

THE VALUE OF MUSIC
to Consumers & Businesses

MAY 2015



CANADIANS PLACE A HIGH VALUE ON **Music Played in Public Spaces**

THREE QUARTERS OF
CANADIANS BELIEVE THAT
THE MUSIC BUSINESSES
PLAY IMPACTS THEIR BRAND.

59%

OF CANADIANS AGREE
THAT MUSIC ADDS TO THEIR
EXPERIENCE AT WORK.

2/3

Say that
gyms, fitness
classes, spas,
& hair salons
benefit from
music being
played.



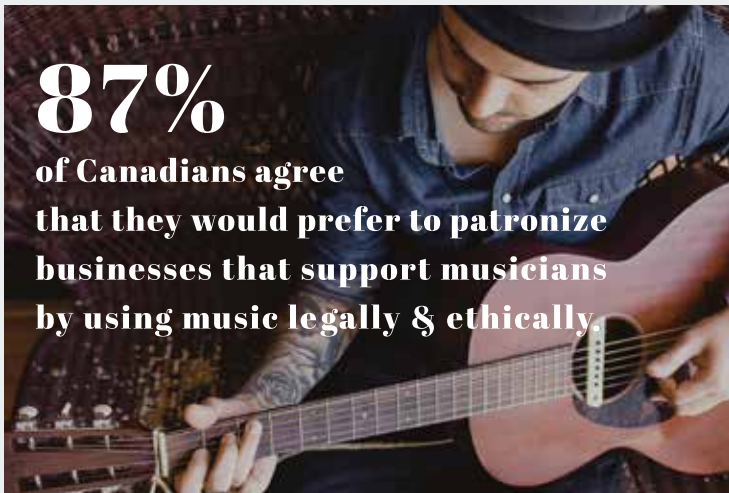
4 in 5

CANADIANS FEEL THAT MUSIC
IN A BAR, RESTAURANT, OR
NIGHTCLUB ENHANCES THEIR
EXPERIENCE.



87%

of Canadians agree
that they would prefer to patronize
businesses that support musicians
by using music legally & ethically.



7 in 10 agree that music
adds to the experience
of shopping at a store.



87% of Canadians agree
that musicians should be
paid for their work just
like anyone else.



And that means they expect
businesses to value music too.

RE•SOUND
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MUSIC HAS
VALUE



The Value of Music to Consumers and Businesses

In Canada and around the world, music is an important and enriching part of everyday life, both in private and in public spaces. Recent research conducted in Canada (as well as in the US, the UK and Sweden) reveals that consumers are aware of the music being played in the businesses they patronize. However, music's impact doesn't stop at awareness or appreciation; it can affect customer behaviour, as well as convey meaning about a business's brand. Since music is deeply important to consumers, it should be equally important to the businesses that use it.

MUSIC IS UNIVERSALLY IMPORTANT

People all over the world have a relationship with music that is difficult to match. Research conducted in Sweden found that music comes third on the list of things it is most difficult for people to live without in their daily lives. Music was outranked only by the internet and mobile phones.¹ Not surprisingly, 61% of Swedes classify music as important or very important in their lives. This share jumps to 74% when we look at the next generation of consumers, 16- to 24-year-olds.² The numbers are even higher in Canada: 89% of Canadians say that music is important to them, with Millennials (ages 18–34) most likely to classify music as very important in their lives.³

It's not just personal time with their favourite album that makes music such an important part of consumers' lives. The appetite to hear music being played in public spaces

is also high. Consumers like hearing music in businesses, regardless of whether or not it is their preferred genre. Nearly four in five Canadians like to hear any kind of music in retail stores and 88% like to hear music in restaurants.⁴

MUSIC REFLECTS BACK ON THE BUSINESSES THAT USE IT

The music a business plays has a measureable impact on its customers, employees and brand. Three-quarters of Canadians notice music being played in restaurants or bars, and 81% say it adds to their experience in these spaces. They feel the same way about music in gyms, fitness classes, spas, salons and nightclubs; music is noticed and it plays an important role in customer experience.⁵ Nearly three-quarters of UK consumers agree: a shop playing music is considered more inviting.⁶



ATMOSPHERE

Most Canadians agree that music impacts the ambiance of retail establishments, from obvious candidates like bars and nightclubs, to restaurants, retail stores, spas and salons. Three-quarters of British consumers feel that music is an important factor in creating atmosphere in a store.⁷ The same number of Canadians agree that music helps relieve potentially awkward silence and tension at restaurants or bars.⁸ Consumers also feel that it has a calming effect in the waiting rooms of doctors and dentists,⁹ with some Brits even saying that music helps take their minds off their appointments.¹⁰

The absence of music can also contribute to mood and atmosphere in an establishment. Two in five Swedes would react negatively to an absence of music in a store,¹¹ and half say they prefer a store that plays music over one that does not.¹² In the UK, this feeling is even stronger: 90% of Brits would select a shop that was playing music over one that was not.¹³ Eight in ten consumers agree that a store playing music creates a better atmosphere for customers than one which does not.¹⁴ Some establishments recognize how dramatic the absence of music can be: 80% of UK pubs and bars believe that customers and staff alike would complain if the music were switched off, and 56% would rather lose a day's earnings than permanently stop playing music for customers.¹⁵

Atmosphere isn't just in the customer's head. It is a tangible marketing tool that adds value to a business's brand. Researchers studying the impact of music on consumer impressions of businesses have found a connection between the music customers hear and what they are seeing: they combine visual and audio cues to give a unique meaning to what they are experiencing.¹⁶ This meaning gives them a perception of the brand – one that may or may not be aligned with how the brand sees itself.

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BRAND

According to marketing experts, music played in retail establishments has the ability to facilitate something called “sonic branding,” a kind of language that can convey a brand’s personality.¹⁷ Just like décor and lighting, music can give your customers an impression of the kind of business you run, as well as the type of people they are for choosing your establishment.

Consumers understand this link between music and brand. Three-quarters of Canadians feel that the music businesses play impacts their brand, and 84% agree that playing the right music can be beneficial to a business.¹⁸ This connection between music and brand is especially important to young people: one-half of 16- to 24-year-olds in Sweden think that the music playing in a store should fit that brand’s profile.¹⁹

While most business managers and owners agree that music can benefit their establishment, they have been slow to understand, and therefore slow to capitalize on, the importance of music to their brand. In the UK, only 46% of managers/owners agree that playing music tells their customers “who they are” as a business and a brand.²⁰

PURCHASING, RECOMMENDING AND RETURNING

Music can also have a more tangible effect on a business. It can impact not only how consumers perceive a brand but also how they interact with it.

When customers appreciate the music playing in a public place, it can make them stay longer, recommend

When customers appreciate the music playing in a public place, it can make them stay longer, recommend that place to others, re-visit it and even buy more.²¹

that place to others, re-visit it and even buy more.²¹ Businesses, for the most part, understand this. Two-thirds of UK managers/owners agree that playing music can be beneficial to their business,²² and 60% agree that playing music increases the likelihood of customers returning.²³

However, only 41% of managers/owners agree that music in stores can influence the decision to purchase.²⁴ Numerous academic studies have proven that this is indeed the case: music can influence not only whether or not customers decide to spend but also what product they buy.²⁵ A well-known study of customers in a wine store found that when French music was played, people were more likely to purchase French wine. Similarly, when German music was played, they were more likely to purchase German wine.²⁶



MUSIC MAKES EMPLOYEES HAPPIER – AND MORE PRODUCTIVE

More than six in 10 Swedes listen to music at work. This number jumps to eight in 10 if we look at just 16–24-year-olds. Additionally, over 60% of Canadians feel that music creates a better atmosphere at work, and 81% of Brits believe it improves workplace morale.²⁷ Two-thirds of Swedes agree that music at work has a positive effect on their well-being at work.²⁸

This positive effect isn't limited to morale: it is reported that 81% of people work faster when listening to music.²⁹ Half of all Swedish workers agree that music makes them more productive.³⁰ It's no surprise, then, that in a survey of UK shop workers whose stores don't play music, nearly all staff felt that music would make them more productive and more motivated.³¹

Employers understand that the value of music extends beyond consumers: nine in 10 UK business managers/owners agree that playing music makes customers and staff happier.³²

CONSUMERS WANT BUSINESSES TO VALUE MUSIC – AND ITS CREATORS

Customers not only want to hear music in the businesses they patronize but they are also concerned about where that music comes from and if its creators are being fairly compensated. Eight in 10 Canadians agree that musicians should be compensated for the commercial use of their music, and 87% believe that musicians should be paid for their work just like anyone else.³³

**70% of Canadian establishments agree
that it is fair to compensate those who
create the music they play.³⁷**

Paying musicians and other creators for their work means keeping up-to-date with licensing fees, no matter the type of business, or source of music. Consumers expect businesses to comply with the law and to treat artists ethically, with seven in 10 Canadians preferring to patronize a business that supports musicians by using their music legally and ethically.³⁴ Two in five Swedish consumers would have a negative opinion of a business if they discovered that it didn't pay for the right to play music in public.³⁵ Nearly one-half of Canadians would take some kind of action if they discovered that a business they patronize did not license the music it uses, including speaking to the owner, not recommending the establishment to others and being less inclined to shop there.³⁶

Fortunately, businesses tend to agree with consumers: nearly 70% of Canadian establishments agree that it is fair to compensate those who create the music they play.³⁷ Businesses in countries across the world understand the value of music to their establishments – to the customer experience, to staff productivity and to the creation of their brand. For commercial establishments, music creators are other suppliers who should be compensated for their contribution to a business's success.

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