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AMPLIFY YOUR DRIVE

Sirius Satellite Radio Unveils New Incentive Program for Dealers

JAMES BYUN AND MIKE MAZGAY

PHOTO: JAMES BYUN

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New Sirius Plus program lets dealers sell Sirius subscriptions at the time of vehicle purchase.

With more than 750,000 subscribers in Canada, SIRIUS Satellite Radio has become one of the most popular features in new vehicle models. We spoke with Sirius to learn about the company's success to-date and understand the details of a newly launched incentive program for dealers that lets them sell subscriptions at the time of vehicle purchase.

What is Sirius?

"Sirius Satellite Radio is far beyond regular radio and provides an unparalleled entertainment experience for drivers that features 120 channels of sports, talk, entertainment, and commercial-free music programming," said James Byun, Vice President, Automotive, SIRIUS Canada Inc. "Our first step at launch was to work closely with automotive partners to integrate Sirius radios into their vehicles. Now that Sirius is widely available and most new vehicles offer trial subscriptions, the next step is to involve our dealer network

and give them the tools they need to sell Sirius subscriptions directly to customers."

Knowing that the key to any successful dealer-

focused program was strong relationships at the dealer level, Sirius tapped seasoned

automotive executive Mike Mazgay to develop and run the program.

Dealer incentive program

According to Mazgay, the new Web-based dealer incentive program—Sirius Plus—provides a competitive advantage for participating dealers because it allows them to sell a Sirius subscription at the time of a vehicle's sale.

"It took more than a year to launch the Sirius Plus program because we undertook extensive research and worked closely with dealer focus groups," said Mazgay. "Dealers told us that their customers were excited about Sirius and wanted a chance to extend their subscriptions at the time of vehicle purchase."

Mazgay says that dealers view the Sirius Plus program as a perfect fit for their business office and would complement their current suite of products. "Feedback from dealers was that customers are more apt to purchase any type of accessory or service—including Sirius—at the time of sale."

This type of incentive program for satellite radio is the first of its kind in Canada and Sirius expects to roll it out quickly over the next few months.

Sirius knew that ease-of-use was critical to the program's success.

SIRIUS
SATELLITE RADIO



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Details on the sale

When the dealer signs into the secure portal, they are prompted for details of the sale. The program then determines the optimal Sirius subscription term that should be offered to the customer. For example, if a customer receives a 6-month bundled subscription with a new vehicle purchase and is leasing over 36 months, the Sirius Plus program will suggest a 30-month term. With Sirius Plus, the goal is to ensure that the customer is listening to Sirius for the duration of their ownership.

But the key for Sirius was to give the customer the ability to roll-up the cost of the subscription into their monthly payment which would eliminate the need for separate monthly bills.

"Bundling the subscription with the vehicle payment is more convenient for the customer and eliminates monthly credit card charges," said Mazgay.

So what's in it for the dealerships?

Based on feedback from focus groups, Sirius Plus includes an incentive component to reward dealers who sell Sirius subscriptions. The company selected 'I Love Rewards' as a partner to manage its program because of its auto industry experience and its easy-to-use interface.

With the program, dealers earn points for every Sirius subscription sold and the points can be redeemed using the 'I Love Rewards' catalogue for items including travel, golf equipment, electronics, and prepaid credit cards. 'I Love Rewards' partners include Apple, Golf Town, Sony, TAG Heuer, and Xbox, among others. Sales staff can compete internally and dealers can compete against others in their region with the 'I Love Rewards Leaderboard' for additional prizing.

Dealers are already seeing the benefits of the Sirius Plus program.

Completing the relationship

"The Sirius Plus program completes the relationship between Sirius and the dealer," said Kent Magnuson, Sales Manager at Metro Motors in Vancouver. "Because this program rewards dealers and allows customers to purchase their subscription right at the dealership and roll the cost into their monthly payment, everyone wins. It's just the natural evolution of a wonderful friendship. We can't wait to get started."

Since its launch in Canada in December 2005, Sirius has already become the country's leading satellite radio company. The company's quick growth and industry leadership is due to a unique offering of 120 channels featuring sports, news, talk and commercial-free music programming from North America's best-known entertainment brands.

Sirius offers drivers coverage and reception across Canada and the United States. With Sirius in their vehicles, listeners can drive from Victoria to Charlottetown or Winnipeg to Miami without ever having to change the channel. ■

For more information on Sirius
visit www.sirius.ca



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