do
17 interviewing in certain areas, not in all
18 inner cities but in some inner cities where
19 you have a lot of crime, a lot of street
20 fights and a lot of drugs. Yes, it's very
21 difficult to get interviewers for these areas.
22 JUDGE ROBERTS: Dr. Wind have you

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1 CHIEF JUDGE SLEDGE: Or the Dollar
2 Store.
3 THE WITNESS: Or a Dollar Store.
4 Sometimes they do have some smaller discount
5 stores in there. The reason they're being
6 used so often is because the general belief of
7 the marketing research community is that most
8 people do visit them. There are a variety of
9 them from very high income malls to actually
10 low income malls and if you select randomly
11 the malls, you have basically a good chance of
12 selecting people from the entire spectrum.
13 CHIEF JUDGE SLEDGE: Maybe I'm
14 confused by what is a mall.
15 THE WITNESS: Well, it would be
16 any area where you have clusters of stores and
17 for this particular purpose, that have also an
18 interviewing facility in there. And we're not
19 talking here about a product which is a very
20 low income product. We're talking about
21 satellite radio. So primarily I was less
22 concerned about trying to make sure that I can

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1 ever --
2 CHIEF JUDGE SLEDGE: Let me
3 continue on just a minute.
4 JUDGE ROBERTS: Oh, I'm sorry.
5 CHIEF JUDGE SLEDGE: What is the
6 percentage of people that go to malls?
7 THE WITNESS: Over 90.
8 CHIEF JUDGE SLEDGE: Over 90.
9 THE WITNESS: Over 90, 9-0.
10 CHIEF JUDGE SLEDGE: Your answers
11 do not persuade me. What authority do you have
12 that over 90 percent of people go to malls?
13 THE WITNESS: I have seen some
14 data, as I mentioned before, a few years ago
15 and I can probably try to get more recent data
16 and provide it to your Honor.
17 CHIEF JUDGE SLEDGE: I have to
18 consider my personal life experiences in my
19 decisions and I don't see many poor people at
20 malls. I only see high income people at
21 malls, and I only see high income stores at
22 malls.

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1 THE WITNESS: It just depends on
2 which malls you're visiting. You may be
3 visiting the higher income malls. There are
4 malls which are not designed for the high
5 income people.
6 JUDGE ROBERTS: Dr. Wind, just to
7 be clear and following up on Judge Sledge's
8 questions, are we talking about only indoor
9 malls or are strip malls also included in
10 this?
11 THE WITNESS: To the extent that
12 there is an interviewing facility in a strip
13 mall, it will be included.
14 JUDGE ROBERTS: Which I imagine is
15 pretty rare.
16 THE WITNESS: I don't know the
17 incidence. I don't know the incidence. I
18 know that basically the instruction to the
19 field house who actually implement that sample
20 selection, is once we select the market, to
21 list all the available malls with interviewing
22 facilities in this market and select randomly

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1 in the ones we interviews but again, in this
2 particular case, because of the nature of the
3 product, and the expense involved of the 12.95
4 a month subscription, and that most of the
5 usage of this is in a car that, that requires
6 a car. I'm less concerned in this particular
7 case about not representing the real bottom
8 part of the income distribution.
9 JUDGE ROBERTS: I understand.
10 BY MR. HANDZO:
11 Q Dr. Wind, let me ask you to turn
12 to page 7 of your written testimony, Exhibit
13 51, and you'll see that you've cited to some
14 survey research guides there. To your
15 knowledge, is the mall intercept survey a
16 recognized method of conducting surveys?
17 A Yes, it is the most widely used
18 personal interview approach in the country.
19 Q In the times that you've testified
20 in Court and been accepted as an expert, have
21 some or all of those involved mall intercept
22 surveys?

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1 the interviewing facility.
2 Now to the extent that a field
3 house has bad experience with this particular
4 mall, that they had some problems with the
5 research facility there, and they cannot rely
6 on the supervisor and interviewers there,
7 they're instructed then to replace this mall
8 randomly with another mall in this area.
9 But to the extent that I know,
10 they include all malls with interviewing
11 facilities.
12 JUDGE ROBERTS: I'm proud to say
13 that I've never been a mall rat; however,
14 experience has taught that indoor malls tend
15 to have far more upscale stores than strip
16 malls. And if most of the interview sites are
17 located in the indoor malls, then I think it
18 is going to involve a different group of
19 people. But as you say, you don't know to the
20 extent that strip malls were included?
21 THE WITNESS: I can try to find
22 out to what extent strip malls were included

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1 Most of them, not all, most of them.
2 Q Why is that?
3 CHIEF JUDGE SLEDGE: These issues
4 don't address admissibility. These issues
5 address whether the survey had an merit, any
6 weight or not.
7 MR. HANDZO: I understand, and
8 that's what I am trying to address.
9 BY MR. HANDZO:
10 Q Going back to Chief Judge Sledge's
11 question about trying to make sure you've
12 sampled as much as possible lower income
13 people, are there steps, in terms of the
14 timing of the interviews within a mall that
15 are taken to try and insure that that happens?
16 A Yes. I require that 50 percent of
17 the interviews will be conducted in evening
18 and weekend to assure that you get also
19 working people and they've had a chance to be
20 interviewed in the mall.
21 Q Dr. Wind, when was the survey
22 fielded?

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1 A I mid-October.
2 Q Of 2006?
3 A 2006.
4 Q Okay, and are you familiar with
5 the term "double blind process"?
6 A Yes.
7 Q What does that mean?
8 A Double blind means that the
9 interviewer as well as the interviewees do not
10 know what the purpose of the study is nor do
11 they know who sponsors the study. So there is
12 no possibility here for the respondent to try
13 to please the interviewer by giving answers
14 that they think the interviewer is looking for
15 and there is no opportunity for the
16 interviewer to suggest through body language
17 or other ways to bias the responses.
18 Q Okay.
19 A In addition to this, in this
20 particular study and in most of my studies,
21 all of my studies, I actually keep also the
22 other people working on the study in this case

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1 Q You don't actually go to the malls
2 yourself and do interviews?
3 A No, first of all, I would not
4 qualify because of the double blind. I know
5 what the survey is for and I would probably
6 make a terrible interviewer.
7 Q Okay. After -- well, actually let
8 me ask you this; do you know how the survey
9 interviews took place? In other words, once
10 DDW finds somebody who is willing to do the
11 interview, what happens?
12 A Actually, it's not DDW defines the
13 person who's willing to do it. It is the
14 local research firm. So DDW contacts the
15 local research firms in each one of these
16 malls. There are local supervisors so, who
17 train the interviewers. There is an elaborate
18 training process for the interviewers and then
19 once the interviewers are trained, then they
20 send screeners basically interviewers, who go
21 around the mall and primarily tried to
22 identify potential respondents by walking them

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1 Data Development as well as will be the
2 validation group ABC, in this case, to adhere
3 to the double blind standard. So the people
4 who worked on this did not know who is it for.
5 They didn't know why we're conducting the
6 study and this is true also with respect to
7 the coder, the person who did the coding of
8 the open-ended responses.
9 Q Okay, now you mentioned DDW, who
10 is DDW?
11 A DDW is Data Development Worldwide.
12 Until about a year ago, it was known as DDC,
13 Data Development Corporation. They changed
14 ownership but primarily it's the same with the
15 same people and it's one of the leading
16 marketing research firms in the country that
17 specializes in custom marketing research study
18 such as these, with whom I have worked for
19 over 20, 25 years.
20 Q Was it DDW who actually fielded
21 this survey for you?
22 A Yes.

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1 once they approached them, introduced themself
2 and they walked through Appendix B, which is
3 the screening questionnaire.
4 Q Okay, and since you've mentioned
5 that again, let's take a look at Appendix B.
6 What is the function of a screener?
7 A The main function is to insure
8 that we can identify the right respondents to
9 include in the study. That we are actually
10 selecting the people we intend to include
11 based on our universe definition.
12 Q Okay, so what would happen with
13 the screener? In other words, somebody from
14 the research firm would go out into that mall
15 and they would do what?
16 A Well, they will have -- they'll
17 have their questionnaire on a clip and they'll
18 approach people and primarily they'll start
19 conducting the interview. So if you would
20 like to imagine that you are the respondent,
21 we can just walk through it and you'll see
22 what a typical respondent is then exposed to.

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1 Q And when you say they conduct the
2 interview, are you now just talking about the
3 screener?
4 A Just the screener which is done
5 outside in the mall, somewhere in the mall.
6 Q Okay. And that interviewer would
7 then be trying to figure out whether I qualify
8 for this --
9 A Correct, whether you qualify and
10 whether you are willing to be interviewed.
11 Q All right, and by the way, is
12 there anything offered to the respondents to
13 induce them to be willing to part with some of
14 their time to do this?
15 A Yes, whenever -- it's a common
16 practice whenever you're dealing with a
17 questionnaire which is longer than two, three
18 minutes, you offer an incentive and we offer
19 here a \$10.00 incentive.
20 Q Now, let's say the interviewer has
21 approached me and I've gone through the
22 screener and I do qualify and I am willing to

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1 A Correct, it's under Tab C.
2 Q Okay.
3 A So they are asking them basically
4 to go through the first three open-ended
5 questions. They record the results and then
6 if you look at Attachment C, under Tab C, on
7 the top of page 2, their instruction to the
8 interviewer to place the respondent in front
9 of the computer because to increase the
10 accuracy of the study, we translated the paper
11 questionnaire into a computer program, so the
12 respondent is now seated in front of a
13 computer and on the screen it starts saying
14 the questions.
15 But before they start, they're
16 asking them the question whether the
17 respondent would like to input the answers
18 themselves or whether they would prefer that
19 the interviewer will do it for them. And in
20 general, we had about 60 percent of the
21 respondents who indicated they would like to
22 do it themselves under the supervision and

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1 actually spend the time. What happens?
2 A Then the interviewer who screened
3 you will walk with you to the interviewing
4 facility. Will, in most cases, hand you over
5 to another interviewer who is at the
6 interviewing facility. In some occasions, it
7 might be the same interviewer who will now
8 continue also the interviewing. And then they
9 will basically start walking you through the
10 main questionnaire which is under Tab D, Tab
11 C, I'm sorry.
12 Q Okay, and in this case, do the
13 respondents actually fill out the survey
14 questionnaire themselves or how is that done?
15 A Well, the easiest would be to look
16 at Tab C. First, the interviewer is asking
17 three open-ended questions and is recording
18 the responses to the three open-ended
19 questions.
20 Q And let me just stop you there for
21 a second. Attachment C is the main survey
22 questionnaire?

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1 direction of the interviewer and about 40
2 percent that asked the interviewer to input
3 the data.
4 Q Okay. Now are there statistics --
5 JUDGE WISNIEWSKI: What was the
6 incentive for doing all this?
7 THE WITNESS: Ten dollars.
8 JUDGE WISNIEWSKI: Wow, that's a
9 deal.
10 BY MR. HANDZO:
11 Q Do you keep statistics on how many
12 people were approached by the screener versus
13 how many actually agreed to take the survey?
14 A Yes, the last page of Tab B are
15 the screening results. And if you look at the
16 screening results they contacted a total of
17 4301 and, but most of them did not qualify
18 because they did not have a subscription to
19 satellite radio nor did the consider, over
20 2,000 of them. And the others were screened
21 out for a variety of reasons. We ended up
22 with 428 completed interviews.

22 (Pages 85 to 88)

1 Q Okay, now in order to be
2 considered somebody who is considering
3 subscribing, were there some criteria that you
4 have to meet for that?

5 A Yes, there were. This goes back
6 to the screening questionnaire and again, this
7 is under Tab B. You had to, first of all,
8 meet a variety of security conditions which
9 are on the first page of the screener. So
10 that's just to make sure that we interview --
11 we don't interview people who know the
12 interviewer, for example, or they have a
13 language problem or they work for an industry
14 which typically are being excluded from
15 marketing research studies such as marketing
16 research firm or advertising agency or being
17 interviewed frequently.

18 So if they're interviewed in
19 another marketing research firm in the last
20 three months, they are basically being
21 excluded. And then the key --
22 JUDGE WISNIEWSKI: How long do

1 these interviews take?

2 THE WITNESS: Average was about 25
3 minutes.

4 JUDGE WISNIEWSKI: Twenty-five
5 minutes. You get 10 bucks for doing this. As
6 an economist, I'd have to say that opportunity
7 costs just don't match up but --

8 THE WITNESS: Well, currently for
9 some of these people these are found \$10.00.

10 JUDGE WISNIEWSKI: Well, there are
11 a lot of folks -- that just underlines, there
12 are a lot of folks that don't behave as
13 rationally as economists assume them.

14 CHIEF JUDGE SLEDGE: I'd like to
15 take a survey for 25 minutes and get \$10.00.

16 JUDGE WISNIEWSKI: There you go.

17 THE WITNESS: You just proved the
18 geneity (phonetic) of markets.

19 CHIEF JUDGE SLEDGE: I can get a
20 milkshake for \$10.00.

21 JUDGE ROBERTS: Do you get a
22 \$10.00 bill or do you get a certificate?

1 THE WITNESS: I think you get a
2 bill. You're actually being paid. There are
3 also people who enjoy the opportunity to
4 express their views. So it's not only --

5 JUDGE WISNIEWSKI: Now, you're
6 going too far. You're really --

7 CHIEF JUDGE SLEDGE: While we've
8 got you interrupted, looking at Appendix B and
9 Appendix C, both the screener and the
10 interviewer knew that they were involved in a
11 satellite radio survey.

12 THE WITNESS: Correct.

13 CHIEF JUDGE SLEDGE: So when you
14 said earlier about double blind, you weren't
15 referring to the fact that they didn't know
16 that they were -- the subject matter was
17 satellite radio.

18 THE WITNESS: No, obviously, they
19 have to know the subject matter, but they
20 didn't know who was the study done for. They
21 didn't know who sponsors it nor what we were
22 looking for.

1 So if you go back to the question,
2 then one of the critical questions was
3 Question F in the screener on page 3, which
4 is, "Which, if any, of the following decisions
5 do you make or take part in making for your
6 household", and they had to indicate yes to
7 decision to subscribe to satellite radio. So
8 they had to be the decision makers.

9 In addition to this --

10 JUDGE WISNIEWSKI: I'm sorry,
11 where are you at?

12 THE WITNESS: I'm on Tab B, the
13 screener, page 3, question F, right at the top
14 of the page.

15 JUDGE WISNIEWSKI: Thank you.

16 THE WITNESS: In addition to this,
17 we had to decide if they are subscribers or
18 not, so we asked Question G, "Which of these
19 services, if any, do you or your household
20 currently subscribe to", and the number of
21 options, and they had to subscribe to
22 satellite radio to qualify.

1 And then there was a --

2 CHIEF JUDGE SLEDGE: Let me
3 question you on that. On Question F, it
4 indicates that they are not terminated if they
5 answer that they take part in any of those
6 decisions, not just satellite radio.

7 THE WITNESS: No, I'm sorry. If
8 you look below Question F in the first box, it
9 says, "Respondent must be boxed answer in
10 question F", and you'll see that the only
11 boxed answer is decision to subscribe to
12 satellite radio. "If not, terminate in the
13 appropriate box below".

14 CHIEF JUDGE SLEDGE: I don't see
15 that.

16 THE WITNESS: Just under F, just
17 below Question F, there is a narrow box that
18 says, "Respondent must be boxed answer in
19 Question F". Your Honor, this is the --

20 CHIEF JUDGE SLEDGE: "Respondent
21 must be boxed answer", but just above that,
22 where it says "terminate", it says, "None of

1 these".

2 THE WITNESS: That's in addition
3 to this. That's you have here basically the
4 set of decisions and if it's not a boxed
5 answer in the decisions, they are being
6 terminated. In addition to this, if they say
7 none of these or they refuse answer, they are
8 being terminated. So there are two
9 instructions here for termination. A separate
10 one for "none of these", and "refused", and a
11 separate one if they indicate any of the other
12 decisions but not the decision to subscribe to
13 satellite radio and that's a common procedure
14 and form that is used in all of these
15 screening studies.

16 BY MR. HANDZO:

17 Q I'm not sure if I got you to this
18 point, Dr. Wind, but with respect to people
19 who are considering subscribing, was there
20 certain criteria that they had to meet in
21 order to be considering subscribers?

22 A Yeah, they had to answer for

1 consider, I think the easiest would be to go
2 through the sequence of G, H, I and J and
3 actually pay to look at the sequence of
4 questions. So if you talk about the consider,
5 if you look at Question I, this is on page 4,
6 if in Question G, which was, "Which of these
7 services, if any, do you or your household
8 currently subscribe to", if they did not
9 respond satellite radio, then they were asked
10 Question I and the instruction about Question
11 I says, "Ask Question I for each item not
12 circled in Question G."

13 And before the Judge asked in
14 terms of whether they knew the purpose. At
15 this stage, whether they knew satellite radio,
16 not the purpose of the study. At this stage
17 of the screening, we're still trying to hide
18 satellite radio. So at this stage we're still
19 asking questions concerning cable TV,
20 satellite TV, broadband internet, wireless
21 phone service as well as satellite radio. So
22 that's a reason that the interviewer is asking

1 for all of the items not circled in Question
2 G.

3 Q Let me just stop you there for a
4 second. Are the interviewers trained in how
5 to go through these?

6 A Absolutely. First of all, we
7 employ in this study only experienced
8 interviewers with whom the supervisor has
9 worked before? So they're all professional
10 interviewers. They're all accustomed to these
11 five approaches and this type of screening.
12 This is very standard, and in addition to
13 this, they go through extensive training
14 interview as well as role playing. You know,
15 basically one interviewer role play for the
16 other so they're going through practice
17 interview before they start interviewing and
18 the supervisor is actually observing and then
19 evaluating the practice interview as well. So
20 it doesn't sound as complex as I kind of put
21 it when I read it.

22 CHIEF JUDGE SLEDGE: Does that

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1 same answer apply to those who are selected to
2 be screeners?
3 THE WITNESS: Yes, absolutely.
4 The screening -- now with the screeners, it's
5 a very important part.
6 JUDGE WISNIEWSKI: Before you go
7 on, I'm a little puzzled about Question H here
8 and as to whether this question accurately
9 captures the group of folks who it seemed to
10 be attempting to capture. I take it what
11 you're trying to capture here are folks who
12 either have actually subscribed or those folks
13 how may have purchased, for example, an
14 automobile and there is a complimentary either
15 three-month, six-month or 12-month XM or
16 Sirius service available to them after which
17 point they have to make a decision to
18 subscribe. Is that correct? Is that what
19 you're trying to capture in this question?
20 THE WITNESS: We cannot look at
21 the question by itself because we have to look
22 at this also in conjunction with Question F.

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1 as a trial subscription. You know, whether
2 they associate the word "subscription" with
3 what they're experiencing.
4 THE WITNESS: I don't know. The
5 reason I selected this wording was in
6 consultation with counsel and with the people
7 that they work with and my understanding was
8 this will be the right way of differentiating
9 here. All that I can tell you is we are --
10 the respondents are those who responded
11 positively to this or to both as well as met
12 the criteria for having satellite radio and
13 being the decision makers or if we go into
14 sequence Question I and J, those who are
15 currently considering subscribing in the next
16 30 months, next 30 days, I'm sorry.
17 So I don't know how they
18 interpreted it.
19 JUDGE WISNIEWSKI: Okay, thank
20 you.
21 BY MR. HANDZO:
22 Q Dr. Wind, once the screening

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1 So the respondent has first to indicate that
2 they make or take part in making the household
3 decision to subscribe to satellite radio.
4 JUDGE WISNIEWSKI: Well, let's
5 assume they said they're going to make that
6 decision.
7 THE WITNESS: So if yes, then yes,
8 you're right.
9 JUDGE WISNIEWSKI: Then Question H
10 is aimed at capturing both of those
11 possibilities? That you either have gone
12 forward and subscribed to Sirius and XM or
13 that you have simply purchased a car and
14 you're using Sirius and XM until you make that
15 decision.
16 THE WITNESS: Yes, and the way we
17 word this was a paid or trial subscription.
18 JUDGE WISNIEWSKI: Well, I know,
19 that's what gives me some pause is that you
20 worded it as trial subscription and I wonder
21 how many consumers, automobile consumers in
22 that admittedly trial period actually view it

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1 process is complete and you've given us the
2 numbers on how many people got through that
3 process and then responded to the main
4 questionnaire, I guess I might as well take
5 you to the main questionnaire and ask you what
6 you were trying to get at with the questions
7 that you designed. So if we could turn to Tab
8 C, please --
9 A Is there a question?
10 Q Sure, actually, I hadn't asked one
11 yet. Sorry. Looking at the questionnaire,
12 let's just start with Questions 1A and 1B.
13 What -- why did you include those questions,
14 what were you trying to do?
15 A This is very customarily in
16 considering research to start with. It's a
17 very broad open-end question. "Here thinking
18 back to the time you first subscribed to
19 satellite radio, why did you decide to
20 subscribe", very open-ended question.
21 Q Let me ask you, the people who are
22 considering subscribing but haven't actually

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1 subscribed, do they get this questionnaire or
2 a similar one appropriate to their status?
3 A No, after page 9 of the
4 questionnaire, there is a second questionnaire
5 which is for considering subscribing. And the
6 question for them, Question 1A, and I read,
7 this is right after the first questionnaire
8 and it says considering subscribing on the top
9 and Question 1A is, "Why are considering
10 subscribing to satellite radio, any other
11 reason".
12 Q So the considering subscriber and
13 the actual subscribers get the same kinds of
14 questions but aimed at their particular
15 circumstances.
16 A Correct, and this is true for all
17 the question.
18 Q Okay. So --
19 JUDGE WISNIEWSKI: So I raised the
20 question we had earlier.
21 MR. HANDZO: I understand.
22 BY MR. HANDZO:

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1 verbatim?
2 A In this case, they probably will
3 use the computer because the whole
4 questionnaire is on the computer.
5 Q Okay, but my question, I guess is,
6 are they trying to capture exactly what the
7 respondent said?
8 A Absolutely, and they're very
9 strict instructions both in writing as well as
10 part of the training that instruct the
11 interviewer to write exactly what the
12 respondents say and if they don't understand
13 or they didn't catch it, to say, "Could you
14 repeat it, please", and not to guess. It's
15 very important training to record exactly what
16 the respondent says.
17 Q Okay, questions 2A and 2B, can you
18 explain why you included those questions?
19 A Still in the same spirit of the
20 open-end exploration, we asked what type of
21 satellite radio programming was most critical
22 to your decision to your decision to subscribe

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1 Q Going back to the main
2 questionnaire for subscribers, I think what
3 you were telling us was these are intended to
4 be fairly broad questions.
5 A Correct.
6 Q And why do you start that way?
7 A We found in research that the best
8 way of trying to understand consumer
9 perception and behavior in any given situation
10 is to start pretty broad by asking questions
11 such as this. Why did you decide to buy, why
12 did you decide to subscribe? Why are you
13 considering it and anything else. This
14 basically provides us the broadest opportunity
15 to see what are the important considerations
16 that this respondent had.
17 Q And let's say I'm the respondent
18 and I'm asked this question, how is my
19 response recorded?
20 A The interviewer will record the
21 answer.
22 Q And do they write it down

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1 to satellite radio? And then also a probing
2 follow-up in any others. Very common in most
3 consumer research. Once you ask the general
4 question, "Why did you subscribe", you focus
5 on the specific features or benefits that may
6 have led to the decision.
7 Q And again, are the responses
8 recorded verbatim?
9 A Yes.
10 Q Okay, how about Questions 3A and
11 3B?
12 A The same thing. In 3 now we're
13 trying to reflect on your experience with
14 satellite radio, what type of satellite radio
15 programming are most critical to your decision
16 to continue to subscribe. So this is trying
17 to capture now those respondents who are
18 currently using and having satellite, what
19 will be the motivation for them to continue.
20 And obviously this is inappropriate for the
21 considering to subscribe. So if you look at
22 the first page of considering subscribe

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1 questionnaire, it says, there is no Question
2 3 on this version.

3 Q Okay, now Question 4 you actually
4 have kind of a different type of a question.
5 Can you explain what that is?

6 A Yeah, this is -- we're moving now
7 to establishing the relative importance of one
8 programming type over another. The
9 methodology here is called constant sum
10 allocation which is a very common and reliable
11 and valid way of measuring consumer's trade-
12 off among different options, different
13 features. The individual receives in this
14 cade the seven types of programming on the
15 computer and the instructions and is asked to
16 allocate 100 points among them.

17 Important to note is that order in
18 which the respondent sees those various type
19 of programming, is rotated by the program. So
20 it's randomized and you may get a version
21 where it would start with talk and
22 entertainment, sport, news, music and the

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1 do the survey, take the 10 bucks and come back
2 and do it the next day and the next day after
3 that.

4 A No, because you validate the rule
5 of not being interviewed in the last three
6 months.

7 Q Okay.

8 A Let me ask you to take a look at
9 Question 8 and I wonder if you can just tell
10 us what you were trying to do with that
11 question.

12 JUDGE ROBERTS: Before we go to
13 Question 8, Dr. Wind, I'm looking through the
14 guide here and I don't recall there being a
15 question here asking the respondent if they
16 planned to continue to subscribe to satellite
17 radio; is that correct? I notice that in 3a
18 you say, "What types of programming are most
19 critical to decision to continue to subscribe
20 but I didn't see a question that said, "Are
21 you actually planning to continue to
22 subscribe".

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1 like. Someone else may get -- the next person
2 may get comedy, music, news, sports and so on,
3 so it's a randomized order and they are to
4 allocate 100 points among them.

5 Q What happens if I'm the respondent
6 and math isn't my strong suit and I actually
7 only get 98 points down?

8 A You will not be able to continue
9 with the next question because the computer
10 will kick it back and say, "Please re-examine
11 the numbers".

12 Q Okay. I'm going to skip a couple
13 of questions and ask you --

14 JUDGE WISNIEWSKI: At that point,
15 may I take my 10 bucks and go home?

16 THE WITNESS: Then you would be --
17 you won't get the 10 bucks. You can go home,
18 you're terminated but no 10 buck.

19 JUDGE WISNIEWSKI: You're really
20 making me work for that.

21 BY MR. HANDZO:

22 Q And just so we're clear, you can't

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1 THE WITNESS: Right, I did not ask
2 this question. I w-- as primarily in the
3 first three questions, I was focusing
4 primarily on the reasons.

5 JUDGE ROBERTS: You don't think
6 that that might effect the outcome if somebody
7 says, "Well, I had it for awhile but I'm not
8 really planning to subscribe any more. I
9 didn't find it all that interesting for X
10 reasons".

11 THE WITNESS: The respondent
12 obviously can answer anyway they want. It's
13 totally open-ended. So to the extend that the
14 respondent felt that basically they did not
15 want to continue, then they said, "You know,
16 I probably will not continue to subscribe".
17 I don't recall from reviewing all the verbatim
18 responses that there were such people. It was
19 the benefit of looking at some of the XM and
20 Sirius other research that I did later on,
21 there was a very high level of satisfaction,
22 but the --

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1 JUDGE ROBERTS: I can see someone
2 saying, like for instance, with Sirius and NFL
3 programming that, "Well, I plan to discontinue
4 my subscription after the NFL season is over".
5 THE WITNESS: This would be
6 recorded then. This will be recorded here
7 under Question 3a, "What type of satellite
8 radio programming are most critical to your
9 decision", obviously, you just indicated that
10 there -- if you saw the NFL, you won't get NFL
11 or any other programming, you will not
12 continue. That's exactly what we're trying to
13 find here.
14 BY MR. HANDZO:
15 Q So just so I'm clear, if the
16 respondent in response to Question 3 said,
17 "Well, you know, I got it for the NFL but I'm
18 not going to listen to that any more and I'm
19 going to give it up", would the interviewer
20 have recorded that response?
21 A Verbatim.
22 Q Verbatim

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1 points among the seven different types of
2 programming.
3 Q And is it correct that once again
4 the type of programming is automatically
5 rotated by the computer so they don't see the
6 same order?
7 A Correct.
8 Q Okay, and it is again true that
9 they have to hit 100 percent or the computer
10 will kick the response out?
11 A Correct.
12 Q What about Question 9, what's that
13 all about?
14 A Question 9 tried to address the
15 question of a hypothetical situation, what
16 would happen if some of the programming type
17 were not available? Would you continue to
18 subscribe? How much would you be willing to
19 pay for it? So we identified the four major
20 programming types; music, news, sports, and
21 talk and entertainment. Independently for
22 each one of them, we asked them Question A,

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1 A Verbatim and we would see then
2 exactly this response in the questionnaire for
3 this interviewee.
4 JUDGE ROBERTS: For Question 3a.
5 THE WITNESS: Yeah, 3a or 3b, the
6 continuation, the probing. Any one of these
7 questions, 1, 2 and 3, have the follow-up
8 probing which is any others.
9 BY MR. HANDZO:
10 Q Turning to Question 8, can you
11 describe to us what you were trying to do with
12 Question 8?
13 A Question 8 is very similar in
14 terms of methodology to Question 4. This is
15 again, a constant sum allocation and in this
16 time we are primarily focusing on the amount
17 of time they spend listening to different
18 program type. So at this stage you can also
19 see that they -- actually the instructions are
20 a little shorter because they went already
21 through a location and they're familiar with
22 the methodology and they allocate the 100

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1 you know the 9a. "As you know the single
2 subscription price per month for satellite
3 radio is 12.95. Let's assume that some of the
4 current programming types were not available.
5 Assume that all other programming and non-
6 programming features of the service remain the
7 same."
8 And here we now start the
9 question. "If no music programming, for
10 example, were not available, would it effect
11 the amount you would be willing to pay for
12 satellite radio?" And then they are given the
13 option of yes, no, don't know and if yes, then
14 we ask them, "How much are you willing to
15 pay", and some of them basically also can
16 indicate that basically, they would like to
17 cancel the subscription if this was done.
18 And then there was another option,
19 some people may have given an answer "higher
20 than the 12.95", so to make sure that this is
21 not a mistake, we have a follow-up question to
22 try to capture what is the real answer in case

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1 they're giving you an amount higher than
2 12.95.
3 Q Okay, now looking at Question 11,
4 that appears, once again to be an open-ended
5 question; is that right?
6 A Yes.
7 Q And again are the responses to
8 that recorded verbatim?
9 A Yes, this is the final question
10 which is, "And finally reflecting on your
11 experience with satellite radio, if satellite
12 radio was not available, what, if anything,
13 would you miss most about it", and a probing
14 of anything else. And again, that's a
15 customary program to try to ask people what do
16 they miss.
17 Obviously, this again, is
18 appropriate only for the subscribers and in
19 the consider subscriber questionnaire, you'll
20 see on page 7 of that questionnaire, that it
21 says, "Question 11 does not appear on this
22 version".

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1 CHIEF JUDGE SLEDGE: I'm sorry,
2 can you spell --
3 THE WITNESS: Tradeoff, tradeoff.
4 CHIEF JUDGE SLEDGE: What kind of
5 analysis?
6 THE WITNESS: Conjoint, c-o-n --
7 MR. HANDZO: I'm sorry, c-o-n-j-o-
8 i-n-t.
9 CHIEF JUDGE SLEDGE: Thank you. I
10 was having trouble understanding both of you.
11 THE WITNESS: I apologize.
12 MR. HANDZO: He has the accent but
13 I can't spell, so between the two of us you
14 were going to have a problem with that one.
15 THE WITNESS: Conjoint analysis is
16 a tradeoff methodology primarily. The easiest
17 way would be to explain it, perhaps, through
18 an example. I mentioned before the Courtyard
19 at Marriott. The Courtyard was concerned
20 about building a new chain for markets where
21 they could not support the very large
22 Marriotts. And the question was, "What should

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1 Q And again, I assume the responses
2 are recorded verbatim?
3 A Correct.
4 MR. HANDZO: Can we just stop for
5 a second. I'm just realizing we didn't take
6 our customary break and that's partly because
7 we broke while the Court was in recess to
8 consider the motion. So, I'm assuming I
9 should just keep going but I just wanted to
10 let the Court address that.
11 CHIEF JUDGE SLEDGE: Thank you. I
12 hadn't noticed that either.
13 BY MR. HANDZO:
14 Q Dr. Wind, in your written
15 testimony you talk about something called
16 conjoint analysis. Do you recall that?
17 A Yes.
18 Q And can you tell us without having
19 to teach an entire course about it, what
20 conjoint analysis is?
21 A Conjoint analysis is a tradeoff
22 methodology and approach.

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1 be the configuration of the hotel? Should it
2 be just a mini-Marriott, just take the regular
3 Marriott and scale it down or should it be
4 something else"?
5 They had no idea how to go about
6 it, so basically we designed a study using
7 conjoint analysis where we gave consumers
8 different type of features and asked for their
9 preference. For example, do they prefer a
10 larger room or a separate bathroom, so it will
11 be like a separate section around the dressing
12 area around the bathroom. How important, for
13 example, is for them to have a restaurant?
14 How important is it to have only interior kind
15 of corridors to get to the hotel as opposed to
16 outside doors".
17 A variety of questions relating to
18 type of room, size of room, type of amenities,
19 type of features of the hotel and the way to
20 identify what's really important to the
21 consumer, you cannot just ask them because
22 people have a hard time answering a question,

29 (Pages 113 to 116)

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1 an abstract question such as, "Would you like
2 to have a separate dressing area outside the
3 bathroom or would you -- or not. How
4 important is it? How important is it to have
5 music or some other entertainment in the room?
6 So the idea was basically to
7 present them with different options, different
8 profiles that we use a very similar approach
9 we use in this study to try to give consumers
10 different options and they had to select
11 between here's a picture, for example, of
12 certain type of room configuration, which of
13 these three different pictures would you
14 prefer. And by then selecting the one they
15 prefer, we can then decompose the results and
16 identify how important is each one of the
17 features.
18 BY MR. HANDZO:
19 Q So if I'm understanding you
20 correctly, if I'm a respondent in that survey,
21 I might be given a card that says, "You can
22 have a room of this size, with a dressing area

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1 attributes independent of one another or is
2 there any overlap?
3 THE WITNESS: Most of them, that's
4 a great question. Most of them in the
5 Marriott were independent. The initial type
6 of analysis focuses on an attitude and effect
7 model. There is a way, especially in hybrid
8 type designs such as this, to analyze after
9 the fact specific interactions. Now, there
10 are situations which are more complex where
11 basically interactions are much more
12 important.
13 And example, we did a study on
14 frozen pizza. When you're doing a study on
15 frozen pizza, you cannot just tell people
16 conceptually how important is pepperoni versus
17 the type of cheese versus the thinnest of the
18 crust or how well done it is. So we actually
19 had a master design of 81 different
20 combinations, had the company actually back 81
21 different pizzas and each respondent received
22 four pizzas to taste. And then they actually

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1 but there's no restaurant", or I might get a
2 card that says, "You can have the restaurant
3 but there will be no exercise facility and the
4 parking lot is two blocks away", and they get
5 a series of choices.
6 A Exactly, and there was a very
7 large set, there was all together 50 different
8 factors that we looked at, each one at many
9 levels. We presented people with different
10 combinations of this and asked them a very
11 simple task, to try to evaluate them. Then
12 we, the researcher, because we designed the
13 profiled experimentally, and we know what's
14 going into it, we can then analyze this and
15 infer the relative importance of each one of
16 the features. And that's the methodology we
17 used here because the objective here was to
18 find out what is the relative importance of
19 music versus other type of programming and
20 features.
21 CHIEF JUDGE SLEDGE: Dr. Wind, in
22 the analysis that you just described are the

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1 had the real pizza because each one of them
2 were the interaction.
3 And we found out in the frozen
4 pizza example, that basically interaction --
5 was one of the few cases that interaction were
6 more important than the main effect. In most
7 other studies we start with main effect. We
8 test how well can we explain the phenomena
9 with the main effect and if needed, we then
10 test for interactions.
11 BY MR. HANDZO:
12 Q Dr. Wind, let me stop you there
13 because SoundExchange only has about 35 hours
14 left in its time to present this case and we
15 could probably spend all of it on conjoint but
16 in terms of the factors that respondents were
17 asked to consider in this case, is there any
18 way that the Court can find what those factors
19 were?
20 A I think it's Figure 5. Figure 4,
21 page 15, I apologize. Page 15, Figure 4.
22 These are the seven factors. This is of the

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1 main report before the Tabs. These were the
2 seven factors that we included in the conjoint
3 analysis task.
4 Q Okay, now other than sort of doing
5 this research of the tradeoffs of these
6 factors, were there other questions in the
7 survey that were inputs into the conjoint?
8 A Yes, because of the large number
9 of factors and potential combinations here,
10 there are over 8,000 potential combinations of
11 these various seven factors, we used what's
12 called the hybrid conjoint analysis that
13 required three tasks. And the three tasks
14 are, if we look at the main questionnaire, go
15 back to the main questionnaire, one of them is
16 the same task we did before. This is Tab C.
17 One of them is the same question
18 we asked before for the constant sum on
19 Question 4. This is Item Number 1 in the
20 hybrid conjoint analysis which is a constant
21 sum allocation among the seven factors.
22 Item 2 related to this was also

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1 The specific profiles are under
2 Tab D which represent there -- you have there
3 64 cards. They are the test cards. Each
4 respondent received only eight of them plus
5 two control cards. So that's a common hybrid
6 conjoint analysis study been used widely by
7 Paul Green and me and many others in many
8 situations like Easy Pass, Courtyard by
9 Marriott and others and is, in my view, the
10 best approach to assess the relative
11 importance of music.
12 Q Okay, now in the questions that
13 we've gone through in the questionnaire, it
14 sounds like there are some questions where
15 you're getting numerical responses, like the
16 constant sum, and others where you're just
17 getting the verbatim response of the
18 respondents. In the cases where you get the
19 verbatim response, how do you then translate
20 those into the numbers that appear in the
21 results of your report?
22 A I used an independent coder who

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1 the constant sum allocation in Question 7
2 relating to the non-programming type
3 variables. The second task was a desirability
4 task that primarily if you look at on page 3
5 under A, music programming, there are four
6 levels or options we were giving them and the
7 question is, "What is the spacing among these
8 four levels"? And in the methodology that we
9 used, we allow each respondent to select any
10 spacing they want among them.
11 So they can decide no music
12 programming is extremely undesirable but
13 substantially fewer is only two and then the
14 other, the substantially more can be only
15 five. Someone else can select those scale,
16 someone else can select equal spacing. So
17 that's the question of desirability, which is
18 covered in Question 5 and 6, and then finally
19 the hybrid, the combinations, the profiles
20 that I was describing before in the Marriott
21 case, is in Question 10, which gives them the
22 specific combination.

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1 works independent as an independent contractor
2 with Data Development, who I worked with for
3 probably over 10 years, in different studies.
4 He, too, did not know the purpose of the study
5 or the sponsor of the study and he did the
6 coding. He did the coding scheme and I
7 reviewed it. I did not make any changes to it
8 and then he actually coded the questionnaires,
9 each respondent, following the code scheme
10 that he developed.
11 Q Okay, if, for example, in response
12 to Question 1, the respondent said, "Well,
13 gee, I think the music is great", that would
14 have been coded in a certain way?
15 A Yeah, it would have been probably
16 coded as music without any specific other
17 characteristics around it.
18 Q Okay, and if the respondent had
19 said, "I love commercial free music", would
20 that have been a different coding?
21 A Yes. This would have been under
22 the coding of commercial free or possibly also

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1 I love it.
2 Q Okay, now let me -- let's take a
3 look then at the results of all of this and
4 I'm going to ask you to turn first to Figure
5 7 of your written direct testimony, Exhibit
6 51. Do you have that?
7 A Yes.
8 Q Okay, can you tell us what that
9 represents? It's on page 23 for the benefit
10 of the Court.
11 A This is a graphic presentation of
12 the results as to percentage of respondents
13 who would cancel their subscription to
14 satellite radio if under the first column,
15 "music was not available", second column, "if
16 news was not available", third column, "if
17 sports was not available", fourth column, "if
18 talk entertainment was not available". This
19 is going back to the basis for this Question
20 9 we discussed before and the previous chart,
21 Figure 6 present actually the numerical
22 results that we got to Question 9. And if

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1 entertainment would be willing to pay \$9.99.
2 So obviously, the lower the price
3 they were willing to pay, the more important
4 this programming type is to them.
5 Q Okay.
6 A The other two rows just represent
7 different ways of looking, slicing the data so
8 as opposed to looking at the total of 400
9 people in the first category, if you look at
10 the 259 people who indicated that they would
11 change, including those who would pay zero, so
12 we calculate include the zero here, then it
13 goes down to \$2.45.
14 Q Okay, so just so I'm clear, going
15 back to Figure 7, what you're looking at there
16 is just if I took away this component to the
17 programming, would you cancel your
18 subscription.
19 A Correct.
20 Q Okay, and if you took away the
21 music, 43 percent would cancel?
22 A Yes.

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1 you'll see in bold the second row is the
2 percent that would cancel.
3 Q So just so I'm clear, the numbers
4 that we see in Figure 6 are reflected in the
5 graph on Figure 7; is that correct?
6 A Correct, correct.
7 Q Okay. Now, you've also, it
8 appears on the same topic, got some numbers
9 reflected in Figure 8 on the next page, page
10 24.
11 A Correct. Whereas Figure 7 focused
12 on the percent that would cancel if this
13 programming type was not available, Figure 8
14 focuses on their willingness to pay without
15 the programming type. And there are different
16 ways of looking at this in terms of what is
17 the base we are looking at. If we're looking
18 at average price among all respondents, then
19 for no music would be \$6.15 compared to if
20 there was no news they would be willing to pay
21 \$10.14, if there were no sports, they would be
22 willing to pay \$9.99, not talk and

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1 Q And if you took away talk and
2 entertainment, 14 percent of respondents would
3 cancel.
4 A Correct.
5 Q All right, and then in Figure 8
6 you're just looking at how that might effect
7 their willingness to pay a certain price.
8 A Correct.
9 Q Now, let me ask you to turn then
10 to Figure 10 which is on page 27.
11 CHIEF JUDGE SLEDGE: Let me ask
12 one follow-up to that. So 6 and 7 capture
13 those who will cancel and 8 captures those who
14 wouldn't go so far as to cancel but they'd pay
15 less but they'd still subscribe.
16 THE WITNESS: Correct.
17 CHIEF JUDGE SLEDGE: It's a self-
18 excluding two different groups.
19 THE WITNESS: If we -- Figure 6
20 includes both actually. If we look at Figure
21 6, you have the first categories would change
22 amount willing to pay. Part of them would

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1 cancel the 43 and this is reflected in Figure
2 7.
3 CHIEF JUDGE SLEDGE: Okay.
4 THE WITNESS: And some would
5 reduce price. And then for those who said
6 reduce price, the question is, how much. How
7 much are you willing to pay and that's
8 reflected in Figure 8.
9 CHIEF JUDGE SLEDGE: Thank you.
10 BY MR. HANDZO:
11 Q Dr. Wind, turning, if you would,
12 to Figure 10, which I believe is on page 27,
13 tell us what that chart represents.
14 A As you recall we covered, as we
15 reviewed the questionnaire four open-ended
16 questions. There was Question 1, 2, 3, and
17 11. So this is a summary across all these
18 four open-ended questions, looking to what
19 extent people actually mentioned music or any
20 of the other programming type and we're
21 looking at percent top mentioned which means
22 this is in the blue, which means they

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1 music first.
2 A Correct.
3 Q I only wind up in the blue if I
4 mentioned music first.
5 A Correct.
6 Q And just generally, what does this
7 show you with respect to the comparison of
8 music versus non-music content?
9 A It primarily shows again that when
10 you're looking at all the open-ended
11 questions, there is a significantly higher
12 percent of people who mention music in
13 response to these four questions.
14 Q Now, again, if we go back to
15 Figure 9, does that provide the underlying
16 numbers for the chart in Figure 10?
17 A Yes. Figure 9 basically covers
18 three columns. Top mentioned, this is the
19 mention Number 1, top three and then any
20 mention in the key categories relating to
21 programming types.
22 Q Okay. Moving ahead, if you would,

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1 mentioned music as the number one response in
2 Question 1, among the balance of them is the
3 number one response in Question 2, if not
4 there, number one response in Question 3, and
5 in Question 11.
6 Or that they were among the top
7 three mentioned, three items that each
8 respondent could have mentioned in any of
9 these questions. And you get here, this is
10 the net response but across all these four
11 questions.
12 Q Okay, so that if I were a
13 respondent and I said that I subscribed
14 because I love the Fox news, the music and the
15 fact that I can get this anywhere I want, I
16 wouldn't have been coded as in the blue
17 column.
18 A Correct.
19 Q But I would have been coded in the
20 red column.
21 A In the red, correct.
22 Q Okay. Because it didn't mention

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1 Dr. Wind, to page 32, Figure 13, can you tell
2 us what that chart is?
3 A This figure primarily summarizes
4 the result only to the open-ended Question 2
5 which is the type of programming most critical
6 to the decision to subscribe or consider
7 subscribing and this shows also we're
8 reporting here the top mentioned and the top
9 three mentioned and similar results it shows
10 that music is by far the most preferred
11 compared to all the other types of
12 programming.
13 Q Okay, so am I right then, that
14 this is sort of a sub-set of the data we were
15 looking at in Figure 10?
16 A Correct, and focusing only at the
17 response to Question 2.
18 Q Okay, so focusing specifically on
19 your decision to subscribe.
20 A Correct.
21 Q Okay.
22 A Or consider subscribing.

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1 Q Or consider subscribing. And once
2 again, if we go back a page, you've got the
3 numbers that support that.
4 A Yes, this is Figure 12 provides
5 the underlying data.
6 Q Right. All right, if you'd turn
7 please, to Figure 15 on page 34, do you have
8 that?
9 A Yes.
10 Q What is that?
11 A This is, again, focusing now only
12 on Question 3, and reporting the percent of
13 consumers who mention music or any of the
14 other programming types is the most critical
15 to their decision to continue to subscribe.
16 This is the retention measure we are looking
17 at.
18 Q Okay, so the earlier one was
19 decision to subscribe. This is the decision
20 to continue.
21 A Correct.
22 Q Okay.

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1 data come from?
2 A This is if you recall, Question 4
3 which was the constant sum allocation of 100
4 points among the seven programming types and
5 primarily the previous page, Figure 18, shows
6 the actual data and shows two things. One is
7 the share, so in this specific case, music got
8 44 percent out of the 100 and the second
9 column on Figure 18 shows the item, the
10 programming type that got the highest number
11 of points. Since allocation of 100 points
12 allows us not only to get the average amount
13 for each category but also which one got the
14 highest number of points. And these are
15 reflected in Figure 19, which is the average
16 points of programming type and Figure 20,
17 which is the percent of respondents selecting
18 each programming type as the most important.
19 And we find out that in Figure 19
20 it is by far the most dominant factor in terms
21 of importance, 44 percent.
22 Q And let me just stop you there.

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1 A And again, the same findings.
2 Q And again, is this a response to
3 an open-ended question?
4 A Yes.
5 Q With the same results with respect
6 to music versus other content?
7 A Yes.
8 Q Figure 17, if you would, Dr. Wind,
9 that's on page 36.
10 A Yes.
11 Q Are we looking at the same sort of
12 thing now with just a different open-ended
13 question?
14 A Correct, this is basically the
15 results to the question, "What would you miss
16 most if the service were not available", and
17 open-ended again and we find again, the same
18 type of responses, that they would miss the
19 music the most.
20 Q Now, if you would turn, Dr. Wind,
21 to page 38, you've got a couple of charts
22 there, Figures 19 and 20. Where does that

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1 When you say "it", you mean, music?
2 A Music. I'm sorry. Music is 44
3 percent, the highest. The next highest will
4 be sports with 13 percent and in terms of
5 Figure 20 when we look at the programming type
6 that has the highest number -- the largest
7 number of people selecting as most important,
8 we find out that 74 percent selected music.
9 Q Okay, now turn, if you would, Dr.
10 Wind, to page 40, you've got again two figures
11 there, Figure 22 and 23.
12 A This is a question relating again
13 from the constant sum question with respect to
14 usage. So Figure 22 reports that average
15 weekly usage of programming type. This was
16 the Question 8, I believe that we discussed
17 before in terms of usage and Figure 23
18 represents the percent of respondents
19 indicating that the highest usage of each
20 programming type and again we find like music
21 having 77 percent here.
22 CHIEF JUDGE SLEDGE: Is usage

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1 measured by the time listening?
2 THE WITNESS: Yes, this was
3 Question 8 that says, reflecting on the
4 footnote on page 39, it clarifies this.
5 Question 8 is, "Reflecting on you and your
6 family's usage of satellite radio in a typical
7 week, how would you estimate the amount of
8 time spent on each of the following program
9 types", and we used constant sum allocation
10 for this.
11 BY MR. HANDZO:
12 Q And now, Dr. Wind, I think we come
13 to the results of your conjoint analysis,
14 which I believe are presented on page 43 in
15 Figures 25 and 26, is that right?
16 A Correct.
17 Q And can you tell us how these --
18 what data put these charts together, what you
19 drew on.
20 A As you recall, we talked about
21 three types of data. We talked about the
22 constant sum data. We talked about the

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1 with the constant sum allocations, we are also
2 looking at the percent of respondents who
3 selected each attribute as the most important
4 one based on the conjoint analysis and we find
5 out the music is selected by 47 percent of the
6 people and the next highest one is price with
7 14 percent.
8 Q And then, Dr. Wind, if you'd just
9 turn to the next page, page 44, and following
10 that, you've got a Figure 27 on page 45. Can
11 you describe what those results present?
12 A Yes, I mentioned before that we
13 had two control cards, so each respondent
14 received in the last question, Question 10 of
15 the questionnaire eight profiles, so each
16 respondent had eight out of the set of 64, so
17 he got eight cards, plus two control cards.
18 If you turn to Tab D, that
19 includes the various cards, the 64 cards, you
20 will see at the end of Tab D, just before Tab
21 E, you will see two cards, Card 65 which is
22 primarily the current situation. So Card 65

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1 desirability data and we talked about the
2 evaluation of the profiles, the eight profiles
3 plus two control profiles. The desirability
4 data and the profiles included basically
5 various combinations from the factors and
6 levels listed in Figure 4 and the results then
7 -- the first analysis from here allows us to
8 determine what is the relative importance of
9 music versus the other programming type.
10 And we see on Figure 25 that the
11 averaging points of music is 30 percent and
12 the next highest item is the monthly price for
13 a single subscription which is 15 percent. So
14 this is now the situation where we are
15 evaluating the four programming types; the
16 music, news, sports, and talk and
17 entertainment, plus number of minutes per hour
18 of commercial and music channels, plus
19 geographic coverage, plus the price. So
20 that's the primary result from the conjoint
21 analysis study.
22 Figure 26, again, as we've done

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1 describes the current offering in the
2 marketplace and Card 66, the second control,
3 describes the same characteristics as Card 64
4 with one exception; no music programming. So
5 the only difference between the two is no
6 music programming.
7 We used these cards as a way of
8 validating the result of the conjoint analysis
9 at the individual level because we could
10 predict from the way we analyzed the data for
11 each respondent, the self-explicated data, the
12 desirability in the eight cards, we were able
13 to predict what will be their score, the
14 evaluation of card 65 and 66. But card 65 and
15 66, in addition to allow us to validate the
16 conjoint analysis result, offer us a great
17 opportunity to examine very explicit choice
18 situation that respondent have between the two
19 conditions.
20 So if you look at Figure 27, you
21 see that out of 10 points when basically this
22 is the intention to subscribe on a 10-point

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1 scale, you see the current offering Card 65
2 gets 7.13. The current offering with no music
3 which is Card 66, gets only 2.47 on this 10-
4 point scale. So if you look at the relative
5 importance of the current offering with no
6 music, as a percent of the current offering,
7 you'll find it's 35 percent in terms of value.
8 And similarly, we can also look at
9 another measure which is how many of them gave
10 zero points out of the 10 points they could
11 have assigned here, how many gave zero points
12 to this offering. And we found that on Card
13 65, the current offering only five percent
14 gave zero points but to Card 66, the current
15 offering with no music 57 percent gave zero
16 points.
17 JUDGE WISNIEWSKI: Dr. Wind,
18 you're not able, however to determine because
19 with this amount of specificity to determine
20 if a large part of the effect that you appear
21 to capture here is associated with a
22 particular type of music that the person

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1 answered to us before in the open-ended
2 Question 1, 2, 3 on music.
3 JUDGE WISNIEWSKI: I understand,
4 but if it weren't captured there --
5 THE WITNESS: But also the framing
6 for the respondent will be his or her
7 response.
8 JUDGE WISNIEWSKI: I'm just trying
9 to understand the limits of what --
10 THE WITNESS: Yeah, no, we did not
11 examine this exclusively, okay?
12 MR. HANDZO: Your Honor, I'm at a
13 logical breaking point, if it makes sense to
14 break for lunch at this point.
15 CHIEF JUDGE SLEDGE: But you will
16 continue with this witness for --
17 MR. HANDZO: Yes, I will.
18 CHIEF JUDGE SLEDGE: We'll recess
19 for one hour.
20 (Whereupon at 12:26 p.m. a
21 luncheon recess was taken until 1:32 p.m.)
22 CHIEF JUDGE SLEDGE: Mr. Handzo?

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1 likes.
2 THE WITNESS: The only way I can
3 identify it is by looking at the responses to
4 the open-ended questions, Question 1, 2, 3 and
5 11 and to the extent that the respondent
6 mentioned a particular type of music, jazz,
7 rock or whatever, I can capture it there, but
8 in the structured questions, no, I did not
9 focus on that.
10 JUDGE WISNIEWSKI: Let me take a
11 extreme example. Suppose the only type of
12 music that the person liked was heavy metal.
13 And that really wouldn't necessarily be
14 captured here because you could eliminate the
15 heavy metal and still have all this other
16 music that the person wouldn't care much for.
17 THE WITNESS: Well, what we know
18 here is that when the person gets to the kind
19 of more structured question where there is
20 music, where we ask about music, like in the
21 constant sum allocation or in the conjoint
22 analysis, this is in the context of what they

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1 MR. HANDZO: Thank you, Your
2 Honor.
3 BY MR. HANDZO:
4 Q Dr. Wind, still on the subject of
5 Exhibit 51, your written testimony with regard
6 to your survey, once a survey has been
7 completed by DDW and the results have been
8 obtained, is there a verification process that
9 is supposed to happen?
10 A Yes.
11 Q Can you describe to the Court what
12 is supposed to happen? How does that
13 verification work?
14 A The easiest will be if we look at
15 the verification form on Section -- on Tab F.
16 This is the second page in this tab. This
17 form is being completed by the interviewers,
18 so each interviewer is completing basically
19 the list of respondent they interviewed. And
20 there's the screener ID, the quota, the
21 respondent name, the address, the phone
22 number, and the -- and the phone number.

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1 This, then, is -- and the
2 interviewer actually is instructed in the
3 field instruction to complete these specific
4 interview forms. This validation form goes to
5 DDW. They check it and primarily validate and
6 make sure that the quota code, which is at the
7 top of the page where it says, "Quota,
8 Satellite Radio Subscriber, Sirius Satellite
9 Radio Subscriber XM, Satellite Radio is
10 considering subscribing, Satellite Radio
11 considering subscribing XM," is inserted
12 basically under the quota on the second
13 column.
14 They verify that the -- against
15 the actual document the telephone number, that
16 it's correct. And I think also the supervisor
17 is supposed to check this in the field.
18 And then, this is being sent to an
19 independent research house -- I think it's ABC
20 in this case -- that then conducts the
21 interviews.
22 Q Let me just stop you there. In

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1 A Twenty percent actually reached.
2 Q Okay.
3 A Just reached. Then, the safeguard
4 that I have, which is also recommended by the
5 Advertising Research Foundation guidelines, is
6 that if there are any problems with the work
7 of any interviewer, then you have to go as
8 many times as it takes to try to interview the
9 rest of the interviewees of that interviewer,
10 because if we have a problem there is no
11 guarantee that there won't be problem with
12 others.
13 Q Okay. Let me just try and make
14 sure I understand that, and let me give you an
15 example. Let's say that we have an
16 interviewer in an Atlanta mall, and that
17 interviewer interviewed six people. And let's
18 say that the verification firm tries to reach
19 all six of those people, is only able to reach
20 two. Okay?
21 Now, if those two people that the
22 verification firm reaches, both appropriately

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1 terms of this process that you are describing,
2 are these instructions that you give to DDW,
3 or they do this on their own? How does that
4 work?
5 A Given that I've been working with
6 them for years, these are standard operating
7 procedures in all of the studies. And so DDW
8 gets, then, the form checked, send it to ABC.
9 They basically -- the procedure is --as
10 specified in the validation procedure is try
11 to contact 100 percent of the respondents, and
12 you have to try at least twice to contact each
13 respondent.
14 Q Okay. Now, what happens if you
15 can't reach 50 percent of them?
16 A Well, the target is actually to
17 try to reach as many as you can. The industry
18 norm, for example, under the guideline of the
19 Advertising Research Foundation is that
20 typical studies are 20 percent validation.
21 Q That is, 20 percent actually
22 reached, or 20 percent --

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1 verify, are there any steps taken as far as
2 that interviewer is concerned?
3 A No, that will be fine.
4 Q Okay.
5 A We continue.
6 Q Let's say one of the people they
7 reach says, "No, I've got no idea what you're
8 talking about." What happens?
9 A They all basically provide the
10 wrong answer to these questions, in this case
11 they have to continue trying to reach all six,
12 as many times as it takes to try to reach the
13 100 percent of that interviewer's work.
14 Q And are the results of the
15 verification process then communicated back to
16 you?
17 A Yes, to Data Development. And
18 then, from Data Development to me.
19 Q Okay. And what was communicated
20 to you about the results of the verification
21 process?
22 A That they completed 54 percent of

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1 the -- of verification, and there is no
2 problems, and we continue.

3 Q Okay. Now, when the verification
4 process happens, do you have an understanding
5 about whether the verification firm is
6 supposed to create -- you know, fill out forms
7 as they do the verification?

8 A My understanding is that the only
9 form that exists is this. This is the form
10 that is completed by the interviewer, is
11 complete, and we have a page like this for
12 each interviewer. And this form is the one
13 that is being sent to the ABC, and that's the
14 form that is then getting back to Data
15 Development.

16 Q Okay. And then --

17 JUDGE ROBERTS: What form are you
18 looking at, Dr. Wind? Where is that?

19 THE WITNESS: This is the second
20 page in Tab F.

21 JUDGE ROBERTS: Thank you.

22 BY MR. HANDZO:

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1 Q Okay. But that would be contrary
2 to your standard instructions to them?

3 A Correct. And their regular
4 practice.

5 Q Now, you alluded to your
6 deposition. Do you recall, Dr. Wind, that in
7 your deposition you were asked some questions
8 about what would be the correct responses to,
9 you know, a verification call? That is,
10 whether the answer should be yes, yes, yes, or
11 yes, no, yes, or something else. Do you
12 recall that?

13 A Yes.

14 Q And do you recall, as you sit here
15 today, the precise question you were asked?

16 A Not the precise one.

17 Q Okay. Do you recall what your
18 response was?

19 A Yes, I think that I misspoke. I
20 think that the question was somewhat
21 convoluted, in my view at least, or I could
22 not understand it correctly. And I said yes,

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1 Q And is it your understanding --

2 CHIEF JUDGE SLEDGE: Actually,
3 that's the third page, isn't it?

4 THE WITNESS: Yes, you're correct,
5 depending on how you count.

6 BY MR. HANDZO:

7 Q Okay. Is it your understanding
8 that DDW is supposed to retain those?

9 A Yes. And typically they do. I
10 think in this specific case what happened,
11 they were painting the office, as far as I
12 understand, and mislocated this, and that is
13 basically my understanding what happened.

14 Q How do you know that?

15 A When I was asked about this
16 before, we checked with them what happened.
17 Why aren't they delivering? Because I think
18 in my deposition I said that I thought the
19 forms would be with DDW, and they said they
20 cannot find them because they were painting,
21 they were moving stuff in the office, and they
22 just don't know where they are.

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1 yes, yes, because I was looking I think --
2 there was this form, the one on page 2, was
3 presented before.

4 And for the subscribers, the yes,
5 yes, yes, was the answer. That's what I had
6 in mind.

7 Q Okay.

8 A But it's obvious, based on the
9 real form that is complete, where there is a
10 clear quota indication here, and a quota for
11 each respondent, that there could not be an
12 error here, and that upon, you know, checking
13 again with Data Development the Field Director
14 clearly indicated that they communicate.

15 They checked these numbers, they
16 communicated them to the ABC, and ABC clearly
17 knew that the responses they consider should
18 be in B, as it's all logical, and that should
19 be a no, and the response to the subscriber
20 should be a yes to question 2.

21 MR. HANDZO: I have no further
22 questions on this subject, but I know the

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1 Court might, so I wanted to give you that
2 opportunity now, because I was going to move
3 on to a different subject.
4 CHIEF JUDGE SLEDGE: We are not
5 shy to let you know.
6 MR. HANDZO: Thank you.
7 BY MR. HANDZO:
8 Q Dr. Wind, in the notebook that you
9 have, let me ask you to turn to the tab that
10 says Amended Testimony, which we have marked
11 for the record as SoundExchange Trial Exhibit
12 52. Can you tell me what that is?
13 (Whereupon, the above-
14 referred to document was
15 marked as SX Exhibit
16 No. 52 for
17 identification.)
18 A After I submitted my original
19 testimony, I found out that Sirius and XM
20 actually had a number of studies that they
21 conducted.
22 Q How did you find that out?

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1 Q And do you attach to this amended
2 testimony the survey research that you looked
3 at?
4 A Correct.
5 Q Did you receive any survey
6 research that you didn't attach?
7 A No.
8 MR. HANDZO: Your Honor, I would
9 move the admission of SoundExchange Trial
10 Exhibit 52 and the attached exhibits. I
11 should also note for the record, though, that
12 some of the exhibits attached to Dr. Wind's
13 amended testimony have already been admitted
14 into evidence. And so just to clarify the
15 record, I'd like to go through and indicate
16 which those are. And I've consulted with
17 counsel. I think we are in agreement as to
18 what has already been admitted.
19 The first one with Dr. Wind's
20 testimony, SoundExchange Exhibit 11 -- I'm
21 sorry, 111, has been already admitted as
22 SoundExchange Trial Exhibit 35, and was

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1 A In discussion I think with Matt
2 Hellman.
3 Q And that's Mr. Hellman here in the
4 front row?
5 A Yes, it is.
6 Q Okay.
7 A I don't recall if he indicated
8 this first or I asked if there are any other
9 data, but eventually we found -- I found that
10 there is a body of research projects, and I
11 suggested that we may want to look in terms of
12 to what extent their results may validate my
13 study, to the extent they are addressing
14 similar type of questions.
15 Q And did you then obtain the survey
16 research performed by XM and Sirius?
17 A Yes.
18 Q Okay. And did you review it?
19 A Yes.
20 Q And is that survey research then
21 discussed in this amended testimony?
22 A Yes.

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1 admitted on a restricted basis. The document
2 attached to Dr. Wind's amended testimony as
3 SoundExchange Exhibit 116 has already been
4 admitted as SoundExchange Trial Exhibit 33 on
5 an unrestricted basis.
6 The document attached to Dr.
7 Wind's testimony as SoundExchange 118 was
8 already admitted as SoundExchange Trial
9 Exhibit 29, not restricted. The document
10 attached to Dr. Wind's testimony as Exhibit
11 119 has already been admitted as SoundExchange
12 Trial Exhibit 6, not restricted.
13 The document attached to Dr.
14 Wind's testimony as Exhibit 120 has been
15 admitted as SoundExchange Trial Exhibit 2.
16 Portions of that were restricted, but only
17 portions. Exhibit 121 to Dr. Wind's testimony
18 has been admitted as SoundExchange Trial
19 Exhibit 8 on a restricted basis, and the
20 document attached to this Exhibit 124 has been
21 admitted as SoundExchange Exhibit -- Trial
22 Exhibit 13 on a restricted basis.

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1 So with that for clarification, I
2 would move the admission of Dr. Wind's amended
3 testimony, Exhibit 52, and the associated
4 exhibits.
5 CHIEF JUDGE SLEDGE: I don't have
6 an Exhibit 52.
7 MR. HANDZO: Your Honor, it's part
8 of the same notebook. It's just the tab that
9 says Amended Testimony. I think there is a
10 separate exhibit sticker on it.
11 CHIEF JUDGE SLEDGE: Any objection
12 to Exhibit 52?
13 MR. MEYER: Yes, Your Honor. I
14 mean, I think Mr. Handzo correctly summarized
15 which of the attachments are already in
16 evidence. And, of course, some of them are
17 restricted, some of them are not. So, let me
18 get to the objection first.
19 Three of the exhibits that I
20 understand Mr. Handzo is submitting as
21 attachments to the amended Wind report have
22 not previously been tendered. That's 113,

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1 those attachments that are not already in
2 evidence, I have no objection, subject to a
3 concern about confidentiality, which I'll
4 address when Your Honor is ready for that.
5 Excuse me. And for clarification
6 again, my understanding of the three XM
7 exhibits that are attachments that have not
8 yet made their way into evidence are attached
9 to Dr. Wind's amended report as SoundExchange
10 Exhibits 113 and 114 and 125.
11 CHIEF JUDGE SLEDGE: So you have
12 no objection to the exhibit?
13 MR. MEYER: I have no objection.
14 CHIEF JUDGE SLEDGE: Okay. Mr.
15 Sturm?
16 MR. STURM: Your Honor, I have no
17 objection to the amended testimony itself, and
18 obviously no objection to the documents that
19 are already in evidence. I also have no
20 objection -- I'm going to focus on the Sirius
21 documents. I have no objection to Exhibit
22 112, which is another version of the listener

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1 114, and 125. And I would ask Mr. Handzo to
2 correct me if I misspeak. As to those, we do
3 not have an objection, although at the
4 appropriate time I do have a motion about the
5 confidentiality.
6 CHIEF JUDGE SLEDGE: I don't
7 understand your response. You had addressed
8 three exhibits. The offer is Exhibit 52.
9 MR. MEYER: Well, Your Honor, as I
10 understand it -- and maybe I am
11 misunderstanding -- is 52 just the testimony
12 without the attachments?
13 CHIEF JUDGE SLEDGE: No, it's with
14 the attachments.
15 MR. MEYER: It's with the
16 attachments.
17 CHIEF JUDGE SLEDGE: Yes.
18 MR. MEYER: Okay. I have no
19 objection to the testimony, and I certainly
20 have no objection -- and can't object -- to
21 the attachments that are already in evidence
22 as correctly pointed out by Mr. Handzo. As to

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1 study that we've looked at before.
2 I have no objection to Exhibit
3 115. I do have an objection to Exhibit 116,
4 which is a study -- which purports to be
5 another study that I do not believe has had --
6 there has been any knowledge -- excuse me, any
7 testimony concerning it up to this point. I
8 don't believe Dr. Wind is a proper sponsor for
9 this exhibit, so I would object to 117. And
10 that's the only one, Your Honor.
11 CHIEF JUDGE SLEDGE: I am not sure
12 I understand your objection. The expert is --
13 I started to say "is required," but maybe I
14 should change that to say "should" produce the
15 material considered in reaching the decisions
16 or conclusions.
17 And your objection is that the
18 materials considered don't have a sponsoring
19 witness?
20 MR. STURM: All he is doing on
21 this, Your Honor, is he is taking what appears
22 on the face of the document and talking about

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1 it. But there has been no testimony
2 whatsoever concerning what went into this
3 document, what the situation was at the time
4 of the document.
5 So essentially he is just reading
6 what is in the document.
7 CHIEF JUDGE SLEDGE: Right.
8 MR. STURM: And I don't believe
9 it's proper for him to --
10 CHIEF JUDGE SLEDGE: I don't think
11 I understand your -- does that respond to my
12 question?
13 MR. STURM: It's attempting to,
14 Your Honor.
15 CHIEF JUDGE SLEDGE: So you think
16 that the material considered by an expert has
17 to be authenticated before it can be admitted?
18 MR. STURM: Well, it's not
19 anything that he has created himself. It's
20 not anything that he knows about. It's not
21 anything that he has any basis for opining
22 about.

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1 considered by an expert do not require
2 authentication. And without further
3 objection, Exhibit 52 is admitted.
4 (Whereupon, the above-
5 referred to document,
6 previously marked as
7 SX Exhibit No. 52 for
8 identification, was
9 admitted into evidence.)
10 MR. HANDZO: Thank you, Your
11 Honor.
12 MR. MEYER: Your Honor, yes, I'd
13 like to move for the three XM exhibits that
14 are now being admitted for the first time --
15 and in this binder they are SoundExchange 113,
16 114, and 125 -- to be given restricted status.
17 And I think these documents are
18 actually similar to other documents that the
19 Court has already determined to give such
20 status to -- 113 -- I mean, generally, they
21 fall into the category of market research.
22 113 is a study showing a

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1 CHIEF JUDGE SLEDGE: So the answer
2 to my question is yes?
3 MR. STURM: Yes.
4 CHIEF JUDGE SLEDGE: You do think
5 it has to be authenticated before the material
6 considered by an expert can be admitted?
7 MR. STURM: For him to -- for him
8 to testify concerning this document, yes, Your
9 Honor.
10 CHIEF JUDGE SLEDGE: Okay.
11 Anything else?
12 MR. STURM: Well, Your Honor, he
13 is -- I understand that he can -- he can
14 consider things, but here, as I understand it,
15 he is sponsoring it independently into
16 evidence as a stand-alone exhibit. And he
17 doesn't have any basis for doing that.
18 CHIEF JUDGE SLEDGE: Anything
19 else?
20 MR. STURM: No, Your Honor.
21 CHIEF JUDGE SLEDGE: all right.
22 The objection is overruled. The matters

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1 demographic profile of XM users and their
2 likes and dislikes, including most popular
3 channels. 114 is an Arbitron study done for
4 XM, which contains similar information,
5 breakdown of demographics, channel, ratings,
6 that sort of thing.
7 And then, 125 is a presentation
8 given to the programming staff at XM, which
9 contains, again, demographic data, data about
10 which stations are being listened to. This is
11 certainly data that XM would not want its
12 competitor Sirius to be aware of.
13 To give an example, if Sirius saw
14 information that said that XM had put on a
15 program that a lot of people listened to, the
16 Sirius executives may say, "Hey, that's a
17 great idea. We should have our own channel
18 like that." It's competitively sensitive in
19 that way, much as I earlier -- in making a
20 similar motion I gave an example of Coke and
21 Pepsi. That was the reason why I showed it --
22 to see their marketing demographic studies.

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1 And so, again, I think these fall into the
2 same category.
3 (Pause.)
4 CHIEF JUDGE SLEDGE: Any objection
5 to the motion for Exhibits 113, 114, and 125?
6 MR. HANDZO: No, Your Honor.
7 CHIEF JUDGE SLEDGE: Without
8 objection, the motion is granted
9 MR. MEYER: Your Honor,
10 additionally, the amended testimony of Mr.
11 Wind, which quotes extensively from all of
12 these documents -- and, of course, Mr. Sturm
13 can speak for himself with respect to the
14 Sirius ones, but I believe the copy that has
15 been given to the Court is the same copy I
16 have and it grays out portions of the written
17 testimony that cites directly to the attached
18 exhibits. And so I would move the Court to,
19 again, designate this restricted version of
20 Dr. Wind's amended written testimony to be
21 restricted.
22 CHIEF JUDGE SLEDGE: Any objection

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1 MR. STURM: Your Honor, we don't
2 need to have me move for protection with
3 respect to the ones that were previously in,
4 correct? Those will maintain their prior
5 status?
6 CHIEF JUDGE SLEDGE: Yes, sir.
7 MR. STURM: Thank you.
8 BY MR. HANDZO:
9 Q Dr. Wind, what conclusions did you
10 draw in this amended testimony from the survey
11 evidence that you received and that is
12 attached to Exhibit 52?
13 A With respect to variables such as
14 usage and willingness to cancel that are
15 included both in my study and in the set of
16 studies by XM and Sirius, they seem to
17 collaborate and confirm the findings that I
18 had in my study.
19 Q Okay.
20 A So I looked at them basically as
21 an external validation to the results that I
22 got in my study.

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1 to the motion on Exhibit 52?
2 MR. HANDZO: No, Your Honor.
3 CHIEF JUDGE SLEDGE: Motion is
4 granted. Mr. Sturm?
5 MR. STURM: Your Honor, I would
6 similarly move to protect Exhibit 112, which
7 has been previously protected, the customer
8 satisfaction monitor. Excuse me, it's another
9 version of the listener study, which has been
10 previously marked. It has the same data that
11 were previously protected in Exhibit
12 SoundExchange 34.
13 And also, Exhibit 115, which is a
14 customer satisfaction monitor. Similar
15 version -- excuse me, a similar document has
16 been previously protected as SoundExchange
17 Exhibit 35.
18 CHIEF JUDGE SLEDGE: Any objection
19 to the motion for Exhibits 112 and 115?
20 MR. HANDZO: No, Your Honor.
21 CHIEF JUDGE SLEDGE: The motion is
22 granted.

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1 Q Okay. Let's take a look at an
2 example of that. If you could turn to page 2
3 of your amended testimony, Exhibit 52, and
4 take a look if you would at Figure 2.
5 A Yes. Basically, in one of the
6 Sirius reports -- am I supposed to read it,
7 since this is --
8 Q Let me just ask you, don't use the
9 actual number in your testimony. But sort of
10 generally, what does it indicate?
11 A Generally, it indicates the level
12 of cancellation that Sirius found in their
13 study, which is higher -- somewhat higher than
14 the one that I found in my study.
15 Q Okay. So this is the percentage
16 of people who would cancel if there was no
17 music?
18 A Correct.
19 Q Okay. And it winds up being
20 higher in their survey than yours?
21 A Correct.
22 Q Turn, if you would, to Figure 12,

42 (Pages 165 to 168)

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1 which is on page 17.
2 A 17.
3 Q And can you tell us what this
4 represents?
5 A One of the questions is the effect
6 of Howard Stern and his impact. And given the
7 fact that talk and entertainment received
8 actually significantly less responses on all
9 the measures that I did in my study compared
10 to music, the question was: how can we
11 explain it, given the popularity of Howard
12 Stern and all of the publicity around it?
13 And the studies that were provided
14 here gave an explanation for the phenomena.
15 And what you see here is the result of the
16 percentage of new Sirius subscribers who said
17 they were interested in talk programming. And
18 it's a timeline, so the first study is from
19 May 2004, or before, which was 9 percent.
20 In 2004 to June 2005, it increased
21 to 22 percent. In the July-December 2005,
22 before Howard Stern moved, as far as I

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1 A Okay. I'm sorry.
2 Q So in terms of the overall trend
3 that you're seeing here, what are you seeing
4 from the Sirius data?
5 A Increase up to January-April, and
6 a decrease from that period down to the last
7 data point we have, which is the June 2006.
8 Q Okay. And do you know when Howard
9 Stern's show actually began on Sirius?
10 A My understanding is January '06.
11 Q Okay. And do you know whether
12 that show was promoted or advertised prior to
13 that?
14 A Heavily.
15 Q Now, your own study was what date?
16 A October.
17 Q Okay. So that would be a more
18 recent time than the data you have here from
19 Sirius?
20 A Correct.
21 Q Let me ask you to take a look,
22 lastly, at Figure 14 of this testimony on

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1 understand, in January of '06, it increased to
2 31, and reached a peak of 52 percent in the
3 January-April 2006. This is at the height of
4 the move to Sirius.
5 But in the April-May period, we
6 see already a decline in the number of
7 subscribers who said they were interested in
8 talk programming to 34, and the last data that
9 we had in this study for June 2006 suggested
10 17 percent.
11 MR. STURM: Your Honor, the
12 questions originally were to not -- as I
13 understood them, were not to elicit specific
14 numbers, and he has gone into it. If we are
15 going to talk about the specific numbers,
16 request to go into closed session.
17 MR. HANDZO: Your Honor, let me --
18 BY MR. HANDZO:
19 Q Dr. Wind, I will ask the questions
20 in terms of just sort of a general
21 description, and you don't need to give me
22 specific numbers.

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1 page 20. And can you tell me, again not using
2 specific numbers, but generally, what this
3 represents?
4 A This is the direct comparison of
5 the percent of the June 2006, the latest date
6 we have from the Sirius studies, subscribers
7 interested in music as compared to talk
8 programming, and compared their results to the
9 results of my study.
10 Q And how do those match up?
11 A If you can see the comparison of
12 the two, the two reds are very similar, the
13 two blues are very similar. The reds show --
14 between the reds and the purples or the blues
15 are very similar in those areas, confirming
16 basically the validity of my study.
17 MR. HANDZO: Thank you, Dr. Wind.
18 That's all I have, Your Honor.
19 CHIEF JUDGE SLEDGE: All right.
20 Who will cross examine for the services?
21 MR. MEYER: I'm going to go first,
22 Your Honor, for XM. If I can just have a

1 moment to get set up, Your Honor.
 2 MR. STURM: Your Honor, Sirius
 3 will cross after Mr. Meyer has completed.
 4 MR. MEYER: I take offense to
 5 that, Your Honor, that there would be anything
 6 left to --
 7 MR. STURM: Or perhaps not.
 8 MR. MEYER: Notwithstanding that.
 9 CROSS EXAMINATION
 10 BY MR. MEYER:
 11 Q Good afternoon, Dr. Wind.
 12 A Good afternoon.
 13 Q You and I met at your deposition
 14 in this case, correct?
 15 A Correct.
 16 Q And you're an extremely
 17 experienced expert, isn't that right?
 18 A I'm experienced. I'm not sure
 19 what "extremely experienced" is.
 20 Q Don't be modest. I looked at your
 21 CV. You've testified, it looks like, a
 22 hundred times, maybe more, is that right?

1 research even into the satellite radio
 2 industry, isn't that right?
 3 A Correct.
 4 Q And you don't even have any
 5 knowledge of what's on satellite radio, right?
 6 A I have limited knowledge.
 7 Q Which is what, that they play --
 8 tell us the extent of your limited knowledge,
 9 please.
 10 A The few times that I rented a car
 11 that had satellite radio in it, and the
 12 studies I have read in this case, and looking
 13 at the websites of the two companies.
 14 Q And that's the full extent of your
 15 knowledge about satellite radio?
 16 A Yes.
 17 Q And you would characterize that as
 18 superficial knowledge, right?
 19 A Correct.
 20 Q And, in fact, in this case you
 21 relied on SoundExchange's lawyers as your
 22 substantive experts, isn't that right?

1 A I'm not sure. I think that I was
 2 involved in legal cases probably over a
 3 hundred times.
 4 Q Okay.
 5 A But in terms of testifying, to the
 6 best of my recollection it would be somewhere
 7 around 30 to 40 cases over a 30-year period
 8 probably.
 9 Q Okay. And you are very much in
 10 demand as a survey expert, is that right?
 11 A Yes.
 12 Q And your charge for your services
 13 -- you charge to SoundExchange how much?
 14 A The same as in all my consulting,
 15 which is \$1,000 an hour.
 16 Q \$1,000 an hour. And
 17 notwithstanding all of the surveys that you've
 18 done in all different contexts, it's correct,
 19 isn't it, that you have never done a survey on
 20 music, isn't that right?
 21 A Correct.
 22 Q And you have never done any

1 A Yes.
 2 Q And you didn't consult with
 3 anybody in the radio business, right?
 4 A Well, they -- no, they basically
 5 consulted with others. And when I asked them
 6 specific questions, they came back later on
 7 with specific answers.
 8 Q Okay. My question was: you
 9 didn't have any direct contact with anyone
 10 from the radio business, right?
 11 A Correct.
 12 Q You didn't speak to anyone in the
 13 record business, correct?
 14 A Correct.
 15 Q And, in fact, you have never
 16 before done any surveys for the purpose of
 17 trying to determine a price that a consumer
 18 would pay for any form of radio, TV, or music,
 19 isn't that right?
 20 A I think that one of the studies
 21 that I did for -- in Japan on TV did include
 22 price. And in most of the studies that I have

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1 done using conjoint analysis price is one of
2 the factors.

3 Q The question was whether you've
4 done any surveys trying to determine the price
5 of radio TV or music content.

6 A Well, as I mentioned, the study in
7 Japan for TV as far as I recall had a price
8 component to it.

9 Q Okay. This will be the first
10 possibly of many times we are going to make
11 reference to your deposition.

12 Can we hand out copies of the
13 transcript?

14 Dr. Wind, we've already
15 established I think that you were deposed in
16 this case, and I was present, correct?

17 A Correct.

18 Q Okay. And take a look at page 17,
19 please, of the deposition.

20 JUDGE ROBERTS: 17 in the box?
21 MR. MEYER: Yes, Your Honor.
22 BY MR. MEYER:

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1 A It was a TV study conducted in
2 Japan.

3 Q Since you had forgotten about that
4 at the time I took your deposition, am I fair
5 in concluding that you are not relying on that
6 in any way in doing your work in this case?

7 A Correct. I don't think that I
8 have to rely on specific industry studies. I
9 am relying on my general expertise in consumer
10 research.

11 Q Sir, I'm just asking you -- most
12 of my questions are going to be very simple
13 yes or no questions. Now, you're not an
14 economist, right?

15 A Correct.

16 Q And in response to a question from
17 the Court, I think you testified that you
18 prepared the report, is that your testimony?

19 A Correct.

20 Q Okay. In fact, the lawyers did
21 the first draft of the written report, right?

22 A Based on a report that I submitted

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1 Q And you look at line 6, do you see
2 that, sir?

3 A Yes.

4 Q Okay. And the question I asked at
5 the deposition was, "And have you ever done
6 any studies for the purpose of determining the
7 price that a consumer would be willing to pay
8 for radio or television or music content?"
9 And the answer you gave was? Can you read it
10 for the record?

11 A "No, not that I recall." And now
12 that you ask me the questions, I recall that
13 I did do a study on TV in Japan, which I think
14 I may have mentioned in the deposition.

15 Q Okay. You gave the testimony that
16 I just read, and your recollection has now
17 been improved, correct?

18 A Well, I recall that I did a study
19 on Japan. I'm trying to see --

20 Q Okay.

21 A -- if I have it in my resume.

22 Q What did you study in Japan?

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1 to them.

2 Q Well, you submitted to them a
3 Powerpoint outline, correct?

4 A It's not an outline. It was a
5 Powerpoint presentation that included all the
6 details which are in the report on the charts,
7 and they converted this into a written report
8 to follow the format required in this court.

9 Q Is it true or is it not that the
10 lawyers prepared the first draft of the
11 report?

12 A Yes, based on the Powerpoint I
13 presented -- I gave them.

14 Q So, yes, it is true that they
15 prepared the first draft based on the
16 Powerpoint.

17 CHIEF JUDGE SLEDGE: He has
18 answered that question twice.

19 BY MR. MEYER:

20 Q So the written text that the Court
21 has before it was originally drafted by the
22 lawyers, and then you reviewed it, right?

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1 A No. The original report -- the
2 Powerpoint presentation that included a lot of
3 the verbiage explaining what's there, and the
4 procedure and other, was written by me,
5 submitted to them, and they formatted this
6 into the report. They prepared the first
7 reformatted report, which I then reviewed.
8 Q Okay.
9 A And exchanged with them a number
10 of times.
11 Q All right. Well, maybe if we look
12 at page 19 of your deposition we can see the
13 source of my confusion.
14 CHIEF JUDGE SLEDGE: You are
15 referring to a deposition. We have not
16 identified an exhibit number.
17 MR. MEYER: Your Honor, right now,
18 I wouldn't introduce -- I'm using portions of
19 the deposition for impeachment. Ordinarily,
20 I wouldn't introduce the entire deposition as
21 an exhibit.
22 CHIEF JUDGE SLEDGE: That's not my

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1 number?
2 CHIEF JUDGE SLEDGE: Yes, sir.
3 JUDGE ROBERTS: Yes.
4 MR. MEYER: Okay. So we'll mark
5 these with an exhibit number. It's exhibit --
6 then, I apologize, Your Honor. I was
7 confused. SDARS Exhibit 1. We have decided
8 that we are now going to begin marking our
9 exhibits SDARS 1, 2, etcetera, as opposed to
10 having separate Sirius and XM exhibits.
11 (Whereupon, the above-
12 referred to document was
13 marked as SDARS Exhibit
14 No. 1 for
15 identification.)
16 I apologize, Your Honor. The
17 confusion was all mine. Are you ready, Your
18 Honor?
19 CHIEF JUDGE SLEDGE: You've
20 identified the exhibit. That's what I asked
21 you to do.
22 MR. MEYER: Okay. Okay. I'm not

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1 point. For the record, you have not
2 identified what you are asking the witness to
3 look at.
4 MR. MEYER: Okay. For the record,
5 I am directing the witness to portions of his
6 deposition transcript dated Friday, April 27,
7 2007, in this matter. If Your Honor would
8 like --
9 CHIEF JUDGE SLEDGE: What exhibit
10 number are you asking him to look at?
11 MR. MEYER: We haven't marked it
12 as an exhibit, since frankly, Your Honor, I
13 have never done that in any court. But if you
14 would like to do that, we can.
15 CHIEF JUDGE SLEDGE: Mine is
16 marked as an exhibit.
17 MR. MEYER: We can do that.
18 JUDGE ROBERTS: Mine is marked,
19 too.
20 CHIEF JUDGE SLEDGE: Why is yours
21 not marked the same as mine?
22 MR. MEYER: It has an exhibit

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1 going to spend much time on this.
2 BY MR. MEYER:
3 Q Let's talk about our favorite
4 subject, which is validation. Okay? Now,
5 sometimes we see terms "validation" and
6 "verification," are they the same thing? Or
7 are they different?
8 A In the context of marketing
9 research firms in general, yes. The typical
10 term used by marketing research firms for the
11 process where an independent research house is
12 calling back the respondent is often called
13 validation. I prefer to call it verification,
14 because all that it does is verifies that the
15 consumers were interviewed. And it's not, in
16 a sense, validation. So I have been using in
17 my reports, both in litigation as well as in
18 research, the term "verification."
19 Q Okay. Now, the reason we do
20 verification is because there are occasions
21 when the people who actually do the interviews
22 and fill out the verbatims don't do it

1 accurately, correct?

2 A Correct.

3 Q In fact, there are even occasions
4 in surveys where people don't really do them
5 at all, isn't that right?

6 A yes.

7 Q Okay. So sometimes -- and this
8 has happened in your experience, right -- you
9 actually have people who are paid to go out
10 and conduct the interview and record
11 verbatims. But rather than actually do that,
12 they pocket the money and they fill out the
13 verbatims themselves. You've seen that
14 happen, right?

15 A I've seen it happen, but it cannot
16 happen when you have supervisors involved.

17 Q Okay. The purpose of the
18 verification or validation is to make sure
19 that doesn't happen, right?

20 A Correct.

21 Q And that's why it's important,
22 correct?

1 CHIEF JUDGE SLEDGE: Dr. Wind, you
2 are directed to answer the questions, which
3 you just did. And I wonder why you mentioned
4 time constraints. What time constraints are
5 you under?

6 MR. MEYER: The fact that we have
7 limited hours.

8 CHIEF JUDGE SLEDGE: Which are the
9 hours that the parties asked for.

10 MR. MEYER: Yes, Your Honor. But
11 I --

12 CHIEF JUDGE SLEDGE: So what time
13 constraints are you under?

14 MR. MEYER: Your Honor,
15 ordinarily, on cross examination, if the
16 witness wants to give a lengthy speech in
17 response to question which calls for a yes or
18 no, ordinarily, I don't like that, but I can
19 live with it. In a case where I have a finite
20 amount of time to present my case --

21 CHIEF JUDGE SLEDGE: Which you
22 imposed on yourself.

1 A It's important, but you have to
2 put it in the broader context of all the
3 safeguards that a study has. And when you
4 have a study where you have basically very
5 close supervisor monitoring of the
6 questionnaire, of the interviewing process,
7 when you have basically computer-assisted
8 programming involved here, you have enough
9 initial safeguards that the verification is
10 done but is much less important and critical,
11 because it is only one of a number of
12 safeguards done in the study.

13 MR. MEYER: Your Honor, I would
14 ask -- the only question I asked was, "Is
15 verification important?" which is a yes or no
16 question. He began by saying "yes," and then
17 gave a lengthy speech. And given the fact, in
18 particular, that in this case we're under time
19 constraints, I would ask that the witness be
20 directed to answer the questions, and
21 additional information could be elicited on
22 redirect.

1 MR. MEYER: Absolutely, but not
2 with the understanding that the normal rules
3 of cross examination wouldn't apply. But all
4 I can do is ask, Your Honor.

5 CHIEF JUDGE SLEDGE: And neither
6 can you require a witness to answer yes and no
7 if that's not their answer.

8 MR. MEYER: Okay. Well --

9 CHIEF JUDGE SLEDGE: They give you
10 the answer that they think is appropriate to
11 your question.

12 BY MR. MEYER:

13 Q In response to the question about
14 the validation forms, right, and you attached
15 a copy to your report, correct?

16 A Correct.

17 Q Okay. You thought it was
18 important enough to attach to your report, am
19 I right?

20 A It's part of the report, yes.

21 Q Okay. And you made an affirmative
22 representation in your report that I think it

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1 was 54 percent of the people had been
2 validated, is that right?
3 A Correct. And I still make it.
4 That's a correct number.
5 Q Okay. And you also attached to
6 your report a copy of the instructions that
7 were given to the people in the field,
8 correct?
9 A Correct.
10 Q All right. And in those
11 instructions, if you take a look at your
12 report, your initial report, at Exhibit E or
13 Attachment E, the field instructions, do you
14 have that, sir?
15 A Yes, I do.
16 Q If you'll turn to page 3 of that
17 document.
18 A Yes.
19 Q And under Validations, in the box
20 it says, "DDW conducts a 100 percent telephone
21 validation on all completed interviews.
22 Therefore, we are enclosing validation forms

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1 page 4 of this document, in the middle of the
2 page, again, in a box in bold letter next to
3 the word "validation," do you see that, sir?
4 A On page 4, I don't.
5 Q Page 4 of the same -- actually, I
6 see it's the second --
7 A I don't see it on page 4.
8 Q It's a separate document, which is
9 still part of Appendix A. So it's now the --
10 well, there are actually three documents here.
11 It's the third document, the first page of
12 which is a memo from Kathy Romano to
13 supervisors. Do you have that document?
14 A I don't know what you're talking
15 about.
16 JUDGE ROBERTS: Are we in Tab A
17 now?
18 MR. MEYER: No, we're still in Tab
19 E.
20 BY MR. MEYER:
21 Q My first question was Tab E, page
22 3, of the first document. And combined under

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1 and ask that you, the interviewer, fill out
2 your own validation forms." Do you see that?
3 A Yes.
4 Q So the people who are doing the
5 survey were told that there would be 100
6 percent telephone validation, correct? Is
7 that right?
8 A Which is -- no, they were told
9 exactly what is being done, and that's 100
10 percent telephone validation of all completed
11 interviews. It's 100 percent effort --
12 attempt to reach 100 percent of the
13 respondents with two callbacks. We don't have
14 to give this detail to the field. You want
15 them to know that there is a firm control, and
16 everything is going to be validated.
17 Q Sir, is it correct -- yes or no --
18 that they were told, "DDW conducts a 100
19 percent telephone validation on all completed
20 interviews"? Isn't that what they were told?
21 A Right. And that's correct.
22 Q Thank you. And if you'll look at

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1 Tab E are two other documents, the third of
2 which is a memo from Kathy Romano to
3 supervisors. Do you see that?
4 A Yes, this is -- these are the
5 instructions to the supervisors.
6 Q Supervisors --
7 A That's a different -- that's a
8 different group. The first question there you
9 -- the first document you relate to was the
10 interview instructions. The second one is the
11 supervisors.
12 Q I'm sorry. Supervisors of --
13 A Field supervisor. In each
14 location there is a supervisor. In this
15 specific study, there were a large number --
16 very large number of interviewers, a very
17 large number of supervisors.
18 Q And did they work for DDW?
19 A Yes.
20 Q Okay.
21 A DDW basically contact the local
22 field house in each area. Each one has a

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1 supervisor.

2 Q Okay. And if you go now to page 4

3 of that document, please, in the middle of the

4 page it says "Validation," do you see that?

5 A Yes.

6 Q And, again, in a box in bold

7 letters it says, "Please Note: This research

8 is being conducted for a client who does 100

9 percent telephone validations." Do you see

10 that?

11 A Yes.

12 Q Okay. And so that's what the

13 supervisors were instructed as well, correct?

14 A Correct.

15 Q And the client that is being

16 referred to there who does 100 percent

17 telephone validations, who is that?

18 A Me. And I actually insisted on

19 the specific wording for these specific items.

20 Q Okay. And do you know whether 100

21 percent validations were done?

22 A Correctly, as designed, there was

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1 personal, firsthand knowledge, or is it

2 because somebody told you? Sir, it's not a

3 trick question.

4 A It's based on a regular, standard

5 operating procedure that I have with Data

6 Development. And, yes, I rely in most of my

7 communications with them on people telling me.

8 I've got a project director communicating with

9 me directly.

10 Q Okay. And you also rely on them

11 to keep copies of the validation forms, don't

12 you?

13 A Yes. But things happen. And when

14 they were basically painting the offices, and

15 people moved stuff, it's possible that they

16 lost one box of material.

17 Q Okay. So notwithstanding the fact

18 that you rely on them, and you place so much

19 trust in them, based on your years of

20 experience, in this case that trust was

21 misplaced with respect to the forms, right?

22 A I don't think that the trust was

Page 194

1 an effort to reach 100 percent of the

2 respondents with two callbacks. That's the

3 common procedure that I've been using in all

4 my studies, and this was done.

5 Q How do you know?

6 A Because I trust the people I work

7 with. I work with them for years. I have no

8 reason under the sun to doubt the fact that

9 the 54 percent is accurate, and I don't know

10 why even raise this question.

11 Q So you know because somebody tells

12 you, that's the answer, right?

13 A These are professional people I

14 have been working with for years. What do you

15 mean "because they told me"? You have to rely

16 on the team. They are part of the team.

17 Q Is my question not correct? You

18 know because somebody told you, right?

19 A As opposed to what? I'm not sure

20 as opposed to what.

21 Q Is the answer to my question yes

22 or no? The reason you know -- is it based on

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1 misplaced. I think that I can understand the

2 fact that it was a human error. There was a

3 change in the office. They moved things, and

4 they could not find one -- one item, which is

5 not that critical, because you have the actual

6 worksheet that tells you exactly what were the

7 results of the validation.

8 Q Who did the worksheet?

9 A The computer-printed validation

10 was done by ABC.

11 Q Okay. ADC, is that it?

12 A ABC.

13 Q ABC.

14 A I think it's ABC.

15 Q ABC gave the summary to Data

16 Development, is that your understanding?

17 A Correct.

18 Q Okay. But I thought you testified

19 that Data Development, or maybe it was

20 something Mr. Handzo said -- does Data

21 Development also get the forms, so that they

22 can check the work of ABW -- ABC?

1 A Let me clarify the process, so
2 there won't be any kind of understanding. The
3 forms are -- the forms that I related to
4 before in the verification, page 3, is
5 completed by each interviewer, checked by the
6 supervisor, sent to DDW. DDW, the field
7 person, checks it against the questionnaires
8 to make sure that the name and everything is
9 correct, and adds the quota, makes sure that
10 the quota is correctly specified.

11 This is being sent to the
12 validation house, the ABC, they complete the
13 interview. They record here the correct
14 answer, whether it's a yes, yes, yes, or a
15 yes, no, yes, and send it back to DDW together
16 with a computer printout of the results of the
17 validation, plus typically a letter or
18 something indicating that there are no
19 problems.

20 This was done. The only thing
21 that is missing, because of the painting, are
22 the actual forms, the completed forms that

1 came back after validation completed by ABC to
2 DDW.

3 Q Okay. So to be clear, ABC was
4 supposed to give the forms to DDW, right?

5 A They did.

6 Q Excuse me?

7 A My understanding is they did,
8 because they --

9 Q It seems they did.

10 A They did, because the field
11 supervisor at DDW indicated they received the
12 forms. She checked them, they are fine, they
13 just cannot find them. But they also had
14 received from ABC at the same time the
15 computer printout which was the one that was
16 referred to earlier today, for each
17 interviewer the number of completed interviews
18 and how many of them were validated.

19 Q Okay. And so then it was DDW that
20 didn't retain the forms, correct?

21 A Correct. Basically, because of
22 the painting, they misplaced them. They

1 cannot find them.

2 Q That's what they told you.

3 A Right. I have no doubt -- no
4 reason to doubt what they told me.

5 Q Now, you were deposed on April 27,
6 2007. Do you recall testifying that there
7 should be a filled out form for each
8 verification, and that Data Development has
9 them? Do you recall giving that testimony?

10 A Yes. This was the best of my
11 understanding concerning these forms on page
12 3 of Tab F.

13 Q So when you testified in your
14 deposition and you said Data Development has
15 them, you were wrong, right?

16 A I assumed they had them, because
17 you did not have them, the lawyer did not have
18 them, so my only conclusion was Data
19 Development must have them. And I was wrong,
20 because apparently they could not find them.

21 Q Okay. And when did you find out
22 that these documents were destroyed?

1 A Probably they were never
2 destroyed.

3 Q Oh? Do you know where they are?

4 A No, they disappeared during the
5 time of -- the time of the painting, and I
6 don't think this -- the word "destroy" is an
7 accurate description of the situation.

8 Q Did you read the declaration of
9 Kathy Romano that Mr. Handzo submitted to the
10 Court earlier today?

11 A I think so. I'm not sure. Yes, I
12 did it yesterday.

13 Q Okay. Do you recall Ms. Romano
14 saying that the validation forms had not been
15 retained?

16 A I don't recall exactly. But if
17 you read it to me, I will accept your
18 statement.

19 Q I'll represent to you that's what
20 she said. But your understanding is they
21 weren't disposed of, they could be, as Mr.
22 Sturm said earlier, sitting in a closet

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1 somewhere.

2 A To me, there is a big difference

3 between them not being retained or

4 disappearing as opposed to destroyed.

5 Q Okay. Now, since at your

6 deposition you told us that the forms existed

7 and that Data Development had them, and that

8 was April 27, 2007, when did you come to learn

9 that the forms were in fact not obtainable?

10 A Sometime between then and today

11 when I think Matt Hellman told me that DDW

12 cannot find them.

13 Q And so did you then get on the

14 phone with DDW?

15 A Yes. And that's when they told me

16 about the painting.

17 Q Now, I think you testified on

18 direct that verification -- the standard is 20

19 percent. Do I have that correct?

20 A Correct.

21 Q Okay. And you cite in your

22 written direct testimony in this case a couple

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1 (Whereupon, the above-

2 referred to document was

3 marked as SDARS Exhibit

4 No. 2 for

5 identification.)

6 BY MR. MEYER:

7 Q Now, sir, is this the reference

8 guide that you refer to in your direct written

9 testimony?

10 A Yes.

11 MR. MEYER: I'd like to offer it

12 in evidence, Your Honor, as SDARS Exhibit 2.

13 CHIEF JUDGE SLEDGE: Any objection

14 to Exhibit 2?

15 MR. HANDZO: No, Your Honor.

16 CHIEF JUDGE SLEDGE: Without

17 objection, it is admitted.

18 (Whereupon, the above-

19 referred to document,

20 previously marked as

21 SDARS Exhibit No. 2 for

22 identification, was

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1 of learned treatises, isn't that right?

2 A Yes.

3 Q And I assume the fact that you

4 cited it means that you think that they are

5 reputable, reliable, authoritative sources, is

6 that correct?

7 A In general.

8 Q And one of the ones that you cited

9 in your report, I believe on page 7, was

10 Sherry Diamond's Reference Guide on Survey

11 Research, do you recall that?

12 A Yes.

13 Q And do you know what that survey

14 says about the need for validation, do you

15 recall?

16 A I don't recall. I go for the

17 verification. I typically relied on the

18 Advertising Research Foundation standards.

19 MR. MEYER: Okay. Let's take this

20 and admit this, or offer it for admission. Do

21 you have an exhibit number, Jen? This will be

22 SDARS 2.

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1 admitted into evidence.)

2 BY MR. MEYER:

3 Q And if you'll turn, sir, to page

4 267 of SDARS Exhibit 2, and we'll look on the

5 bottom of the page, in the last paragraph. It

6 says, "When a survey is conducted at the

7 request of a party for litigation, rather than

8 in the normal course of business, a heightened

9 standard for validation checks may be

10 appropriate. Thus, independent validation of

11 at least 50 percent of interviews by a third

12 party rather than by the field service that

13 conducted the interviews increases the

14 trustworthiness of the survey results." Do

15 you see that?

16 A Yes, I do.

17 Q Okay. And that is what this

18 article that you cite in your report

19 recommends, correct?

20 A Yes. But I also indicated that I

21 am relying on -- the ARS had specified 20

22 percent, and everything -- in this specific

Page 205

1 case, we had 54 percent, which is more than
2 the standard required by Sherry Diamond.
3 Q Okay. And it's a lot more than 20
4 percent? We can agree on that, right?
5 A Well, the fact is that in this
6 case we had 54 percent verification, which is
7 higher than the standard. The higher
8 standards that you suggest here -- if you talk
9 with field houses, research houses such as
10 Data Development, you will find that my
11 requirement typically is higher than they
12 usually had. And typically, a lot of the
13 studies submitted in courts that I have seen
14 and evaluated were around the 20 percent, not
15 the 50 plus.
16 Q Now, when you found out that your
17 deposition testimony was incorrect, did the
18 attorneys give you any opportunity to correct
19 it?
20 A No, I did not ask for this. We
21 just basically discussed the fact.
22 Q Okay. Okay. Now, let's talk

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1 Q Right.
2 A And they can then check it
3 basically to see, depending on the quota,
4 whether it was subscriber or intended
5 subscriber, whether it was a, you know, yes,
6 no, yes, or yes, yes, yes, as well as they are
7 getting the computer printout. That's what
8 they do. They check this. They do the real
9 check at the beginning when they get it from
10 the field.
11 Q In any event, that's the kind of
12 check that we can't do, because we don't have
13 the forms, right?
14 A Right. But I -- we do have one of
15 the forms. We have the form -- the computer
16 form, and I have no -- no reason to doubt the
17 integrity of DDW and ABC.
18 Q Okay. If you find out, sir, where
19 the forms are after they're done with the
20 painting, will you let us know?
21 A They are done with the painting.
22 They couldn't find it. The minute I will find

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1 about -- well, let me ask one more question on
2 the validation. You said DDW checks the forms
3 they get from ABC to see if they are correct,
4 right?
5 A No. No. Let me repeat the
6 process.
7 Q No, I don't want to take the time
8 to repeat the whole process. ABC's people go
9 out and do the validation. They fill out the
10 forms. They are supposed to give them to DDW,
11 correct?
12 A Right.
13 Q Okay. And DDW is supposed to look
14 at them to check them, right?
15 A Yes, but not to check them the way
16 they check when they get it from the field.
17 This is basically reviewing the results.
18 Q Okay.
19 A They get two pieces of data -- of
20 documents from ABC. They gave the forms
21 completed with the results of the actual
22 validation.

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1 out if they -- you know, where they are, I
2 will be delighted to send them to you Federal
3 Express.
4 Q We appreciate that.
5 All right, sir. Now, let's turn
6 to the substance of your indirect testimony in
7 this case. Now, is it true that the primary
8 objective of your initial direct written
9 testimony was to determine the value of music?
10 A Yes.
11 Q And the secondary objective was to
12 determine the value of music programming
13 relative to talk and entertainment
14 programming?
15 A Yes.
16 Q Now, you don't contend, do you,
17 sir, that your survey gives you a precise
18 value of music in dollars and cents to a
19 reasonable degree of certainty, do you?
20 A No. I basically measured multiple
21 measures and dimensions of value.
22 Q Okay. And in doing that, you used

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1 how many different questions in your survey?
2 A I think if you look at the
3 questionnaire there are 11 questions.
4 Q And in asking the question in all
5 of those different ways, you believe that each
6 of them measures a different dimension of
7 value, right?
8 A Yes. Some of them may be related,
9 but -- or multiple measures of the same item.
10 So, for example, importance would be measured
11 both by the direct constant sum allocation in
12 question 4 as well as through the conjoint
13 analysis that combined multiple tasks given
14 the respondent.
15 Q And you think all of your
16 questions are equally reliable, isn't that
17 right?
18 A I have no reason to doubt the
19 reliability or validity of my questions.
20 Q I think I'm asking --
21 CHIEF JUDGE SLEDGE: That didn't
22 answer the question.

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1 Q Now, are you aware that Dr.
2 Pelcovits and Dr. Ordover relied in a
3 significant way on your work in this case?
4 A I know it in general. I don't
5 know specifically what they have done.
6 Q Are you aware of the fact that Dr.
7 Pelcovits and Dr. Ordover looked and used data
8 from only one of your 11 questions?
9 A I have no idea. The first time I
10 hear it.
11 Q And that the one they used was one
12 that yielded a higher value of music, do you
13 know that?
14 A No, I don't.
15 Q And so notwithstanding the fact
16 that Dr. Pelcovits and Dr. Ordover used the
17 data from your survey as a key input, neither
18 one of them ever spoke to you, did they?
19 A I have never spoken to them,
20 right.
21 Q And so you have no idea whether
22 the use they are making of your survey is or

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1 THE WITNESS: I'm sorry.
2 BY MR. MEYER:
3 Q Do you think they were all equally
4 reliable?
5 A Unless shown otherwise, I would
6 say that, yes, I think that they are equally
7 reliable.
8 Q Okay. And do you agree that value
9 is a multi-dimensional construct?
10 A Yes.
11 Q Is that right?
12 A That's the way I defined it here.
13 Q Well, not coincidental, but that's
14 why I asked about that. There are many ways
15 of looking at it, right?
16 A Correct.
17 Q And by assessing the value of
18 music in multiple ways, we can obtain a more
19 robust measure of its value than any one
20 method could provide alone, isn't that right?
21 A That's the principle of
22 convergence validity.

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1 is not appropriate, right?
2 A Correct.
3 Q Now, have you since learned that
4 the question that Dr. Pelcovits and Dr.
5 Ordover are using from your survey is question
6 9? Have you heard that?
7 A No. That's the first I hear of
8 it.
9 Q Okay. Let me -- we're going to
10 get to question 9, but let me ask you about
11 some of the other questions that are in your
12 survey. And I want to focus your attention on
13 question 1. And this is Appendix C to your
14 initial direct written testimony. I'm looking
15 at the main questionnaire.
16 A Yes, sir.
17 Q Do you have that, sir?
18 A Yes, I do.
19 Q All right. And there are two
20 surveys, right? One for subscribers and one
21 for considering subscribers?
22 A Correct. And they are one behind

1 the other.

2 Q Okay. And you referred to this
3 earlier as the universe that you used, is that
4 right?

5 A I'm sorry.

6 Q I recall Mr. Handzo asking you,
7 "What did you conclude was the correct
8 universe?" and you said, "Considerers and
9 subscribers." Is that not accurate?

10 A Well, the universe was defined a
11 little more than this, defined also as the
12 decisionmakers, those involved in the
13 decision, relating satellite radio among those
14 subscribers and those who intend to subscribe.

15 Q Okay. And the lawyers were the
16 ones who gave you the definition of the
17 universe to use, isn't that right?

18 A This is typically the case.

19 Q So is the --

20 A In most studies, the client is the
21 one who specifies the objective of the study
22 and the universe. And given these two, the

1 objective of the study and the universe, then
2 I could go into designing a study.

3 Q So is the answer to my question
4 yes, in this case, the lawyers gave you the
5 universe to use?

6 A Yes. But I want to put it in the
7 right context, that this is typically done in
8 all studies, whether it's for litigation or
9 not. It's the client who gives those
10 information.

11 Q All right. Now, so coming back to
12 the questionnaires, and let's look at the
13 first one, which is subscribers. Now, the
14 first question you asked is, "Thinking back to
15 the time you first subscribed to satellite
16 radio, why did you decide to subscribe?" And
17 then, similarly, for considerers, when you get
18 to that survey it's, "Why are you considering
19 subscribing to satellite radio," correct?

20 A Correct.

21 Q And I think you yourself described
22 these in your direct oral testimony as very

1 open-ended, right?

2 A Correct.

3 Q Okay. And they're the most open-
4 ended questions in your survey, right?

5 A Correct.

6 Q And so they contain no clues of
7 any kind to the respondent as to how to answer
8 the question, correct?

9 A Correct.

10 Q Okay. Now, if we take a look in
11 your report at page 29, Figure 11 -- this is
12 in your original report -- and I can't recall
13 whether Mr. Handzo showed you this page or not
14 -- do you have that, sir?

15 A Yes, I do.

16 Q Okay. Now, this reflects the
17 answers to that first very open-ended
18 question, right?

19 A Correct.

20 Q And the question was just, "Why
21 did you decide to subscribe" or "why are you
22 considering to subscribe," right?

1 A Yes, the question is just at the
2 bottom of the page.

3 Q Okay. And the first column you
4 have you have top mention, and then you have
5 top three mention, and any mention, right?

6 A Correct.

7 Q And the reason you have that is
8 because people could have, and in fact often
9 did, give more than one answer, right?

10 A Correct.

11 Q So somebody could say music,
12 sports, and news, right?

13 A Correct.

14 Q And you said in response to Mr.
15 Handzo it's basically the job of people to
16 then take those answers and match them up with
17 codes. It's called coding, right?

18 A No. That's in the wrong time and
19 place. At the interview, what's happening --

20 Q No, I'm sorry. I didn't mean to
21 suggest it was being done at the interview.

22 At some point, the answers are coded, correct?

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1 A Yes. Once the study is complete,
2 the data comes to Data Development. Then, an
3 independent coder takes those open-ended
4 responses and creates codes and codes them.
5 Q Okay. We're going to talk about
6 the coding. But assuming that the coding is
7 all accurate, isn't it true, sir, that in
8 response to your most open-ended question,
9 simply asking people their reasons for
10 subscribing, that 82 percent of the people did
11 not mention music as their top mention?
12 A It's not surprising at all.
13 Q Sir, I didn't ask you whether it
14 was surprising. I simply asked you whether it
15 was true.
16 A Yes. You are reading from the
17 table. The table speaks for itself. These
18 are the correct numbers.
19 Q Okay. And in response to question
20 1, only 39 percent made any mention of music
21 at all, correct?
22 A Correct.

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1 not mention music at all.
2 CHIEF JUDGE SLEDGE: I thought
3 your earlier question said 82 percent.
4 MR. MEYER: Yes. The difference,
5 Your Honor, is 82 percent did not mention
6 music as their top mention.
7 CHIEF JUDGE SLEDGE: Top mention.
8 BY MR. MEYER:
9 Q And over 60 percent didn't mention
10 music at any point in answering question 1 and
11 the probe, question 1B, right?
12 A Correct.
13 CHIEF JUDGE SLEDGE: Thank you.
14 BY MR. MEYER:
15 Q And I think you looked at, with
16 Mr. Handzo, a figure -- Figure 10 on pages 26
17 and 27. Actually, there's Figure 9, which has
18 the data, and then Figure 10 which has a chart
19 based on the data. Is that a fair --
20 A Correct.
21 Q Pages 26 and 27?
22 A Correct.

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1 Q And that's even though question 1
2 -- if we could go back -- if we go back to the
3 questionnaire, we'll see this -- question 1 is
4 actually asking them twice, right? Because
5 you ask them the question, and then you ask
6 what's called a probe. Basically, you ask
7 them, "Is there anything else?"
8 A Correct.
9 Q So given two opportunities to give
10 music, over 60 percent made no mention of
11 music in response to that question, right?
12 A No. You are just reading from the
13 table.
14 Q Okay.
15 A Is there a question?
16 Q I thought Mr. Handzo did some
17 reading from the tables as well, and I just
18 want to show different parts of some of the
19 tables.
20 CHIEF JUDGE SLEDGE: You said over
21 60 percent?
22 MR. MEYER: Over 60 percent did

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1 Q And you said this reflects answers
2 to open-ended questions, right?
3 A Correct.
4 Q Now, here when we say "open-ended
5 questions," you're not just looking at the
6 answers to the one we just talked about, which
7 is question 1, the most open-ended question,
8 right?
9 A Well, if you look at the second
10 line of the title, it says, "Net for Question
11 1, Question 2, Question 3, and Question 11."
12 Q Right.
13 A So I'm looking at all four open-
14 ended questions.
15 Q Okay. So, then, I think the
16 answer to my question is yes. You're not just
17 looking at the most open-ended question, you
18 are also looking at question 2. Now, question
19 2 in your survey -- again, Appendix C -- says,
20 "What types of satellite radio programming
21 were most critical to your decision to
22 subscribe to satellite radio?" Do you see

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1 that?

2 A Yes.

3 Q Okay. So unlike question 1, which

4 simply says, "Why did you decide to

5 subscribe?" question 2 actually is just asking

6 them to focus on programming, correct?

7 A Correct.

8 Q So it's a little more leading than

9 question 1 in that it's now suggesting your

10 answer should be something about programming,

11 correct?

12 A I don't think I would use the term

13 "leading."

14 Q Okay.

15 A That's a common practice in terms

16 of the funneling approach when you start very

17 broad and then you narrow it to focus on the

18 area of interest. There is nothing leading in

19 this question.

20 Q Okay.

21 A Music is never mentioned here, and

22 it asked about programming in general.

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1 Q Again, focusing on types of

2 programming, right?

3 A Correct.

4 Q Okay. And then, the fourth

5 question that you include in this Figure 9 and

6 Figure 10, which Mr. Handzo showed you, is

7 question 11, which asks people, "If satellite

8 radio was not available, what, if anything,

9 would you miss most about it," correct?

10 A Correct.

11 Q All right. So to be clear, then,

12 again, Figure 9, Figure 10, these results

13 combine any mention of music from any of these

14 four questions, correct?

15 A Correct.

16 Q Actually, it's not just four

17 questions, though, is it, Dr. Wind? It's

18 really eight questions, right?

19 A If you want to add the probe to

20 this, yes.

21 Q Okay. So --

22 A But not everyone was asked all of

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1 Q We can agree that, unlike question

2 1, which is totally open-ended, question 2

3 asks them specifically about programming,

4 right?

5 A It's open-ended with respect to

6 programming.

7 Q Right. But if somebody wanted to

8 say, "I like the sound quality" or "I like the

9 fact that, you know, I get nationwide

10 coverage," this question wouldn't be

11 soliciting or eliciting that type of

12 information, right, because you're asking them

13 about types of program?

14 A Correct. They would have

15 responded to this in question 1.

16 Q Okay. Right. And then, question

17 3, which is also combined in your Figure 9 is

18 now reflected on your experience what types of

19 satellite radio programming are most critical

20 to your decision to continue to subscribe. Do

21 you see that?

22 A Correct.

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1 them. Keep in mind that those considered were

2 not asked question 3, nor question 11.

3 Q Okay. So for existing

4 subscribers, though, they would have been

5 asked those four different questions. And

6 after each question, they would have been

7 probed to say anything else, right?

8 A Correct.

9 Q Okay. And so this table, Figure

10 10, the chart Figure 10, the table in Figure

11 9, reflects anyone who in response to any of

12 those eight questions said anything about

13 music, correct?

14 A Well, this table combines both

15 consider and subscribers. So let's now

16 clarify this. But, yes, but you should look

17 at all of the comparison, not only at music,

18 look what was the level of response to all the

19 other programming types, which are

20 significantly below the level of music.

21 Q Do you know whether music was more

22 or less than all of the other things? Well,

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1 let me come back to that, because we are going
2 to talk about the coding. And just one
3 question about the coding. So in looking at
4 this data, isn't it true that if anyone in any
5 of their verbatim answers used the word
6 "music," no matter what context, it would have
7 been coded under music, isn't that right?
8 A Correct.
9 Q So if somebody said, "I like the
10 sound quality of the music," that would have
11 been quoted as music, correct?
12 A Correct.
13 Q If somebody said, "I like the fact
14 that my music doesn't fade in and out as I
15 drive," that would have been coded as music,
16 correct?
17 A Depending on the exact wording,
18 but likely, yes.
19 Q Okay. So the word "music"
20 immediately triggers code music, right?
21 A Yes.
22 Q And the coding of open-ended

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1 CHIEF JUDGE SLEDGE: You're going
2 to get into that? Okay.
3 MR. MEYER: There is a code for
4 music, and so any time they mention music it
5 would have been given that code and simply
6 categorized as this person is saying music,
7 the most important thing is music.
8 CHIEF JUDGE SLEDGE: Okay.
9 MR. MEYER: But we'll go through I
10 think how it's done, and hopefully it will be
11 clear.
12 JUDGE ROBERTS: It certainly isn't
13 every time somebody mentions music. Somebody
14 could say -- when asked this question could
15 say, "Well, I didn't sign up for the music,"
16 and they used that -- the magical word, but I
17 wouldn't think that it -- would that show up
18 as a response for music?
19 THE WITNESS: No. No.
20 JUDGE ROBERTS: But you don't know
21 that for a fact, do you, sir?
22 THE WITNESS: I reviewed all the

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1 responses is critically important in looking
2 at the results of the survey, wouldn't you
3 agree?
4 A Well, they are important, but you
5 also have the full verbatim. So you can go
6 back and look at the actual verbatim for each
7 one of them.
8 Q Well, let's talk about that.
9 Coding involves somebody looking at --
10 CHIEF JUDGE SLEDGE: Let me ask a
11 point of clarification --
12 MR. MEYER: Yes, sir.
13 CHIEF JUDGE SLEDGE: -- on that
14 last question, last several questions. When
15 you say that any mention of music in the
16 answer triggers the code for music, you're
17 saying that the code for music applies, but
18 you're not saying where -- what number in that
19 code applies, but some number in that code
20 applies.
21 MR. MEYER: Well, no, Your Honor,
22 and we'll look at the coding chart.

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1 verbatim. I don't recall even one situation
2 where we had the person say they did not
3 subscribe because of the music. We did have
4 -- I did look after the deposition where you
5 raised this whole issue, I did look at some of
6 the verbatim again. And the majority of them,
7 or close to 50 percent, did not mention
8 anything else but music.
9 There were others, about 25
10 percent or so, that mentioned variety of
11 music. And then, there are others, very few,
12 less than 10 percent, that mentioned all type
13 of other characteristics of music.
14 BY MR. MEYER:
15 Q Some people got coded under music,
16 even though they didn't say anything about
17 music, isn't that right?
18 A I don't think so.
19 Q Okay. Well --
20 A I'm not sure what you're referring
21 to.
22 Q All right. We'll take a look at

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1 that. But just to set the foundation as to
2 coding, and what it is, and how it works,
3 somebody -- the first thing somebody has to do
4 is come up with a list of codes, correct?
5 A Categories, yes.
6 Q Right. And did you do that?
7 A No.
8 Q Okay.
9 A I should not do it. It should be
10 done by someone who follows the double-blind
11 principle and doesn't know the purpose of the
12 study or the identity of the sponsor.
13 Q Well, you can give somebody a list
14 of codes to use without them knowing the
15 identity of the sponsor, correct?
16 A Well, but you are asking -- there
17 are two parts, right? There is the code
18 development, which I believe should be done by
19 an independent person. And then, there is the
20 actual assigning of each questionnaire to --
21 each response to the specific codes.
22 Q Okay.

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1 of the responses.
2 Q Okay.
3 A I did review all of the verbatim
4 and then looked at the sample of them in terms
5 of the coding, but I did not do a thorough,
6 complete checking of the codes that were
7 conducted.
8 Q Okay. And you made no changes,
9 once the coding -- and by "coding," I mean the
10 matching of the codes to the answers. Once
11 that was done by somebody -- do you know who
12 that somebody was, by the way?
13 A Yes. Greg Pierce.
14 Q Did you give him any instructions
15 or details as to the coding?
16 A No. He basically was working with
17 Data Development. This is a way to assure
18 basically that we do have this objectivity,
19 the double-blind here.
20 Q Do you know if he was given any
21 training by Data Development?
22 A Greg has been doing coding for

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1 A And I believe that you need a
2 double-blind for both of these functions.
3 Q My question was: you could come
4 up with a list of codes and give it to Data
5 Development or somebody else, and it would
6 still be double-blind, correct?
7 A No, it would not, because I -- I
8 am not double-blind. I know what the purpose
9 of the study is. So if I develop the
10 categories, I will be biased in the
11 development -- I can be biased in the
12 development of the categories. I want to make
13 sure, for objectivity in the study, and I am
14 letting, then, someone else who doesn't know
15 the purpose of the study develop the codes.
16 Q Okay. So you didn't develop the
17 codes. You also didn't do the coding. In
18 other words, you didn't review the verbatims
19 and then figure out which bucket or code each
20 answer went into, right?
21 A Right. I think we discussed this
22 in my deposition. I said I reviewed a sample

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1 studies that I have been involved in for at
2 least 10 years, if not more.
3 Q Okay.
4 A He is a very smart guy, he knows
5 research in and out, and very competent coder.
6 Q And he did all the coding.
7 A Correct.
8 Q You have the utmost confidence in
9 him.
10 A Yes.
11 Q Okay.
12 A Again, I have no reason -- unless
13 I have good reason, I have no reason to doubt
14 --
15 Q Okay.
16 A -- the integrity of the people I
17 work with. They're a part of the team.
18 Q Okay. So, then, the coding that
19 was done was sent to you, and you made no
20 changes whatsoever, correct?
21 A Correct.
22 Q You didn't think there was any

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1 answer in the 420 respondents times four open-
2 ended questions, actually times eight for the
3 actual subscribers, including the problems,
4 out of those thousands of answers, you didn't
5 think any answer had been coded improperly, is
6 that right?
7 A As I said, I did not validate each
8 one of them. I did not stand there and check
9 each one of them.
10 Q Okay.
11 A I have confidence in the people
12 who did it, and I think that the coding, by
13 and large, following the scheme was accurate.
14 Q Now, you said on direct testimony
15 in response to Mr. Handzo -- I wrote this down
16 -- you said with respect to the coding, "I
17 reviewed it." So, but you actually reviewed
18 a sample, and the sample that you reviewed
19 consisted of probably a few for each one of
20 the coding categories, right?
21 A Yes, but I reviewed -- but I was
22 responding to -- the question in direct,

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1 A Yes.
2 Q And that would be at Exhibit L, at
3 the end of Exhibit L?
4 A Correct.
5 Q Appendix L. And do you know why
6 these particular verbatims out of all the
7 verbatims generated were attached to your
8 report?
9 A Because these are the ones that I
10 referred to actually in the report, so if I
11 mention a specific quote in the report, I
12 added them. These were the full supporting
13 documents for the specific references.
14 Q Okay. And just to orient
15 ourselves, I know we covered this just before.
16 You didn't write the codes, you didn't do the
17 coding, and you reviewed a sample of the
18 coding. Right?
19 A Correct. Which I believe is the
20 correct procedure to do.
21 Q Okay. Now it's true, isn't it,
22 sir, that you have been criticized by courts,

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1 responding to -- that I reviewed the coding
2 scheme.
3 Q I see.
4 A Then, I looked in the term of as
5 -- you are correct, I looked at the sample of
6 the code the way they were coded from the
7 questionnaires.
8 CHIEF JUDGE SLEDGE: Is this a
9 good time for a break?
10 MR. MEYER: Yes, certainly.
11 CHIEF JUDGE SLEDGE: We'll recess
12 10 minutes.
13 (Whereupon, the proceedings in the
14 foregoing matter went off the
15 record at 3:00 p.m. and went back
16 on the record at 3:12 p.m.)
17 CHIEF JUDGE SLEDGE: We'll come to
18 order.
19 MR. MEYER: Hello again, Dr. Wind.
20 BY MR. MEYER:
21 Q You attached some of the verbatims
22 from your survey to your report, didn't you?

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1 have you not, for lack of participation in
2 every stage of the survey process?
3 A Yes, by very few on this point,
4 but I still feel that the correct approach is
5 the one I use in term of involvement as part
6 of a research team.
7 MR. MEYER: And I don't know, Your
8 Honor, what the Court's preference is with
9 respect to the case, whether I go ahead and
10 try and introduce that as an exhibit, or I
11 could simply cite the case to the Court.
12 CHIEF JUDGE SLEDGE: The purpose
13 is to use it for authority?
14 MR. MEYER: Well, it makes some
15 statements that are critical of Dr. Wind, that
16 I think are relevant to the survey he did in
17 this case.
18 CHIEF JUDGE SLEDGE: I don't
19 understand that authorities are exhibits.
20 MR. MEYER: Okay. Then we can
21 simply cite the case. I could cite it now or
22 at an appropriate point. Is that acceptable?

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1 CHIEF JUDGE SLEDGE: I think
2 that's an option available to you.
3 MR. MEYER: Okay. All right.
4 BY MR. MEYER:
5 Q One of the cases, Dr. Wind, in
6 which you were criticized for being
7 insufficiently involved in the design and
8 analysis of the survey was a case called
9 United States versus Dense Fly International,
10 277 F. Supp. 2d, 387. You recall that case.
11 Right?
12 A Vaguely.
13 Q That was in 2003?
14 A Yes.
15 Q And another case in which you were
16 criticized for a lack of supervision of the
17 people doing the survey was G. Heileman
18 Brewing Company v. Anheuser-Busch, cited at
19 676 F. Supp. 1436. Do you recall that one?
20 A I don't recall the particular
21 criticism that you're mentioning, but this is
22 a case where it was in two courts, and one of

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1 a lot of incomprehensible computer codes on
2 it. Do you have that?
3 A Yes.
4 Q And have you seen this document
5 before?
6 A Yes. You showed it to me at my
7 deposition.
8 Q Okay. Do you recognize it?
9 A Yes.
10 Q What is it?
11 A My understanding is still that
12 this is the program that was used by Data
13 Development to input the codes.
14 MR. MEYER: Okay. I'd like to
15 offer it into evidence, Your Honors.
16 CHIEF JUDGE SLEDGE: Are you
17 referring to Exhibit 3?
18 MR. MEYER: Yes, Your Honor.
19 CHIEF JUDGE SLEDGE: Any objection
20 to Exhibit 3?
21 MR. HANDZO: No, Your Honor.
22 CHIEF JUDGE SLEDGE: Without

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1 them accepted, one of them had some criticism,
2 exactly the same study.
3 MR. MEYER: Now with respect to
4 coding, I'm going to hand out several
5 documents, and with apologies to all
6 concerned, this process of trying to see how
7 a particular verbatim was coded is actually
8 not that simple. You have to look at three or
9 four different documents and play it through.
10 And I'm going to try and do that with just a
11 few verbatims. If we could introduce the Wind
12 depo, Exhibit 5 and 6. What are the exhibit
13 numbers for those? Okay. SDARS 3 and SDARS
14 4.
15 (Whereupon, SDARS
16 Exhibit Nos. 3 and 4
17 were marked for
18 identification.)
19 BY MR. MEYER:
20 Q Let's start with that, and just
21 establish for the record what those are. All
22 right. Now SDARS 3 should be a document with

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1 objection, Exhibit 3 is admitted.
2 (Whereupon, SDARS
3 Exhibit No. 3 was
4 admitted.)
5 BY MR. MEYER:
6 Q If you could just take a look at
7 SDARS Exhibit 4. Can you tell us what that
8 is?
9 A This is also from Data
10 Development, and these are the coding
11 framework and guidelines.
12 Q Okay. And on SDARS Exhibit 4, on
13 the second page, and possibly the third and
14 fourth pages, at least on the second page is
15 a list of the codes that were used. Is that
16 right?
17 A Correct.
18 MR. MEYER: Okay. I would offer
19 this into evidence, Your Honors.
20 CHIEF JUDGE SLEDGE: Any objection
21 to Exhibit 4?
22 MR. HANDZO: No.

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1 CHIEF JUDGE SLEDGE: Without
2 objection, it's admitted.
3 (Whereupon, SDARS
4 Exhibit No. 4 was
5 admitted.)
6 BY MR. MEYER:
7 Q Now using these two documents in a
8 given verbatim, it's true, isn't it, Dr. Wind,
9 that you can tell how a given verbatim
10 response was coded. Correct?
11 A Correct.
12 Q So let's take a look at a
13 verbatim. And looking at the one with the
14 Bates number 8620, Case I.D. 2025.
15 A I don't have it in front of me.
16 Q My associate is gathering it. I
17 apologize for the delay.
18 (Whereupon, SDARS
19 Exhibit No. 5 was marked
20 for identification.)
21 BY MR. MEYER:
22 Q Okay. Now SDARS Exhibit 5, do you

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1 Q And in response to the question,
2 "Why are you considering subscribing to
3 satellite radio", this person responded, "It
4 sounds -- we started out with cable, and then
5 went to satellite, and satellite was so much
6 better". Do you see that?
7 A Yes.
8 Q Does that suggest to you that this
9 person might have been confused and was
10 thinking about cable T.V. and satellite T.V.,
11 and, therefore, should have been excluded from
12 the survey results?
13 A Possible. I'm not sure.
14 Q Okay. All right. Now let's
15 illustrate how you determined how that answer
16 was coded.
17 MR. MEYER: And, again with
18 apologies to the Court, it's somewhat awkward
19 and took us a while to figure it out.
20 BY MR. MEYER:
21 Q If you go to SDARS Exhibit 4, and
22 you see on the left-hand column is says

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1 recognize this document, sir?
2 A This is a verbatim, yes.
3 Q From your survey?
4 A Yes.
5 MR. MEYER: I'd like to offer it
6 into evidence, Your Honor.
7 CHIEF JUDGE SLEDGE: Any
8 objection?
9 MR. HANDZO: No, Your Honor.
10 BY MR. MEYER:
11 Q Okay. So let's interpret some of
12 this. Dr. Wind, at the top of the page it
13 says, "Considering subscribing case I.D. 20-0-
14 25." Do you see that?
15 A Yes.
16 Q Okay. So does that tell you that
17 this is a consider, and that the subject I.D.
18 number is 2025?
19 A Correct.
20 Q All right. Go down to question
21 1A. Do you see that?
22 A Yes.

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1 "Q1A1". Do you see that? Are you looking at
2 SDARS 4, sir?
3 A Yes.
4 Q Okay. So you see Q1A1?
5 A Yes.
6 Q Okay. Now if you go to the right,
7 we still haven't figured out what flag means,
8 but under Main 1 and Main 2, 6411 and 6412, do
9 you know what that means?
10 A Yes. This is column 64, position
11 11, column 64, position 12. And if you want
12 to understand what the flag is, if you'll go
13 to the next page, you have on the left side
14 final quotes. The left column is flag. This
15 is the category, and then the full code is the
16 category, the coding within each one of these
17 categories.
18 Q Okay.
19 A So music is category 1.
20 Q Oh, the code for music is 11.
21 Right?
22 A Well, but the flag for music is 1,

61 (Pages 241 to 244)

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1 so everything that will be related to music
2 will be flagged 1, and then you have a more
3 specific code within it.
4 Q Okay. So looking on page 2 of
5 SDARS Exhibit 4, 11 music NS. What does NS
6 mean?
7 A Not specific.
8 Q Okay. All right. Now let's see
9 if we can figure out how Mr. or Ms. 2025 was
10 coded on this answer. If you go to SDARS
11 Exhibit 3, and you look in the parentheses,
12 see on the top it says one five, and EQ, N001.
13 That's the first entry on Exhibit 3. Do you
14 see that?
15 A If you want this responded, you
16 should look at page 12. That's what you are
17 looking at?
18 Q I understand that. I was just
19 trying to take it slower for the panel. Yes,
20 let's go to page 12 of Exhibit 3. Okay. And
21 we see here in the parentheses on the left,
22 after the one fives, and after the EQs, we see

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1 and you look under full code, and you see 44,
2 it's good, the best, not specific. Right? I
3 think that's what you just said.
4 A Correct.
5 MR. MEYER: Okay. Can I ask
6 whether the Court is with me on this?
7 CHIEF JUDGE SLEDGE: No you may
8 not.
9 (Laughter.)
10 MR. MEYER: If I can assist the
11 Court in any way, please let me know.
12 CHIEF JUDGE SLEDGE: You can
13 assist me by giving me a moment to state what
14 should have been stated long ago. SDARS
15 Exhibit 5 is admitted without objection.
16 (Whereupon, SDARS
17 Exhibit No. 5 was
18 admitted.)
19 MR. MEYER: Apologize, Judge. May
20 I continue?
21 CHIEF JUDGE SLEDGE: Please.
22 MR. MEYER: Okay.

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1 numbers, and one of those numbers is 2025.
2 Correct?
3 A Correct.
4 Q Okay. And so that tells us that
5 these relate to subject 2025. Right?
6 A Correct.
7 Q Okay. And now if we take the
8 first 2025 and we go across and it says C6411,
9 6412, and going back to Exhibit 4, that tells
10 us that that's a code for the response to
11 Question 1(a)(1). Correct?
12 A Correct.
13 Q Okay. And then it says 44. And
14 that's actually the code. Right?
15 A Right. This says there is no flag
16 for 44. These are the major categories,
17 miscellaneous, and it says it's good, the
18 best, nothing specific.
19 Q Okay. Again, I don't want to get
20 ahead of the Court. So the 44 tells you
21 that's how it was coded. And to find out what
22 that means, you go back to Exhibit 4, page 2,

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1 BY MR. MEYER:
2 Q All right. So then wrapping this
3 up, the person who says they started with
4 cable, and then went to satellite, and
5 satellite is so much better, that response was
6 coded it's good, the best. Right?
7 A Right.
8 Q Okay. Now let's take some more
9 interesting ones. If I can have 20153.
10 (Whereupon, SDARS
11 Exhibit No. 6 was marked
12 for identification.)
13 BY MR. MEYER:
14 Q Dr. Wind, can you identify this
15 document?
16 A Yes. This is the verbatim
17 responses for subscriber responder number
18 20153.
19 MR. MEYER: I would offer it into
20 evidence, Your Honor.
21 CHIEF JUDGE SLEDGE: Any
22 objection?

62 (Pages 245 to 248)

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1 MR. HANDZO: No, Your Honor.
2 CHIEF JUDGE SLEDGE: Without
3 objection, Exhibit 6 is admitted.
4 (Whereupon, SDARS
5 Exhibit No. 6 was
6 admitted.)
7 MR. MEYER: Thank you, Your Honor.
8 BY MR. MEYER:
9 Q Dr. Wind, I want to ask you here
10 about response to Question 3(a). It says,
11 "Now reflecting on your experience with
12 satellite radio, what types of satellite radio
13 programming are most critical to your decision
14 to continue to subscribe"? And the response
15 was, "I will not like it." Do you see that?
16 A Yes.
17 Q Okay. Now from SDARS Exhibit 3
18 and 4, can you tell the Court how that
19 response was coded?
20 A It was coded as 11, which is music
21 not specific.
22 Q That's an error, isn't it?

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1 Q Okay. Let's take a look at
2 subscriber I.D. 20157, please.
3 (Whereupon, SDARS
4 Exhibit No. 7 was marked
5 for identification.)
6 BY MR. MEYER:
7 Q So that was a mistake, sir,
8 obviously, that you didn't catch in your
9 review of the coding. Correct?
10 A No. As I mentioned before, I just
11 did a sample review. I did not check each one
12 of the numbers.
13 Q Because, as you said, you have the
14 utmost confidence in the person who does all
15 your coding. Right?
16 A And if you found only two or three
17 mistakes in all of this, this is a very small
18 level of error.
19 Q Okay. Take a look at SDARS
20 Exhibit 7. This is subject 2157. Right?
21 A Yes.
22 Q Do you recognize this as another

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1 A Looks like it. I think they coded
2 correctly the 1(a) and 2(a), but apparently
3 something is wrong here.
4 Q Okay. So this is clearly a
5 mistake coding "I will not like it" as music.
6 Right?
7 JUDGE ROBERTS: Are you on page 31
8 of Exhibit 3?
9 THE WITNESS: I'm on page 31, and
10 if you want to look at this respondent 20153,
11 the first answer was 12, which was a question
12 to Question 1(a), which was "I like the top 20
13 and 20", which was coded correctly as specific
14 genre of music. And the second one in
15 response to question 2(a), when he says "Top
16 20 and 20 is good for me and my family", also
17 was coded correctly as 12. And, apparently,
18 with 3(a) I think it's an error, because he
19 said, "I will not like it". The coding for
20 this is error 11, music not specific, should
21 not have been.
22 BY MR. MEYER:

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1 verbatim response from your survey?
2 A Yes.
3 MR. MEYER: I would offer it into
4 evidence, Your Honor.
5 CHIEF JUDGE SLEDGE: Any objection
6 to Exhibit 7?
7 MR. HANDZO: No, Your Honor.
8 CHIEF JUDGE SLEDGE: Without
9 objection, it's admitted.
10 (Whereupon, SDARS
11 Exhibit No. 7 was
12 admitted.)
13 BY MR. MEYER:
14 Q Now on this one, take a look at
15 the answer to 3(a)(1), or 3(a), actually. The
16 question is, "Now reflecting on your
17 experience with satellite radio, what types of
18 satellite radio programming are most critical
19 to your decision to continue to subscribe?"
20 Do you see how this person answered the
21 question?
22 A Not very comprehensible. "I will

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1 not like that. I need it."
2 Q "I will not like that. I need
3 it." How do you think this was coded? Can
4 you tell us?
5 A Yes. It was coded also a mistake
6 as 11, as music not specific. Even though
7 the first code on 1 and 2 are correct.
8 Q All right. And in this instance,
9 unlike where you pointed out in the prior
10 instance, this person's response to Question
11 1(a), which was the most open-ended, was, "It
12 is the news". Correct?
13 A And correctly categorized it as
14 number 22.
15 Q Okay. But in any event, in
16 Question 3(a), and this would have been
17 combined into your chart that Mr. Handzo
18 showed, combining all the open-ended answers,
19 this was incorrectly coded as music, like the
20 previous ones. Correct?
21 A Like I said before, so we have
22 two, three errors, so far we have two. This

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1 CHIEF JUDGE SLEDGE: Any objection
2 to Exhibit 8?
3 MR. HANDZO: No, Your Honor.
4 BY MR. MEYER:
5 Q Let's take a look at the answer to
6 Question 1(a), Dr. Wind.
7 CHIEF JUDGE SLEDGE: Exhibit 8 is
8 admitted.
9 (Whereupon, SDARS
10 Exhibit No. 8 was
11 admitted.)
12 MR. MEYER: I apologize, Your
13 Honor.
14 BY MR. MEYER:
15 Q If we could, Dr. Wind, look at
16 question 1(a), which is the general open-end,
17 "Why did you decide to subscribe?" The
18 response given by this subject was, "It's
19 wireless, NE Probe, you get a variety of
20 stations." Do you see that?
21 A Yes.
22 Q Do you know what "NE Probe" means?

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1 happens.
2 Q Let's take a look at 20180, if we
3 could, subject 20180.
4 (Whereupon, SDARS
5 Exhibit No. 8 was marked
6 for identification.)
7 CHIEF JUDGE SLEDGE: Mr. Meyer, I
8 suffer from the same problem that John does.
9 When you say those numbers, you're referring
10 to two zero one-eighty?
11 MR. MEYER: Two zero one-eighty,
12 that's right.
13 CHIEF JUDGE SLEDGE: And not
14 twenty one eighty.
15 MR. MEYER: Correct. Two zero
16 one-eighty.
17 BY MR. MEYER:
18 Q Dr. Wind, do you recognize this as
19 another verbatim from your study?
20 A Yes.
21 MR. MEYER: I would offer it, Your
22 Honor.

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1 A Nothing else.
2 Q Okay. How do you think this was
3 coded? Do you have any idea?
4 A This is the second -- this was
5 coded incorrectly as music not specific.
6 Q Okay. Another mistake. Right?
7 A Yes.
8 Q Let's take a look at 20213,
9 please.
10 JUDGE WISNIEWSKI: You've got to
11 say two zero.
12 MR. MEYER: Yes. Two zero two one
13 three.
14 JUDGE ROBERTS: Before we leave
15 Exhibit 8, I notice that the response, Mr.
16 Meyer, since you've been bringing up question
17 3, there is a response of music and the
18 variety of stations, and what they offer. Are
19 you simply saying that it's coded incorrectly
20 on that particular line on page 35 of Exhibit
21 3?
22 MR. MEYER: Well, I'm saying the

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1 answer to Question 1(a), which is the open-
2 ended question was coded improperly as music.
3 Each of the other questions and answers have
4 separate codes, and they go into separate
5 buckets, but Question 1(a) is another mistake,
6 inaccurately coding something as music, which
7 clearly is not.
8 JUDGE ROBERTS: I think in your
9 cross examination here you've been bringing up
10 Question 3, as well.
11 MR. MEYER: On some of them I've
12 been pointing to Question 3, on some of them
13 I'm pointing to other questions.
14 JUDGE ROBERTS: Yes. So if in
15 Question 3 on this one the person does mention
16 music, isn't it then a correct code?
17 MR. MEYER: Question 1(a) the code
18 is incorrect, and Dr. Wind has tabulated all
19 sorts of data, including the answers to just
20 Question 1(a). That's in his report. It's
21 one of the tables in his report.
22 BY MR. MEYER:

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1 MR. MEYER: Okay. And that's
2 SDARS Exhibit 9.
3 (Whereupon, SDARS
4 Exhibit No. 9 was marked
5 for identification.)
6 BY MR. MEYER:
7 Q Do you recognize this as a
8 verbatim from your survey?
9 A Yes.
10 MR. MEYER: I'd like to offer this
11 into evidence, Your Honor.
12 CHIEF JUDGE SLEDGE: Any objection
13 to Exhibit 9?
14 MR. HANDZO: No, Your Honor.
15 CHIEF JUDGE SLEDGE: Without
16 objection, it's admitted.
17 (Whereupon, SDARS
18 Exhibit No. 9 was
19 admitted.)
20 BY MR. MEYER:
21 Q Okay. Now here I'd like to direct
22 your attention to the answer to Question

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1 Q All right. So, Dr. Wind, I have
2 to confess, I don't recall. Have we
3 established how that answer to Question 1(a)
4 was coded? Was that coded as music?
5 A Which one? I'm sorry.
6 Q Question 1(a) where the subject
7 said, "It's wireless, NE probe, you get a
8 variety of stations."
9 A Which exhibit are you talking
10 about?
11 Q SDARS Exhibit 8.
12 A Yes, on 20180. Yes.
13 Q Okay.
14 A And the 1 will be wrong, and in
15 the cumulative because we're focusing on that,
16 it will have no effect.
17 MR. MEYER: Okay. And have we
18 distributed 20213?
19 THE WITNESS: Yes, you have.
20 MR. MEYER: Okay. You have that
21 one, Dr. Wind?
22 THE WITNESS: Yes.

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1 11(a), Dr. Wind. And question 11 was one of
2 the questions that you combined into that
3 chart that Mr. Handzo showed, that combined
4 so-called open-ends. Correct?
5 A Yes.
6 Q Okay. And you see the answer --
7 your Question 11(a) says, "If satellite radio
8 is not available, what, if anything, will you
9 miss most about it?" And the response was, "I
10 will not like it." Do you see that?
11 A Yes.
12 Q Can you confirm for me, Dr. Wind,
13 that this one, again, was coded, "I will not
14 like it", that answer was coded as music?
15 A Yes.
16 Q Another mistake?
17 A Yes.
18 (Whereupon, SDARS
19 Exhibit No. 10 was
20 marked for
21 identification.)
22 Q Let's take a look at 20219,

65 (Pages 257 to 260)

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1 please. I apologize, two zero two one nine.
2 Is this another verbatim from your survey, Dr.
3 Wind?
4 A Yes.
5 MR. MEYER: I would offer it, Your
6 Honor.
7 CHIEF JUDGE SLEDGE: Any objection
8 to Exhibit 10?
9 MR. HANDZO: No, Your Honor.
10 CHIEF JUDGE SLEDGE: Without
11 objection, Exhibit 10 is admitted.
12 (Whereupon, SDARS
13 Exhibit No. 10 was
14 admitted.)
15 BY MR. MEYER:
16 Q Let's take a look on this one, at
17 the answer to Question 2(a), another one of
18 the so-called open-ends. "What types of
19 satellite radio programming were most critical
20 to your decision to subscribe to satellite
21 radio?" Do you see that?
22 A Yes.

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1 evidence, Your Honor.
2 CHIEF JUDGE SLEDGE: Any objection
3 to Exhibit 11?
4 MR. HANDZO: No, Your Honor.
5 CHIEF JUDGE SLEDGE: Without
6 objection, Exhibit 11 is admitted.
7 (Whereupon, SDARS
8 Exhibit No. 11 was
9 admitted.)
10 BY MR. MEYER:
11 Q And for this subject, Dr. Wind, if
12 you look again at the most open-ended
13 question, Question 1(a), why did you decide
14 to subscribe, this person said, "I really like
15 the wide variety of channels, and I loved the
16 equipment which I purchased." Can you tell
17 the Court how that was coded, that response?
18 A Variety of programming.
19 Q And?
20 A And music, not specific.
21 Q That's another mistake. Right?
22 A Correct.

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1 Q And the response this person gave
2 was, "I did not choose the service for any
3 particular programming. I chose the satellite
4 because of family traditions." Can you tell
5 the Court how that was coded by your coders,
6 Dr. Wind?
7 A This was coded in error as music,
8 non-specified.
9 Q Let's take a look --
10 A The next one was correct.
11 Q Oh, well.
12 A The 3(a) was correctly classified.
13 Q I'm using two more, 20108.
14 (Whereupon, SDARS
15 Exhibit No. 11 was
16 marked for
17 identification.)
18 BY MR. MEYER:
19 Q Dr. Wind, is this another verbatim
20 from your survey?
21 A Yes.
22 MR. MEYER: I would offer it into

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1 Q Okay.
2 CHIEF JUDGE SLEDGE: I'm sorry, I
3 don't understand that. Why is variety of
4 program a mistake?
5 THE WITNESS: No, the variety of
6 program was correct, but there were two
7 answers, and there were two codes for Question
8 1. And the second one, they corrected this as
9 -- they misclassified this as music.
10 CHIEF JUDGE SLEDGE: So it's half
11 a mistake.
12 THE WITNESS: Right.
13 CHIEF JUDGE SLEDGE: Okay.
14 BY MR. MEYER:
15 Q And, finally, let's take a look at
16 Subject 20191.
17 (Whereupon, SDARS
18 Exhibit No. 12 was
19 marked for
20 identification.)
21 BY MR. MEYER:
22 Q Do you recognize this as another

66 (Pages 261 to 264)

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1 verbatim from your survey, sir?
2 A Yes.
3 MR. MEYER: I would offer it, Your
4 Honor.
5 CHIEF JUDGE SLEDGE: Any objection
6 to Exhibit 12?
7 MR. HANDZO: No, Your Honor.
8 CHIEF JUDGE SLEDGE: It's
9 admitted.
10 (Whereupon, SDARS
11 Exhibit No. 12 was
12 admitted.)
13 BY MR. MEYER:
14 Q And, Dr. Wind, if you take a look
15 at on this one Question 11(a), and the
16 question here was, "If satellite radio was not
17 available, what, if anything, would you miss
18 most about it"? And this person said, "I
19 would miss the whole thing. I never want to
20 go back to the regular radio." Do you see
21 that?
22 A Yes.

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1 some interviews, we had eight errors that were
2 discovered. This should not have happened,
3 but in reality does not change the conclusion
4 that I have, because in most of these cases,
5 I think in the bulk of these, there was other
6 correctly classified music responses. And
7 since we're looking at net responses, we were
8 not duplicating a respondent, where a
9 respondent is counted for music only once and
10 not twice or three times, if they mention it,
11 it does not affect the net conclusions of the
12 study. But you are right, this should not
13 have happened.
14 Q And do you wish that maybe you
15 would have checked more of the coding than you
16 actually did in the survey?
17 A No. The conclusion for me is
18 basically to have a second independent coder
19 review all the codes. I still don't think
20 that I should do it.
21 Q Okay. And what you were just
22 saying about how you only count music once,

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1 Q Could you tell us how that was
2 coded?
3 A This was coded as music.
4 Q Another mistake. Right?
5 A Yes, mistake on this, but keep in
6 mind that since - when all the net tables we
7 had, we found music only once, so to the
8 extent that there is an answer here, music
9 correctly classified in some of the other
10 questions, like in Question 2(b), it will not
11 have effect on the specific tables. But this
12 mistake should not have happened.
13 Q So seeing all of those errors that
14 I just pointed to you, and in each of those
15 cases the erroneous code was attributed to
16 music, when it should not have been. Does
17 that in any way undercut your confidence in
18 your coder that you trust with the utmost
19 confidence that you've used for so many years?
20 A No, I still trust him, and I think
21 he's very competent. I think that I'm
22 disturbed by the fact that out of the 400 and

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1 that would only be true on your chart that
2 attempts to amalgamate all of the mentions of
3 music in Question 1-3 and 11. Right?
4 A The net responses.
5 Q Okay.
6 A We're talking about the net
7 responses.
8 Q Right. If you take a look at page
9 29 of your report, for example, and Figure 11,
10 which I believe we touched on before, that
11 just goes to Question 1. Right?
12 A Correct.
13 Q And so, to the extent that there
14 are errors in the coding of responses to
15 Question 1, it would, obviously, change the
16 data on this chart. Correct?
17 A By very small amount. You're
18 talking about probably two or three, only two
19 of these, as far as I can recall, or three,
20 are problem with Question 1, so you will --
21 let's deduct three people out of 423, which
22 is less than 1 percent, so you'll have top

1 mention, you'll still have 16 percent. And
 2 when you're looking at this in comparison to
 3 the next highest mention, which will be talk
 4 and entertainment, five, my conclusions on the
 5 dominant effect of music is not affected.

6 Q How do you know those are the only
 7 mistakes?

8 A You went through all of them, and
 9 that's the only one you found.

10 Q How do you know I went through all
 11 of the mistakes? You don't know that, do you?

12 A I can assume this, because you're
 13 trying to identify the mistakes. I did not
 14 see any mistakes. If you have any others,
 15 show them to me.

16 Q What percentage of the coding did
 17 you review?

18 A I reviewed a small sample of the
 19 coding. When I reviewed it, I did not find
 20 problems. I feel, basically, that this is
 21 very unfortunate that this happened. If you
 22 have other mistakes, show it to us, and we'll

1 adjust the numbers. My objective is to
 2 provide the Court with the correct
 3 information. And, unfortunately, these errors
 4 occurred, which are easily corrected. It does
 5 not change the essence of the conclusion,
 6 because you're changing less than 1 percent of
 7 the respondent, impact on Question 1. It does
 8 not change the relation between music and the
 9 next highest, which is talk and entertainment.

10 Q Sir, when I took your deposition,
 11 isn't it true that you didn't even know how to
 12 tell me how these things were coded?

13 A Correct.

14 Q You couldn't figure it out.
 15 Right?

16 A Correct.

17 Q I gave you SDARS Exhibit 3, and
 18 SDARS Exhibit 4, and I gave you a variety of
 19 verbatims. You didn't even know how to check
 20 them. Right?

21 A Correct, because that's not the
 22 way I check them.

1 Q Okay. Well, is there some other
 2 document that you used to check them, that
 3 perhaps wasn't produced to us?

4 A No. What I basically did is, I
 5 had -- I worked with the director at Data
 6 Development and basically asked her to -- I
 7 picked random numbers, and asked her to --
 8 basically random questionnaires, and asked
 9 her to read me the code, so there was no
 10 document. She was probably working from this.
 11 I have never in my life seen this document
 12 before the deposition.

13 Q And the verbatims that you
 14 attached, you attached quite a few verbatims
 15 to your direct testimony that you gave to this
 16 Court. Right?

17 A I also provided the complete three
 18 documents, three big volumes of all verbatim,
 19 so you actually have access to all the
 20 verbatim in the study.

21 Q Sir, my question was, you provided
 22 a portion of the verbatims to the Court with

1 your direct written testimony. Correct?

2 A Correct.

3 Q Okay. And did you personally
 4 choose those verbatims to attach?

5 A I selected randomly a number of
 6 quotes which I thought are interesting, and
 7 these were the ones that were attached,
 8 basically, the full verbatim for any
 9 respondent that was mentioned in my direct
 10 testimony.

11 Q Do you know whether any of the
 12 verbatims that I just showed you were attached
 13 in your selection that you gave to the Court?

14 A No, I don't.

15 Q All right. Let's change the
 16 subject, Dr. Wind. I want to ask you about
 17 your conjoint analysis. And the conjoint
 18 analysis is reflected, what you referred to as
 19 the conjoint analysis is reflected in Question
 20 4-7 and 10 of your survey. Is that right?

21 A Correct.

22 Q And you believe, you testified on

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1 direct, I wrote it down, "Conjoint analysis is
2 the best approach to assess the relevant
3 importance of music." Do you stand by that
4 testimony?
5 A Yes. Other than kind of field
6 experiments, and these are things we talked in
7 my deposition, conjoint analysis will be the
8 best approach to determine it.
9 Q Okay. And you have confidence in
10 the results of your conjoint analysis. Right?
11 A Yes, I do.
12 Q And you're comfortable with the
13 methodology. Correct?
14 A Yes, I do.
15 Q In fact, of all the methodologies
16 you used in the survey, the only one that you
17 chose to include an entire separate appendix
18 explaining how well thought of it was, was the
19 conjoint analysis. Correct?
20 A The assumption was that the Court
21 may not be as familiar with conjoint analysis,
22 as with some of the other more common

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1 Is that right?
2 A Correct.
3 Q And if you look back at the text
4 in your report on page 41, in the middle of
5 the second paragraph, you write: "The analysis
6 revealed that a full 30 percent of the value
7 of satellite radio comes from music." Do you
8 see that?
9 A Yes.
10 Q And that was your conclusion based
11 on the conjoint analysis.
12 A In the context of the variables
13 that we studied, you have to realize that in
14 conjoint analysis the value is a function of
15 the complete set, so when you look at this in
16 term of the four programming type, as well as
17 price, as well as geographical coverage, as
18 well as the commercial-free, in this context,
19 this is the number.
20 Q Sir, I'm just reading the sentence
21 you wrote here.
22 A I'm trying to explain it.

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1 procedures, such as constant sum evaluation.
2 Q Okay. And that's Appendix H to
3 your direct written testimony?
4 A Correct.
5 Q Okay. And, again, you don't know
6 whether Dr. Pelcovits or Dr. Ordover made any
7 use of the conjoint analysis. Do you?
8 A I have no idea.
9 Q Now tell the Court what your
10 conjoint analysis revealed about the
11 percentage of the value of satellite radio
12 that comes from music.
13 A If you go to page 42 of the
14 report, or you can actually go to page 43, it
15 would be easier to read, you have the bar
16 graph that's showing the relative importance
17 of the seven factors studied in the conjoint
18 analysis.
19 Q And it's true, is it not, that
20 your conjoint analysis, what you described as
21 the best approach to assess the relevant
22 points of music, has a number for music of 30.

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1 Q "The analysis revealed 30 percent
2 of the value of satellite radio comes from
3 music", not 56 percent, or 55 percent, or 68
4 percent, 30 percent. Correct?
5 A In this context, in the context in
6 which it was evaluated, yes.
7 Q Now on page 41 of your -- well,
8 actually, if you continue -- I'm sorry, let me
9 withdraw that.
10 In fact, in your report, if you
11 look at the Table of Contents, which is on the
12 second page of your written report, when
13 you're describing the responses from your
14 various questions in your survey, the conjoint
15 questions, 4-7 and 10, are described under the
16 heading "Value." Correct?
17 A Yes. These are the terms that I
18 use to describe the conjoint analysis here.
19 Q Okay. And by putting the conjoint
20 under the heading "Value", is it reasonable to
21 assume that you thought that it had something
22 to do with the value of music. Right?

1 A I think that all of these measures
2 - I think I mentioned in direct at the
3 beginning, and it's clear that throughout the
4 testimony here, that I view all of the
5 measures in Figure 1, for example, is
6 different dimensions of value. I don't single
7 this, this is just one measure which I think
8 is very reliable and valid measure. It's one
9 of the measures that we have. And we cannot
10 ignore it in the context of all the measures
11 in Figure 1.

12 Q And it's the one that you happened
13 to put under the heading "Value." Right?

14 A I think that we're referring here
15 also to all of these as the value, to the
16 entire set of dimensions we have here.

17 Q All right. Now let's take a look
18 at Question 9 of your survey. Do you have
19 that, sir?

20 A Yes, I do.

21 Q Okay. Now in Question 9 --

22 JUDGE ROBERTS: Where is that?

1 MR. MEYER: It's Appendix C, which
2 is his questionnaire, and then it's Question
3 9 of that questionnaire.

4 BY MR. MEYER:

5 Q Now in Question 9, you asked about
6 four categories of programming. Right?

7 A Correct.

8 Q Music, news, sports, and talk and
9 entertainment. Is that correct?

10 A Correct.

11 Q And those areas came from your
12 lawyers. Right?

13 A They came in discussion with the
14 lawyers as to what are the major programming
15 types. And they're also the ones that the two
16 companies advertise the most.

17 Q They suggested them to you, and
18 you didn't make any changes, did you?

19 A I had no basis to suggest changes,
20 and their suggestion was reinforced by the web
21 sites of the two companies that emphasize
22 these programming types.

1 Q You checked those web sites
2 yourself?

3 A Yes.

4 Q Now Question 9(a) asks the subject
5 to assume that the price is \$12.95. Correct?

6 A Correct.

7 Q And you know that's not true for
8 every subscriber. Right?

9 A I was not aware of this.

10 Q Do you know that some people get a
11 lower rate based on family plans?

12 A My understanding was that the
13 statement, the single subscription price per
14 month for satellite radio is \$12.95. My
15 belief is that this was accurate.

16 Q Okay.

17 A I had no other data to suggest
18 that this is not accurate.

19 Q Okay. And then for considerers,
20 where you also tell them assume the price is
21 \$12.95, those are people who, by definition,
22 haven't paid anything yet. Right?

1 A Correct. But the reason we
2 selected people who consider buying it in the
3 next months to make sure, the next 30 days, to
4 make sure that we're dealing with people who
5 are interested and aware of what we're dealing
6 with.

7 Q My question is those people aren't
8 paying anything. Right?

9 A So far.

10 Q Now at the end of Question 9(b),
11 you then ask the people, "If you think that
12 not having this programming type would lead
13 you to cancel your subscription, please say
14 so." It's possibly a little bit leading,
15 wouldn't you agree?

16 A Possible. Depending how you
17 interpret this, but possible.

18 Q And when you're asking about these
19 various programming types, no music, no news,
20 no sports, the question, or the value
21 proposition you're putting in front of people
22 is all or nothing. Right?

1 A Right.
 2 Q This question tells you nothing
 3 about the margin of value of a little more or
 4 a little less music. Correct?
 5 A Correct.
 6 Q It doesn't tell you anything about
 7 music as it is on satellite radio, versus
 8 music as it is on terrestrial radio. Right?
 9 A Correct.
 10 Q Doesn't tell you anything about
 11 commercial-free music, versus music with
 12 commercials. Right?
 13 A Correct. All of these -- most of
 14 these variables that you mentioned were
 15 covered in the conjoint analysis test.
 16 Q Okay. I'm just focusing on
 17 Question 9. Now when you asked people what
 18 they would do if there were no music
 19 programming whatsoever, do you know how many
 20 people said they would cancel the satellite
 21 radio service?
 22 A Yes.

1 Q So without any music at all on a
 2 satellite service, a third of the people
 3 wouldn't pay a penny less. Correct?
 4 A Right. But, again, you have to
 5 look at all these data relative. You're
 6 looking at this as absolute. You have to look
 7 at this as relative.
 8 Q Sir, I'm asking questions that I
 9 want to ask on cross examination. So a
 10 majority of people wouldn't cancel even with
 11 no music. And, I'm sorry, I think I may have
 12 misspoke. Thirty-nine percent of the people
 13 would not change the amount they were willing
 14 to pay. Do I have that right? Because you
 15 have 61 percent would change the amount
 16 willing to pay. Does that mean 39 percent
 17 wouldn't even pay less for the service with no
 18 music?
 19 A No. If you look further down the
 20 column, you have also -- you have 33 percent
 21 that would not change amount willing to pay,
 22 and 6 percent indicated they don't know it

1 Q And is that found on page 22,
 2 Figure 6?
 3 A Yes. And it's also actually
 4 confirmed by some of the other studies that
 5 were done by I think Sirius.
 6 Q I'm asking you now about your
 7 survey, about this question, about this piece
 8 of data.
 9 A Yes.
 10 Q When you asked people what would
 11 you do if there were no music programming
 12 whatsoever, not one iota of music on satellite
 13 radio, isn't it true that 57 percent of
 14 people, the majority of people wouldn't cancel
 15 the service, even if you dropped all music
 16 from it. Isn't that right? Isn't that what
 17 your data shows?
 18 A Yes, they would not cancel.
 19 Right.
 20 Q Okay.
 21 A Thirty-three would not change the
 22 amount willing to pay.

1 would change amount willing to pay.
 2 Q All right. Now I understand. So
 3 39 percent didn't say they would pay less for
 4 a service with no music. Correct?
 5 A Correct.
 6 Q Okay. Now does this Question 9,
 7 does this tell you -- I mean, you have here
 8 that more people said they would cancel if
 9 there were no music than news, sports, and
 10 entertainment. Does this tell you whether --
 11 how the number of people who would cancel if
 12 there were no music relates to the number of
 13 people who would cancel if there were no news,
 14 no sports, and no talk and entertainment put
 15 together?
 16 A No. This is, basically -- the
 17 purpose of this question is to look for four
 18 distinct scenarios. One is assuming there is
 19 no music, everything else the same. Two is
 20 assuming no news, everything else the same.
 21 Three assuming no sports, everything the same.
 22 And four, no talk and entertainment,

1 everything else the same.

2 Q So it doesn't compare the value of
3 music versus all non-music content. Correct?
4 All non-music content together.

5 A Not if you combine them, but it
6 gives you a direct -- it's an apple-to-apple
7 comparison. What will happen if there is no
8 music, what will happen if there is no news.

9 Q I understand, but is the answer to
10 my question yes, it doesn't tell you -- it
11 doesn't compare the value of music to the
12 value of all non-music content. Right?

13 A The difficulty I'm having
14 answering your question is that it does not
15 combine them. It does not provide the
16 situation of combining the others.

17 Q That's all I'm asking.

18 A But when you're asking the
19 scenario of the no music, they will continue
20 having all the other programming. That's what
21 they will have, so you are comparing it
22 against everything else. So it's basically

1 sports, and entertainment. Right? But you
2 don't ask what would you pay for a service
3 with music, but no news, and no sports, and no
4 talk and entertainment.

5 A Correct.

6 Q That's all I'm getting at.

7 A Correct.

8 Q Okay. Now with respect to, again,
9 Question 9, where you're asking about music,
10 and some of your other questions that just ask
11 about music, well, this Question 9, it's not
12 discriminating enough to distinguish between
13 the value of the music itself, as opposed to
14 the superior variety of music, or the superior
15 fidelity of the music. Right?

16 A Whatever the respondent
17 understands when they talk about no music.

18 Q Let me ask you to take a look at
19 your deposition, sir, which has been marked as
20 SDARS Exhibit 9. And if you look, please, at
21 page 84 at the bottom, line 22. Do you have
22 that, sir?

1 music against continuing -- the task is, I
2 basically have no music, but I continue to
3 have news, sports, talk, entertainment,
4 everything else the way I have it.

5 Q All right. But you don't ask them
6 what if you had music, and no news, no sports,
7 and no talk and entertainment. Right? You
8 don't ask that.

9 A No. Let me repeat it. The task
10 here is saying - let's go to the
11 questionnaire.

12 CHIEF JUDGE SLEDGE: Mr. Meyer,
13 you varied your question from the several
14 times you've asked it before.

15 MR. MEYER: I thought I was asking
16 the same question, but, obviously, it didn't
17 come out that way, so let me clarify.

18 BY MR. MEYER:

19 Q You've tested four different types
20 of programming. And as to each of them, I
21 understand what you did. You said what would
22 you pay for a service with no music, but news,

1 A Yes.

2 Q Line 22 I asked you the exact same
3 question. "So the question like this is not
4 discriminating enough to distinguish between
5 the value of the music itself, as opposed to
6 superior variety of music, or the fidelity of
7 the music, for example." And you answered,
8 "No." Correct?

9 A Yes. You were just reading it.

10 Q All right. Now in Question 9 --

11 A I continue to explain to you what
12 the question addresses. Do you want to read
13 the rest of it?

14 Q I don't think it's relevant to my
15 question, so I don't. But if you want to on
16 redirect, that's fine.

17 Now on Question 9, when you just
18 asked about no music, that assumes that the
19 entire value of music as it's presented on the
20 satellite services is attributable to the
21 sound recordings. It doesn't take into any
22 account any of the things that the SDARS might

1 add to the value of the music. Is that right?

2 A Well, it addresses whatever the
3 respondent understands music to mean. It's
4 the totality of the music as the respondent
5 understands it.

6 Q Is it fair to say your survey
7 doesn't attempt to show the value of sound
8 recording, as opposed to the value of music
9 programming, in general?

10 A You brought the point in
11 deposition, and I looked at the verbatim
12 responses following the deposition, and as I
13 started mentioning before in response to
14 another question, there were very few people,
15 less than 10 percent of the total people that
16 mentioned anything that can relate to other
17 programming characteristics of music, like one
18 person mentions a DJ. I think two people
19 mentioned bringing live concert. I think two
20 people mentioned the value of mentioning the
21 name of the song, and the name of the artist.
22 So if you look at the totality of what people

1 answered in the open-ended questions, you find
2 out that there are very few who really mention
3 these extra characteristics. The most of the
4 responses, I think over 45 percent, is just
5 music by itself, unspecified, about over 25
6 percent mentioned variety, how you interpret
7 variety here. And I think then there is also
8 a number of people that talked about 24-hour
9 programming, so based on the open-ended
10 responses, it seems the majority of the people
11 think about music, and not the things around
12 music.

13 Q Well, if somebody says variety of
14 music, they could be referring to the
15 programming skill of the people who select and
16 choose the music that gets played on satellite
17 radio. Right?

18 A Or they can refer to plainly the
19 variety, the fact they have variety. Some
20 people mentioned explicitly, like, I like it
21 because it gives me my genre. I don't have to
22 listen to other things.

1 Q All right. You don't know whether
2 somebody who said variety of music is
3 referring to the selection, the programming
4 ability of the programmers at XM or Sirius.
5 You don't know that, do you?

6 A Correct.

7 Q And when somebody says, when asked
8 why did you decide to subscribe, and they say
9 music, that doesn't tell you what aspect of
10 the music allowed them to subscribe. Right?

11 A Well, there are plenty of
12 opportunity to elaborate on this. And the
13 fact is that close to 50 percent of
14 respondents did not elaborate besides music.
15 And then a small -- then we have two other big
16 chunks, which is the variety, and the
17 commercial-free. And very few, less than 10
18 percent, who mentioned the other things that
19 I mentioned.

20 Q You didn't ask people what they
21 meant by "music", when they said music.
22 Right?

1 A No, we did not.

2 Q You didn't ask people what aspect
3 of music they were referring to when they said
4 "music". Right?

5 A No.

6 Q Okay. Now you know music is
7 available to people in the car, for instance,
8 on AM-FM radio. Correct?

9 A Correct.

10 Q And you know that people don't pay
11 anything for that. Right?

12 A Correct.

13 Q And so, for people to pay \$12.98
14 for satellite radio, do you know what it is
15 that gets people -- if people say music is the
16 reason, do you know why those people are
17 willing to pay \$12.98 for something that they
18 get for free? Does your survey tell us that?

19 A No, but it tells us that people
20 clearly, regardless of the measure you use,
21 perceive that music is the greatest value in
22 satellite radio.

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1 Q It could be the variety of music.
2 It could be commercial-free. Right?

3 A I'm giving you the number, the
4 results that I got in the open-ended analysis,
5 where you have close to 50 percent that
6 mention only music. You have about slightly
7 over 20 percent that mention, I think, variety
8 and commercial-free, somewhere around there,
9 the 20s. Then you have very few, less than 10
10 percent, that mentioned clearly thing that
11 will be the value-added of the programming,
12 like a DJ.

13 Q I don't want to go over what we've
14 already covered, but when somebody pays
15 \$12.95, and they say the reason they're doing
16 it is music, and you know that music is
17 available for free on FM radio, it doesn't
18 really tell you much about what about the
19 music on satellite radio causes them to pay
20 \$12.95. Right?

21 A I did not ask them about the
22 meaning of - what they mean by "music".

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1 is 37.84 percent, as it is 47.21 percent? Do
2 you know?

3 A What it means is that in 95 out of
4 100 times, if you repeat the study, the
5 results will be within the range of the 37.84
6 and the 47.21.

7 Q That wasn't the question I asked
8 you. The question was, do you know whether
9 it's equally likely that the true number is
10 37.84, as it is 47.21? Do you know?

11 A I don't know. What I answered you
12 is the correct interpretation of the 95
13 percent confidence interval.

14 Q You think it was important to
15 include these error ranges in your report.
16 Right?

17 A Yes.

18 Q That's something you customarily
19 do. Correct?

20 A Yes.

21 Q Now let me ask you a few questions
22 about the universe you selected. Now the

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1 Q Okay.

2 A I thought music is relatively
3 straightforward, the same way that when they
4 say talk and entertainment is straightforward,
5 or news.

6 Q Now your survey includes error
7 ranges. Correct?

8 A Correct.

9 Q And, for example, when looking at
10 Question 9 on page 22 of your report, the
11 responses.

12 A Yes.

13 Q So when it says 43 percent would
14 cancel if there were no music, that's got an
15 error range surrounding it, 37.84 to 47.21?

16 A Correct.

17 Q And you didn't calculate those
18 statistics. Right?

19 A No. Abba Krieger calculated all
20 of the statistical significance in the study.

21 Q Do you know whether that means
22 that it's just as likely that the true number

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1 universe basically refers to the people that
2 you choose to question in your survey. Right?

3 A Correct.

4 Q And it's important, isn't it, to
5 try and match as closely as possible the
6 actual characteristics of users, and in your
7 case, potential users of the product?

8 A I'm not sure what you mean by
9 "match". Can you repeat the question? I'm
10 not sure I got it.

11 Q Well, let me ask you this way.
12 Would you agree that identification of the
13 survey population must be followed by
14 selection of a sample that accurately
15 represents that population?

16 A Correct.

17 Q And so ideally, when you do a
18 survey, if, let's say, the male/female split
19 of a service like, say, Sirius, happened to be
20 something like, say, 81 percent male, and 19
21 percent female, ideally you would want to have
22 a survey that duplicated that demographic.

1 Isn't that right?

2 A Well, you ought to have a
3 representative sample. The question is when
4 you talk about the 81/19, are these basically
5 the distribution that they have for people who
6 meet my criteria here, or they're actually
7 people who signed the contract. So the
8 question is, what is the statistic that you
9 are giving me, the 81/19, what it represents?
10 The procedure I used here is very safe and a
11 regular procedure used in most quality
12 research, which would be to identify an
13 initial demographic pool of people based on
14 gender and age, as an initial, so you're
15 representing the entire population. And then
16 to stream them down to meet the universe
17 requirement, which I've done in all my
18 research, and it's the more accurate way of
19 doing it, as opposed to setting up a quota, an
20 a priori quota for completion of, let's say,
21 the 81/19.

22 Q But, Dr. Wind, at the end of the

1 procedure I'm using does not require you to
2 have final gender quota here. I am using the
3 gender and age as an initial opening
4 screening, not a final one.

5 Q You have no idea how close your
6 ultimate survey population is in terms of
7 gender to the gender demographic of the
8 satellite services. Correct?

9 A I can give you -- we can easily
10 get a tabulation of the gender distribution,
11 gender/age distribution.

12 Q Do you know?

13 A I don't know it sitting here, but
14 we can easily -- the data are there. You have
15 the data, too.

16 Q It's not in the big binder that
17 you handed up to the Court.

18 A It's in the data that you have.

19 CHIEF JUDGE SLEDGE: Mr. Meyer,
20 your questions only address that part of the
21 universe that are considering subscription.
22 It couldn't address those that are

1 day what you want is to get as close as
2 possible to a sample population that matches,
3 to the extent possible, the demographics of
4 the population that you're trying -- that
5 you're interested in; in this case, purchasers
6 and considerers of purchasing satellite radio.
7 Right?

8 A Right.

9 Q So if, for example, going back to
10 my hypothetical, and there may be evidence on
11 this later, if, for example, Sirius Radio had
12 an 80 percent male subscribership, you would
13 want, ideally, to end up with a sample
14 population that was 80 percent males. Isn't
15 that right?

16 A If you're comparing apples to
17 apples, yes, you would like to come close to
18 it.

19 Q Okay. You have no idea, do you,
20 what the gender mix was of your final survey,
21 of the final population?

22 A No. And, basically, because the

1 subscribers, because by definition, they are
2 the same demographic that you're asking.

3 MR. MEYER: With all respect, I
4 don't agree with that, because it is possible
5 that you could ask ten -- you could find ten
6 women who do subscribe to Sirius, and you'll
7 end up with a population of ten females and no
8 males. That doesn't mean it's reflective of
9 the actual population. You have to take steps
10 to ask questions of a population so that you
11 can eventually get down to the appropriate
12 population.

13 BY MR. MEYER:

14 Q And you didn't even check - at the
15 end, you did not check your final survey
16 population to see whether it met the
17 demographic description in any respect of the
18 satellite services. Isn't that right?

19 A First of all, I don't have the
20 demographic comparison for -- against which I
21 can evaluate it. Second, the data are
22 available. And, third, I think that the

1 procedure that I use here is a better sampling
2 procedure than the one you suggest.

3 Q Sir, it's getting late in the day.
4 My question was, did you check?

5 A No. I didn't have a base against
6 which to check.

7 Q Okay. You say you didn't have any
8 basis to check, and then you say that the data
9 is available. Which is it? I'm confused.

10 A I did not have an external number,
11 the number you gave me, 81/19, I don't know
12 what it's composed of. I have not seen this
13 number.

14 Q Okay.

15 A So I don't have a target against
16 which to evaluate. When I said data are
17 available, in the study we did ask for gender
18 and age. The data are there. It's easy to
19 calculate, easy to get a tabulation of this
20 for people who consider, people who are
21 subscribers for each of the services.

22 Q Okay.

1 A So that's what I meant by this.
2 And I still stand by the fact that the
3 procedure that I developed here and used for
4 a sampling is a better procedure.

5 Q A lot of these documents that you
6 attached to your amended report have
7 demographic data. Did you look at that?

8 A I did not have them at the time
9 that I did this report.

10 Q Okay. That wasn't my question.
11 Did you look at it?

12 A I looked at it. I looked at those
13 reports.

14 Q Have you looked at the demographic
15 data for XM and Sirius that's contained in the
16 documents that you submitted attached to your
17 amended report?

18 A Yes. I looked at them as part of
19 the review of the studies that I had.

20 Q Okay. And you saw the demographic
21 data there. Right? In those documents.

22 Right?

1 A Right. But I did not basically go
2 back and compare them. I did not check in to
3 see what extent they are the same definition
4 of these demographic characteristics that you
5 are suggesting here.

6 Q Okay. How about, to take another
7 one, for example, age distribution. Do you
8 know what the average age is of an XM or a
9 Sirius subscriber?

10 A I don't remember off-hand. It's
11 in some of those reports.

12 Q Do you know what the average age
13 is of the subjects in your survey?

14 A I don't, but the data are there.

15 Q Okay. And do you know the ethnic
16 or racial breakdown of the average Sirius or
17 XM subscriber?

18 A I don't recall. I remember seeing
19 it in some of the reports. I did not ask this
20 question.

21 Q And do you know what the average -
22 - do you know the breakdown of the racial or

1 ethnic background of your subjects in your
2 surveys?

3 A I didn't ask for that, so I cannot
4 know.

5 Q Let me ask you about geography.
6 You stated in your report on page 7 that you
7 selected 24 markets in which to survey. You
8 selected them randomly. Is that right?

9 A Correct.

10 Q But it wasn't totally random in
11 the sense that you selected six from each of
12 the four census areas. Correct?

13 A I'm sorry. I said explicitly they
14 were selected - it was a random selection of
15 six within each one of the census regions.

16 Q Okay. Well, I was just reading
17 from your report, page 7. You say, "Twenty-
18 four markets, six from each of the four census
19 areas were randomly selected." Is that
20 correct?

21 A Well, I think it is correct
22 statement, that is basically six markets

1 selected randomly in each one of the four
2 census regions.

3 Q Do you know, for example, the
4 demographic, geographic distribution of the
5 typical XM customer?

6 A No.

7 Q If I said to you that it was 42
8 percent people from the Northeast, and 16
9 percent people from the East, then
10 geographically your survey would not be
11 representative. Isn't that right?

12 A My survey is representative of the
13 U.S. If you want to weight different regions
14 separately, you can easily do it.

15 Q Well, it may be representative --

16 A The data are there.

17 Q Excuse me. It may be
18 representative of the U.S., but it's not
19 necessarily representative of the
20 subscribership of XM and Sirius. Isn't that
21 right?

22 A The -- I don't know how to tell

1 area. Do you see that?

2 A Correct.

3 Q Isn't it true that Baltimore,
4 Maryland is, in fact, not in the Eastern
5 region of the census breakdown, but is, in
6 fact, in the South?

7 A I don't know. I basically rely on
8 the distribution, on the market distribution
9 that DDW has, and they basically have markets
10 from which you select randomly, and then they
11 work from there, so I don't know.

12 Q Well, let me give you a question
13 with hypotheticals. If I'm correct that the
14 average XM user, or that 42 percent of the XM
15 users are in the Northeast, and if I'm correct
16 that Baltimore, by the same standard, the
17 census standard, is not in the East, but in
18 the South, then isn't it true that not only
19 didn't you reflect the geographic distribution
20 of XM subscribers, but you actually have less
21 sites that you tested from the Northeast, than
22 any other region. Isn't that right?

1 you. The research -- the sampling procedure
2 used here is the best possible sampling
3 procedure. If you want to insist on quotas
4 based on the current data you have, you can
5 easily do it by weighting it. So if you know
6 that the higher percentage are in one of the
7 census regions, you can weight it
8 differentially. You have the data, and this
9 could easily be done.

10 Q Sir, my question was, if it's
11 correct, if I'm correct that the data shows
12 that 42 percent of the XM subscribers are in
13 the Northeast, then your geographic
14 distribution does not reflect that of the XM
15 subscribers. Isn't that right?

16 A It does not represent this
17 specific distribution. I think it represents,
18 basically, the population of subscribers, and
19 those who consider nationally.

20 Q How about - I'm going to quibble
21 with you on this one. Your survey locations
22 you have them broke down, six in each census

1 A If you're correct, it's a correct
2 statement.

3 Q Okay.

4 A I still stand by the fact that
5 this is - the survey's design is a national
6 survey, not as a survey to analyze each one of
7 the regions separately. But you can weight
8 them any way you want to, so if you're
9 concerned about the Northeast, and you want to
10 have a higher weight there, we can take the
11 data. You can find out if there is an
12 agreement on the weight, and you can weight
13 this, the sample then that we have, with a
14 higher weight for the Northeast.

15 Q Which you didn't do.

16 JUDGE WISNIEWSKI: But, Dr. Wind,
17 you didn't do that.

18 THE WITNESS: I didn't do it.

19 JUDGE WISNIEWSKI: Okay.

20 CHIEF JUDGE SLEDGE: But the
21 Northeast is not one of the four census areas.

22 MR. MEYER: I, actually --

1 CHIEF JUDGE SLEDGE: So I'm
2 puzzled by your question.

3 MR. MEYER: Well, I actually
4 printed out a map that says -- it's got West,
5 Midwest, Northeast and South. And then it's
6 broken down into sub-regions. But it's
7 either East or Northeast.

8 CHIEF JUDGE SLEDGE: The survey
9 only refers to East.

10 MR. MEYER: I believe the survey
11 is wrong. I believe it's actually referred to
12 by the census as Northeast. I don't intend to
13 --

14 CHIEF JUDGE SLEDGE: Your question
15 refers to the Northeast, but the survey refers
16 to East.

17 MR. MEYER: Okay.

18 CHIEF JUDGE SLEDGE: So your
19 question doesn't refer to the same criteria as
20 used in the survey.

21 MR. MEYER: Okay. I'm going to -
22 to save time, I'm going to leave the area, but

1 I can go back to it.

2 BY MR. MEYER:

3 Q There are four regions, four
4 census regions. Right?

5 A There are actually more than four.
6 They're either a categorization of nine census
7 regions, where some tables are within the
8 Northeast is separated, and some of them are
9 four. My understanding, that these were
10 markets selected from the census regions of
11 four.

12 Q Okay. In any event, we agree that
13 you made no attempt to match the cities where
14 you did the survey to the actual geographic
15 distribution of either of the SDARS. Right?

16 A Correct. Because at the time we
17 did the survey, I did not have the other data,
18 and I still feel that the procedure that I
19 used is the correct procedure for sampling.

20 Q Do you know if there's any
21 difference in the interests of, say, males and
22 females on Sirius in terms of the type of

1 content they favor?

2 A I did not analyze it separately in
3 the study.

4 Q Do you know whether males on
5 Sirius are more, tend to be more interested
6 in, say, Howard Stern, or sports than music
7 programming? Do you know that?

8 A I saw some reference to this in
9 some of the studies that I reviewed for my
10 amended testimony.

11 Q And that -- for your amended
12 testimony, but not your original testimony.

13 A Correct. I didn't have those
14 studies when I did the original study.

15 Q Okay. All right. Just a few more
16 questions about the universe. Your survey
17 didn't sample any former users. Right?

18 A Correct.

19 Q So people who had used the
20 service, and then quit for one reason or
21 another, they're not included in your
22 universe.

1 A Unless they were -- defined
2 themselves as those who would consider it
3 again.

4 Q Okay. Unless they bought a new
5 car, and were on a new trial subscription.
6 And you also asked whether somebody in a
7 person's household subscribed, and on that
8 basis, you included them in your universe.
9 Correct?

10 A I'm not sure which question you're
11 referring to.

12 Q Well, it's in the screener. Do
13 you know whether that's the case? Do you know
14 whether, if somebody said they were in a
15 household that subscribed, they would have
16 been included in the survey?

17 A Well, they had to qualify on
18 multiple criteria, like Question F, where
19 basically is, if they are involved in making
20 or taking part in making the decision to
21 subscribe to satellite radio for their
22 household, so they had to do this. Then when

1 you talk about the subscribe, the question was
 2 (G), "Which of these services, if any, do you
 3 or your household currently subscribe to?" So
 4 it's a household question, and the same thing
 5 was for the considering, Question J, which
 6 was, "Which of the following best describes
 7 the type of satellite radio you or your
 8 household are considering", for example.

9 Q Okay. So if I got satellite radio
 10 for my daughter to listen to the Disney
 11 channel, and then never listen to it again, I
 12 would have qualified for your survey.
 13 Correct?

14 A If you qualify on -- if you
 15 responded yes to Question F, which is that you
 16 are the one to make the decision, or take part
 17 in making the decision.

18 Q Right. And so it's not necessary
 19 for someone to actually be familiar with the
 20 content of the service to have qualified for
 21 your survey. Isn't that right?

22 A Well, the assumption is that these

1 criteria will qualify them. And in the open-
 2 end responses, we saw in one of the errors
 3 that you indicated, a person said I don't
 4 know.

5 Q In answer to my question, isn't it
 6 true that it's not necessary for someone to
 7 actually be familiar with the content of the
 8 services to be included in your survey?

9 A I don't know whether there were
 10 any who were not familiar. They had ample
 11 opportunity in each one of the questions, is
 12 it open-ended, or you don't know to the other
 13 questions, to indicate so.

14 Q And your screener and your survey
 15 doesn't distinguish people with limited
 16 familiarity with the content on the SDARS, and
 17 people who listen to it all the time.
 18 Correct?

19 A Correct.

20 Q Now you did your survey, you
 21 testified, in October of 2006. Is that right?

22 A Right.

1 Q You actually did some of it in
 2 September. Right?

3 A Right, the pre-test was done the
 4 end of September.

5 Q You did a pre-test of a few
 6 people, and then you included those results in
 7 your final results. Correct?

8 A With the exception of a few
 9 respondents who had some difficulty with
 10 Question 9, so we, basically, excluded these
 11 few respondents, modified actually the
 12 questionnaire, Question 9 to reflect a clearer
 13 understanding. This was in case people
 14 responded that they will pay more than the
 15 \$12.95. And other than excluding these few
 16 people, there is no - since we didn't change
 17 anything else, there is no reason why not to
 18 include the rest of the pre-test people in the
 19 main study, which is a common procedure.

20 Q I think you're getting a little
 21 too defensive. I didn't ask you why you did
 22 it. I just said you did it. Right? And how

1 many people were those?

2 A The ones that were combined?

3 Q The pre-test.

4 A The pre-test was, I think, 55 or
 5 something like that.

6 Q Okay. So your survey was actually
 7 done on several dates between, I believe it
 8 was September 29th, '06, and October 17th, '06.
 9 Is that right?

10 A Correct.

11 Q Okay. Now are you aware of how,
 12 if at all, the content on either Sirius or XM
 13 has changed since that date?

14 A No.

15 Q That could affect the results of
 16 your survey. Right?

17 A Well, this depends on the nature
 18 of the changes. If there are dramatic
 19 changes, change the environment, it may. If
 20 the changes are not perceived by consumer as
 21 major, it will not change.

22 Q You can't tell from your screener

1 how long respondents have been subscribers.
 2 Right?
 3 A Correct.
 4 Q So any individual subject in your
 5 survey could have been a subscriber for two
 6 years, or could have been a subscriber for a
 7 week. Right?
 8 A Well, I would assume that you will
 9 have a distribution of all of these different
 10 lengths of membership.
 11 Q So the answer to my question is
 12 yes.
 13 A Correct. I don't know, but,
 14 basically, the likely response will be that
 15 you will have a full distribution here.
 16 Q So you can't distinguish between
 17 so-called early adopters and more recent
 18 subscribers. Right?
 19 A Correct.
 20 Q Now if -- do you know when Oprah
 21 and Friends, when that station was added to
 22 XM?

1 we're dealing with.
 2 Q And it's possible that if the
 3 content changed significantly, the results of
 4 the survey would no longer be probative.
 5 Isn't that right?
 6 A It's possible. We don't know how
 7 likely, but it's possible.
 8 Q And the question of whether such
 9 change is an empirical question, that you
 10 would have to do a survey to test. Isn't that
 11 right?
 12 A Correct.
 13 Q Okay. This will be a very short
 14 subject area. When you did your survey, were
 15 you aware that not all of what you termed
 16 music was subject to the sound recording
 17 performance right?
 18 A At the time, no.
 19 Q Okay. So you weren't aware that
 20 pre-1972 music was not subject to that right.
 21 A Right. You brought it the first
 22 time in the deposition.

1 A Not exact date.
 2 Q Well, you would agree, would you
 3 not, that to the extent content changes, the
 4 interests and nature of the subscribers could
 5 change. Right?
 6 A Obviously, there is some inter-
 7 dependency.
 8 Q Okay. And as subscribers
 9 themselves are added to the service for any
 10 reason, that cohort of subscribers, they could
 11 yield different answers to your survey, if you
 12 surveyed them. Right?
 13 A Well, this assumes that there are
 14 fundamental changes. This is the issue of
 15 aging of data, in terms of how long can you
 16 rely on the result of any survey.
 17 Q And you would agree then, wouldn't
 18 you, that your survey can only tell us about
 19 the preferences of people as of the dates that
 20 you did the survey. Right?
 21 A Correct. And apply, as long as
 22 there are no major changes in the environment

1 Q Well, the Judges weren't at the
 2 deposition, so that's why some of this stuff
 3 we have to do again.
 4 A Yes.
 5 Q And so there's no way to tell from
 6 your survey what value, what percentage of the
 7 value of music that you determined is pre-1972
 8 music. Right?
 9 A Only from the open-ended
 10 responses.
 11 Q Okay. Before I leave your direct
 12 report, your original direct written report,
 13 I have a few questions on the amended report.
 14 I want to ask you about something that you
 15 said on page 27 of your report. Do you have
 16 that, sir?
 17 A Yes.
 18 Q On the bottom of page 27, you say,
 19 "As our last example indicates, in providing
 20 these responses, some respondents cited the
 21 fact that satellite radio would allow them to
 22 avoid buying music from other sources." Do

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1 you see that?
2 A Where?
3 Q The bottom of page 27?
4 A Yes, I see.
5 Q And we refer to this sometimes in
6 shorthand as a substitution effect. That
7 wasn't the purpose of your study, was it?
8 A Correct.
9 Q And you don't know what percentage
10 of respondents said that, did you?
11 A Correct.
12 Q And you're not saying that your
13 survey is enough to demonstrate to any degree
14 of certainty that there was a substitutional
15 effect from satellite radio, are you?
16 A Correct.
17 Q You just felt the need to throw in
18 that gratuitous statement in your report?
19 A I'm not sure it's gratuitous, but
20 basically it was one of the quotes, and I
21 thought it's interesting.
22 Q The lawyers asked you to put that

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1 about your answers.
2 Obviously, we're having a mighty
3 struggle from this side saying music isn't
4 really all that important to our business, to
5 this side of the room saying it's critical to
6 the satellite radio business. And as Judge
7 Sledge observed earlier, one always tends to
8 relate these things to one's personal
9 experience.
10 I am a Sirius satellite radio
11 subscriber. I received it because my wife got
12 it for me for Christmas. I think really
13 because she wanted Pittsburgh Steeler's games,
14 but clearly, there was a lot more programming
15 on there. And I've continued to subscribe.
16 And there's -- if Sirius had been just a music
17 service, quite honestly, I don't believe I
18 would have subscribed to it, if it was only
19 music, whether it was 69 channels, or however
20 many channels of music, and it was just music,
21 I don't think I would have subscribed. Yet,
22 certainly, if Sirius dropped all of the music,

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1 in, didn't they, Dr. Wind?
2 A I don't recall.
3 Q You don't recall one way or the
4 other?
5 A I don't recall if they asked or
6 not.
7 Q All right.
8 A I selected some examples, and I
9 thought that's an appropriate kind of
10 description of this last example.
11 Q Because in your mind, the issue of
12 substitution versus promotion was something
13 that you were concerned about in doing the
14 survey?
15 A No. I was not really focusing on
16 this at all.
17 JUDGE ROBERTS: It's getting kind
18 of late in the day, Dr. Wind, and I wanted -
19 even though I know you're going to be back
20 here on Monday, or so it would appear, I
21 wanted to ask you a couple of questions,
22 because it'll give me the weekend to think

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1 so that I was just left with football, sports,
2 Howard Stern, I don't think I would subscribe,
3 as well. So my question to you is, can you
4 tell me anything about what that says about
5 the value of music?
6 THE WITNESS: Well, I think there
7 are two ways of looking at this. One is that
8 markets are heterogenous. If there's anything
9 in marketing that we know, is that all markets
10 are heterogeneous. And there are different
11 people who subscribe for different reasons, or
12 will drop it for different reasons.
13 So given this heterogeneity of all
14 markets, the question here is, if you look at
15 the population of the subscribers, and those
16 who intend to subscribe, what you're trying to
17 find out is the relative importance, and focus
18 on the relative of music versus other
19 offering. And I think there is no simple
20 answer to your question, but looking at the
21 various dimensions of music, and the various
22 comparison, like in the first figure, Figure

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1 1, should help understand the magnitude of the
2 importance of music in each of the dimension
3 compared to the other leading programming
4 type. That's what the study is trying to do,
5 is trying really to identify number of
6 dimensions, and show the relative evaluation
7 of music versus the others.

8 JUDGE ROBERTS: I understand that
9 part of your study, and I agree with you,
10 that's exactly what it's attempting to do, is
11 measure the relative importance in the view of
12 subscribers, and in your instance, those
13 supposedly intending to subscribe. But do you
14 believe that that really tells me anything
15 about the value, the ultimate value of the
16 music, or is it just telling me that well, in
17 these generic categories of music, and news,
18 and Howard Stern, and sports, subscribers tend
19 to overall think more highly of this one
20 compared to that one, but is it really
21 answering the question of the value of music?
22 CHIEF JUDGE SLEDGE: Are you

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1 conclusion is quite clear here, that music is
2 really the power, the driving power of
3 satellite radio.

4 JUDGE ROBERTS: Is your survey
5 capable of telling me the difference between
6 the reason I might subscribe, in this case,
7 let's say that I was actually the one that
8 wanted the Pittsburgh Steeler games, and I got
9 the Pittsburgh Steeler games by signing up to
10 Sirius. But I'm of the view now that well, if
11 they drop that service, I think I would
12 probably still continue to subscribe.

13 THE WITNESS: Well, this will be -
14 - there are two different measures now. We're
15 talking about in Question 2(a), will respond
16 what type of satellite radio programming were
17 most critical to a decision to subscribe, for
18 the decision to subscribe. You're describing
19 then the second situation, which would be
20 Question 3, reflecting on your experience with
21 satellite radio, what type of satellite radio
22 programming are most critical to the decision

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1 asking absolute value, or relative value?
2 JUDGE ROBERTS: I'm asking
3 absolute value.

4 THE WITNESS: You see, absolute
5 value you have to identify then the specific
6 measures that you want to focus on, because a
7 lot of the insight you get is really also on
8 the relative basis. So we know, for example,
9 with respect to in the extreme situation that
10 you described, if music was not available, you
11 will fall in the segment that says yes, I will
12 cancel.

13 JUDGE ROBERTS: Yes.

14 THE WITNESS: So you belong - not
15 everyone did. There were some people who did
16 not, that still stayed, even though you drop
17 music. So because of this heterogeneity of
18 the market, I think, and the different
19 measures here, I think we do have to look at
20 this, to some extent, relative to provide us
21 a better base. So when you compare music to
22 any of other programming type, I think my

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1 to continue to subscribe. So I think there
2 are different dimensions here, there are
3 different determinants. There are also
4 different determinants in terms of subscribing
5 to satellite radio, versus subscribing to
6 Sirius versus XM, which is kind of a different
7 lower-level decision.

8 JUDGE ROBERTS: But if you note in
9 the question that I just posed to you, I
10 didn't just say to you well, I -- if all
11 sports were dropped, I would continue to
12 subscribe. I was actually just mentioning
13 one, in particular, the NFL, which is the one
14 that, certainly, attracted my family to
15 subscribe in the first place. And I guess,
16 more or less, what I'm focusing on here is
17 that, isn't it not really generic categories,
18 like music, or sports, or talk that maybe
19 provides the incentives to come, or the
20 incentives to go, but it's maybe a whole
21 collection of individual things. Within
22 sports, maybe it's just the NFL, within talk

1 and entertainment, maybe it's just Howard
 2 Stern, within music, maybe it's just Channel
 3 23, Hair Nation.
 4 THE WITNESS: I think that you
 5 will probably find different respondents out
 6 there, different segments that will respond
 7 differently. In one of the documents that I
 8 looked at, the NFL document for the amendment
 9 of testimony, there was actually a comment in
 10 term of even though they looked at the NFL,
 11 that still music is a pretty dominant kind of
 12 draw for the population at-large. So I think
 13 you're raising a very serious question that
 14 requires real examination at a more detailed
 15 level, because it's very difficult to
 16 generalize to the whole population when you
 17 look at the entire market, then I can clearly
 18 tell you that without any doubt, and despite
 19 those eight errors we found here, that music
 20 is, by far, more important to consumers on any
 21 of the measures, than any of the other
 22 programming types.

1 Okay.
 2 BY MR. MEYER:
 3 Q Dr. Wind, let's take a look -- and
 4 by the way, I said I was turning to your
 5 amended report, but in your answer to Judge
 6 Roberts' question, where you said that by any
 7 measure, music is by far the most important -
 8 again, if you look at the answers to the most
 9 open-ended question, which was on page 29,
 10 Figure 11, when you asked people what was the
 11 top reason for considering subscribing, only
 12 18 percent of them gave the top mention as
 13 music. So by that measure, at least, that
 14 would suggest that music is really not that
 15 important. Wouldn't you agree?
 16 A No, because I mentioned - I talked
 17 about this relative, so this would be compare
 18 18 to 5 percent who mentioned talk and
 19 entertainment, compare this to 2 percent who
 20 mentioned news, compare this to 1 percent who
 21 mentioned sports, so that's the -- I'm talking
 22 relative, I'm talking about comparing the

1 Once you move to the level you're
 2 discussing, the details, is it the NFL, is it
 3 NASCAR, is it specific type, specific genre -
 4 there are some people who say they love it
 5 because of the specific genre that I have
 6 here, that I don't have to hear a kind of
 7 mixture of music. There was two people that
 8 mentioned this, so I think we have to go at a
 9 much more detailed level.

10 JUDGE ROBERTS: Well, I appreciate
 11 your thoughts on this, and I'm going to think
 12 more about this over the weekend. And since
 13 it looks like you're going to be here on
 14 Monday, I may have more questions for you.

15 MR. MEYER: Your Honor, I am
 16 reaching an actual breaking point. Well, I
 17 was going to turn to his amended report, so it
 18 would be a great time to break, or I'm happy
 19 to keep going, at your pleasure.

20 CHIEF JUDGE SLEDGE: I think it's
 21 at your pleasure.

22 MR. MEYER: I can keep going.

1 relative in each question, the relative
 2 evaluation. That's the reason Figure 1 is
 3 showing this as the ratio between the number
 4 of times that people prefer music over the
 5 next highest ranked or mentioned programming
 6 type.

7 Q Well, if you -- okay, you're
 8 saying relative, but if you add up in this
 9 table, Figure 11, if you add up talk,
 10 entertainment, price, coverage, news,
 11 certainly if you added commercial-free with no
 12 mention of music, sports, et cetera, you get
 13 a number that's at least equal, and depending
 14 on where you put commercial-free, greater than
 15 the number of mentions for music. Right?

16 A Right. But the comparison that
 17 I'm talking about here is - and that's my
 18 understanding of the objective of the study -
 19 is to look at the evaluation of music versus
 20 other programming type. In the context of
 21 programming, what is the relative value of
 22 music versus the others, so you look at this

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1 independently, music versus talk, music versus
2 sports, versus news and the like.
3 Q Okay. So the purpose of your
4 survey was only to look at music versus
5 specific other programming types.
6 A No. You defined actually
7 accurately way, way back the objective of the
8 study, to determine the value of music based
9 on all these various measures that I defined.
10 And to look particularly at a comparison of
11 music versus talk and entertainment. But a
12 lot of the -- I think the insight from the
13 study, and from the evidence we have here from
14 the study, is to look at this in the
15 comparison of music versus each one of these
16 programming types.
17 Q Okay. Let me ask you about your
18 amended testimony. Now I took your deposition
19 on April 27th. Correct?
20 A I don't recall the date, but I'm
21 sure you're correct.
22 Q And at that deposition, you told

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1 that we had the deposition.
2 Q Did you make a decision to wait
3 until after your deposition to start looking
4 at those documents?
5 A I had no idea that these documents
6 exist when we had the deposition.
7 Q At the time of your report, you
8 didn't ask the attorneys, or I take it at the
9 time of the report you didn't have the
10 documents, at the time of your deposition, did
11 you ask your attorneys whether there were any
12 documents in the Sirius or XM document
13 production that --
14 A I don't recall the time line. I
15 do recall that I did ask after completing the
16 report if there are any other studies, but I
17 don't recall the time line when it was.
18 Q Okay. So after the deposition,
19 you wrote the report. Did you write it
20 yourself?
21 A Yes, I wrote it, and then I
22 basically sent it to Matt, who had, again,

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1 me you were doing no other work. Correct?
2 A That's correct.
3 Q And you told me that you had not
4 looked at any Sirius or XM internal documents.
5 Right?
6 A That's correct.
7 Q Okay. And yet, about two weeks
8 later, on May 14th, you completed this amended
9 testimony where you summarize all of these
10 Sirius and XM documents that were attached to
11 your amended report. Correct?
12 A Yes. I'm not sure that I
13 summarized all these reports, but I reviewed
14 these reports to evaluate to what extent their
15 conclusions support or don't support the
16 conclusions that my study reached.
17 Q And you did --
18 A It's in the summary.
19 Q And you did that all between April
20 27th and May 14th. Right?
21 A Right. As soon as I got the
22 studies. I did not have them for the time

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1 formatted it in the form that you have it
2 here. So the draft, and this was then
3 formatted along this line.
4 Q You drafted the prose in here, you
5 didn't the first draft?
6 A I drafted some of the prose,
7 drafted some of this, and then Matt completed,
8 basically, the first draft. He sent it back
9 to me, and we changed it a few times.
10 Q Who decided what documents you
11 should look at in connection with the amended
12 testimony?
13 A I received the set of documents,
14 and I used some of them, not all of them, in
15 the report. Not all of them are actually
16 included in the report.
17 Q So is the answer to my question
18 the lawyers decided which documents you should
19 look at?
20 A I asked them to give me all the
21 recent studies we had, and I got this batch of
22 reports from them.

1 Q And you read through all those
2 documents cover-to-cover?

3 A I reviewed them. It's not that
4 you read cover-to-cover, tables that you know
5 are not related to what you're looking at.

6 Q The lawyers directed your
7 attention to certain pages, didn't they?

8 A No, I skimmed the documents,
9 looked at the specific things, specific areas,
10 seeing that the major conclusion can support
11 related to usage and cancellation. It had
12 some other data on usage that related actually
13 to Judge Roberts' question before, that relate
14 to the top 10 channel, did an analysis by
15 channels, which I did not have in my report
16 which seemed to be related. And these were
17 the area that I focused on.

18 Q Okay. And of the documents that
19 you attached, most of the -- portions of the
20 documents that you cite in your amended
21 testimony, most of that is data related to
22 time spent listening. Isn't that right?

1 A No.

2 Q And going to something like Judge
3 Roberts' hypothetical, and go from my personal
4 experience, I moved into a house and was
5 deciding between cable TV and satellite,
6 DirectTV. The sole reason I selected DirectTV
7 was because they had the NFL Sunday Package,
8 which gives you every NFL football game.
9 Notwithstanding that, and if you're
10 uncomfortable taking my personal anecdote, you
11 can treat me as a hypothetical.
12 Notwithstanding that that was the sole reason
13 for my decision to get DirectTV over cable,
14 you'd be surprised to here that I don't spend
15 most of my time listening or watching NFL
16 football, because it's not on that much. I
17 spend most of my time watching, unfortunately,
18 re-runs of "Friends", and "The Honeymooners",
19 and "Seinfeld", and other things I shouldn't
20 be wasting my time. So given my situation, or
21 using me as a hypothetical, the fact that I
22 chose DirectTV for NFL football, but I spend

1 A Most of the reports relate to the
2 usage, right, to time spent listening, and
3 some of them, I think two reports relate to
4 cancellation.

5 Q Okay. And time spent listening
6 doesn't necessarily equate to the value placed
7 on that particular type of program. Isn't
8 that right?

9 A I would hypothesize that time
10 spent listening is highly correlated with
11 importance.

12 Q Okay. Well, you said hypothesize,
13 and highly correlated. When you say you'd
14 hypothesize, that means you don't know.
15 Correct?

16 A Well, it means that professionally
17 I would go on the hypothesis. If you want to
18 test it, we can look at our own data, look at
19 the usage data versus the scores on
20 importance, and my guess is we'll come with
21 significant relation between the two.

22 Q Okay. But you haven't done that.

1 most of my time watching something else, that
2 makes perfect sense to you, doesn't it?

3 A Yes. This goes back to market
4 heterogeneity. There are different segments,
5 and you're the one that we don't have a high
6 correlation between the two. But, overall, in
7 markets, you look at the entire market, I
8 would hypothesize, and I think it won't be
9 that difficult to try to test, to see to what
10 extent usage is highly correlated with
11 importance.

12 Q Okay. And so, let me give another
13 example, someone who signs up to Sirius solely
14 for the reason that they like Howard Stern,
15 but listens to Howard Stern in the morning for
16 an hour, and spends the rest of the time
17 listening to other programming, such as music,
18 but clearly joined up to get Howard Stern. In
19 that instance, clearly then listenership data
20 would not correlate to the value placed on a
21 particular type of program for that subject.

22 A For this particular case, you're

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1 right.

2 Q So then I'm correct, aren't I,
3 that listenership data does not necessarily
4 correlate to the value that people put on
5 particular types of programming.

6 A I would feel more comfortable
7 indicating that, in general, the literature in
8 marketing consumer behavior will support that
9 there is a correlation between usage and
10 preference, and usage and importance. There
11 are, of course, heterogeneities of all
12 markets, and there will be people for whom
13 this will not fit, so there will be segments
14 out there that will have a very low
15 correlation between the two.

16 Q Any of the literature that you're
17 thinking of have anything to do with satellite
18 radio?

19 A I don't think so. I have not seen
20 any specific study on this for satellite
21 radio. We can actually test it in this case,
22 because we have, in my study we have data both

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1 lawyers spend time on Sundays watching
2 television.

3 (Laughter.)

4 CHIEF JUDGE SLEDGE: That will
5 hurt the recruitment activities of the
6 government for lawyers, and they're trying to
7 be able to recruit lawyers.

8 We'll recess until 9:30 Monday
9 morning.

10 MR. MEYER: Your Honor, I felt
11 that if Judge Roberts felt comfortable
12 admitting that he listens to the Hair metal
13 station, that it was okay to confess to
14 watching football on Sundays.

15 JUDGE ROBERTS: Which is Channel
16 41, the Boneyard on XM. I know that, I'm
17 aware of that, and listen, on occasion. For
18 tallies on the hours, SoundExchange has
19 consumed 19 hours, and Services have consumed
20 28 hours.

21 CHIEF JUDGE SLEDGE: And please
22 try to have the room clear by 5:30.

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1 on usage, and we have data on importance. And
2 we can correlate the two.

3 Q Well, that assumes that we assume
4 the validity of the rest of your survey.

5 A Which I feel comfortable about.

6 Q I'm not surprised. Now the
7 documents that you chose to attach to the
8 amended testimony, you say in your amended
9 testimony that reviewing these documents - I
10 forget the exact words you use - but they
11 support or corroborate the conclusions in your
12 original testimony. Right?

13 A Correct.

14 Q Now did you take a look at --

15 CHIEF JUDGE SLEDGE: Mr. Meyer,
16 before you start on that analysis, would this
17 be a reasonable time to break?

18 MR. MEYER: I think it would, Your
19 Honor. And I think it would go more smoothly
20 if I got my documents together.

21 CHIEF JUDGE SLEDGE: Before we
22 recess, let me ask you not to publicize that

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1 JUDGE ROBERTS: Mr. Handzo, I can
2 only carry so much, and I'm clearly going to
3 want to have this again on Monday, but if you
4 could take it back until that point in time.
5 I'm afraid that if I put it back here, it
6 might be gone on Monday.

7 MR. HANDZO: That's fine, Your
8 Honor.

9 (Whereupon, the proceedings went
10 off the record at 5:04 p.m.)
11
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19
20
21
22

Transcript of:

Date: June 18, 2007

Volume: IX

Case: Adjustment of Rates for Pre-Existing Subscriptions

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Page 1

**Before the
 COPYRIGHT ROYALTY BOARD
 LIBRARY OF CONGRESS
 Washington, D.C.**

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In the matter of:
 -----+

Adjustment of Rates and Terms for Preexisting Subscriptions Services, and Satellite Digital Audio Radio Services	Docket No. 2006-1 CRB DSTR
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 Room LM-408
 Library of Congress
 First and Independence Avenue, S.E.
 Washington, D.C. 20540
 Monday,
 June 18, 2007

The above-entitled matter came on
 for hearing, pursuant to notice, at 9:30 a.m.

BEFORE:
THE HONORABLE JAMES SLEDGE, Chief Judge
THE HONORABLE WILLIAM J. ROBERTS, JR., Judge

THE HONORABLE STAN WISNIEWSKI, Judge

Page 2

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Page 4

1 P-R-O-C-E-E-D-I-N-G-S
 2 9:30 a.m.
 3 CHIEF JUDGE SLEDGE: Thank you.
 4 We'll come to order.
 5 Mr. Meyer, were you still in your
 6 examination?
 7 MR. MEYER: Yes, Your Honor,
 8 although I've concluded and pass the time to
 9 Mr. Sturm for Sirius.
 10 CHIEF JUDGE SLEDGE: Mr. Sturm.
 11 MR. STURM: Thank you.
 12 WHEREUPON,
 13 YORAM WIND
 14 HAVING BEEN PREVIOUSLY SWORN, WAS RECALLED AND
 15 TESTIFIED AS FOLLOWS:
 16 CROSS EXAMINATION
 17 BY MR. STURM:
 18 Q Good morning, Dr. Wind.
 19 A Good morning.
 20 MR. STURM: I pass up this
 21 exhibit, Your Honor.
 22 (Whereupon, the above-

<p>Page 5</p> <p>1 referred to document was 2 marked as SDARS Exhibit 3 13 for identification.) 4 BY MR. STURM: 5 Q Dr. Wind, I've handed you a 6 document that has been marked for 7 identification as SDARS Exhibit 13. Do you 8 have it there? 9 A Yes, I do. 10 Q And Exhibit 13 represents all of 11 the documents that we have with respect to the 12 verification process that was undertaken 13 following the survey that you did, correct? 14 A As far as I know, other than the 15 new letters that you received from Data 16 Development and from ABC. 17 Q By that, you're referring to the 18 affidavits explaining that the documents were 19 lost? 20 A Yes. 21 MR. STURM: Your Honor, I'd move 22 the admission of Exhibit 13.</p>	<p>Page 6</p> <p>1 CHIEF JUDGE SLEDGE: Any objection 2 to Exhibit 13? 3 MR. HANDZO: No, Your Honor. 4 CHIEF JUDGE SLEDGE: Without 5 objection, Exhibit 13 is admitted. 6 (The document, having 7 been marked previously 8 for identification as 9 SDARS Exhibit 13, was 10 received in evidence.) 11 BY MR. STURM: 12 Q The second page of Exhibit 13 is 13 the forms that were intended to be filled out, 14 correct, during the verification process? 15 A Yes. 16 Q And the forms were intended to be 17 filled out, those were the forms that were 18 lost as a result of the painting incident at 19 DDW? 20 A Yes. 21 Q I want to be sure. Looking at the 22 first page of Exhibit 13, that's a</p>
<p>Page 7</p> <p>1 questionnaire, right? 2 A No, that's an illustrative 3 questionnaire. 4 Q And illustrative questionnaire. 5 A Yes, this illustrates the 6 responses, possible set of responses for this. 7 Q Now, this is the only 8 questionnaire you have, right? You don't have 9 a separate questionnaire, verification 10 questionnaire for considering subscribers, 11 correct? 12 A Correct, because that's not the 13 way it is communicated to the verification 14 house. 15 Q Is it your testimony that you were 16 aware all along that considerers were supposed 17 to answer no to question 2 on the verification 18 questionnaire? 19 A Absolutely. 20 Q Absolutely? 21 A Absolutely. 22 Q Did you design the verification</p>	<p>Page 8</p> <p>1 questionnaire that is the first page of 2 Exhibit 13? 3 A No. 4 Q Who did? 5 A Data Development. 6 Q Did you have any involvement in it 7 whatsoever? 8 A Yes, in terms of discussion on the 9 verification questions. 10 Q So did you approve this form? 11 A No, I approved the questions, not 12 the form. 13 Q You approved the questions? 14 A Correct. 15 Q It says that "I'm calling to 16 confirm a few points in the survey." Do you 17 see that? 18 A Yes. 19 Q And for about between a third and 20 a quarter of the respondents, you're calling 21 to confirm something that is false, correct? 22 A No. This is again, as I mentioned</p>

2 (Pages 5 to 8)

<p style="text-align: right;">Page 9</p> <p>1 to you before, this is an illustrative 2 questionnaire and now it is primarily can be 3 completed. The field house that calls the 4 verification is using this and has their own - 5 - primarily they're using the second form, the 6 one on page two, and they basically are asking 7 the questions and then they check basically 8 correct or not, based on matching it against 9 column two which is the quota. 10 Q They're asking the questions that 11 appear on this verification form, correct? 12 A I'm not sure on this particular 13 one. They're asking the question, but there 14 is no marking, there is no XXX on the 15 questionnaire that they asked that's 16 illustrative for the report, but that's not 17 the way -- they have the blank questionnaire 18 and they complete the responses on the last 19 three columns of page two. 20 Q The questions that are asked are 21 the questions that appear on the first page of 22 the verification questionnaire?</p>	<p style="text-align: right;">Page 10</p> <p>1 A Correct. 2 Q And so when the -- when it says, 3 the text says, "I'm calling to confirm a few 4 points in the survey for considers" the proper 5 answer is no. Question two is false, correct? 6 You're expecting a no response to question two 7 from the considerers? 8 A Correct. 9 Q Even though you say "You're 10 calling to confirm a few things", right? 11 A Correct. 12 Q Is that good survey design? 13 A It's a common way of doing 14 verification. 15 Q To call to confirm something that 16 you expect to be false or untrue? 17 A No, it's no so much as a trick 18 question. I think this is basically fairly 19 common in verification that you are including 20 questions that not all the answers to them are 21 yes. 22 CHIEF JUDGE SLEDGE: Mr. Sturm,</p>
<p style="text-align: right;">Page 11</p> <p>1 your questions are equating false with 2 negative. That's a curious way of phrasing 3 things. 4 MR. STURM: Well, because it says 5 it's calling to confirm a few points and you 6 are expecting the respondent not to confirm. 7 CHIEF JUDGE SLEDGE: Right, is 8 that the same in your mind as saying it's 9 false? 10 MR. STURM: Well, I think so. 11 You're telling the interviewer that you 12 currently have satellite radio in your 13 household. I'll move on, Your Honor. 14 CHIEF JUDGE SLEDGE: Answer 15 negative and answering false seem to me to be 16 two different answers. 17 BY MR. STURM: 18 Q The form is premarked "yes", 19 correct? 20 A It's an illustrative form, yes. 21 Q Do you have an illustrative form 22 that is premarked "no" for considerers?</p>	<p style="text-align: right;">Page 12</p> <p>1 A No, I don't. I explained before, 2 the way the form is presented to the research 3 house that does the telephone calling. It's 4 a blank form. It's not with the X's marked 5 and they record the answers on the second 6 form. 7 Q But you don't have the blank form 8 any more? 9 A I don't have the blank form, no. 10 Q And DDW doesn't have the blank 11 form to the best of your knowledge, correct? 12 A To the best of my knowledge, they 13 don't have it. 14 Q Now your question on direct about 15 your deposition testimony concerning this 16 issue, right, do you remember that? 17 A Yes. 18 Q And you said on direct that the 19 questions, the question was somewhat 20 convoluted, in my view at least, or I could 21 not answer it correctly. 22 Do you remember giving that</p>

3 (Pages 9 to 12)

<p style="text-align: right;">Page 13</p> <p>1 testimony?</p> <p>2 A Something along those lines.</p> <p>3 Q And did you say that "I said yes,</p> <p>4 yes, yes because I was looking I think, there</p> <p>5 was this form, the one on page two was</p> <p>6 presented before, and for subscribers, the</p> <p>7 yes, yes, yes, was the answer. That's what I</p> <p>8 had in mind." Do you remember giving that</p> <p>9 testimony?</p> <p>10 A I don't remember, but it sounds</p> <p>11 reasonable.</p> <p>12 Q Do you have Exhibit 1 which is</p> <p>13 your deposition testimony in front of you?</p> <p>14 A Yes, I do.</p> <p>15 Q Will you look at page 143, please?</p> <p>16 A Yes.</p> <p>17 Q I'm going to start at page 143,</p> <p>18 line 4.</p> <p>19 It says, "Now is Exhibit 9 the</p> <p>20 verification form that was used?"</p> <p>21 Answer: Yes.</p> <p>22 Question: As I understand it, 54</p>	<p style="text-align: right;">Page 14</p> <p>1 percent of the respondents had their responses</p> <p>2 verified. Is that right?</p> <p>3 Answer: Correct.</p> <p>4 Question: Would a verification</p> <p>5 require a yes response to all three of these</p> <p>6 questions?</p> <p>7 Answer: Yes."</p> <p>8 Is that your testimony at the</p> <p>9 deposition?</p> <p>10 A Yes, I suppose.</p> <p>11 Q And are you telling the Judges</p> <p>12 that those questions are convoluted or that</p> <p>13 you weren't able to understand them?</p> <p>14 A Well, I basically -- when I saw</p> <p>15 the form I was thinking about the subscribers</p> <p>16 and respondent in this respect and I did not</p> <p>17 think about kind of the full set of responses</p> <p>18 that included that they consider at that time.</p> <p>19 So that's basically what was</p> <p>20 apparently the frame of my mind at the time</p> <p>21 that I answered it.</p> <p>22 Q Are you saying -- you said on</p>
<p style="text-align: right;">Page 15</p> <p>1 direct that the questions were convoluted.</p> <p>2 Would you agree that you understood the</p> <p>3 question?</p> <p>4 A I think there were a number of</p> <p>5 other questions here related to this. And I</p> <p>6 think what I was referring to is the entire</p> <p>7 sequence of this questioning.</p> <p>8 Q Now you say that you were also</p> <p>9 confused because you had the form in front of</p> <p>10 you, right?</p> <p>11 A At some point I saw the form, yes.</p> <p>12 Q But the form is the same one that</p> <p>13 is used for both subscribers and considerers,</p> <p>14 right?</p> <p>15 A But not the form with the</p> <p>16 markings. That's what I tried to explain to</p> <p>17 you before. The research house gets a blank</p> <p>18 form with the questions, without the markings.</p> <p>19 And they ask the questions and they complete</p> <p>20 it on page two. And then they basically</p> <p>21 decide if it's a validated response or not,</p> <p>22 depending on the quota assignment for this</p>	<p style="text-align: right;">Page 16</p> <p>1 particular respondent. And they have the</p> <p>2 quota from the top of the page where they have</p> <p>3 basically the four different sales.</p> <p>4 Q Now going on in your deposition,</p> <p>5 looking at page 144, line 9. This is your</p> <p>6 answer to the question about the procedures,</p> <p>7 right?</p> <p>8 A I don't know. Again, I think it's</p> <p>9 quite clear that throughout this set of</p> <p>10 responses I was thinking about the subscribers</p> <p>11 and responding in this context. That's</p> <p>12 consistent throughout my responses here.</p> <p>13 Q You testified there was no case of</p> <p>14 any no responses from these people, correct?</p> <p>15 A Well, I misspoke. I basically was</p> <p>16 thinking again in terms of the subscribers and</p> <p>17 for them there was no case of no responses.</p> <p>18 Q Looking down at the bottom of page</p> <p>19 145, you say "in the materials you got, you</p> <p>20 should have received probably these sheets</p> <p>21 with 54 percent of the respondents a yes.</p> <p>22 Yes, yes, yes."</p>

4 (Pages 13 to 16)

Page 17

1 Question from me: "So I think I
 2 did misspeak in my question. For 54 percent
 3 of the respondents, there should be a sheet
 4 with Q1, Q2, Q3, all yes, yes, yes?
 5 Answer: Correct."
 6 Was that your testimony?
 7 A Yes, and as I indicated before I
 8 misspoke because I basically had in mind the
 9 response to the subscribers and obviously this
 10 is consistent throughout my set of responses
 11 here.
 12 Q Now what percentage of actual
 13 subscribers were verified?
 14 A I don't know offhand.
 15 Q It's impossible to know, isn't it,
 16 because you don't have any data to show that?
 17 A I don't have the exact number.
 18 But given the large number of respondents who
 19 were validated, the 54 percentage, my
 20 assumption would be they'll probably be
 21 distributed based upon their proportion in the
 22 sample.

Page 19

1 Q Now, did DDW report any problems
 2 to you with other aspects of their offices
 3 besides painting?
 4 A I think they may have mentioned
 5 something construction and painting.
 6 Q They didn't say anything about
 7 their computers having a problem?
 8 A No.
 9 Q So to your knowledge, their
 10 computer system should be intact?
 11 A I assume so, but I have no idea.
 12 Q And you're not aware of any
 13 painting or other problems that ABC which is
 14 the company that actually did the
 15 verifications?
 16 A I am not aware of any.
 17 Q Do you have your binder of
 18 exhibits in front of you?
 19 A Yes, I do.
 20 Q Could you look at your report, Tab
 21 E, please?
 22 (Pause.)

Page 18

1 Q That's your assumption, but you
 2 don't have any data to confirm or contradict
 3 that assumption, right?
 4 A Correct.
 5 Q Fifty-four percent has to refer to
 6 all of the respondents, including the
 7 considerers, correct?
 8 A Correct.
 9 Q And so when you said 54 percent,
 10 there should be a sheet, Q1, Q2, Q3, yes, yes,
 11 yes.
 12 A I misspoke.
 13 Q And you don't have any idea what
 14 percentage there were for considerers or
 15 subscribers?
 16 A No, but it would be reasonable to
 17 assume it will be the same proportion as they
 18 are in the sample.
 19 Q Again, the data has been
 20 destroyed, so we don't know.
 21 A It's not been destroyed. I think
 22 we talked about this before.

Page 20

1 A Yes.
 2 Q And Tab E in the binder is a
 3 series of documents, right? First, there's
 4 the interviewer instructions that go on for
 5 six pages, plus -- six pages or so?
 6 A Yes.
 7 Q Are there similar instructions for
 8 the verification process?
 9 A No. The verification process is
 10 basically done on the routine basis based on
 11 discussions between the field director and the
 12 verification house.
 13 Q Then the next document, there's a
 14 couple, a several page form and then there's
 15 a memorandum to supervisors from Kathy Romano
 16 for five pages, do you see that?
 17 A Yes, I do.
 18 Q And that's her instructions to all
 19 the supervisors who are going to work on the
 20 study?
 21 A Correct.
 22 Q And is there again, is there any

Page 21

1 kind of memorandum from Ms. Romano to the
 2 people who are going to work on verification
 3 process or does that not exist?
 4 A No, as I said before, the common
 5 procedure in verification is that there are no
 6 such detailed instructions. There are also no
 7 training by DDW of the people who are doing
 8 the verification. The verification is a house
 9 that specializes in straight-forward telephone
 10 interviewing. They're doing it on all, my
 11 guess is most of the studies of DDW, they're
 12 doing this on all of my studies. There are --
 13 they know basically the process. They work on
 14 this very closely with the field director and
 15 I have never had in any study written
 16 instructions similar to the ones to the field
 17 for the verification process.
 18 Q Could you turn to page four of Ms.
 19 Romano's memorandum to the supervisors?
 20 A Yes.
 21 Q Down at the bottom, the very
 22 bottom of page four, it says "The validation

Page 23

1 point that out. The validation forms are
 2 called out as being emailed to DDW, correct?
 3 A Right.
 4 Q Now has DDW's computer been
 5 searched for those validation forms?
 6 A My understanding is they searched
 7 for it. They looked everywhere for the form.
 8 Q Do you know if the computers have
 9 been searched?
 10 A No. Not explicitly. I know that
 11 they search everywhere for the forms.
 12 Q But the records on the computer
 13 wouldn't be affected by the painting, correct?
 14 A The record on the computer will
 15 not be the complete record because they are
 16 before they were sent to the verification
 17 house and before the completion of the forms.
 18 So it's most, if the records are available
 19 there, they will be the names of the
 20 interviewers completed on the page three of
 21 Appendix A of the verification, but without
 22 the results of the interview.

Page 22

1 form will be e-mailed to you. You must fill
 2 in information for each respondent. There
 3 must be a separate sheet/tab for each
 4 interviewer. Email to DDW." Do you see that?
 5 A Yes, I do.
 6 Q So the completed verification
 7 forms with the respondents' names were emailed
 8 from the field to DDW, right?
 9 A Based on this instruction.
 10 Q And you don't have any reason to
 11 believe that these instructions were violated,
 12 correct?
 13 A The only question is to what
 14 extent they sent it together with the
 15 questionnaire in the Federal Express package.
 16 And so I -- that's the instruction, but I'm
 17 not sure whether -- if you look at the next
 18 page, on page five, when returning work, they
 19 say "you must return the form to DDW completed
 20 screeners, validation forms emailed to DDW,
 21 and screeners only."
 22 Q That's right. I was going to

Page 24

1 Q A very specific question. Do you
 2 know if the computers at DDW have been
 3 searched?
 4 A No, I don't.
 5 Q Now if they received the email,
 6 the forms by email per instruction, then they
 7 could have emailed them also to ABC, correct?
 8 A I don't know the process. My
 9 understanding is that these forms once
 10 received by DDW goes through primarily
 11 checking by the field people before they
 12 forward them to ABC and I don't know how they
 13 forward them.
 14 Q Typically, when you receive an
 15 email within an attachment, then you can just
 16 forward it along as an attachment, right?
 17 A Not if you basically -- you may
 18 print it to work on this. I don't know the
 19 process they went through.
 20 Q And then they could have been
 21 emailed back from ABC to DDW, correct?
 22 A They could, but I don't know the

Page 25

1 process they use.

2 Q Do you know if ABC's computers

3 have been searched?

4 A No, I don't. If it's important, I

5 can probably call and find out and get you the

6 answer.

7 Q Well, it is important. It should

8 have been done already, but you don't know?

9 A I don't know. But when we have a

10 break, I'll be glad to call and find out what

11 is the process they went through, whether they

12 emailed them or they mailed them or they sent

13 it with a messenger, I have no idea.

14 Q And you do know that the Judges

15 ordered these documents to be produced,

16 correct?

17 A Right.

18 Q Do you have your main study there

19 in front of you?

20 A Yes, I do.

21 Q Page 43 shows the results of your

22 conjoint analysis that you discussed?

Page 27

1 important attribute, right?

2 A Yes, because many of the people

3 use it in a car.

4 Q Most people use it in a car,

5 right?

6 A Yes.

7 Q But that isn't an attribute that

8 you tested in your conjoint, correct?

9 A Well, unless consumer assumes that

10 this is part of the coverage.

11 Q Geographic coverage.

12 A Geographic coverage.

13 Q Okay, but geographic coverage is

14 different from being able to receive it on a

15 mobile basis, right?

16 A Right, maybe. I don't know how

17 consumers will receive it. Some consumers may

18 assume that this is included here, especially

19 given their usage pattern. Others may not.

20 I don't know.

21 Q So either it wasn't included or

22 you don't know if mobility was included,

Page 26

1 A Yes.

2 Q And the conjoint allocates

3 relative weights or relative importance among

4 these attributes that you tested, right?

5 A Yes.

6 Q And these attributes that are

7 listed here are the ones that you came up with

8 and worked with in consultation with

9 SoundExchange's lawyers, right?

10 A Correct.

11 Q Attributes that you don't test on

12 the conjoint effectively are given a weight of

13 zero, right? They aren't tested?

14 A Correct.

15 Q Now there's been testimony in this

16 case that a lot of money has been spent on

17 satellites and special antennas and things

18 like that so that these services can be

19 received in a moving car.

20 Based on what you know about

21 satellite radio, it makes sense that the way

22 to receive the service in a car is an

Page 28

1 correct?

2 A No, the question is I don't know

3 to what extent consumers when they evaluated

4 the cards they assumed, based on their own

5 experience, that all of these options are

6 basically, can be used in a car or to what

7 extent they included this more in their mind

8 as part of the geographic coverage. But when

9 we tested explicitly are those seven factors

10 that are listed here.

11 Q And any other attribute that you

12 didn't test explicitly isn't included in this,

13 right?

14 A Correct. Unless assumed by the

15 consumer as given for all the options.

16 Q And the closest you came you say

17 was geographic coverage, right?

18 A If assumed as part of one of the

19 factors, unless because of the wide usage of

20 this, everyone assumes that when we talk about

21 satellite radio, it is obviously all of these

22 cards, all of them are usable in a car.

Page 29

1 Q So you're saying that the
 2 respondents might have just assumed that
 3 satellite radio would be available in the car,
 4 right?
 5 A Which is a reasonable assumption
 6 given the usage data that we've seen.
 7 Q But because they're just assuming
 8 it, it's not weighted within these responses,
 9 correct? Or given a relative value within
 10 these responses?
 11 A It's not -- we don't have an
 12 explicit value for this particular variable.
 13 Q Now your amended testimony is
 14 Exhibit 52 which is about halfway back in the
 15 binder.
 16 Did the lawyers right the text of
 17 the amended testimony?
 18 A No. As I mentioned on Thursday,
 19 there were -- I preferred a very rough first
 20 draft and it was worked in basically as a
 21 series of iterations with Matt Hellman.
 22 Q So you worked collaboratively with

Page 31

1 that could shed light on my report and that's
 2 the reason I focused on these items.
 3 Q And so one of the items you
 4 focused on was Howard Stern, right?
 5 A Correct.
 6 Q And did you try to give a fair and
 7 unbiased analysis of the Howard Stern issue
 8 based on all of the data and you had in these
 9 surveys?
 10 A No, this was not designed to
 11 cover, summarize all the hard stored material
 12 in the documents. It was designed to try
 13 explain what basically happened over time to
 14 the importance of Howard Stern and this is
 15 reflected in Exhibit -- in Figure 12 of the
 16 report.
 17 Q So you didn't intentionally leave
 18 out things that demonstrated the importance of
 19 non-music programming at Sirius, did you?
 20 A I did not intend to. I basically
 21 tried to focus primarily on the report and see
 22 do they confirm or not the importance of music

Page 30

1 Mr. Hellman on this?
 2 A Inputting it in this format and he
 3 also did the exhibits, the graphics for the
 4 report.
 5 Q Mr. Hellman did the graphics?
 6 A He or someone in his office, but
 7 they did the graphics.
 8 Q Did you and Mr. Hellman go through
 9 and try to present a fair and unbiased
 10 analysis or were you just picking some things
 11 out of the research that supported
 12 SoundExchange's position?
 13 A The way it worked is I reviewed
 14 the material that I received which is the
 15 package here. It's all the tabs behind it.
 16 And concluded that basically the areas which
 17 help explain or validate my report are the
 18 areas relating to usage and cancellation and
 19 they provide an explanation also with respect
 20 to the Howard Stern question and these are the
 21 areas I focused on in the report.
 22 I did not see other data there

Page 32

1 which I think they clearly do with respect
 2 both to Sirius and XM.
 3 And two, to try to see if they
 4 provide an explanation for the Howard Stern
 5 question.
 6 Q One of the things that you talk
 7 about on page six is percentage of time spent
 8 listening.
 9 A Yes
 10 Q You have a chart, Figure 4, about
 11 that, correct?
 12 A Yes.
 13 Q And that is based on Exhibit 111
 14 which is the next document in the binder,
 15 correct?
 16 A Yes.
 17 Q And that's at page 22, I believe?
 18 A Yes.
 19 Q Now that same chart shows some
 20 trends in listening, doesn't it? That overall
 21 usage went up two hours; music went down
 22 almost two hours; and talk went up almost four

<p style="text-align: right;">Page 33</p> <p>1 hours. Do you see those?</p> <p>2 A Yes.</p> <p>3 Q Your survey doesn't explain that</p> <p>4 change in listening, does it?</p> <p>5 A No. My survey is basically a</p> <p>6 point in time and presents the result as of</p> <p>7 October of '06.</p> <p>8 Q Again, your survey doesn't explain</p> <p>9 the change in listening over time, correct?</p> <p>10 A Well, it's not designed as a</p> <p>11 longitudinal study, so it's primarily, it's a</p> <p>12 point in time study in October and it presents</p> <p>13 the picture, the importance of music versus</p> <p>14 the other programming types as of October of</p> <p>15 last year.</p> <p>16 Q Figure 10, which is on page 13 of</p> <p>17 your former testimony --</p> <p>18 A Yes.</p> <p>19 Q That is based on Exhibit 116,</p> <p>20 which is a Fox News study?</p> <p>21 A Correct.</p> <p>22 Q And that Fox News study is from</p>	<p style="text-align: right;">Page 34</p> <p>1 August of 2005, correct?</p> <p>2 A Correct.</p> <p>3 Q And you're aware that the</p> <p>4 programming on Sirius changed significantly</p> <p>5 between August 2005 and the present, correct?</p> <p>6 A Correct.</p> <p>7 Q Among other things, in August</p> <p>8 2005, if someone wanted to listen to Howard</p> <p>9 Stern, they couldn't do it on Sirius, correct?</p> <p>10 A Correct.</p> <p>11 Q And so whatever the validity of</p> <p>12 this was back in August 2005, you wouldn't say</p> <p>13 that it now represents the views of Sirius</p> <p>14 subscribers, correct?</p> <p>15 A It just represents basically the</p> <p>16 latest data we have and this was the latest</p> <p>17 study I had and that's all it does.</p> <p>18 Q Well, you had much more recent</p> <p>19 data on cancellation, correct?</p> <p>20 A There is the next analysis, I</p> <p>21 think, represents this. The analysis</p> <p>22 basically per channel represents a more recent</p>
<p style="text-align: right;">Page 35</p> <p>1 data.</p> <p>2 Q Looking at Figure 12 which is on</p> <p>3 page 17, now as I understood your testimony,</p> <p>4 you said that this showed changing interest in</p> <p>5 talk programming over time based on different</p> <p>6 surveys? Is that what you said on direct?</p> <p>7 A I don't recall exactly what I</p> <p>8 said. It basically shows that the interest in</p> <p>9 kind of the trend or the pattern of interest</p> <p>10 in top programming.</p> <p>11 Q But these aren't different studies</p> <p>12 are they?</p> <p>13 A They're all based on -- this will</p> <p>14 be the next document --</p> <p>15 Q The next document is 17, correct?</p> <p>16 A Correct.</p> <p>17 Q And so when you say June 2006,</p> <p>18 last data provided by Sirius, all of this</p> <p>19 data, all of these data were gathered at the</p> <p>20 same time, correct?</p> <p>21 A No. My understanding of this</p> <p>22 document, this is --</p>	<p style="text-align: right;">Page 36</p> <p>1 Q Are you looking at Exhibit 111,</p> <p>2 page 17?</p> <p>3 A Yes. And you have there basically</p> <p>4 -- the analysis there was done by basically</p> <p>5 subscription tenure. And the last number I</p> <p>6 focused on was primarily the June '06 number</p> <p>7 that we had.</p> <p>8 Q That's my point. These are -- all</p> <p>9 this data, all these data were gathered at the</p> <p>10 same time. These are different subscription</p> <p>11 tenures, not different studies, right? Or do</p> <p>12 you not know?</p> <p>13 A Well, the question is if you look</p> <p>14 at page 3, of the same document it talks about</p> <p>15 survey field periods and talk about tracking</p> <p>16 began in 2002. Then there is also if you go</p> <p>17 back, the last point there, they were talking</p> <p>18 about research anticipated engaging in another</p> <p>19 wave on or about November 2006, a decision to</p> <p>20 conduct that wave was presented by Sirius and</p> <p>21 then they give under it a table with CSat</p> <p>22 waves going back to the third quarter, second</p>

9 (Pages 33 to 36)

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1 quarter '03.
 2 So I'm not sure to what extent the
 3 data that are on page 17 that are used was
 4 collected only if the second quarter of '06 or
 5 represents also some data from previous
 6 tracking reports.
 7 Q You couldn't figure out that based
 8 on these documents?
 9 A At the time I did not really focus
 10 on this question and now I'm not sure, but I'm
 11 just saying that given my understanding of
 12 this was these are the result of tracking
 13 reports and therefore I'm not sure whether
 14 this is all based on the data in one point in
 15 time survey.
 16 Q Don't the -- does it look like to
 17 you that the -- do you see under the headings
 18 for the different time periods there are Ns
 19 which represent the number of respondents,
 20 correct?
 21 A Yes
 22 Q And does it look like to you that

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1 Q But you weren't really clear what
 2 the different segments meant?
 3 A I think it's clear what they
 4 meant. I wasn't clear whether they were all
 5 collected at the same time or there were some
 6 other days, but basically I think that the
 7 headings are very clear what they mean.
 8 CHIEF JUDGE SLEDGE: Mr. Sturm,
 9 your initial question leading to this
 10 examination of 11 confuses me.
 11 You asked about Figure 10 and that
 12 was based on Exhibit 116 and August '05 study.
 13 And then you asked about Figure 12 which is
 14 based on Exhibit 111, a June '06 study.
 15 MR. STURM: Yes.
 16 CHIEF JUDGE SLEDGE: And then I
 17 understood to ask him if these were all based
 18 on the same study? And I don't understand why
 19 you're asking that.
 20 MR. STURM: When I asked that
 21 question i was just asking about Figure 12.
 22 CHIEF JUDGE SLEDGE: Figure 12 is

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1 the numbers that are broken out by month there
 2 add up to the total presented in the second
 3 quarter of '06 column?
 4 A The interviewers for comparison,
 5 the fourth quarter of '05 --
 6 Q Right.
 7 A Which is a similar large number.
 8 Q So you're saying, just so I'm
 9 clear on this, you're not clear if these are
 10 all different studies or different cohorts,
 11 subscription tenure cohorts within the same
 12 study?
 13 A Now that I look at the numbers, it
 14 seems that the data for the '06, the six
 15 columns are subheadings of the second quarter
 16 '06 and the report here, probably for
 17 comparison, the fourth quarter '05 is the
 18 first column.
 19 Q But you didn't really focus on
 20 that when you were doing your report?
 21 A I looked earlier at those segments
 22 and the results were these segments.

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1 based on Exhibit 111?
 2 MR. STURM: Yes, Your Honor.
 3 CHIEF JUDGE SLEDGE: I see. Thank
 4 you.
 5 MR. STURM: Figure 10 is based on
 6 something different.
 7 CHIEF JUDGE SLEDGE: All right.
 8 BY MR. STURM:
 9 Q Now if you will turn a couple
 10 pages to page 20, Figure 14, and this purports
 11 to compare percentage of June 2006 Sirius
 12 subscribers interested in music as compared to
 13 talk versus Sirius respondents in the October
 14 2006 Wind study, right?
 15 A Correct.
 16 Q Now what you have done is just
 17 take the people who subscribed to Sirius in
 18 June 2006 and compared them to your overall
 19 survey results for the entire subscriber base,
 20 right?
 21 A Correct.
 22 Q So you basically just cherry

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1 picked this one month of subscriber data and
 2 compared it to an overall, rather than taking
 3 the overall data that are also nit eh Sirius
 4 survey, correct?
 5 A I don't look at this as cherry
 6 picking. I think this is the last point in
 7 time. This is the last month available. So
 8 this is also the same 17 percent that we have
 9 in the previous figure and Figure 12.
 10 Q Sir, you're ignoring all of the
 11 people who subscribed to Sirius May 2006 and
 12 before in this chart, correct?
 13 A Correct. And I thought I made it
 14 very clear in the write up what I'm doing
 15 here.
 16 Q So you're just relying on these 96
 17 people who subscribed in June 2006 as opposed
 18 to covering the more than 2,150 who subscribed
 19 at other times, right?
 20 A Because I'm trying -- this is an
 21 elaboration on Figure 12 and trying to explain
 22 the trend and showing for the last for those,

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1 subscribers.
 2 CHIEF JUDGE SLEDGE: All right.
 3 BY MR. STURM:
 4 Q You also have -- and by the way,
 5 that June 2006 cohort is the smallest one of
 6 all of them, correct?
 7 A It's still close to 100 people and
 8 you can definitely analyze them and conclude
 9 from them what is -- what are the reasons that
 10 they provide for subscribing.
 11 Q It was a very simple question.
 12 That one June month that you picked is the
 13 smallest, has the smallest number of
 14 respondents of any of the ones that are broken
 15 out, correct?
 16 A Yes.
 17 Q Now you also talk later in your
 18 report about the impact of Howard Stern and
 19 how it's less than music and things like that,
 20 right?
 21 A Correct.
 22 Q And you say "among other things,

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1 which I think I was very clear indicating --
 2 if you look at Figure 12 in the heading of
 3 this which is the June 2006, focusing only on
 4 them and not previous to this and trying to
 5 add now the relation between music and talk
 6 and entertainment. And that's this is
 7 designed. I think I made it very explicit in
 8 the report what we're looking at.
 9 Q Now your survey covers, purports
 10 to cover the entire group, right, and doesn't
 11 break it out among subscription tenures,
 12 correct?
 13 A Correct.
 14 Q In fact, you didn't even gather
 15 any data about subscription tenure, correct?
 16 A Correct.
 17 Q So there's no way --
 18 CHIEF JUDGE SLEDGE: What is that
 19 word?
 20 MR. STURM: Subscription tenure.
 21 CHIEF JUDGE SLEDGE: Tenure?
 22 MR. STURM: How long they've been

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1 the music channels have shown increased
 2 listenership." Do you remember saying that?
 3 A Vaguely.
 4 Q But overall, we know that total
 5 music listening has gone down recently,
 6 correct, the time spent listening that we
 7 looked at earlier?
 8 A Based on this one report. I think
 9 there are other indications there, including
 10 if you look in terms of the talk channels
 11 people listen to and some of the XM studies,
 12 and I'm not sure that this will be the general
 13 pattern.
 14 Q Well, XM studies wouldn't go to
 15 Howard Stern, right, because he's not on XM.
 16 Now you also say that Howard Stern
 17 is not really attracting listeners, right?
 18 A I'm not sure I said that.
 19 Q Did you say that he has stopped
 20 attracting listeners?
 21 A Well, as we can see from the data,
 22 the number of new subscribers who attribute

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1 their subscription to Howard Stern is getting
 2 smaller.
 3 CHIEF JUDGE SLEDGE: Dr. Wind,
 4 that sounds to me like his listeners are so
 5 passionate that all of them rushed out at the
 6 first opportunity they had to subscribe and
 7 therefore there weren't any left to subscribe
 8 after that.
 9 THE WITNESS: This is consistent
 10 with my interpretation.
 11 CHIEF JUDGE SLEDGE: Okay.
 12 THE WITNESS: So if we're talking
 13 about new subscribers I think the percent of
 14 people who subscribe now subscribe -- or the
 15 latest data we have is June, that subscribed
 16 is smaller than before. That's what Figure 12
 17 is actually showing us.
 18 BY MR. STURM:
 19 Q There was a question in the
 20 listener study, "what was your primary reason
 21 you subscribed to Sirius? Please type in your
 22 one primary reason." Do you remember that

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1 this was reason for subscribing to Sirius, not
 2 subscribing to satellite radio in general.
 3 And there is clearly Howard Stern
 4 is a major attraction for selecting the brand
 5 and the data I showed before on I think that
 6 we dealt with on page 17 was the subscription
 7 to satellite radio in general.
 8 Q The question is what was the
 9 primary -- your primary reason you subscribed
 10 to Sirius?
 11 A Right, which is for a brand, which
 12 is a brand choice decision, whereas the data
 13 I relied on on page 17 was category benefits.
 14 So initial purchase intent which was a please
 15 tell me all the reasons you were interested in
 16 satellite radio, not necessarily the brand.
 17 So yes, Howard Stern is definitely a major
 18 impact in selecting Sirius over XM.
 19 The importance of Howard Stern for
 20 selecting satellite radio seemed to be
 21 decreasing based on the data that's here.
 22 Q And the other thing shown here on

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1 question?
 2 A No, you have to direct me to the
 3 specific study and page.
 4 Q Look at Exhibit 112, page 23.
 5 (Pause.)
 6 It's headed "unaided primary
 7 reason for subscribing." Do you see that?
 8 A Yes.
 9 Q And unaided means what?
 10 A That you are not providing people
 11 options, but it's an open-ended question.
 12 Q And you like open-ended questions,
 13 right?
 14 A Correct.
 15 Q All right, and it's all past week
 16 listeners based on a total 25,702? See that
 17 at the top?
 18 A Yes.
 19 Q And without putting the specific
 20 numbers on the record, the overwhelming top
 21 reason is Howard Stern, correct?
 22 A But if my recollection is correct,

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1 page 23 of Exhibit 112 is that music is down
 2 in fourth place below miscellaneous, correct?
 3 A Again, for this selection of the
 4 brand as opposed to selection of the category.
 5 Q And you didn't mention this slide
 6 in your report, did you?
 7 A No, because I focused in the
 8 report not so much on the determinants of
 9 selection of Sirius versus XM which this
 10 addresses itself to. I focused more on the
 11 attraction to the category, to satellite
 12 radio.
 13 MR. STURM: Your Honor, I don't
 14 have any further questions right now.
 15 CHIEF JUDGE SLEDGE: Mr. Handzo,
 16 any redirect?
 17 MR. HANDZO: Yes, Your Honor.
 18 REDIRECT EXAMINATION
 19 BY MR. HANDZO:
 20 Q Good morning, Dr. Wind.
 21 A Good morning.
 22 Q Dr. Wind, do you have there,

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1 excuse me, SDARS Exhibits 6 through 12 or do
 2 you need copies of those?
 3 A No.
 4 (Pause.)
 5 Q Dr. Wind, do you recognize these
 6 as the verbatims that you were asked about?
 7 A Yes.
 8 Q On Thursday?
 9 A Yes.
 10 Q Now the first question was how
 11 many survey respondents did you have in your
 12 survey?
 13 A Four hundred twenty-four.
 14 Q If you need to refresh your
 15 recollection, you might want to take a look at
 16 page eight of your written testimony.
 17 A Four hundred twenty-eight.
 18 Q And that would be how many open-
 19 ended questions for each of those respondents?
 20 A There will be four questions, 1,
 21 2, 3, and 11, plus a probe, plus possibility
 22 of multiple responses for each one.

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1 Q And you just said you know why the
 2 error was made?
 3 A Yes.
 4 Q What is that?
 5 A It was basically a computer glitch
 6 that I had a letter that I can explain from
 7 the coder who checked actually the process and
 8 explained how it happened.
 9 Q Well, leaving aside why it
 10 happened, does the fact that there are 7
 11 coding errors out of 3,000 plus coding
 12 decisions changed your results?
 13 A No.
 14 Q Now let me ask you to start with
 15 Exhibit 6.
 16 Looking at the --
 17 JUDGE WISNIEWSKI: Can I follow up
 18 on that last question?
 19 MR. HANDZO: Oh sure.
 20 JUDGE WISNIEWSKI: Are you saying
 21 that the errors don't affect the results
 22 absolutely or are you saying in no material

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1 Q Well, leaving out the probes for
 2 the moment, if there are four open-ended and
 3 428 respondents, does that mean there are
 4 something like 1700 coding decisions to be
 5 made?
 6 A Yes.
 7 Q Now you mentioned that each one of
 8 those open ends does have a probe. If there's
 9 a response to the probe, would those be
 10 additional coding decisions to be made?
 11 A Actually, we know that -- I looked
 12 at this after the Court on Thursday. There
 13 were over 3,000 coding decisions.
 14 Q Okay, and out of those 3,000
 15 coding decisions we've identified 7 that
 16 appear to be in error?
 17 A Yes, and I think I know why the
 18 error.
 19 Q Let me ask you first, I assume
 20 that out of -- you're not happy about the fact
 21 that there are 7 hours out of 3,000 or so?
 22 A No, I was very disturbed by that.

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1 way?
 2 THE WITNESS: Well, obviously, the
 3 results that I reported will be affected by
 4 those few cases, but the substantive
 5 conclusion from the study in terms of the
 6 magnitude of the importance of music compared
 7 to the other variables is not changed. And I
 8 actually kind of ran even an analysis to try
 9 to show the comparison between the two.
 10 JUDGE WISNIEWSKI: Thank you.
 11 BY MR. HANDZO:
 12 Q Dr. Wind, looking at the first of
 13 these verbatim, Exhibit 6, it starts Exhibit
 14 6?
 15 A Yes.
 16 Q Looking at the first three
 17 verbatim responses, do any of those responses
 18 mention music?
 19 A I'm not sure. Top 20 on 20 is
 20 good for me and my family. This may be a
 21 music program.
 22 Q Okay. And looking at the next

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1 one, Exhibit 7, do you see the response to
 2 question 2?
 3 A Yes. Top 10 on 20.
 4 Q Does that also appear to be a
 5 mention of music?
 6 A Yes.
 7 Q So the date with entry response to
 8 questions two and three? Do you see the
 9 mention --
 10 A Sports and Hispanic music.
 11 Q And question three?
 12 A And three will be the music and
 13 the variety of stations and what do they
 14 offer.
 15 Q Okay. Looking at Exhibit no. 9.
 16 Do you see the response to question one?
 17 A Yes.
 18 Q Does that mention music?
 19 A Yes. I want to get it for the
 20 music and the news. It was the Freedom Pack.
 21 Q Now looking at Exhibit 10. Do you
 22 see the response to Exhibit 3? I'm sorry, to

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1 a person says music in question one, says
 2 music in question two, this person will be
 3 counted only once.
 4 Q Okay, now let me ask you that
 5 given that each of the verbatim responses that
 6 we just looked at in Exhibits 6 through 12
 7 mentioned music, would the coding errors have
 8 any impact on this chart?
 9 A No. It will have no effect
 10 whatsoever on Figure 10.
 11 Q Let me ask you to turn to Figure
 12 13 on page 32. Can you tell us what this
 13 represents?
 14 A This is the programming type most
 15 critical to the decision to continue to
 16 subscribe. This is the retention measure
 17 based on question number three.
 18 Q So I'm sorry, this is showing the
 19 results from question three?
 20 A Yes, the results of the open-ended
 21 question three.
 22 Q Let me just make sure we're both

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1 question three?
 2 A Yes. Jazz.
 3 Q Looking at Exhibit 11 and looking
 4 at the response to question three, what do you
 5 see?
 6 A The channels that offer new music
 7 that is uninterrupted.
 8 Q Okay, Exhibit 12, response to
 9 question two. What do you see?
 10 A Music.
 11 Q Does it appear to you that each of
 12 the verbatims that you were shown that the
 13 respondents mention music?
 14 A Correct.
 15 Q Now, let me ask you, Dr. Wind, to
 16 turn to your testimony Exhibit 51. Figure 10
 17 at page 27.
 18 A Yes.
 19 Q What does this chart represent?
 20 A The chart represents the results
 21 of the net mention of music in either question
 22 1, 2, 3, 11, avoiding any duplication. So if

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1 on the same page literally. We're talking
 2 about Figure 13 on page --
 3 A I'm sorry, I was looking at figure
 4 14. Figure 13 on page 32.
 5 Q Okay, and that is showing what?
 6 A This shows the programming type
 7 most critical to decision to subscribe --
 8 consider to subscribe. This is the
 9 programming draw which is the open-ended
 10 response to question two.
 11 Q So this would have been asked of
 12 all 428 respondents?
 13 A Yes.
 14 Q Okay. Now am I right that in the
 15 verbatims that you were shown, Exhibits 6
 16 through 12, only one respondent had a wrongly
 17 coded answer to question two?
 18 (Pause.)
 19 A That's the way it seems.
 20 Q So if there was one wrongly coded
 21 answer to question two out of 428 respondents,
 22 what impact would that have on this chart?

<p style="text-align: right;">Page 57</p> <p>1 A Virtually none.</p> <p>2 Q I take it I'm not going to take</p> <p>3 you through the exercise, but I assume that</p> <p>4 you could do the same thing with each of these</p> <p>5 verbatims -- ASure.</p> <p>6 Q -- to see how many wrong responses</p> <p>7 there were for one question and compare it to</p> <p>8 the appropriate chart?</p> <p>9 A Correct.</p> <p>10 Q And if we -- let's say for the</p> <p>11 sake of argument that there are no more than</p> <p>12 two erroneous codes with respect to any one of</p> <p>13 the open-ended questions, the impact on your</p> <p>14 chart would be 2 people out of 428?</p> <p>15 A Correct.</p> <p>16 Q So less than one percent?</p> <p>17 A Correct</p> <p>18 Q You were asked on Thursday, I</p> <p>19 think, a number of questions about the</p> <p>20 demographics of the respondents to your study.</p> <p>21 I think you indicated something about being</p> <p>22 able to go back and re-weight the data if you</p>	<p style="text-align: right;">Page 58</p> <p>1 found out that for example XM and Sirius</p> <p>2 listeners represented a different demographic.</p> <p>3 Do you recall that?</p> <p>4 A Correct.</p> <p>5 Q Can you explain how you would do</p> <p>6 that?</p> <p>7 A I actually did it over the</p> <p>8 weekend. Do you want to -- I can present the</p> <p>9 results.</p> <p>10 Q Let's hear it.</p> <p>11 MR. MEYER: Your Honor, I would</p> <p>12 object. I mean, we obviously haven't seen</p> <p>13 this. It's unfair because if it's something</p> <p>14 that he testified he could have done before in</p> <p>15 connection with his written direct testimony.</p> <p>16 He obviously didn't do it. So I would say</p> <p>17 that it is unrelated to his written direct</p> <p>18 testimony and is unfair at this point, Your</p> <p>19 Honor.</p> <p>20 CHIEF JUDGE SLEDGE: Mr. Handzo?</p> <p>21 MR. HANDZO: Well, Your Honor, as</p> <p>22 to the fairness or unfairness, I have to say</p>
<p style="text-align: right;">Page 59</p> <p>1 that I have not seen it either. We're all</p> <p>2 playing on a level playing field as far as</p> <p>3 that is concerned. But the question was</p> <p>4 raised on cross. I don't think that it can</p> <p>5 fairly be said that it is outside the scope of</p> <p>6 the cross and apparently he's taken a look at</p> <p>7 it, so I think it is fair for the Court to</p> <p>8 hear that.</p> <p>9 CHIEF JUDGE SLEDGE: Is this an</p> <p>10 exhibit you have exchanged 24 hours in</p> <p>11 advance?</p> <p>12 MR. HANDZO: I'm not planning on</p> <p>13 offering it as an exhibit, Your Honor. I'm</p> <p>14 just going to ask him what his conclusions</p> <p>15 were.</p> <p>16 CHIEF JUDGE SLEDGE: Objection</p> <p>17 sustained.</p> <p>18 BY MR. HANDZO:</p> <p>19 Q Dr. Wind, without telling us what</p> <p>20 you did, how would you go about weighting the</p> <p>21 data?</p> <p>22 A It's very simple. What you do is</p>	<p style="text-align: right;">Page 60</p> <p>1 take the data you have. You have the 428</p> <p>2 respondents. One of the areas that was</p> <p>3 suggested is a geographical difference that</p> <p>4 the east will have different characteristics</p> <p>5 than the rest of the country.</p> <p>6 There was also a comment made that</p> <p>7 Baltimore does not belong in the east, but</p> <p>8 rather in the south. So you take Baltimore</p> <p>9 out and you have about close to a hundred</p> <p>10 people, I think 96 people. You give them a</p> <p>11 weight of 50 percent and basically run all of</p> <p>12 the data when you weight now the data 50</p> <p>13 percent to the east and 50 percent to the rest</p> <p>14 of the country.</p> <p>15 You get the results and when you</p> <p>16 get the results, you can compare them to the</p> <p>17 results you got before. You can do the same</p> <p>18 thing with respect to the second point that</p> <p>19 was raised that we have data on, which is the</p> <p>20 male percent, men, as opposed to women. So</p> <p>21 you can easily take then all the data we have,</p> <p>22 all the men, and give them as opposed to their</p>

15 (Pages 57 to 60)

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1 natural distribution in the sample, give them
 2 a weight of 75 or 85 and run it by them and
 3 see to what extent the results that you get
 4 for weighting it by 75 percent or 85 percent
 5 are different from the results that we had
 6 originally.
 7 Q So I take it if someone were
 8 concerned that the demographics of your
 9 respondent group were not correct, they could
 10 weight the data and see whether it made any
 11 difference?
 12 A Right. I did and basically it
 13 does not with one exception.
 14 MR. MEYER: Your Honor, the
 15 witness just -- I would suggest -- ignored
 16 Your Honor's ruling sustaining my objection
 17 and just testified that his analysis showed.
 18 I think it's obvious that it was an
 19 intentional intent to circumvent Your Honor's
 20 ruling sustaining my objection.
 21 CHIEF JUDGE SLEDGE: Mr. Handzo?
 22 MR. HANDZO: Your Honor, I think

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1 Your Honor. Thank you.
 2 CHIEF JUDGE SLEDGE: Any further
 3 cross, Mr. Meyer?
 4 MR. MEYER: Yes, Your Honor.
 5 RECROSS EXAMINATION
 6 BY MR. MEYER:
 7 Q Dr. Wind, in response to the
 8 question that Mr. Handzo just asked, he asked
 9 you how does the data in your surveys compare
 10 to the data in XM and Sirius' own surveys, and
 11 you said -- I'm sorry, you said very closely?
 12 A I said very consistent or
 13 something like that.
 14 CHIEF JUDGE SLEDGE: That is not
 15 the question asked nor answered. The question
 16 was results and you asked about the data.
 17 MR. MEYER: I apologize, Your
 18 Honor.
 19 BY MR. MEYER:
 20 Q In fact, isn't it true that you
 21 haven't attempted to assess the validity of he
 22 methodologies that the XM and Sirius surveys

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1 it was a natural response to my question. I
 2 obviously didn't ask him specifically that,
 3 but it was a natural response.
 4 CHIEF JUDGE SLEDGE: Mr. Meyer?
 5 MR. MEYER: I would ask -- I would
 6 move that it be stricken from the record the
 7 last answer, last part of his last answer.
 8 CHIEF JUDGE SLEDGE: Mr. Handzo?
 9 MR. HANDZO: I don't think I have
 10 anything to add to what I said, Your Honor.
 11 CHIEF JUDGE SLEDGE: Motion to
 12 strike the response on the effect of weighting
 13 the data is sustained.
 14 BY MR. HANDZO:
 15 Q Dr. Wind, with respect to the
 16 various criticisms that people attempted to
 17 make in the course of cross examination with
 18 respect to your survey, how do your survey
 19 results compare to the survey results that XM
 20 and Sirius obtained in their own surveys?
 21 A Very consistent.
 22 MR. HANDZO: That's all I have,

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1 employ?
 2 A Correct, and I stated explicitly
 3 in my report that what I'm looking at is I'm
 4 looking at the results, and it's obviously
 5 management relied on these studies, so I'm
 6 accepting that management relies on these
 7 studies for the conduct of regular business,
 8 these results are at least valid in their
 9 perspective, and I can compare the results
 10 that they had with the results that I had at
 11 least on those areas that we both had data,
 12 such as the usage and the cancellation.
 13 Q Sir, isn't it true that in
 14 comparing the results of the Sirius and XM
 15 surveys to your own, differences in survey
 16 methodology, question wording, sample size,
 17 etcetera, make it impossible to directly
 18 compare the results of these surveys to your
 19 own? Isn't it true?
 20 A The first part of your kind of
 21 statement there --
 22 Q Sir, is that true or not?

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1 MR. HANDZO: Your Honor, I object
 2 --
 3 CHIEF JUDGE SLEDGE: Sustained.
 4 You don't have to answer questions yes or no
 5 if that is not the appropriate answer to the
 6 question.
 7 MR. MEYER: May I withdraw the
 8 question?
 9 CHIEF JUDGE SLEDGE: Yes, sir.
 10 BY MR. MEYER:
 11 Q Let's look at page five of your
 12 amended report just to save time. On page
 13 five of your amended report, Dr. Wind, it may
 14 come as no surprise to you that in my question
 15 which you were not able to answer yes or no,
 16 I was simply reading directly into the record
 17 a sentence from your amended report --
 18 A And you ignored the next sentence.
 19 Q Did you see the sentence I read?
 20 A Yes, but you --
 21 Q Did I read the sentence correctly
 22 that says that I note that in comparing the

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1 asking. We have not talked at all about
 2 anything relating to this case since I left
 3 the Court.
 4 And I've done a number of analyses
 5 following the Court session on Thursday to try
 6 to help the Court and clarify some of the
 7 questions that were left unanswered.
 8 Q And Mr. Handzo again, when he
 9 asked you whether you had done any
 10 reweighting, actually had no idea to your
 11 knowledge that you had?
 12 A He had no idea that I did any of
 13 the additional analyses that I'd done.
 14 Q Now with respect to the verbatims
 15 Mr. Handzo showed you. I think you said there
 16 were seven, but I had shown you. It's not
 17 your testimony that those were the only seven
 18 errors in your coding, is it?
 19 A No. These are the ones that you
 20 showed. I actually did a follow-up checking
 21 what happened and I mentioned before that it
 22 was a computer glitch in the coding situation.

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1 results of the Sirius and XM service to my
 2 own, differences in survey methodology
 3 question rating, sample size, etcetera make it
 4 impossible to directly compare the results of
 5 the service to my own.
 6 My only question to you is did I
 7 read that sentence correctly?
 8 A Yes, you did, but you ignored the
 9 next sentence.
 10 Q Now with respect to the coding
 11 errors that Mr. Handzo asked you about, and
 12 also with respect to the re-weighting which
 13 you did which I'm not going to ask you about
 14 the substance, obviously.
 15 Did you talk to the lawyers for
 16 SoundExchange over the weekend?
 17 A No.
 18 Q So when Mr. Handzo asked you
 19 whether you did any re-weighting, he simply
 20 was making a lucky guess, that in fact, you
 21 had done some re-weighting. Is that right?
 22 A I don't know the reason for his

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1 And they were all together if I recall
 2 correctly something like 21 or so errors.
 3 I have actually a letter that I
 4 received from the coder, Greg Pierce, that
 5 explains exactly what happened.
 6 Q My question was you didn't mean to
 7 suggest to the Panel in response to Mr.
 8 Handzo's question questions that the seven
 9 errors that I identified to you were the only
 10 errors, right? You didn't mean to suggest
 11 that, right?
 12 A These are all that you showed and
 13 I know I'm confident now, given what I know,
 14 that basically there are a few errors that
 15 were in the coding. They were all corrected
 16 and they make absolutely no difference.
 17 Q I'm going to try and ask my
 18 question again. It's not your testimony that
 19 those were the only errors, the seven errors
 20 I showed you? Is that your testimony or not?
 21 A No.
 22 Q Okay. And in fact, there are

<p style="text-align: right;">Page 69</p> <p>1 additional errors that were responses that had 2 nothing to do with music under the code of 3 music, isn't that right? 4 A That's what I explained. That's 5 what I explained, that it was a computer 6 glitch in the coding in some of the transfer 7 in the coding. There were about 21 or so 8 errors and they were all kind of identified 9 and the data corrected. 10 Q Okay, the fact that -- and your 11 coder who you apparently who you still 12 apparently have utmost confidence in, right? 13 A I do, because they basically found 14 the reason for this and was no basically in 15 this code. Because this was originally 16 correct and then basically when they 17 transformed the data, there are two symbols in 18 the coding. They were interpreted as a wild 19 card by Excel, the Microsoft system, and 20 that's what led to these 21 errors. 21 Q And it just so happened that all 22 of the errors I showed you and possibly</p>	<p style="text-align: right;">Page 70</p> <p>1 additional ones happened to change answers 2 that had nothing to do with music to answers 3 that had to do with music? 4 A I'm trying to explain to you what 5 happened, that -- 6 Q Answer my question, sir. Is it 7 your testimony that it's simply coincidental 8 that these errors, these computer errors had 9 the result of changing answers that had 10 nothing to do with music to codes of music? 11 Is it your testimony that it's coincidental? 12 A It's -- I don't know how you 13 define coincidental. These are basically 14 perfectly explained by the facts that 15 happened. 16 They coded this basically as 17 "star", one of the codes and another one was 18 "question mark". These apparently in some 19 transformation that they did was translated by 20 the program, the Excel program as some wild 21 card in the programming language. 22 And these were about 21 or so</p>
<p style="text-align: right;">Page 71</p> <p>1 cases that were all -- 21 or 31 -- I'm not 2 sure exactly. Many of them were coded as 1,1, 3 inappropriately. These are the codes that you 4 can -- so this was an error that was 5 identified. It had nothing to do with the 6 original coding which was correct. So my 7 confidence in my coder is in place. 8 And then given that we filed this, 9 this was corrected. We re-ran the data, it 10 was the corrected -- 11 Q This is way beyond the scope of my 12 question, sir. 13 A It was coincidental. 14 Q Yes, if you want to -- 15 CHIEF JUDGE SLEDGE: Mr. Meyer, is 16 he is answering your question. Don't 17 interrupt him. 18 THE WITNESS: We recoded the data 19 base on this and there was no difference. 20 BY MR. MEYER: 21 Q So it now could be as many as 31 22 errors is that right?</p>	<p style="text-align: right;">Page 72</p> <p>1 A I think it was either 21 or 31 2 cases that there was a glitch in the program, 3 but all of them were corrected. We re-ran the 4 data, based on the correct numbers and there 5 is no difference, no significant difference 6 between the results with before and these 7 results. It's a minor impact, given the size 8 of the sample. 9 Q Now in response, first of all, I 10 would ask that any such documents be produced 11 immediately since the witness has been 12 permitted to testify about it. 13 We can take that up later with Mr. 14 Handzo, but now in response to Mr. Handzo's 15 questions, when he showed you some of the 16 verbatims and said well, it says music 17 somewhere else in the questionnaire, do you 18 recall those questions? 19 A Yes. 20 Q Your survey wasn't designed to 21 show that people mention music in response to 22 any of 11 questions, right? You looked at</p>

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1 each question individually and analyzed each
 2 question individually, right?
 3 A Well, as an aggregate, if you go
 4 back to the report, and you look at Figure 10
 5 on page 27, this is designed as a figure that
 6 captures all the responses to all the open-
 7 ended questions which in 1, 2, 3 and 11, it
 8 looks at it as a net, so given the fact that
 9 each one of these respondents mentioned music
 10 at least in answer to one of these questions,
 11 Figure 10 is not affected at all by this
 12 because they will still be included as part of
 13 the net.
 14 Q My question is you also analyzed
 15 each of the questions individually, right?
 16 A Yes.
 17 Q Question 1A asked people directly
 18 and in an most open-ended way, I think you
 19 agreed, why did you subscribe to satellite
 20 radio, do you recall that?
 21 A Yes, I do.
 22 Q And so that question doesn't take

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1 program.
 2 Q It had to await my showing you at
 3 the trial, right?
 4 A That's the first time that we
 5 realize it.
 6 Q Okay.
 7 CHIEF JUDGE SLEDGE: Any further
 8 cross, Mr. Sturm?
 9 MR. STURM: No, Your Honor.
 10 CHIEF JUDGE SLEDGE: Any questions
 11 on redirect, Mr. Handzo?
 12 MR. HANDZO: No, Your Honor.
 13 CHIEF JUDGE SLEDGE: Any questions
 14 from the bench?
 15 JUDGE WISNIEWSKI: Dr. Wind, could
 16 you turn to Figure 7 of page 23 of your
 17 written direct testimony?
 18 THE WITNESS: Yes.
 19 JUDGE WISNIEWSKI: We had talked
 20 about this before and I believe I had asked
 21 you or someone had asked you about the new
 22 sports talk and entertainment categories. And

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1 into account whether you mention music in
 2 answer to question 11 B, right? If we're
 3 looking at the answers to that question, we're
 4 just looking to the answers to question,
 5 right?
 6 A Then my answer was --
 7 Q Next question -- I'm sorry.
 8 A AS I said before. I tested this
 9 basically. We checked the data after
 10 correcting it and it does not make a
 11 difference.
 12 Q One last question, Dr. Wind, all
 13 the 31 errors that you've now testified about,
 14 you didn't catch any of them when you did your
 15 supposed your check on the code, right?
 16 A No, I did not.
 17 Q No further questions.
 18 A There were too few cases to be
 19 picked by the coder. That's the reason only
 20 after you showed us that the fact that there
 21 were some mistakes and they went through it,
 22 they found out this technical glitch in the

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1 I believe in answer to a question, you had
 2 indicated that these percentages that are
 3 listed for news, sports, and talk and
 4 entertainment in figure 7 cannot be
 5 aggregated. Am I correct in my understanding
 6 of that?
 7 THE WITNESS: Yes, and what I
 8 meant is that the task to the respondent was
 9 done separately for each one of these four
 10 programming types.
 11 JUDGE WISNIEWSKI: Right, I
 12 believe you were indicating that if you go
 13 back to Tab C for your main questionnaire that
 14 appears and looking at Question 9B that as I
 15 understand it, the choices that were offered
 16 to the respondent was one of these four
 17 choices and there was not a choice that
 18 indicated music as compared to a combination
 19 of sports talk and news -- is that the
 20 essential reason why they can't be aggregated?
 21 THE WITNESS: Yes, because when I
 22 meant they cannot be aggregated, because from

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1 the point of view of the respondent, what the
 2 respondent responded to is the assignment here
 3 that says how much will you be willing to pay
 4 for satellite radio, if for example, no music
 5 programming were available, assuming that all
 6 other programming and non-programming feature
 7 of the service remained the same.
 8 So given that this was the
 9 assignment, that's what they responded to, I
 10 felt it will not be appropriate to aggregate
 11 them.
 12 JUDGE WISNIEWSKI: Well, if the
 13 question had simply been a simple question,
 14 would you cancel if there were no music
 15 programming, no news programming, no sports
 16 programming, and no talk and entertainment
 17 programming? Would that change your answer?
 18 THE WITNESS: Without specifying
 19 about the rest of the programming?
 20 JUDGE WISNIEWSKI: Yes.
 21 THE WITNESS: Yes, that's a
 22 separate question, I would assume.

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1 THE WITNESS: Yes.
 2 JUDGE WISNIEWSKI: And if you look
 3 at page 109, at the asterisk at the bottom, in
 4 small print, I take it that is essentially the
 5 question that was asked.
 6 THE WITNESS: Yes. I assume so.
 7 JUDGE WISNIEWSKI: And it says
 8 "for all channels listened to if this channel
 9 was taken off the air today would you most
 10 likely be -- and one of the choices would be
 11 I would cancel my subscription", but I take it
 12 there was a list of a series of individual
 13 channels that was available to the respondent
 14 to look at before making this decision?
 15 THE WITNESS: They did it for each
 16 channel, at least the data is for each channel
 17 separately.
 18 JUDGE WISNIEWSKI: Under that set
 19 of circumstances, would this be somewhat
 20 similar to or would this be similar to what
 21 you were doing back in Figure 7? Could you
 22 take the answers to this and actually

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1 JUDGE WISNIEWSKI: No a single
 2 question with four choices.
 3 THE WITNESS: I would have a hard
 4 time kind of -- at least as I sit here now
 5 interpreting this because I wouldn't know what
 6 the consumer is thinking about, the other
 7 services, other features and their responding.
 8 If that's the reason I worded this, the way I
 9 did here.
 10 JUDGE WISNIEWSKI: Okay, let me
 11 take you back to your amended testimony and
 12 actually SX 112DR, associated with that
 13 amended testimony, which is the Sirius Wave 2
 14 listener study?
 15 THE WITNESS: Yes.
 16 JUDGE WISNIEWSKI: And I'd
 17 particularly like to take you back to page 109
 18 of that study.
 19 (Pause.)
 20 Now this is the section of this
 21 wave study that as I understand it deals with
 22 the cancellation issue.

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1 aggregate the answers with respect to each
 2 channel?
 3 THE WITNESS: You can do it here.
 4 I did not have the data by channel.
 5 JUDGE WISNIEWSKI: Why could you
 6 do it here, but you couldn't do it before?
 7 THE WITNESS: Well, first of all
 8 here, I was not aware of this study when I
 9 designed my study.
 10 And I haven't even thought about
 11 doing the analysis cancellation at channel by
 12 channel.
 13 They did it here because they did
 14 it channel by channel, as all these different
 15 options and then they calculate the percent
 16 basically, they could cancel each one of them.
 17 JUDGE WISNIEWSKI: For each
 18 channel.
 19 THE WITNESS: For each channel
 20 separately.
 21 JUDGE WISNIEWSKI: My question is
 22 could -- could that data then be aggregated?

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1 THE WITNESS: Yes, and I've done
 2 it actually.
 3 JUDGE WISNIEWSKI: Well, why could
 4 you do it here and not do it in the previous
 5 set of questions that you had used in your own
 6 survey? That's what I'm trying to understand.
 7 THE WITNESS: I see a fundamental
 8 difference in the type of questions. Here,
 9 you are dealing basically, you are given a
 10 very specific channel. And give them a number
 11 of options concerning this, whether they will
 12 complain or some other things and then cancel.
 13 JUDGE WISNIEWSKI: And cancel is
 14 one of those options. And what they report or
 15 in fact, the number of percentage of
 16 respondents who would cancel with respect to
 17 that particular channel.
 18 THE WITNESS: Right, because they
 19 look to this from the micro level, looking at
 20 each channel separately, I felt that it would
 21 be reasonable to try to do what I did in the
 22 amended testimony which is basically calculate

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1 assigning weights again by usage, then the
 2 number of folks who listen to let's say
 3 there's something called The Jazz Channel and
 4 something called The Bluegrass Channel. The
 5 number of folks that listen to The Jazz
 6 Channel and The Bluegrass Channel are not
 7 mutually exclusive.
 8 THE WITNESS: Correct.
 9 JUDGE WISNIEWSKI: You can't make
 10 that assumption. So how can you assign the
 11 weights to one or the other, based on
 12 listenership and then aggregate these separate
 13 responses?
 14 THE WITNESS: Well, if I'm looking
 15 at the question, is I take it for each one,
 16 let's say I have 100 channels or whatever, n
 17 channels. For each one of the channels, I
 18 know the percent of people who would cancel.
 19 JUDGE WISNIEWSKI: Right.
 20 THE WITNESS: I know the percent
 21 of people who use the two.
 22 JUDGE WISNIEWSKI: yes.

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1 out of all of the channels that people had,
 2 weighing each channel by the usage of the
 3 channel to try to calculate the percentage of
 4 cancellation across all of these.
 5 JUDGE WISNIEWSKI: That's what I'm
 6 having some difficulty with. Because if the
 7 weights are by usage, the usage of any
 8 particular channel may be, in fact,
 9 coincidental with the usage of another channel
 10 for that same respondent.
 11 So how is it that this could be
 12 additive?
 13 THE WITNESS: Well, I thought of
 14 it basically as a simple comparison that you
 15 can actually look at the latest usage you had
 16 for this and the weighting usage seemed to me
 17 to be reasonable.
 18 I'm not sure I see a problem there
 19 and why I can do it here and I cannot do it
 20 with my question 9 is because I think question
 21 9 is structured differently.
 22 JUDGE WISNIEWSKI: But if you're

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1 THE WITNESS: If I multiple the
 2 two and I'm getting then basically the
 3 weighted kind of consolation --
 4 JUDGE WISNIEWSKI: That's my
 5 problem is that the weights themselves that
 6 you're choosing are not weights that come from
 7 some mutually exclusive area. There may be
 8 listeners that listen to both.
 9 So aren't you over-weighting in
 10 one case as opposed to another?
 11 And if you do over-weight, then
 12 how does that make the aggregation accurate?
 13 THE WITNESS: Well, the comparison
 14 that I'm using here in the amended report I'm
 15 comparing it to the percent of people who said
 16 -- responded to question 9, that they will
 17 cancel as a percent of all the people who said
 18 they will cancel any one of the four programs.
 19 So I'm adjusting it basically, so the base is
 20 not 100, but all the people that indicated
 21 they would cancel.
 22 So by comparing the two, this --

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1 JUDGE WISNIEWSKI: This is your
 2 question. I'm talking about what you did with
 3 respect to this other data.
 4 THE WITNESS: You're right,
 5 there's obviously to the extent that we have
 6 overlapped. We have probably kind of double
 7 counting here.
 8 JUDGE WISNIEWSKI: Okay, and the
 9 reason I ask the question is because as you
 10 correctly point out, that serves as the basis,
 11 I believe, what you did there for the
 12 percentage that you report in Figure 10 of
 13 your amended testimony.
 14 THE WITNESS: Correct. And this
 15 was the best that I could do there, because I
 16 did not have separate, independent data here.
 17 JUDGE WISNIEWSKI: Very well,
 18 thank you.
 19 JUDGE ROBERTS: Well, Dr. Wind, in
 20 addition to struggling with this cold this
 21 past weekend, I have continued to struggle
 22 with measuring the value of music and for

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1 music is or the value of sports programming or
 2 the value of talk programming to Sirius and
 3 XM, is its ability to attract and then hold
 4 subscribers.
 5 And my question to you is in your
 6 view, what is the best metric to measure
 7 value? Is it the value to the companies
 8 providing the services, XM and Sirius? Is it
 9 listenership? Is it something else?
 10 THE WITNESS: I think it is an
 11 excellent question, but you have actually
 12 three compounded questions underlying it.
 13 And the first one in terms of the
 14 cancellation data, I think you're absolutely
 15 right. We don't have a follow up. We don't
 16 have a real validation of these questions.
 17 Either in their data nor in my study that will
 18 following as people, what you have actually
 19 done, assuming a channel has been canceled.
 20 That's the reason that the essence
 21 of my report is multiple measures and looking
 22 at convergence validity of them. So it's not

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1 instance, in looking at what Judge Wisniewski
 2 just mentioned here on page 109 of Exhibit
 3 112, likelihood to cancel if channel gone, to
 4 me the results of asking that kind of question
 5 are extremely speculative.
 6 Again, as a satellite subscriber,
 7 I know that if I was asked the question, if
 8 the NFL network was being taken off, would you
 9 cancel? I might be inclined to say yes, I
 10 would cancel. But I might not.
 11 And there's just not a concrete
 12 way of knowing, of course, unless a channel
 13 like that is, in fact, removed.
 14 And then I've been looking at the
 15 survey data here with respect to listenership
 16 and trying to make a determination as to
 17 whether listenership determines value. And
 18 then the other thing I've been looking at is
 19 the ability to attract subscribers. Is the
 20 programming sufficient to attract subscribers
 21 and isn't that the greatest value? In other
 22 words, the music -- what the value of the

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1 looking at any single measure, but what
 2 they're looking at the fact as we have in
 3 figure one, we develop these multiple
 4 measures, incidentally all of them are from
 5 the consumer point of view.
 6 So the point of view that I take
 7 in determining value is the perception of the
 8 consumer, what's important for the consumer.
 9 And I say there is no single measure. There
 10 are multiple measures and this is the
 11 reporting on these multiple measures and there
 12 are different ways in which I'm getting them.
 13 So the question is attraction. I think the
 14 best way to address this was with the open-
 15 ended question on Question 2.
 16 If we want to look at importance,
 17 we can look at a number of measures like the
 18 constant sum, the conjoint analysis. And
 19 incidentally, you raise again the point that
 20 you raised on Thursday, which was the relation
 21 between usage or listening and the other
 22 important variables.

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1 And my response at the time was
 2 that the markets are heterogeneous, that there
 3 are different segments that will have
 4 different relationships and that I believe
 5 there will be a positive association between
 6 the two.
 7 I did one over the weekend, the
 8 regressions, actually, usage against
 9 importance and found --
 10 MR. MEYER: Your Honor, I hate to
 11 interrupt again. This is new analysis and
 12 he's not testified that he's done. We
 13 haven't seen it. It wasn't part of his direct
 14 report, and it may be something he can do in
 15 rebuttal, but at this point I would say it's
 16 premature.
 17 CHIEF JUDGE SLEDGE: You have made
 18 your point.
 19 JUDGE ROBERTS: I don't hear him
 20 offering any numbers. Please continue.
 21 THE WITNESS: The point, what I
 22 suggested is there is a strong association

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1 THE WITNESS: All from the
 2 consumer point of view.
 3 That's basically the essence of
 4 marketing. Marketing really tries to
 5 understand what are the perceptions and
 6 preferences of consumers, this is important to
 7 making business decisions.
 8 JUDGE ROBERTS: Thank you, Dr.
 9 Wind.
 10 (Pause.)
 11 CHIEF JUDGE SLEDGE: All right,
 12 any follow-up questions?
 13 MR. HANDZO: No, Your Honor.
 14 MR. MEYER: No, Your Honor.
 15 MR. STURM: No, Your Honor.
 16 CHIEF JUDGE SLEDGE: Thank you,
 17 sir.
 18 THE WITNESS: Thank you.
 19 CHIEF JUDGE SLEDGE: Mr. Handzo,
 20 anything before we take a recess?
 21 MR. HANDZO: No thank you, Your
 22 Honor.

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1 between the usage and importance is very fine.
 2 So and to the extent that you want to, I'd be
 3 delighted to share with the question the
 4 results of these studies.
 5 So I think that going back it's
 6 from a marketing point of view the study that
 7 I preferred has done has identified a number
 8 of dimensions that was summarized in figure 1
 9 and present the results on a common base in
 10 terms of comparing the structure of music,
 11 compared to the best second programming
 12 feature.
 13 And to me, there is the strength
 14 of the study, the convergence validity we have
 15 here, that all of these measures are
 16 consistent, all of them showing the three
 17 eminence of music compared to the others in
 18 dealing with attraction, in cancellation, in
 19 importance, in any one of the measures that we
 20 have here.
 21 JUDGE ROBERTS: And all from the
 22 consumer point of view?

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1 CHIEF JUDGE SLEDGE: We'll recess
 2 ten minutes.
 3 (Off the record.)
 4 CHIEF JUDGE SLEDGE: We will come
 5 back to order. You are going to be our next
 6 presenter?
 7 MR. DeSANCTIS: I am, Your Honor.
 8 CHIEF JUDGE SLEDGE: All right,
 9 Mr. DeSanctis.
 10 MR. DeSANCTIS: I would like to
 11 call Mark Eisenberg.
 12 CHIEF JUDGE SLEDGE: Mr.
 13 Eisenberg, please raise your right hand.
 14 Whereupon,
 15 MARK EISENBERG
 16 was called as a witness by counsel for
 17 SoundExchange and, having been first duly
 18 sworn, was examined and testified as follows:
 19 CHIEF JUDGE SLEDGE: Please be
 20 seated.
 21 MR. DeSANCTIS: Good morning.
 22 DIRECT EXAMINATION

Before the
UNITED STATES COPYRIGHT ROYALTY JUDGES
Washington, D.C.

In the Matter of:

Digital Performance Right in Sound
Recordings and Ephemeral Recordings

Docket No. 2009-1
CRB Webcasting III

TESTIMONY OF
GEORGE S. FORD

President, Applied Economic Studies

Witness for SoundExchange, Inc.

**Before the
UNITED STATES COPYRIGHT ROYALTY JUDGES
Washington, D.C.**

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Digital Performance Right in Sound
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Docket No. 2009-1
CRB Webcasting III

TESTIMONY OF

GEORGE S. FORD

President, Applied Economic Studies

September 2009

I. My Experience and Qualifications

My name is George S. Ford. I am the President of Applied Economic Studies, a private consulting firm specializing in economic and econometric analysis, located in Birmingham, Alabama. I am also the Chief Economist of the Phoenix Center for Advanced Legal & Economic Policy Studies, a Washington, D.C. based 501(c)(3) research organization that specializes in the legal and economic analysis of public policy issues involving the communications and technology industries. In addition, I am an Adjunct Professor at Samford University, a private university located in Birmingham, Alabama, where I teach economics in the graduate program of the business school. I serve as a member of the Alabama Broadband Taskforce upon appointment by Alabama Governor Bob Riley.

I received a Ph.D. in Economics from Auburn University in 1994. Since then, I have worked as a professional economist in both government and industry. In 1994, I became an economist in the Competition Division of the Federal Communications Commission, an organization located in the General Counsel's Office that provided competition analysis support to the many bureaus of that organization. My primary interests were multichannel video services and broadcasting policies, though my work ranged from international policy to radio interference standards to statistical analysis. After my government tenure, I became an economist at MCI Communications, where my work focused on telecommunications policy. In April 2000, I became the Chief Economist of Z-Tel Communications in Tampa, Florida, a small competitive telephone company where I performed both regulatory and business analysis. I have been in my present employment since the Summer of 2004.

My areas of specialty in economics include Industrial Economics, Regulation, and Public Policy, with an emphasis on the communications industries, including broadcast radio and television. I have written many papers on telecommunications and media policy, and much of this work has been published in economic and law journals including the *Journal of Law & Economics*, *Empirical Economics*, the *Journal of Business*, the *Journal of Regulatory Economics*, the *Antitrust Bulletin*, *Energy Economics*, the *Yale Journal on Regulation*, the *Federal Communications Law Journal*, and many others. I have testified before numerous public service commissions, state legislative bodies, and committees of the U.S. Congress on communications policy and rate setting. In June of this year, I filed testimony before the Copyright Royalty Judges in the Matter of Distribution of the 2004 and 2005 Cable Royalty Funds, Docket No. 2007-3 CRB CD 2004-2005. A copy of my curriculum vitae is attached as Appendix A.

II. **Summary of My Testimony**

The purpose of this proceeding is to establish the rates and terms for certain digital public performances of sound recordings under Section 114 of the Copyright Act and for the making of ephemeral copies in furtherance of such performances under Section 112(e) of the Copyright Act. I was engaged by SoundExchange, Inc. to provide an economic framework useful for establishing a rate for ephemeral copies under the statutory license provided in Section 112(e) of the Copyright Act and to canvas available sources for information relevant to that task.

In the course of my work, I have been given free reign by SoundExchange to examine any sources that I believed might be relevant in setting a rate for ephemeral copies. I have reviewed the relevant statutory provisions and the various decisions of the CRB and its predecessor, the CARP, as well as the Register of Copyrights, interpreting

those provisions. I have familiarized myself with the terms of marketplace agreements for non-statutory forms of music streaming licensing. I have familiarized myself with the technological issues arising from ephemeral copies. I have conferred with SoundExchange's other expert, Dr. Michael D. Pelcovits, Ph.D. I have also carried out a free-ranging search of online materials in an effort to determine whether there is any information that would help establish the proper royalty rate for ephemeral copies in the webcasting context.

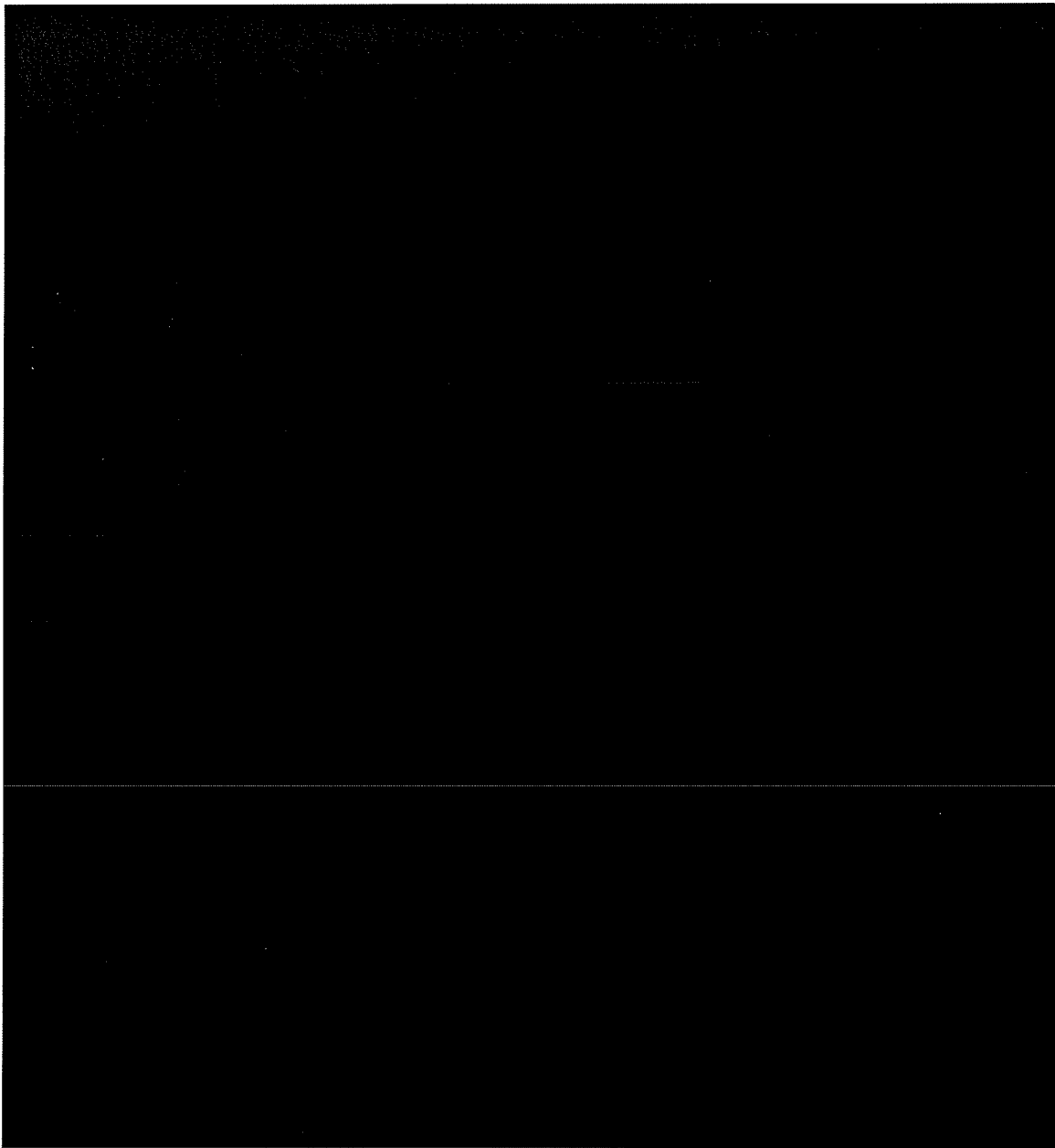
As I will explain below in further detail, I have concluded that sound principles of economic theory as well as observed marketplace benchmarks firmly establish that ephemeral copies have economic value. I have also concluded on the basis of marketplace benchmarks that the economic value of ephemeral copies is properly measured as a fixed percentage of the overall value of the rights acquired by webcasters under Sections 112 and 114. However, there exists very little in the way of traditional marketplace benchmarks to facilitate the proper computation of that percentage. This is because the hypothetical "marketplace" envisioned by Sections 112 and 114 is made up of actors with very different economic interests from the marketplace that exists outside of the statutory framework. In the unregulated marketplace, where copyright owners and services that publicly perform sound recordings freely negotiate to determine rates, the "willing buyers" and "willing sellers" are less concerned about the allocation of those royalty rates between payments for ephemeral copies and payments for public performances. However, when copyright owners and the service providers must abide by rates determined under Sections 112 and 114, the explicit allocation of payments between those two components becomes much more relevant, because the ephemeral copy payments under Section 112(e) are made

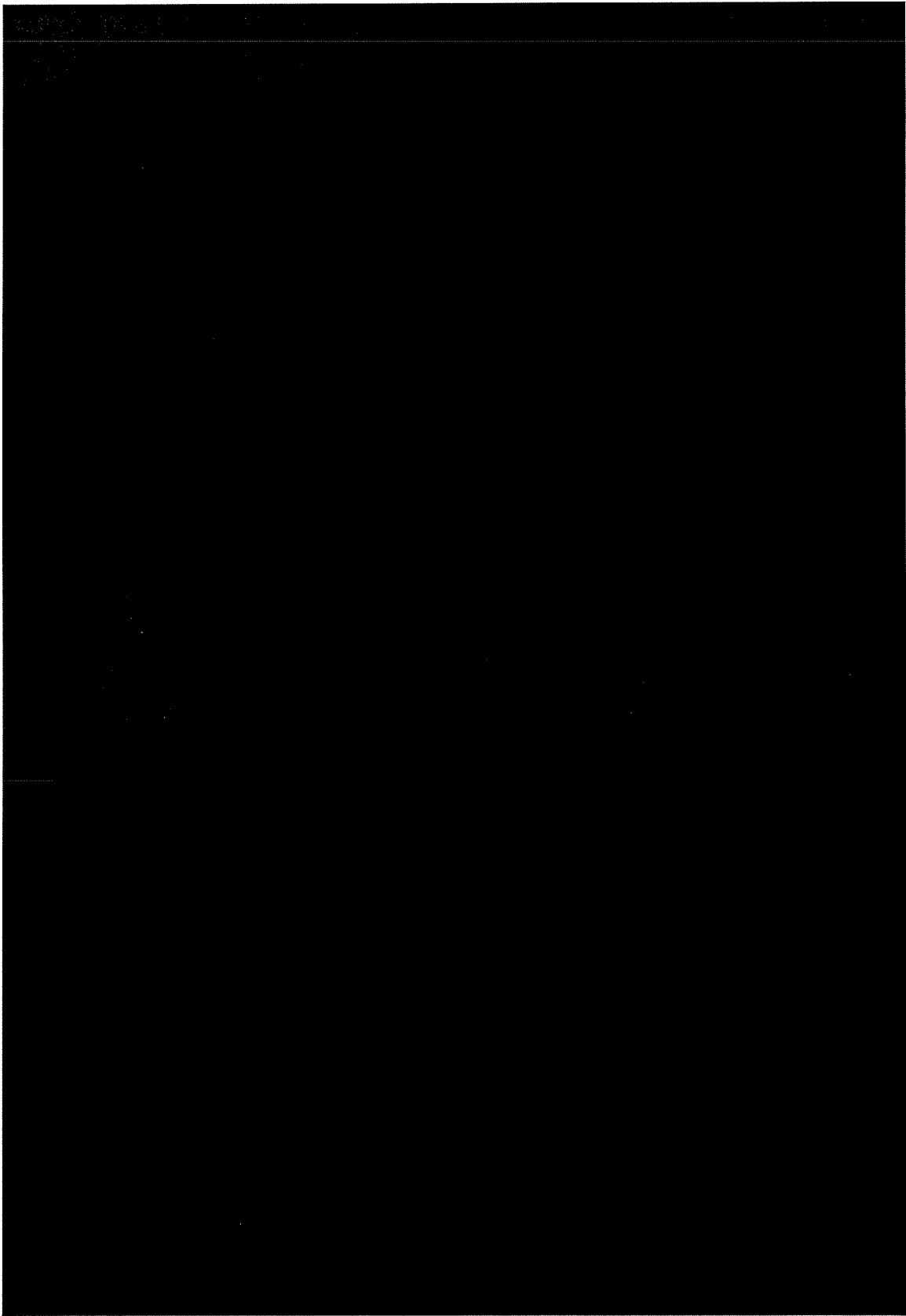
directly to copyright owners (or record companies in this case), while the performance payments under Section 114 are shared equally between copyright owners and artists. This particular division of payments is solely an artifact of the statute and does not bind or constrain market transactions.

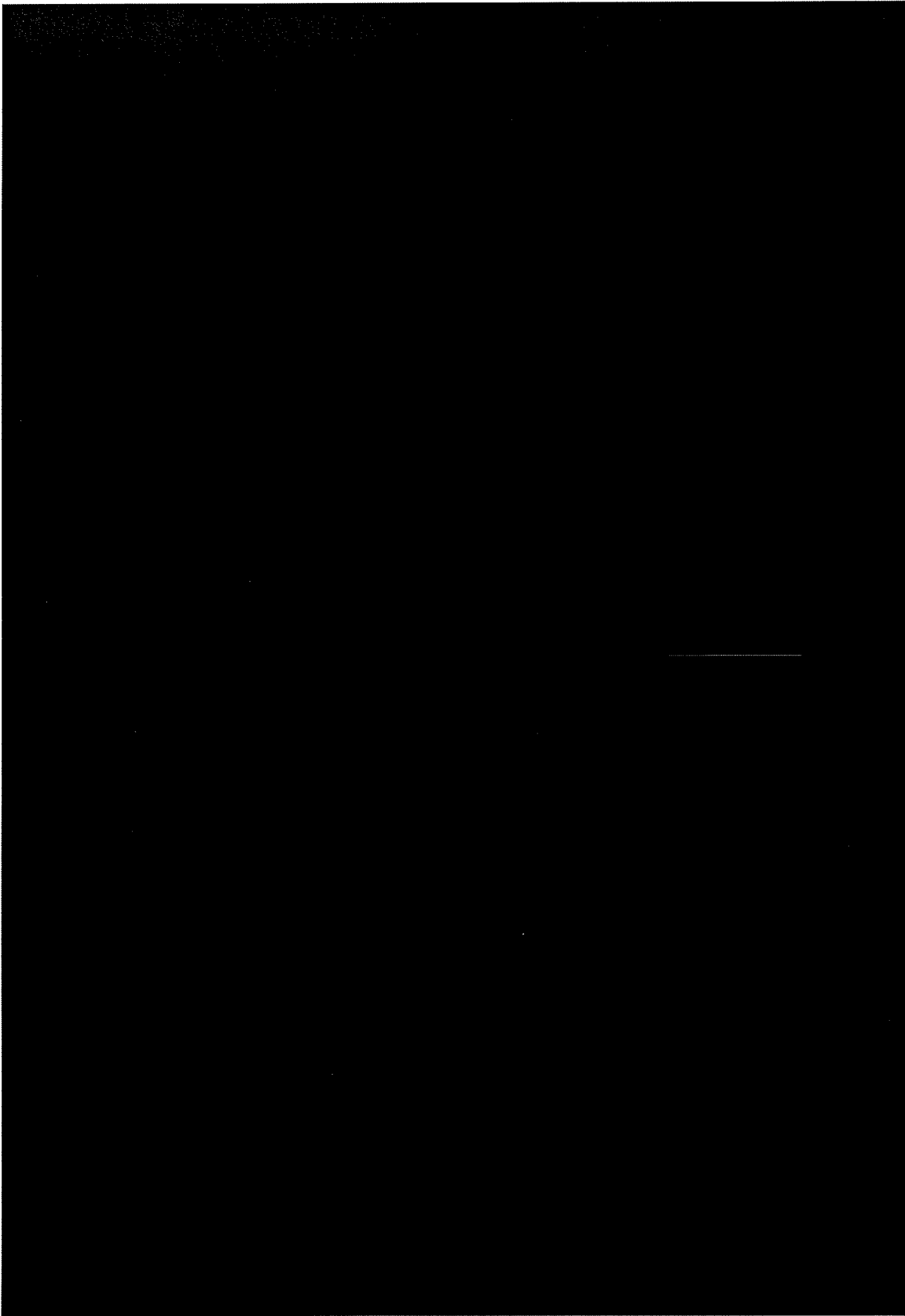
While this division of royalties among upstream providers makes little difference to the “willing buyer” in this hypothetical marketplace — that is, the webcasters — it makes a significant difference to the “willing seller” or “sellers”, i.e., the record companies that own the rights to the sound recordings and the artists who get a share of the royalties. Record companies and artists care about what portion of royalty payments are allocated to ephemerals because the higher the portion allocated to ephemerals, the lower the portion paid directly to artists per the terms of the Section 114 license. Record companies and artists therefore have every incentive to negotiate over the proper percentage of royalty payments that are allocated to ephemeral copies. This negotiation is precisely what one would expect to happen in a hypothetical free market in which both artists and record companies are forced by statute to share 50-50 in performance royalty payments.

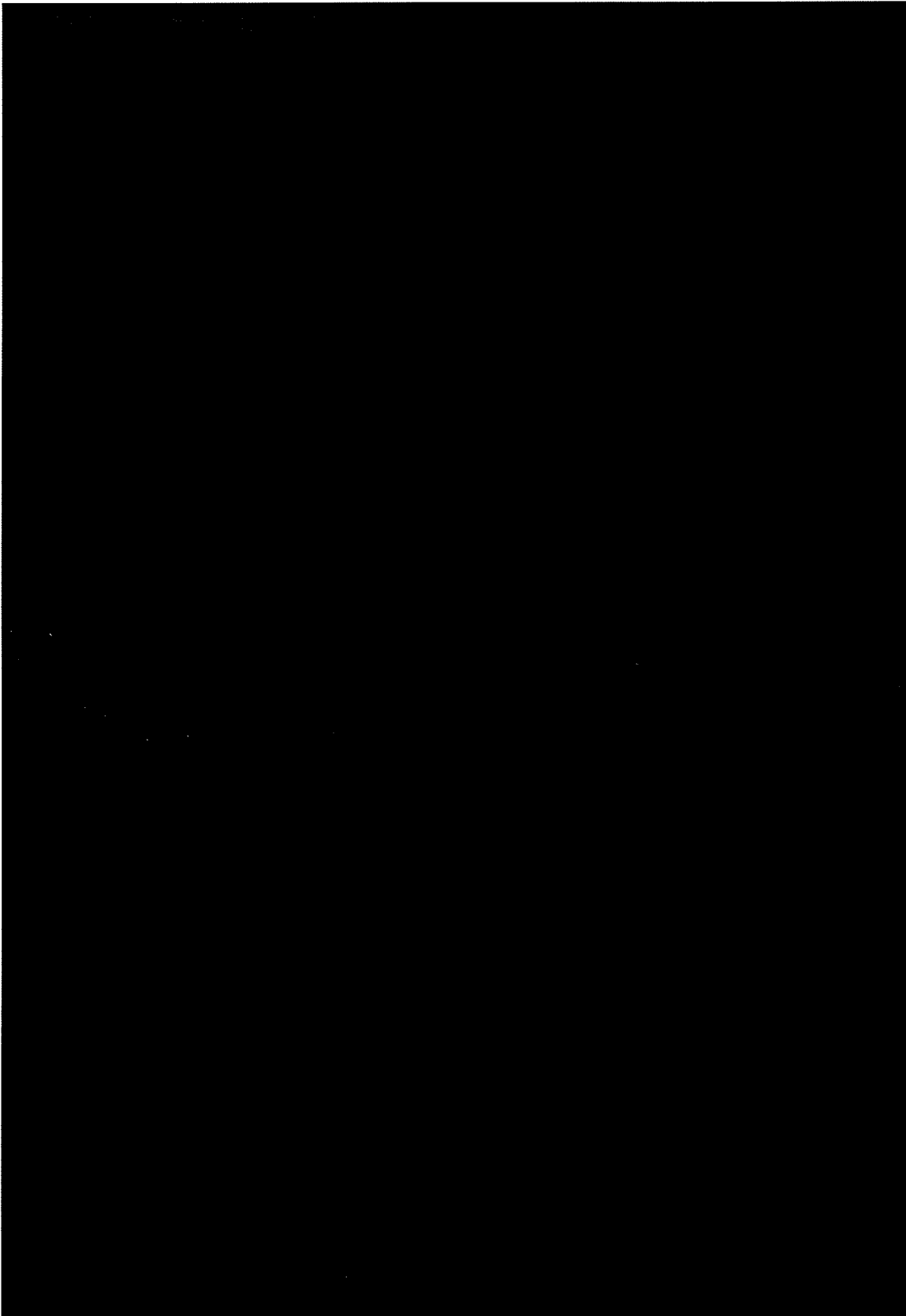
Such a negotiation is the basis of the rate proposal advanced by SoundExchange. SoundExchange, a collective made up of both record companies and artists, has proposed a rate that represents the result of negotiations between the artists and the record companies that make up its board. As long as the ephemeral rate is defined as a percentage subset of the total royalty payment, the willing buyer — the webcaster — is indifferent to the ephemeral copy rate. As such, marketplace negotiations between the “willing buyer” — the webcaster — and the “willing seller” — the copyright owner — while potentially informative, may or may not establish a specific ephemeral copy rate. From a ratemaking

standpoint, it does not matter. The SoundExchange proposal is what the willing seller in such a marketplace would propose. Because the willing buyer is indifferent, the rate proposed by SoundExchange is legitimately viewed as the proper marketplace rate for ephemeral copies. The proposal resolves the problem of a non-market allocation of royalties, and is the best evidence available of the market rate of, and rate mechanism for, ephemeral copies under Section 112.









IV. My Conclusions

Section 112(e), which governs the compulsory license for ephemeral copies, provides in relevant part that:

The Copyright Royalty Judges shall establish rates that most clearly represent the fees that would have been negotiated in the marketplace between a willing buyer and a willing seller. . . .¹⁶

Despite minor differences in the language between Section 112(e)(4) (governing ephemeral licenses) and Section 114(f)(2) (governing statutory licenses for nonsubscription services and new subscription services), the economic criteria for setting rates and terms under those licenses are, in the words of the CARP, “essentially identical.”¹⁷ In measuring the value of the Section 112(e) statutory license, just as in measuring the value of the Section 114(f)(2) license, a key consideration in setting a proper rate is the identification of proper marketplace benchmarks. As the CARP has observed: “[T]he quest to derive rates which would have been observed in the hypothetical willing buyer/willing seller marketplace is best based on a review of actual marketplace agreements, if they involve comparable rights and comparable circumstances.”¹⁸

As I will explain below, in reviewing the most closely analogous marketplace agreements, I come to three conclusions about the proper royalty rate for ephemeral copies under Section 112(e). First, marketplace benchmarks as well as basic economic theory demonstrate that ephemeral copies have economic value to services that publicly perform sound recordings because these services cannot as a practical matter properly function without those copies. Second, marketplace benchmarks show that the royalty rate for

¹⁶ 17 U.S.C. § 112(e)(4)

¹⁷ Webcaster I CARP Opinion at 25; *see also* Webcaster II at 24100-01.

¹⁸ Webcaster I CARP Opinion at 43; *see also* Webcaster II at 24092 (“we adopt a benchmark approach to determining . . . rates”).

ephemeral copies, if directly established, is almost always expressed as a percentage of the overall royalty rate for combined activities under Sections 112 and 114. Third, because the only actors in the hypothetical three-party market established by the statute — webcasters, record companies, and artists — that have any economic interest in the measure of that allocation are the artists and the copyright owners, the agreement reached between them as to that allocation is the best measure of how a willing buyer and a willing seller would allocate royalty payments between performance royalties and ephemeral copies, and would value the ephemeral license in the course of a marketplace negotiation for public performances.

A. The Ephemeral License Has Economic Value.

As an initial proposition, it is beyond serious question that ephemeral copies of sound recordings have economic value. This is because, as Congress recognized in enacting Section 112(e), webcasters simply could not exist without the ability to make ephemeral copies. In fact, because webcasters must have both the ephemeral copy right as well as the performance right in order to operate their services, as a matter of economic theory one could say that the Section 114 right has zero economic value without the Section 112 right, and the Section 112 right has zero economic value without the Section 114 right. One cannot remove the Section 112(e) right from the full complement of rights required by webcasters any more than one can remove oxygen molecules from water and still have water.

This theoretical proposition is confirmed by a number of marketplace benchmarks. First, in the marketplace deals between record companies and webcasters for non-statutory forms of licenses, it is typical for ephemeral copy rights to be expressly included among the grant of rights provided to the webcaster. Most of these agreements do not set a

distinct rate for those ephemeral copies, incorporating them instead into the overall rate that the webcaster pays for the combined ephemeral copy rights and performance rights. Nonetheless, economic theory teaches that rational companies do not give away something for nothing. Because these ephemeral copy rights are essential for webcasters to operate their services, it follows that the value of ephemeral copy rights has been included in the overall rate that webcasters pay under these agreements.

Second, I am aware of several agreements over the years between record companies and services that publicly perform sound recordings that do establish specific rate mechanisms for ephemeral copies. For example, I have reviewed a current agreement between a major record label and a webcaster that covers ad-supported internet radio service, subscription radio service, and on-demand streaming and recites the parties' agreement that 10% of the royalty payments made under the agreement shall be designated as payment for ephemeral copies. Other agreements have contained similar language. For example, in *Webcaster II* and *SDARS* the CRJs were presented with evidence of agreements negotiated by Sony BMG and by Warner Music Group which provided that 10% of the overall fees for streaming are attributable to the making of ephemeral copies.¹⁹

¹⁹ See *Webcaster II* at 24101. The actual rates established in such marketplace agreements, while potentially informative, are not necessarily the best proxy for the ephemeral rate in the instant proceeding. These agreements are made without statutory constraints on how ephemeral and performance royalties are allocated between copyright owners and artists. Had these agreements been bound by such statutory conditions, then the outcomes may very well have been different. But these agreements are relevant in two important ways: First, they demonstrate that willing buyers and willing sellers do trade in ephemeral rights, which would be economically irrational if they had no value. Second, as discussed more fully in the next section below, they demonstrate that the payments for ephemeral rights, even absent regulatory constraint, employ a percent-of-total mechanism where ephemeral royalties are expressed as a percentage of payments metered on performances.

Third, I am also aware that, more recently, SoundExchange negotiated a number of voluntary agreements (with broadcasters, certain commercial webcasters and certain noncommercial educational webcasters) for the very same Section 112 and 114 rights at issue in this proceeding. In these agreements, the willing participants in the market agreed to structure the ephemeral reproduction rate as an allocation of the correlative performance royalty.²⁰

B. It Is Appropriate to Express the Value of Ephemeral Copies as a Fixed Percentage of the Performance Royalty.

Setting the ephemeral rate as a share of the total performance royalty fee does no injustice to economic theory. In fact, marketplace benchmarks consistently confirm that a percent rate is the appropriate measure. The marketplace has spoken with near unanimity in structuring the Section 112(e) ephemeral reproduction license as a percentage of the Section 114 performance royalty where such performance royalty is established. As discussed above, I have seen numerous voluntary agreements between willing buyers and willing sellers in which the rate for the ephemeral reproduction license was expressed as a percent of the performance royalty. Similarly, as mentioned above, SoundExchange negotiated a number of voluntary agreements (with broadcasters, certain commercial webcasters and certain noncommercial educational webcasters) for the very same Section 112 and 114 rights at issue in this proceeding. There, again, the willing participants in the

²⁰ Notification of Agreements Under the Webcaster Settlement Act of 2008, Agreed Rates and Terms for Broadcasters, 74 Fed Reg. 9293, 9299 (2009); Notification of Agreements Under the Webcaster Settlement Act of 2009, Agreed Rates and Terms for Webcasts by Commercial Webcasters, 74 Fed Reg. 40614 (2009); Notification of Agreements Under the Webcaster Settlement Act of 2009, Agreed Rates and Terms for Noncommercial Educational Webcasters, 74 Fed Reg. 40614, 40616 (2009).

market agreed to structure the ephemeral reproduction rate as an allocation of the correlative performance royalty.²¹

Thus, it appears that, where a rate for ephemeral copies is set in the marketplace, it is set as a percentage of overall royalties. As a structural matter, the available evidence suggests that setting the ephemeral rate as a percent of an overall payment is consistent with marketplace negotiation.

C. The Best Market Benchmark is the Agreement Between Artists and Record Companies.

Having established that the Section 112(e) ephemeral reproduction right clearly has value and is best expressed as a percentage of the Section 114 performance royalty where such royalty is set, the final step in the analysis is to determine how to set an actual percentage as required by the Register. As noted above, most agreements that set a rate for ephemeral copies specify that rate as a percentage of total royalty payments. Given the nature of the rights at issue, that is not a surprising outcome. Where performance royalties for streaming activities are negotiated in a free market setting, that is, outside of the Section 114 context, the copyright owner (in this case the record companies) and the service provider should have less at stake with respect to the allocation of payments between ephemeral copies and performances.

By contrast, in the Section 114 context, Congress radically altered this market dynamic when it comes to statutory licenses. There is a very significant difference between payments under the Section 112(e) compulsory license and the Section 114 compulsory license: payments under Section 114 are by law split between copyright

²¹ Although these agreements do not set the specific allocation, but leave that open to future determination, the point here is that the willing buyers and willing sellers agreed to structure the ephemeral rate as an allocation of the performance rate.

owners and artists, while payments under Section 112(e) go directly to copyright owners. The implication of this phenomenon is immediate. The sharing of income between record companies and artists for performances is set by law. Thus, if it is to have any relevance for the Judges, the willing buyer / willing seller market analysis suggested by Section 112(e) for ephemeral rates must reflect this statutory alteration to the market dynamics whereby the artists and the record companies jointly have a real interest in negotiating the Section 112(e) rate while the webcasters (as the willing buyers) do not.

By the very nature of the statute, the agreements reached under the constraints relevant in this proceeding will not be the same as in the unregulated market. Evidence suggests that the terms between the “willing buyer” in this hypothetical market — the webcaster — and the “willing seller” — the record companies — will either embody the ephemeral copy rate in the performance rate or express the ephemeral rate as a percent of the total overall performance royalty. If so, the buyer is indifferent to the allocation of payments between ephemeral copies and performance royalties. But the “willing seller” — the record companies — will not be so indifferent under the statutory division of royalties that cannot be assumed away. Under plausible conditions, only the record companies and artists are parties to the establishment of the ephemeral rate, and these parties have arrived at a royalty rate for ephemeral copies that reflects a more market based allocation of payments between ephemerals and performance royalties.

Because the willing buyer is disinterested with respect to that allocation, the agreement between the record companies and the artists thereby becomes the best indication of the proper allocation of royalties.

My understanding is that the recording artists and the record companies have reached an agreement that five percent (5%) of the payments for activities under Section 112(e) and 114 should be allocated to Section 112(e) activities. In light of the principles I have articulated above, that appears to be a reasonable proposal, and credibly represents the result that would in fact obtain in a hypothetical marketplace negotiation between a willing buyer and the interested willing sellers under the relevant constraints.

I declare under penalty of perjury that the foregoing testimony is true and correct.

Date: 9/29/09


George S. Ford

Appendix A

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PUBLISHED RESEARCH:

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BEFORE THE UNITED STATES COPYRIGHT ROYALTY JUDGES

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IN THE MATTER OF: :

DIGITAL PERFORMANCE RIGHT IN : Docket No. 2009-1

SOUND RECORDINGS and EPHEMERAL: CRB Webcasting III

RECORDINGS : Volume II

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Washington, D.C.

Tuesday, April 20, 2010

The following pages constitute the proceedings held in the above-captioned matter held at the Library of Congress, Madison Building, 101 Independence Avenue, Southeast, Washington, D.C., before Denise M. Brunet, RPR, of Capital Reporting Company, a Notary Public in and for the District of Columbia, 9:31 a.m., when were present on behalf of the respective parties:

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<p style="text-align: right;">243</p> <p>1 A P P E A R A N C E S</p> <p>2</p> <p>3 Copyright Royalty Tribunal:</p> <p>4 CHIEF JUDGE JAMES SLEDGE</p> <p>5 JUDGE WILLIAM ROBERTS</p> <p>6 JUDGE STANLEY C. WISNIEWSKI</p> <p>7</p> <p>8 On behalf of SoundExchange, Inc.:</p> <p>9 DAVID A. HANDZO, ESQUIRE</p> <p>10 MICHAEL B. DeSANCTIS, ESQUIRE</p> <p>11 GARRETT A. LEVIN, ESQUIRE</p> <p>12 TAJ N. WILSON, ESQUIRE</p> <p>13 JARED O. FREEDMAN, ESQUIRE</p> <p>14 Jenner & Block, LLP</p> <p>15 1099 New York Avenue, Northwest</p> <p>16 Suite 900</p> <p>17 Washington, D.C. 20001</p> <p>18 (202) 639-6000</p> <p>19</p> <p>20</p> <p>21</p> <p>22 (Appearances continued on the next page.)</p>	<p style="text-align: right;">245</p> <p>1 APPEARANCES (continued):</p> <p>2</p> <p>3 On behalf of Live365, Inc. (continued):</p> <p>4 DAVID ROSENBERG, ESQUIRE</p> <p>5 Live365, Inc.</p> <p>6 950 Tower Lane</p> <p>7 Suite 1550</p> <p>8 Foster City, California 94404</p> <p>9 (650) 345-7400</p> <p>10</p> <p>11 On behalf of RealNetworks:</p> <p>12 CHARLES D. BRECKINRIDGE, ESQUIRE</p> <p>13 Wiltshire & Grannis, LLP</p> <p>14 1200 18th Street, Northwest</p> <p>15 Suite 1200</p> <p>16 Washington, D.C. 20036</p> <p>17 (202) 730-1349</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22 (Appearances continued on the next page.)</p>
<p style="text-align: right;">244</p> <p>1 APPEARANCES (continued):</p> <p>2</p> <p>3 On behalf of Live365, Inc.:</p> <p>4 DAVID D. OXENFORD, ESQUIRE</p> <p>5 Davis Wright Tremaine, LLP</p> <p>6 1919 Pennsylvania Avenue, Northwest</p> <p>7 Suite 200</p> <p>8 Washington, D.C. 20006</p> <p>9 (202) 973-5256</p> <p>10</p> <p>11 ANGUS MacDONALD, ESQUIRE</p> <p>12 ABRAHAM YACOBIAN, ESQUIRE</p> <p>13 Hovanesian & Hovanesian, PC</p> <p>14 301 E. Colorado Boulevard</p> <p>15 Suite 514</p> <p>16 Pasadena, California 91101</p> <p>17 (626) 737-7288</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22 (Appearances continued on the next page.)</p>	<p style="text-align: right;">246</p> <p>1 APPEARANCES (continued):</p> <p>2</p> <p>3 On behalf of Intercollegiate Broadcasting System:</p> <p>4 WILLIAM MALONE, ESQUIRE</p> <p>5 Miller & VanEaton, PLLC</p> <p>6 1120 Connecticut Avenue, Northwest</p> <p>7 Suite 1000</p> <p>8 Washington, D.C. 20036</p> <p>9 (202) 785-0600</p> <p>10</p> <p>11</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p>

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<p style="text-align: right;">247</p> <p>1 CONTENTS</p> <p>2 WITNESS: DIRECT CROSS REDIRECT</p> <p> RE CROSS</p> <p>3 MICHAEL PELCOVITS</p> <p>4 By Mr. Oxenford 249</p> <p>5 By Mr. Malone 327</p> <p>6 By Mr. Handzo 331</p> <p>7 By Mr. Oxenford 329</p> <p>8 KIM ROBERTS HEDGPETH</p> <p>9 By Mr. Freedman 378</p> <p>10 By Mr. MacDonald 389</p> <p>11 By Mr. Malone 394</p> <p>12 GEORGE FORD</p> <p>13 By Mr. Handzo 402</p> <p>14 By Mr. MacDonald 435</p> <p>15 BARRIE KESSLER</p> <p>16 By Mr. Freedman 439</p> <p>17 By Mr. MacDonald 463</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p>	<p style="text-align: right;">249</p> <p>1 PROCEEDINGS</p> <p>2 CHIEF JUDGE SLEDGE: Thank you. We'll come</p> <p>3 to order.</p> <p>4 WHEREUPON,</p> <p>5 MICHAEL D. PELCOVITS,</p> <p>6 called as a witness, and after having been previously</p> <p>7 sworn by the chief judge, was examined and testified</p> <p>8 as follows:</p> <p>9 CROSS-EXAMINATION (RESUMED)</p> <p>10 BY MR. OXFENFORD:</p> <p>11 Q Good morning, Mr. Pelcovits.</p> <p>12 A Good morning, Mr. Oxenford.</p> <p>13 Q If we could resume with a few housekeeping</p> <p>14 matters, I would ask you to refer to what was marked</p> <p>15 yesterday as Live365 Exhibit Number 5, the testimony</p> <p>16 of Michael Pelcovits dated October of 2005. Do you</p> <p>17 recognize that document?</p> <p>18 A I do.</p> <p>19 Q And was that, in fact, your testimony in the</p> <p>20 Web II proceeding, your direct testimony in the Web II</p> <p>21 proceeding?</p> <p>22 A Yes.</p>
<p style="text-align: right;">248</p> <p>1 EXHIBIT NO. RECEIVED</p> <p>2 Live365 Trial 5 250</p> <p>3 Live365 Trial 13 255</p> <p>4 Live365 Trial 14 269</p> <p>5 Live365 Trial 15 287</p> <p>6 Live365 Trial 16 290</p> <p>7 Live365 Trial 17 316</p> <p>8 Live365 Trial 18 318</p> <p>9 SoundExchange Trial 3 382</p> <p>10 SoundExchange Trial 4 410</p> <p>11 Live365 Trial 19 438</p> <p>12 SoundExchange Trial 5 442</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p>	<p style="text-align: right;">250</p> <p>1 MR. OXFENFORD: Your Honor, we would ask that</p> <p>2 this be accepted into evidence.</p> <p>3 CHIEF JUDGE SLEDGE: Any objection?</p> <p>4 MR. HANDZO: No objection, Your Honor.</p> <p>5 CHIEF JUDGE SLEDGE: What is the exhibit here</p> <p>6 you're referring to?</p> <p>7 MR. OXFENFORD: It was his direct testimony</p> <p>8 from the Web II proceeding. We had some testimony on</p> <p>9 that yesterday.</p> <p>10 CHIEF JUDGE SLEDGE: That's Exhibit 5?</p> <p>11 MR. OXFENFORD: Yes, Your Honor.</p> <p>12 CHIEF JUDGE SLEDGE: Without objection,</p> <p>13 Exhibit 5 is admitted.</p> <p>14 (Live365 Trial Exhibit Number 5 was received</p> <p>15 into evidence.)</p> <p>16 BY MR. OXFENFORD:</p> <p>17 Q And yesterday, Dr. Pelcovits, we looked at a</p> <p>18 document that was labeled as Live365 Exhibit Number 7,</p> <p>19 a 20-page document listing a number of services and</p> <p>20 the amounts that were paid. Do you recognize this</p> <p>21 document, Live365 Number 7?</p> <p>22 A That's not what I have as 7. I have a</p>

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<p style="text-align: right;">399</p> <p>1 those actions? 2 A Well, I'm not sure I understand the question, 3 but if it is part of the role and the mission of the 4 organization that is consistent with enforcing the 5 payments and the royalties that performers and 6 copyright owners are entitled to, and it is a 7 necessary cost of doing business for the organization, 8 it is something that the organization has to do. It 9 would seem to me that any organization always tries to 10 improve its efficiency if you're talking about the 11 question of efficiency. 12 Q Let me see if I can get at it another way. 13 Does SoundExchange prioritize its administration 14 efforts with a view towards maximizing revenue or 15 maximizing the disbursements to the artists and 16 labels? 17 A I think SoundExchange is -- certainly its 18 mission is to try and collect and ensure that the 19 collections and the distributions to performers are as 20 strong as possible. 21 Q How about -- strength, in terms of your 22 answer, would mean a comparison of the amounts spent</p>	<p style="text-align: right;">401</p> <p>1 A I don't know, but I don't really understand 2 the question well enough to answer it. 3 MR. MALONE: I have nothing further. 4 CHIEF JUDGE SLEDGE: Any questions from the 5 bench? 6 Thank you, ma'am. 7 THE WITNESS: Thank you. 8 (Witness excused.) 9 CHIEF JUDGE SLEDGE: Mr. Freedman? 10 MR. FREEDMAN: Your Honor, our next witness 11 is George Ford. I don't know if Your Honors were 12 wanting to take a break right now or to proceed. We 13 could do whichever you prefer, of course. 14 CHIEF JUDGE SLEDGE: We'll recess ten 15 minutes. 16 (Whereupon, a short recess was taken.) 17 CHIEF JUDGE SLEDGE: Come to order. 18 Mr. Handzo. 19 MR. HANDZO: Thank you, Your Honor. 20 SoundExchange will call as its next witness Dr. George 21 Ford. 22 WHEREUPON,</p>
<p style="text-align: right;">400</p> <p>1 in the efforts against the amounts yielded? 2 A I'm not sure I could answer that question. 3 Q What sort of direction does the board give to 4 the administrators in SoundExchange as to how they 5 should focus their efforts, how they should budget for 6 various efforts? 7 A As I understand, and it's not dissimilar from 8 my experience in AFTRA which, as a nonprofit, is that 9 the board of directors looks at the anticipated work 10 that needs to be done, reviews that and makes 11 appropriate approvals and judgments in consultation 12 with the SoundExchange staff. 13 Q And what are these judgments based on? What 14 factors? 15 A It will be based upon all of the information 16 that's before a board member at the time. 17 Q To what extent is this an efficiency test in 18 terms of the return for the expenditure on a 19 particular function? 20 A I'm not -- I'm not sure I can answer that 21 question. 22 Q Who would be able to answer that question?</p>	<p style="text-align: right;">402</p> <p>1 GEORGE FORD, 2 called as a witness, and after having been first sworn 3 by the chief judge, was examined and testified as 4 follows: 5 DIRECT EXAMINATION 6 BY MR. HANDZO: 7 Q Good afternoon, Dr. Ford. Can you please 8 just introduce yourself for the record and spell your 9 last name for the court reporter. 10 A My name is George Sterling Ford, F-O-R-D. 11 Q Dr. Ford, what's your educational background? 12 A I have a Ph.D. in economics from Auburn 13 University in 1994. 14 Q Where are you currently employed? 15 A I'm the president of Applied Economics 16 Studies, an economic and econometric consulting firm, 17 as well as the chief economist of the Phoenix Center 18 for Advanced Legal and Economic Public Policy Studies, 19 a 501(c)(3) here in Washington, D.C. 20 Q The consulting firm that you identified 21 first, which I'm going to call AES for short, what 22 does that firm do?</p>

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403	<p>1 A We do economic and consulting, quantitative 2 statistical analysis for various clients related to a 3 wide range of issues. 4 Q And what do you do for them? 5 A I'm the president of the organization and its 6 primary consultant. 7 Q You mentioned the Phoenix Center. What's 8 your position with the Phoenix Center? 9 A I'm the chief economist of the Phoenix 10 Center. 11 Q And what is it that the Phoenix Center does? 12 A The Phoenix Center is a non-profit research 13 organization. We do research projects primarily in 14 the communications industries, radio, television, 15 telephone, Internet, as well as some intellectual 16 property, energy issues as well. 17 Q Can you just briefly tell the court your 18 employment history before AES and the Phoenix Center. 19 A When I left Auburn University with my Ph.D., 20 I went to the Federal Communications Commission, 21 worked in its competition division, in the cable 22 services bureau, and then in the office of general</p>	405	<p>1 Q Have you previously testified before this 2 court? 3 A I have in the '04-'05 cable royalty 4 distribution proceeding. 5 Q And were you accepted by this court as an 6 expert? 7 A I was. 8 Q In what subject? 9 A Industrial economics and maybe regulation, 10 public policy -- but I know industrial economics for 11 sure. 12 Q What do you mean by industrial economics? 13 A It's the application of microeconomics to 14 industry and firms. It's also referred to as 15 industrial organization. 16 Q And within the area of industrial economics, 17 do you have a particular area of concentration? 18 A Well, it's mainly in communications. 19 Q Have you testified in other forums besides 20 this court? 21 A Yes. I've testified before many state public 22 service commissions in matters of telecommunications</p>
404	<p>1 counsel. I left the FCC and went to the federal 2 policy shop of MCI Communications here in Washington, 3 D.C., I spent five or six years there, and then went 4 to Z-Tel Communications in Tampa, Florida, which was a 5 small telecommunications start-up that -- after the 6 1996 Telecommunications Act. I worked there for four 7 years, and then took on my current positions. 8 Q Do you hold any teaching positions? 9 A I teach as an adjunct professor at Samford 10 University where I teach economics to MBA students. 11 Q Have you written any peer-reviewed or 12 published any peer-reviewed papers? 13 A I've published over 50 papers. I've 14 published over 30 papers in peer-reviewed journals. 15 Q What kinds of subjects do those papers 16 address? 17 A Most of them, again, are in the 18 communications industries, radio, Internet, telephone. 19 I've also done some energy papers. I've done some 20 papers on statistical methodology, the funeral 21 business, various other topics, but mostly 22 communications.</p>	406	<p>1 regulation, and also before Congress on matters of 2 broadband policy, Internet policy. 3 Q And have you testified in rate-setting 4 matters before? 5 A Yes. Many of my appearances before public 6 service commissions were rate-setting proceedings 7 implementing total element long-run incremental cost 8 rates for the elements of the telecommunications 9 network that were required to be sold by the 1996 Act. 10 MR. HANDZO: Your Honor, I would offer 11 Dr. Ford as an expert in industrial economics. 12 CHIEF JUDGE SLEDGE: Any objection to the 13 proffer? 14 MR. MacDONALD: No objection, Your Honor. 15 MR. MALONE: No objection, Your Honor. 16 CHIEF JUDGE SLEDGE: Without objection, the 17 proffer is accepted. 18 MR. HANDZO: Thank you. 19 BY MR. HANDZO: 20 Q Dr. Ford, I'm going to show you what we've 21 marked as SoundExchange Exhibit Number 4. 22 MR. HANDZO: May I approach, Your Honor?</p>

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<p style="text-align: right;">407</p> <p>1 BY MR. HANDZO: 2 Q Can you tell us what that is, Dr. Ford? 3 A This looks like the testimony I filed in this 4 case. 5 Q And did you prepare this testimony? 6 A I did. 7 Q Is there anything in that testimony, as you 8 sit here today, that is inaccurate and that you would 9 want to correct? 10 A No. 11 MR. HANDZO: Your Honor, I would offer 12 SoundExchange Exhibit 4 into evidence. 13 CHIEF JUDGE SLEDGE: I don't believe you've 14 authenticated it. 15 BY MR. HANDZO: 16 Q Dr. Ford, is this the testimony that you 17 filed in this case? 18 A Yes, this the testimony of George S. Ford, 19 president of Applied Economics -- 20 Q And let me ask you to turn to page 16. Is 21 that your signature? 22 A It is indeed.</p>	<p style="text-align: right;">409</p> <p>1 MR. HANDZO: Your Honor, I can ask the 2 question of Dr. Ford, but I think the answer is -- 3 CHIEF JUDGE SLEDGE: No, sir, it's not a 4 question to him. It's a question to you. 5 MR. HANDZO: That's fine. I think the answer 6 is that, in his economic opinion, the legal and 7 regulatory environment in which this particular rate 8 is being set is really very much affected by the legal 9 structure and the legal rights, and he really can't 10 opine on what the rate would be in this market given 11 the particular impact of section 114 and the fact that 12 it splits the royalties between artists and the record 13 companies. 14 He can't not consider that in his analysis. 15 In fact, I suspect what he would say is his analysis 16 would be just totally wrong if he ignored that 17 regulatory environment in which he is setting the rate 18 here. And so he has to recite his understanding of 19 it. 20 CHIEF JUDGE SLEDGE: But isn't that what he's 21 put in the first page of "my conclusions" in 22 section IV?</p>
<p style="text-align: right;">408</p> <p>1 Q And does this report represent your own work? 2 A Yes. 3 Q And your opinions? 4 A Yes. 5 MR. HANDZO: With that foundation, Your 6 Honor, I would offer -- 7 CHIEF JUDGE SLEDGE: Any objection to 8 Exhibit 4? 9 MR. MacDONALD: No objection, Your Honor. 10 MR. MALONE: No objection. 11 CHIEF JUDGE SLEDGE: All right. We'll recess 12 just a minute or two. 13 (Whereupon, a short recess was taken.) 14 CHIEF JUDGE SLEDGE: We'll come to order. 15 Mr. Handzo, this is a good example of why 16 it's dangerous for judges to anticipate or expect what 17 parties in a proceeding will do. There's been no 18 objection to section III of the testimony. It would 19 appear from section III that all of it is testimony 20 that would only be appropriate from a legal expert. 21 How is section III appropriate for an expert in 22 industrial economics and communications?</p>	<p style="text-align: right;">410</p> <p>1 MR. HANDZO: I think that his conclusions are 2 the economic analysis, but what he is telling you in 3 this section III is how he understood the regulatory 4 environment and how that factored into his economic 5 analysis. Now, obviously, if the court believes that 6 his legal analysis is wrong, you know, that would 7 impact your consideration of his economic analysis. 8 But I think in order for him to give his 9 economic analysis, he has to tell you what he's basing 10 it on and, in part, he's basing it on his 11 understanding of what the regulatory environment is, 12 which he what he has done in other matters in the 13 communication sphere, for example. 14 CHIEF JUDGE SLEDGE: I think your last 15 comment hit the nail on the head. He's not able -- 16 he's not permitted to give an understanding of what 17 the standard -- legal standards are. The exhibit is 18 admitted, striking section III. 19 (SoundExchange Trial Exhibit Number 4, as 20 amended, was received into evidence.) 21 BY MR. HANDZO: 22 Q Dr. Ford, do you recall when you were</p>

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<p style="text-align: right;">411</p> <p>1 retained by SoundExchange in the case? 2 A I believe it was in August of '09. 3 Q What were you asked to do? 4 A I was asked to provide an economic analysis 5 of rate setting for the ephemeral right for digital 6 transmissions. 7 Q And did you take steps to familiarize 8 yourself with that market? 9 A I did, indeed. I read the statute, of 10 course, prior decisions, prior testimony that I could 11 find. I read -- I looked through legal research, 12 economic research on these issues and related issues. 13 I was given access to some agreements by counsel 14 related to this issue. I spoke with Dr. Pelcovits who 15 was the SoundExchange expert in this case. 16 Q And based on your research, did you come to 17 any conclusions about whether the section 112 18 ephemeral rights have value in the hypothetical market 19 that we're setting a rate for here? 20 A Certainly they would. They're an essential 21 component of the service that's being provided. 22 Without the ephemeral -- without the rights of copy,</p>	<p style="text-align: right;">413</p> <p>1 A No. 2 Q Have you seen contracts for other markets, 3 for other kinds of streaming or interactive services, 4 where the 114 and the 112 right are sold together? 5 A Yes. I've seen a number of agreements 6 covering custom radio, on-demand, interactive-type 7 services, webcasting-type services, that had rights 8 being sold together. 9 Q And in any of those agreements, was there an 10 actual allocation of how much went to the ephemeral 11 and how much went to the 114 right? 12 A Yes. In one agreement there was an actual 13 percentage allocation. 14 Q Do you recall what that was? 15 A It was the Sony broadcast properties 16 agreement. 17 Q And do you recall what kinds of services that 18 agreement covered? 19 A It carried -- it covered many services, 20 custom radio up to subscription-based, you know, 21 completely on-demand type services. 22 Q Do you recall what the actual number was, the</p>
<p style="text-align: right;">412</p> <p>1 the service couldn't be provided at all. So if the 2 service itself has value, the ephemeral must have 3 value. 4 Q In the what I'm going to call the target 5 marketplace, the hypothetical marketplace that we're 6 setting a rate for here, have you seen any agreements 7 in which the section 112 right and the section 114 8 right have been sold together as a bundle? 9 A Yes, I have. 10 Q And do you recall what those agreements are? 11 A In the target market, the agreements were 12 with the National Association of Broadcasters, or for 13 the broadcasters' agreement. There was a commercial 14 agreement, which I think was XM/SIRIUS. And then 15 there was an educational webcasting agreement. 16 Q And in those agreements where those rights 17 were sold together was there any allocation of the 18 amounts between the ephemeral and the 114 right? 19 A The specific amount was not specified, no. 20 Q Have you seen any agreements in this market, 21 the market we're setting a rate for, that actually 22 sold those rights separately?</p>	<p style="text-align: right;">414</p> <p>1 allocation? 2 A It was 10 percent. 3 Q To the ephemeral right? 4 A Yes. 5 Q Have you seen any agreements, again, in 6 markets -- similar markets outside of this webcasting 7 market where we're trying to set a rate -- where the 8 ephemeral was actually sold separately from the 114 9 right? 10 A I have seen -- 11 CHIEF JUDGE SLEDGE: I thought you just asked 12 that question. 13 MR. HANDZO: I'm sorry. I intended to ask 14 him whether he's seen agreements where they were sold 15 together. 16 CHIEF JUDGE SLEDGE: Before that I think you 17 asked him if he had seen any agreements where the 18 rights were sold separate. 19 MR. HANDZO: What I intended to ask in the 20 prior question was whether he had seen agreements for 21 this market; that is, within the statutory webcasting 22 market. And now I'm asking him about agreements</p>

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<p style="text-align: right;">415</p> <p>1 outside of this market. 2 CHIEF JUDGE SLEDGE: I see. 3 THE WITNESS: Repeat the question. 4 BY MR. HANDZO: 5 Q Sure. Sorry. Have you seen any agreements 6 outside of the statutory webcasting market where the 7 ephemeral right has actually been sold separate from 8 the 114 right? 9 A One agreement. 10 Q And do you recall what that was? 11 A The business services agreement, music played 12 in stores and things, where the performance right was 13 not part of the package. 14 Q Now, based on what you've seen from these 15 agreements, Dr. Ford, do you have an opinion as to 16 whether a willing buyer and a willing seller in our 17 market -- that is, statutory webcasting -- would sell 18 the ephemeral rights separately or bundled with the 19 114? 20 A Bundled together. 21 Q Now, you mentioned earlier that you had 22 actually seen one agreement, not in this market, that</p>	<p style="text-align: right;">417</p> <p>1 concerned with the total rate that he has to pay. How 2 it gets divided amongst the seller or sellers is not 3 material to his decisions. That leaves the seller as 4 the interested party. 5 The statutory split of the royalty -- 6 JUDGE ROBERTS: Before you go any further, 7 Dr. Ford, do you know why the buyer is not interested? 8 THE WITNESS: The buyer isn't interested 9 because the -- if you set it as a percent of the 10 total, then, if you alter the percent, it doesn't 11 affect the check the buyer has to write. 12 JUDGE ROBERTS: That's if you do it that way. 13 THE WITNESS: Yes. 14 JUDGE ROBERTS: But is the buyer ever 15 interested in the value of the 112 license? 16 THE WITNESS: Yes. If the -- if the right, 17 the ephemeral right or let's just -- if copies occur 18 in variable proportions to performances, then they 19 would care. If it doesn't, then they wouldn't. If we 20 thought that every performance required two ephemeral 21 copies -- you get one for free, so that means you have 22 one that you have to pay for. If you said it was</p>
<p style="text-align: right;">416</p> <p>1 actually specified what the allocation was, 2 10 percent. Would you recommend using that number as 3 the allocation here? 4 A No, I would not. 5 Q Why is that? 6 A Because the 10 percent was set in a market 7 environment that was not subject to the same set of 8 constraints that the statute provides for the 9 webcaster agreements. So it's -- they're different 10 transactions. 11 Q And what constraint are you referring to? 12 A The -- in the -- under the statute, the 13 performance royalty is split 50/50 between the record 14 companies and the artists. That's not -- that split 15 does not exist in market transactions. 16 Q So do you have an opinion about how one would 17 think about figuring out what the appropriate 18 allocation in this market would be? How would you 19 approach that? 20 A Well, the -- as a percentage of the total 21 rate, the buyer in the target or hypothetical market, 22 the webcaster, is unconcerned. The only -- he's only</p>	<p style="text-align: right;">418</p> <p>1 10 percent, then -- let's say -- to make the math 2 easy, let's say it's 10 cents a copy, 10 cents a 3 performance. Then that's one penny per ephemeral copy 4 because you get one per performance. If it's 5 variable, then it would begin to matter. 6 But I think that it may be so complicated -- 7 given this is market transactions, it may be so 8 complicated to monitor all that, or the technology may 9 be so close to fixed or may be fixed proportions, that 10 you wouldn't end up contracting for the rate. It 11 wouldn't be worth the effort to do so. 12 JUDGE ROBERTS: Are you aware of how many 13 webcasters actually need the 112 license? 14 THE WITNESS: I suspect almost all do, from 15 what I seen of the technology. 16 JUDGE ROBERTS: Why do you think that? 17 THE WITNESS: Because they're copying the 18 music. If they use multiple servers, they're going to 19 need multiple copies. There's also a debate as to 20 what constitutes an ephemeral copy, and I couldn't 21 find a good solution to that problem. 22 In the process of webcasting, the thing --</p>

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<p style="text-align: right;">419</p> <p>1 you know, it's broken apart and hits various parts of 2 the network and it, in essence, is being stored 3 electronically to some extent along the way. When it 4 hits the end user's computer, it's stored, it's sorted 5 and then played. Is that an ephemeral copy? 6 So there's a debate, I think, about what 7 constitutes an ephemeral copy, which, if we don't know 8 exactly what it is, then it's very difficult to meter 9 on that. I mean, it's impossible to meter on that. 10 It's somewhat like the SDARS decision where 11 we used -- where you decided to use a percentage of -- 12 of revenues instead of a performance rate, as in this 13 case, was because, well, we can't measure quantity 14 right. And if you can't measure quantity right, then 15 you have to come up with some other means to do so. 16 JUDGE ROBERTS: Well, if we can't determine 17 what it is, then how can we ever attach a value to it? 18 THE WITNESS: Well, I think that was the 19 point of the testimony. If the two occur together -- 20 like four tires on a car. Okay? I mean, if the 21 dealer said 90 percent of your car purchase is the 22 tires, you'd say, I don't care, I'm just going to</p>	<p style="text-align: right;">421</p> <p>1 don't want to bother counting them, we don't really 2 mind, so, okay, it's fine. 3 In this case, though, we've got this 4 constraint of the 50/50 split which creates the 5 motivation for the seller to try to resolve the 6 problem. 7 So while in a market agreement you might not 8 see a percentage, or you might see a percentage, I 9 don't think that -- you know, it's not really saying 10 much about this. I mean, it does say that the thing 11 is occurring in a roughly fixed proportion -- we 12 believe it to be, today, to be roughly fixed 13 proportions, and if that's true, why bother setting a 14 separate rate for it because, in the end, it's just 15 going to be a percentage anyway? 16 So I think that's the difference. But here 17 we've got this 50/50 problem that has to be resolved 18 because that doesn't exist in the market. 19 JUDGE ROBERTS: You brought up the car 20 industry, and that made me think of an analogy here. 21 When I buy a car in this area, cars don't rust, and if 22 I go to the dealer and I buy a car, and he says, you</p>
<p style="text-align: right;">420</p> <p>1 write a check for the car; whatever you want to do is 2 fine with me, then certainly the tire has value in the 3 same sense that the ephemeral right has value. If you 4 can't make a copy, or can't make multiple copies in 5 the webcasting context, you may not be able to provide 6 your service. 7 So it's there. It does have value because 8 it's necessary to provide the service. So it has it. 9 So the question is, how do you deal with assigning a 10 value to something when it is so tightly integrated or 11 occurring alongside the other service that you're 12 providing? 13 In economics, the buyer just wouldn't care. 14 If it comes together like that -- and it's always this 15 number for that number, fixed proportions -- if it 16 comes together, the buyer just really doesn't care. 17 Okay? And it's very difficult to separate out the 18 values for the two. 19 But in this case -- which is why I think in 20 the contracts you don't see them doing a lot of that. 21 He says, okay, you get them both, because it's not 22 worth splitting it up because they come together, you</p>	<p style="text-align: right;">422</p> <p>1 know what, I'm going to throw in rust-proofing on 2 this -- and I say, I don't care, because it doesn't do 3 me any good, the car is not going to rust in this 4 area. But he insists, no, you're going to get the 5 rust-proofing. Is there any value to that 6 rust-proofing? I don't want it. I'm not particularly 7 interested in it. But he's throwing it into the deal. 8 THE WITNESS: I think it's relevant in two 9 ways. First, you could drive off without it and the 10 car would work perfectly well, unlike webcasting where 11 that probably is not true. You know, if he says, I'm 12 going to take out the motor, you go, well, wait a 13 minute, you know, that's not -- 14 JUDGE ROBERTS: That would be different. 15 THE WITNESS: That's different because it's 16 required to provide the service. And ephemeral copies 17 are required to provide the service. 18 The second case is that there is -- the 19 seller is offering you something, okay, that is 20 important to him, and you say you don't care. So 21 there are contracts -- and you've probably seen many 22 of them, many more than I have -- where there are</p>

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<p style="text-align: right;">423</p> <p>1 parts of the contract that one side may care about and 2 the other side doesn't. Okay? In this case, we sort 3 of have that, where the seller does care -- 4 JUDGE ROBERTS: I'm still troubled by the 5 fact that the buyer doesn't care. Because if the 6 buyer can't run a webcasting operation without the 112 7 license, then you have every reason to care, just as, 8 in the car example, if the dealer is not going to give 9 me the engine, I have every reason to care about 10 getting that engine. But yet, your testimony says, 11 well -- and you recognize that the buyer doesn't care. 12 Why doesn't the buyer care? 13 THE WITNESS: Okay. I understand your 14 question. The buyer doesn't care because of the 15 pricing mechanism. He certainly cares about getting 16 ephemeral copies, because he can't exist without them. 17 But by assigning it as a percentage -- if it's a penny 18 a song -- to keep the math simple, if I say it's a 19 penny a song, 10 percent ephemeral. The guy says, 20 it's a penny a song, that's all I care about, here's a 21 penny. 22 JUDGE ROBERTS: Right.</p>	<p style="text-align: right;">425</p> <p>1 case that the two -- that the ephemerals and the 2 performances are consumed in fixed proportions, which, 3 I mean, you know, you get two ephemerals per play or 4 whatever it might be, then there's no reason to 5 separate your prices out. It's just an extra price 6 that has no meaning, has no purpose. 7 JUDGE WISNIEWSKI: There's no reason to have 8 two either, is there? 9 THE WITNESS: Well, the cost of contracting 10 and monitoring and all those sorts of things. You 11 could set an ephemeral rate based on performances. 12 JUDGE WISNIEWSKI: You could have 10 cents a 13 copy for performance, one cent for the ephemeral even 14 if they were in that proportion all the way 15 throughout, couldn't you? 16 THE WITNESS: If you could count ephemerals, 17 if you knew exactly how to do so, you could do that. 18 But it may -- 19 JUDGE WISNIEWSKI: Well, aren't you implying 20 you can count them when you do the allocation? 21 THE WITNESS: No. 22 JUDGE WISNIEWSKI: Well, you obviously must</p>
<p style="text-align: right;">424</p> <p>1 THE WITNESS: If I say it's 20 percent, it's 2 a penny a song, here's your penny. 3 JUDGE ROBERTS: Right. 4 THE WITNESS: Because of the pricing scheme 5 is why he doesn't care. It's not that he doesn't care 6 about ephemerals. Of course he cares about 7 ephemerals; they're required to provide the service. 8 It's because of the way we use the percentage which 9 makes it where he doesn't care. So it's a pricing 10 statement more than it is a technical statement, I 11 guess is what I'm trying to say. 12 JUDGE ROBERTS: So this is the -- this 13 problem that we're facing, then, is created by the 14 owners, by the fact that, in the agreements that you 15 looked at, they chose to price it out that way and 16 sell two licenses together -- two rights, I should 17 say -- since the agreements you were looking at were 18 non-statutory. 19 THE WITNESS: Right. The contracts sold -- 20 well, they sold multiple rights together, not just 21 ephemerals and performances. I'm sure there are other 22 rights involved in that as well. The -- if it's the</p>	<p style="text-align: right;">426</p> <p>1 be, because you're assuming fixed proportions. If you 2 can't count them, how do you know it's a fixed 3 proportion? 4 THE WITNESS: Well, I know that it can be -- 5 it can be a fixed proportion technology without 6 knowing what the fixed proportion is. Okay? It is -- 7 and it's -- 8 CHIEF JUDGE SLEDGE: And those proportions 9 can change depending on the technology, right? 10 THE WITNESS: Well, it may. But my view is 11 when you look at the way it's going, when you look at 12 the contracts and you say this is the way these 13 willing buyers and willing sellers are making this 14 deal in a marketplace exchange without constraint, 15 that they're thinking, for the most part, it's not 16 worth bothering with setting -- with separating these 17 two rights, okay, so we're going to put them together. 18 It eliminates a whole separate price. It eliminates a 19 whole separate monitoring scheme, accounting scheme, 20 for something that, because of the newness of the 21 technologies, we may not even be exactly sure how we 22 would go about doing it.</p>

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<p style="text-align: right;">427</p> <p>1 But -- so, you know, we think that as this 2 guy scales, he's going to put on servers in roughly a 3 constant rate per play, that sort of thing, so the 4 copies work out that way. 5 If you go in a different route and say, well, 6 we're going to do rate setting, like we do in telecom, 7 you might actually decide, we're going to assume, to 8 simplify the problem, that there are X number of 9 copies per play. And then, even if you used a 10 percentage allocation, you could compute from that 11 what the actual copy rate was. Okay? If we can't 12 measure the copy rate very well, or we could if we 13 knew exactly how to define it, which would require, I 14 guess, a proceeding and lots of testimony, the 15 alternative would be to say, okay, it's, you know, .1 16 cents per play, and meter it on play rather than meter 17 it on copy. That would be another pricing scheme that 18 you might observe -- and we observe all kinds of weird 19 pricing schemes in market outcomes. It depends on 20 what the buyers and sellers are interested in and how 21 they can get to a deal that's most efficient. 22 It doesn't always look like we think it would</p>	<p style="text-align: right;">429</p> <p>1 evidence -- to proceed is to assign the two rights 2 together and allocate some percentage to that rate 3 because, you know -- I mean, the register's decision 4 said, hey, I want a rate, I mean, so we want a rate. 5 We go to people who care -- under the percentage 6 pricing scheme, okay, we go to the people who care 7 what that percentage is, because the buyer doesn't 8 care what the percentage is -- he cares about 9 ephemerals, but doesn't care what the percentage is. 10 And you say, okay, seller, what would -- what 11 offer would you make -- under the constraints of the 12 statute, what offer would you make? And then that 13 becomes the market rate because the buyer is happy, 14 the seller is happy and the components of the seller 15 are happy under this artificial constraint that's been 16 levied by the statute. So everybody is happy. When 17 everybody is happy, that's the market exchange. 18 JUDGE ROBERTS: Let me ask you a question. A 19 record company that negotiates an agreement with a 20 large webcaster -- the number one webcaster right now 21 being Pandora, apparently. Pandora is going to make a 22 lot of performances. Presumably, there's going to be</p>
<p style="text-align: right;">428</p> <p>1 look like. I got a \$500 cell phone for free. That's 2 pretty weird. A lot of people go, ooh, that's not a 3 market outcome. Well, sure it's a market outcome. I 4 promised to send them a hundred dollar check every 5 month for two years. It's a market outcome. It just 6 doesn't look exactly like the textbook might say it 7 would look, but that's the way markets work. You 8 almost always get an answer that looks peculiar. 9 JUDGE WISNIEWSKI: As an economist, you know 10 you didn't get that phone for free. 11 THE WITNESS: Well, exactly, but I didn't -- 12 CHIEF JUDGE SLEDGE: I'm not an economist and 13 I know that. 14 THE WITNESS: Nothing is free. There's no 15 free lunch. 16 CHIEF JUDGE SLEDGE: Something you just 17 mentioned. We have had that proceeding, and the 18 technology people can't agree on how to define it. 19 They all have a different opinion. 20 THE WITNESS: And if that's the case, I think 21 the -- the cleanest way, and certainly within a zone 22 of reasonableness -- and this matches up with market</p>	<p style="text-align: right;">430</p> <p>1 a lot of ephemeral copies made because of the volume 2 of customers that Pandora serves. Yet, in the 3 agreement, the record company makes no distinction 4 between the fact that Pandora is making lots and lots 5 and lots of ephemeral copies, and yet, the agreement 6 that they negotiate with the startup webcaster, who is 7 making far less, it's -- they treat it as the same. 8 Aren't they just leaving money on the table? 9 THE WITNESS: Well, if they do, they're doing 10 it voluntarily, which is -- you know, we always -- as 11 I was always taught, always leave some money on the 12 table so everybody is happy when you leave. But I 13 think it's probably -- you could make an efficiency 14 argument that, in the end, it's whatever we might 15 could get -- the nickel we could get from it is not 16 worth the effort of trying to negotiate that specific 17 term, whatever it may be. 18 But I think the real issue is, as you scale 19 it, sure you're making more copies, but you're making 20 more copies because you're making more performances, 21 and so that the ratio of copies to performances, it 22 may vary a little, but it doesn't vary enough to</p>

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<p style="text-align: right;">431</p> <p>1 bother with in a market transaction. 2 CHIEF JUDGE SLEDGE: Well, that answer in 3 your earlier statement that everybody is happy, 4 doesn't that assume that the distributions of the two 5 rights is equal? As long as the distributions of 112 6 is different than the distributions of 114, how can it 7 be that it doesn't matter, because one side is getting 8 slighted, how you make that allocation? 9 THE WITNESS: Are you talking about the 10 between the musicians' and the record companies' 11 distribution? 12 CHIEF JUDGE SLEDGE: Yes. 13 THE WITNESS: In the market, that doesn't 14 occur. There is no -- the contract -- the 112 -- an 15 ephemeral rate and a performance royalty is not split 16 any differently in the market. So there is no issue 17 about how to allocate one to the other. It doesn't 18 matter. All the money comes in and goes out, however 19 the contract has been written. 20 CHIEF JUDGE SLEDGE: Isn't that because the 21 musicians aren't at the table? 22 THE WITNESS: No. It's because the musicians</p>	<p style="text-align: right;">433</p> <p>1 different, then you can't just port it, no better than 2 you could port the number from this case over to the 3 market, because the constraint was different and the 4 distribution of the royalties was different. 5 So the only people that are concerned about 6 that distribution are the musicians and the record 7 companies, as long as we're in this percentage world, 8 okay. So they're the only ones that care. 9 So if we're going to ask ourselves what a 10 willing seller is going to offer, then we go ask the 11 seller, what's your offer? And the buyer is going to 12 say, okay, whatever, you know, I don't care, 13 willing -- I'm willing. It doesn't matter to me. I 14 just want to pay you a penny a song and be done with 15 it. 16 BY MR. HANDZO: 17 Q Dr. Ford, the court has actually conducted 18 most of my examination for me, albeit they led you a 19 lot more than I could. So let me sort of cut to the 20 chase here. Do you have an opinion about what the 21 ephemeral rate should be in this case? 22 A Well, given the explanation I've provided, my</p>
<p style="text-align: right;">432</p> <p>1 have already signed a deal. This is just some piece 2 of their business. They've already signed some 3 agreement. The guy says, I'll give you a million 4 dollars to make a record, and then I'm going to keep 5 the first ten that comes in the door and then I'll 6 start paying you 10 percent of every record sale after 7 that, or whatever it might be, but I might not give 8 you anything. Or maybe -- you know, if it's Sting or 9 somebody like that, I'll give you \$20 million for a 10 record, and then I'll pay you 10 percent of every 11 record that gets sold. 12 So it -- all these agreements are going to be 13 different in the market, but there is no statutory 14 obligation to split the money in any particular way. 15 We come over to the statutory world and, bam, we slap 16 this obligation -- this doesn't exist over here in the 17 market. 18 So it makes it -- I know that the goal here 19 is to look to the market, grab something and put it 20 over here. I mean, that's the plan, and that's a good 21 plan. But if the transaction here is not the 22 transaction here, or has some constraint on it that's</p>	<p style="text-align: right;">434</p> <p>1 recommendation would be to ask the people that care, 2 the musicians and the record companies, what they 3 would recommend the ephemeral rate to be. They have 4 done that. They have negotiated and made a proposal 5 of 5 percent. 6 Q When you say they've negotiated and made a 7 proposal, how do we know that? 8 A They did that -- I was advised by counsel 9 that agreement through the SoundExchange, which has a 10 board that is equal part musician, equal part record 11 company, they had a meeting, they discussed the issue, 12 they voted and unanimously approved the 5 percent 13 recommendation. 14 Q And have you actually seen the board minutes 15 for that? 16 A I've seen the board minutes, yes. 17 MR. HANDZO: That's all I have for this 18 witness, Your Honor. Thank you. 19 CHIEF JUDGE SLEDGE: Any further 20 cross-examination? 21 MR. MacDONALD: Yes, Your Honor, I have 22 several questions.</p>

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435	<p>1 CHIEF JUDGE SLEDGE: All right. Once again, 2 you surprise me by asking questions. 3 MR. MacDONALD: Well, we'll see how good 4 these questions are, though. I want to keep your 5 expectations up. 6 CROSS-EXAMINATION 7 BY MR. MacDONALD: 8 Q Good afternoon Dr. Ford. 9 A Good afternoon. 10 Q My name is Angus MacDonald. I represent 11 Live365. Dr. Ford, your opinion is that a 5 percent 12 rate for the ephemeral license is an appropriate one 13 for this proceeding; is that correct? 14 A Yes. 15 Q And that 5 percent rate recommendation is 16 based on your understanding that the recording artists 17 and record companies had already reached an agreement 18 for a 5 percent allocation for the ephemeral license; 19 is that correct? 20 A Yes. 21 Q Now, what's the basis for that understanding? 22 A I was advised by counsel, and I have seen</p>	437	<p>1 A This looks like what I have seen, yes. 2 Q Just for the record, this is Bates numbered 3 SXW3_00008266 to 8268. 4 A Yes. 5 Q Who gave you these board of director meeting 6 minutes? 7 A Counsel. 8 Q Were you -- you were essentially informed 9 about the board's decision -- let me withdraw that 10 question. 11 Were you informed about the board's decision 12 on the ephemeral rate before proposing your 5 percent 13 recommendation? 14 A Would you repeat that question? 15 Q Did you already have the 5 percent 16 recommendation in mind for the ephemeral license 17 before you reviewed the board meeting minutes? 18 A I had no number until I was told the product 19 of this meeting. 20 MR. MacDONALD: Your Honor, I move for 21 admission of Live365 Exhibit 19 into evidence. 22 CHIEF JUDGE SLEDGE: Any objection to the</p>
436	<p>1 subsequent to that, the minutes from the meeting. 2 Q And essentially there is an agreement within 3 SoundExchange by SoundExchange representatives of the 4 record labels on one hand and SoundExchange 5 representatives of the recording artists on the other 6 hand for this 5 percent, correct? 7 A Uh-huh. 8 CHIEF JUDGE SLEDGE: Please answer out loud. 9 THE WITNESS: Yes. 10 MR. MacDONALD: I'd like to actually mark the 11 board meeting minutes for the time being as Live365 12 Exhibit 19. And I'd ask that Mr. Yacobian please pass 13 them out. 14 CHIEF JUDGE SLEDGE: Mr. MacDonald, does 15 Live365 have a dispute with that proposal of 16 SoundExchange? 17 MR. MacDONALD: Live365's rate proposal for 18 the ephemeral rate is a little different than the 19 proposal set forth by SoundExchange. 20 BY MR. MacDONALD: 21 Q Dr. Ford, are these the board of director 22 meeting minutes that you were referring to earlier?</p>	438	<p>1 offer? 2 MR. HANDZO: No, Your Honor. 3 CHIEF JUDGE SLEDGE: Without objection, it's 4 admitted. 5 (Live365 Trial Exhibit Number 19 was received 6 into evidence.) 7 MR. MacDONALD: I have no further questions. 8 JUDGE ROBERTS: Before you step down, 9 Counsel, I'm looking at your proposal for ephemeral 10 copies, and it seems to be the same one that was put 11 forward last time, 8.8 percent. Are you willing to 12 stipulate with counsel for the other side that 13 5 percent would be the rate? 14 MR. MacDONALD: Your Honor, we have -- we are 15 considering that, that stipulation, and I would 16 suggest that, before the end of this hearing, the 17 direct hearing, that if we were to stipulate, we would 18 do so by then. 19 JUDGE ROBERTS: Thank you. 20 CHIEF JUDGE SLEDGE: Well, it's obvious 21 you're causing curiosity on the bench by 22 cross-examining this witness.</p>

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<p style="text-align: right;">439</p> <p>1 Mr. Malone, any questions? 2 MR. MALONE: No, Your Honor. 3 CHIEF JUDGE SLEDGE: Mr. Handzo? 4 MR. HANDZO: Nothing further, Your Honor. 5 CHIEF JUDGE SLEDGE: Anything from the bench 6 further? 7 Thank you, sir. 8 THE WITNESS: Thank you. 9 (Witness excused.) 10 MR. HANDZO: If we could just have a few 11 seconds, our next witness is outside. 12 (Pause.) 13 CHIEF JUDGE SLEDGE: Mr. Freedman. 14 MR. FREEDMAN: Yes. SoundExchange calls it 15 next witness, Barrie Kessler. 16 WHEREUPON, 17 BARRIE KESSLER, 18 called as a witness, and after having been first sworn 19 by the chief judge, was examined and testified as 20 follows: 21 DIRECT EXAMINATION 22 BY MR. FREEDMAN:</p>	<p style="text-align: right;">441</p> <p>1 marked as SoundExchange Trial Exhibit 5. 2 MR. FREEDMAN: Your Honor, may I approach? 3 BY MR. FREEDMAN: 4 Q Do you have SoundExchange Exhibit 5 in front 5 of you? 6 A I do. 7 Q Do you recognize this document? 8 A I do. 9 Q What is it? 10 A It is my corrected direct testimony in this 11 case. 12 Q And if you turn to the last page, is that 13 your signature? 14 A It is. 15 Q Did you prepare this testimony? 16 A I did. 17 Q Did you review it before you signed it? 18 A Yes, I did. 19 Q Is the written testimony correct? 20 A It is. 21 MR. FREEDMAN: Your Honor, at this time, I 22 would move the admission of SoundExchange Trial</p>
<p style="text-align: right;">440</p> <p>1 Q Good afternoon. Could you please state your 2 name for the record. 3 A Barrie Kessler. 4 Q Can you spell your last name, please. 5 A K-E-S-S-L-E-R. 6 Q Where are you currently employed? 7 A At SoundExchange. 8 Q What is your job title? 9 A I am the chief operating officer. 10 Q And what are your job responsibilities as 11 chief operating officer? 12 A I oversee the collection and distribution of 13 royalty payments made by services availing themselves 14 of the statutory license. I supervise staff who are 15 responsible for the collection of the royalty payments 16 as well as the distribution and the payments to the 17 artists and the copyright owners. And I oversee the 18 technology and the platform upon which we make our 19 distributions. 20 Q How long have you held that position? 21 A Since 2001. 22 Q I would like to show you now what we have</p>	<p style="text-align: right;">442</p> <p>1 Exhibit Number 5 into evidence. 2 CHIEF JUDGE SLEDGE: Any objection to 3 Exhibit 5? 4 MR. MacDONALD: No objection, Your Honor. 5 CHIEF JUDGE SLEDGE: Without objection, it's 6 admitted. 7 (SoundExchange Trial Exhibit Number 5 was 8 received into evidence.) 9 BY MR. FREEDMAN: 10 Q In general terms, Ms. Kessler, can you 11 describe what SoundExchange does? 12 A Yes. We're charged with the fair and 13 efficient collection and distribution of royalties 14 under the statutory license. 15 Q And can you give a sense of how many 16 performances SoundExchange processes every year? 17 A We're up to billions and billions of 18 performances at this point. 19 Q Since the previous webcasting proceeding, has 20 SoundExchange developed any new collection and 21 distribution systems? 22 A Yes, we have.</p>

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1 CERTIFICATE OF COURT REPORTER

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3 I, Denise M. Brunet, the court reporter

4 before whom the foregoing proceedings were taken, do

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7 means of computer-assisted transcription by me; that

8 said proceedings are a true record; that I am neither

9 counsel for, related to, nor employed by any of the

10 parties to this litigation and have no interest,

11 financial or otherwise, in the outcome of this matter.

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Denise M. Brunet

15 Court Reporter

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