

Pubs & clubs

What does a music & signage service cost?



Introduction

It's an exciting time in the world of music. The advent of 'digital' means the way people access and consume music has changed significantly. The B2C music delivery platforms have seen great innovation and, more recently, innovation to consumers precedes innovation to business. Signage also needs to be considered as an influencer of the atmosphere and positioning of your venue in the competitive landscape. It needs to be harmonious with music and be a reflection of your business objectives. So does that mean your business should follow the trends seen in B2C?

Should you follow the trend in B2C?

You may have the perception that radio is dead and most music consumption is other formats and channels, particularly for younger audiences. In fact, this is not true. Research by GFK found that 65% listen to live radio compared to 11% streaming (and this was before Pandora closed down). Additional reports provide insight into performance by radio stations in each market and drilling down further enables 'spins' by market i.e. what songs were played most in what market. From this, local taste profiles can be established and radio becomes an 'influencer' of the music program.

Music policy. Are you in control?

Hospitality has seen great changes with spaces being repurposed and external factors such as no-smoking rules and relaxing of gambling laws influencing business objectives. A typical venue has gaming, TAB (often combined with the sports bar) and dining, while function spaces have declined. Jukebox (patron controlled music programming) gave way to DJs and then evolved to staff programmed systems (MP3 players and commercial systems) driven by cost. More recently you may have seen the trend towards professional music programming. The most sophisticated venue will be zoned, enabling control of volume and the style of music to suit the space and the demographic of the person within the space.

WHAT SYSTEM AND SERVICE IS BEST FOR MY VENUE?

To answer this question, you need to ask:

- How many venues do you have?
- How important is signage and music in the venue (s)?
- Is multi-zoning possible (for audio and video)?
- Do demographics of my patrons change by day of week, time of day?
- Are your customers happy with the music?
- Are you comfortable with the cost of your existing service?
- Are the playlists being maintained?
- If you have younger clientele, is new music on high rotation?
- Does music in the bistro increase dining time?
- Does music in gaming positively affect the mood of patrons?
- Who controls the music?
- Is dynamic control of music important?
- Do you regularly create and change signage?
- Is external device control a consideration?

Music systems generally fall into one of two categories; a system to replace DJs or riding on the trend of streaming music. We have a hybrid model; with the smarts of a background music service with options for hands on control. The feedback we get is that systems that require playlist management often get either neglected or the music mix is wrong. Furthermore, in many instances leaving music programming to customer suggestion can have a negative impact on atmosphere.

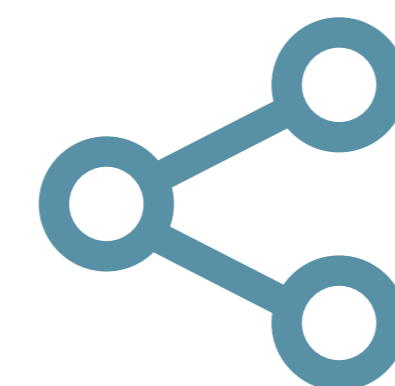
Background music "BGM" systems are 'hands-off' and that puts the emphasis on 1/. getting the music programs right and 2/. having powerful content management/playback systems that can deliver the right music without the need for staff to manually control it. The best BGM systems respond to retailer needs with the emphasis on a sales transaction. This is an important distinction from Hospitality where the emphasis is often on meeting social needs of the patron. In retail, because of the direct link between music/messaging and till ring, analytics have become increasingly more important.



Customers



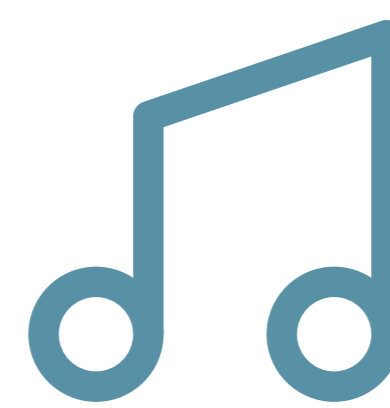
Venue



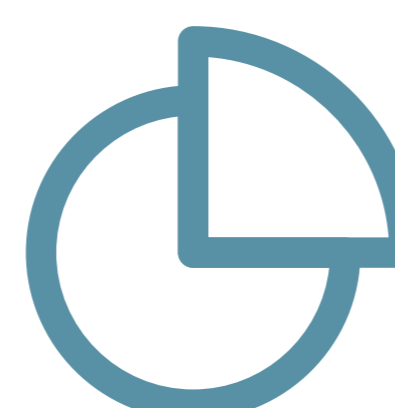
Network



Signage



Music



Analytics

A Summary of factors to consider with your playback system

HOW DO I GET MUSIC RIGHT?

Getting music right is a marriage between music programming expertise and knowledge obtained about your business and its customers through a detailed briefing process. To get the atmosphere right, venues have moved away from jukeboxes to curated programs. That said, there is sometimes the need to change music on the fly and for those occasions a system that enables music to be changed dynamically can be beneficial.

A separate brief may be required for each of the spaces. The initial briefing process should answer the following:

- Where is the venue located?
- Day/time of operation? Do I need to consider pre-open/post-close?
- How important is staff morale?
- Who is my customer and does this change by time of day and/or space in the venue?
- What is the desired atmosphere – energy, era?
- What is my positioning; quality perception, price, uniqueness, sophistication?
- Is messaging required?
- Will I have themes e.g. Australia Day music?
- What songs and artists suit my venue's clientele?

Your music programming professional will then provide a recommended music program and sample songs. A couple of iterations and the music should be right.

The music brief should be revisited yearly or as required



Habitat Digital's Briefing Process

So how much does it cost?

Some venues play the radio, some play MP3s from personal devices and those options cost next to nothing. A DJ can cost anywhere from \$50-\$200/hour. Professionally curated music programs combined with sophisticated BGM system can cost \$70 - \$100/month, music videos add \$150.

The most important fact to consider is the cost of not getting it right. Creating the right atmosphere to keep patrons in your venue longer and wanting to come back again is the main goal and music has a big role to play in achieving that goal.

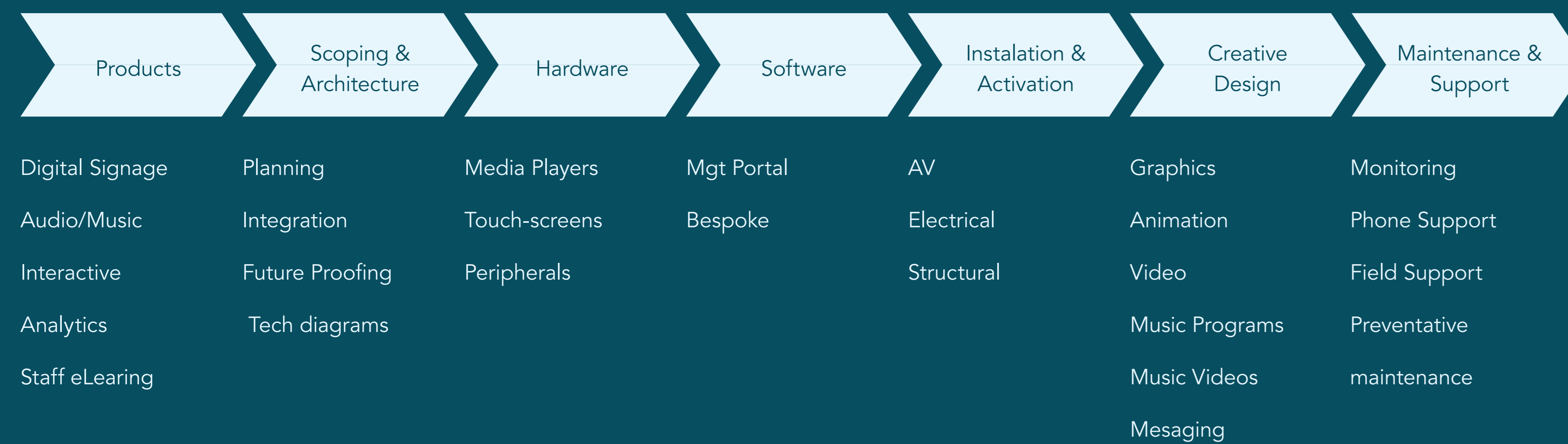
Another cost consideration is public performance licensing. We are music licensing experts and can assist your business making the right choice.

If you are interested in knowing costs from Habitat Digital, please download the Hospitality Pack.

Can we help?

Habitat Digital have years of experience and are a team of

- professional music programmers
- digital technology innovators and integrators
- creative designers (for images, videos and animations)



If your business could benefit from any of the above services, we are happy to provide free advice.

NEXT STEPS

Any questions?
We're here to help.

Call 1 300 733 329

Email: sales@habitatdigital.com.au

