

Sirius xm competitive strategy

Business



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XM has attempted to establish themselves according to these five forces. In terms of threats of entry, Sirius XM has really attempted to differentiate themselves from standard radio by providing an abundant amount of channels that provides news, sports and all kinds of music. By merging Sirius and XM radios together, they have really planted themselves as the gorilla in the satellite industry, and it would be tough for another satellite company to enter and take away the customers already committed to Sirius XM.

In regards to supplier power, Sirius XM has a number of different options as to what music to play, and have signed a contract with popular talk show host David Stern. To combat the high buyer power, Sirius XM has really tried to differentiate their product from other radio sources by providing a high abundance of quality listening choices that can be listened to almost anywhere.

The merge of Sirius and XM really cut down the amount of buyer power out there because now if you want satellite radio, you almost have to go with Sirius XM.

The merge also cuts away any direct substitutes for satellite radio, and they have tried to provide features that aren't available on other radio types to make basic radio a further substitute for satellite radio. The last of the five forces is Rivalry, and Sirius XM has attempted to separate from the high rivalry by focus differentiation, and I will talk more about this in the coming paragraph. Looking at Porter's generic strategies, it is clear that Sirius XM is a Focused Differentiator, as mentioned above.

Sirius claims in its company overview that it is, “ changing the way people listen to music, sports, news and entertainment... a unique listening experience is available to subscribers from coast-to-coast (Corporate Overview).

” They have also just released the first ever live in-vehicle TV network. Sirius XM is focusing on providing a unique product and attempting to get customers to pay a premium for the added quality of the service.