



BMI

Value Of Music Research

July 2022

IN THIS REPORT

OBJECTIVES AND DESIGN

KEY FINDINGS

CONSUMER BEHAVIORS

VALUE OF MUSIC

LIVE MUSIC

THE OWNER/MANAGER PERSPECTIVE

Why, who, and when

As BMI looks to support its sales efforts, it would like to show the value and power of music in eating and drinking establishments.



NRG conducted research to gather data and insights which illustrates how music in EDEs favorably impacts the establishment's business.

METHODOLOGY

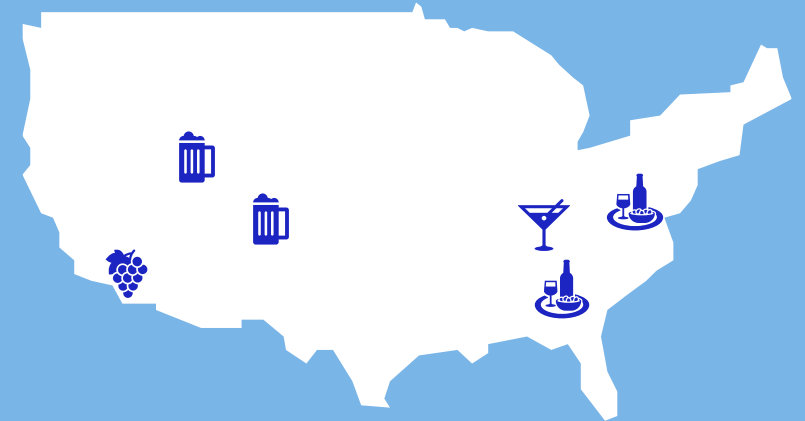
CONSUMERS

A quantitative online survey among 1,000 nationally representative men and women age 21+ who regularly visit EDEs (at least 3x per month).

B2B

To represent the B2B perspective and experience, NRG conducted 6 in-depth-interviews with owners, operators and managers of eating and drinking establishments. Owners/Managers must...

- have 5 or less establishments, with a focus on small businesses
- been working in the restaurant industry for at least 2 years and in current role for at least 6 months
- regularly plays music in venue (4 regularly play live music)
- be involved with the music decision making



KEY FINDINGS

Music drives traffic and has the potential to increase food and beverage revenue.

61% will go to a bar or restaurant just for the music.

79% will stay longer if good music is playing.

58% will buy more food or drinks just to hear more of the music.

Owners and managers see the positive impact that music has on customer behavior.

Music is something that EDE customers actively seek.

42% often check a restaurant or bar website to see if they have live music playing (over half of millennials do this).

Bar/restaurant managers believe their music offerings draw people in.

Music helps businesses build their brand.

82% agree the type of music tells you a lot about what type of establishment it is.

73% associate good music with good food / drinks.

79% think more highly of an establishment if good music is playing.

Business operators leverage music to build brand identity and experience.

Music is just as important as drink selection (and even more important to live music patrons).

41% feel music is “very influential” on par with 44% who feel drinks are very influential. (65% vs 57% among live music patrons).

Business operators see music as a way to differentiate from competition.

Customers and employees expect to hear music and are happier when it is playing.

63% expect restaurant and bars to be playing music (live or recorded) when they walk in.

85% are happier if good music is playing.

Owners/managers see the difference in both staff and customers when the music is right – lifting the mood among everyone.

Music has the potential to “make memories” and in turn build brand saliency.

83% agree that good music at a bar or restaurant creates a more memorable experience.

Owners/operators see music supporting positive associations and loyalty among customers.

KEY FINDINGS




It is important for owners/managers to get the music “right”.

53% consider volume when walking into an establishment.

53% would leave if they don't like the music.

Striking the right chord is critical challenge for EDE operators – they see the energy change when the music is off.



Being “music-less” has consequences.

58% would feel negatively impacted if no music was playing in an establishment (boring/depressing)

29% would leave if no music was playing.

Music is the energetic pulse of the bar/restaurant – even when music is not the primary focus, managers know that the atmosphere would feel “empty” and “eerie” without it.



Live music has tangible value.

72% would grab a drink at the bar if there was a 40-minute wait.

68% Would pay for a 2-drink minimum per person.

58% Would pay a cover charge.

Owners/managers of establishments with live music see an increase in revenue on nights when live music is featured.



Acoustic has its time and place.

67% of customers say going to an establishment that has a full live band vs acoustic “depends on the occasion”.

Full bands are more festive. Wineries and restaurants could benefit more from acoustic.

Behaviors

consumers



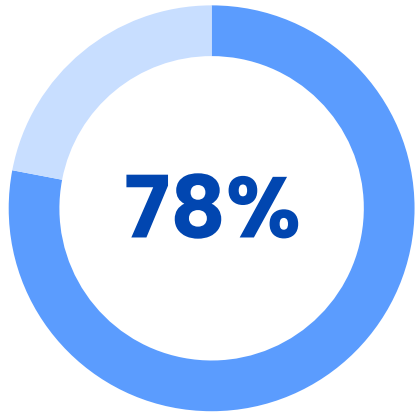
Customers visited bars and restaurants frequently. About one-quarter went to a winery or brewery in the past 6 months.

MEAN # TIMES PER MONTH
(among visitors)

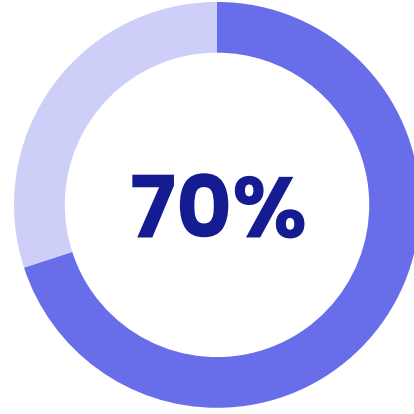
% VISITED IN PAST 6 MONTHS



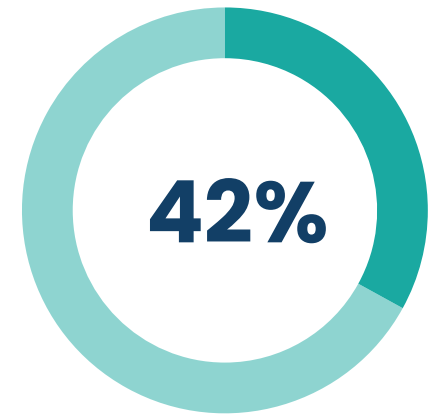
Most of the establishments customers visit play music. Music is something that customers actively seek – 42% check an establishment's website to see if live music is playing.



SAY MOST OF THE
RESTAURANTS & BARS
THEY GO TO
HAVE **MUSIC PLAYING**



GO TO A RESTAURANT OR
BAR THAT HAS **LIVE MUSIC**
AT LEAST "SOMETIMES"
(ONE-THIRD GO OFTEN OR
ALWAYS).



OFTEN CHECK A
RESTAURANT OR BAR
WEBSITE TO SEE IF THEY
HAVE LIVE MUSIC PLAYING
(OVER HALF OF MILLENNIALS
DO THIS)

67% consider themselves to be “regulars”.

“I generally like the music played and it makes a huge impact on my experience! I feel like if the music isn't good the atmosphere isn't good.” F, Age 41

Atmosphere and music are a big part of what keeps them coming back.



*unprompted reasons for being a “regular”

Volume and **format**
are more important
than genre/playlist.

CONSIDER BEFORE GOING TO AN ESTABLISHMENT

VOLUME	53%
TYPE OF MUSIC (overhead, live, DJ, Jukebox)	43%
GENRE / PLAYLIST	37%
NONE OF THESE	22%

*"As long as it's not too loud
where I can't scream at the
person next to me it's fine. Low
level music is key to relaxing."*
F, Age 26

Customers
experience a **variety**
of music formats.

MUSIC TYPICALLY PLAYED

RECORDED	78%
LIVE MUSIC	35%
JUKEBOX	24%
LIVE DJ	17%

51%

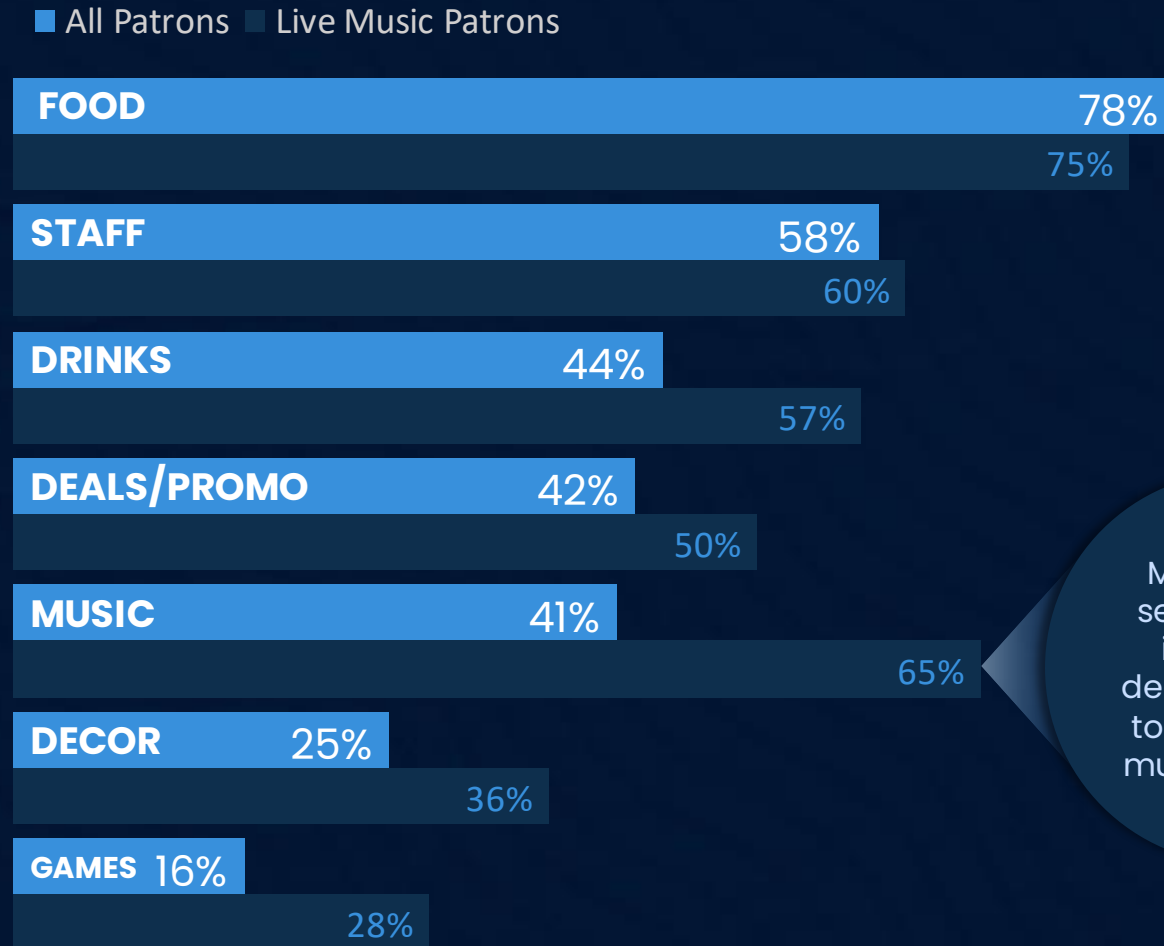
**TYPICALLY GO TO
ESTABLISHMENTS
WHERE THE MUSIC
IS NOT OVERHEAD**

A group of people are seated at a long table in a restaurant or cafe, engaged in conversation and eating. The scene is dimly lit, with a blue overlay on the right side of the image. The text 'Value Of Music' is prominently displayed in white on the left side, with a blue horizontal line underneath it. Below this, the word 'consumers' is written in a smaller white font.

Value Of Music

consumers

% VERY INFLUENTIAL



Music selection is just as important as drinks selection or offering customers a good deal.



Music is the second most important decision factor to regular live music patrons.

53% of Millennials say music is very influential when deciding on a bar or sit-down restaurant

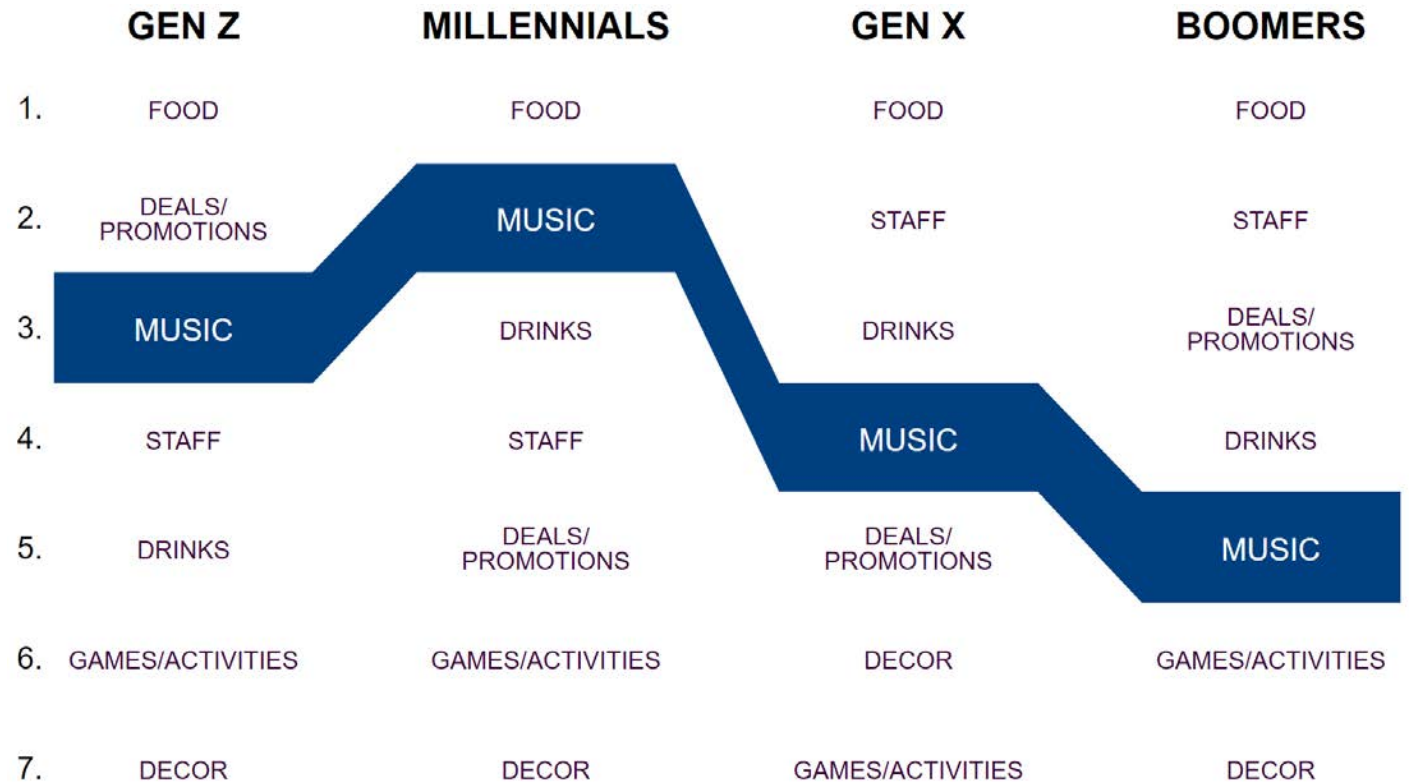
"I live for music, so when it's on in bars or restaurants I personally enjoy my time there." M, Age 56

Music is particularly important to younger generations.

Music is the second most influential feature Millennials consider when selecting a bar or restaurant

"I like having some background music. It sets the mood for the place and gets rid of the silence. It also gives you an idea of the audience the bar is popular with." F, Age 23

"MOST" INFLUENTIAL RANKING



Music makes memories and can either make or break the customer experience.

"I think that music impacts my experience a great deal. When music that I enjoy is playing, it makes my experience much happier." F, Age 42

Millennials are most likely to buy more food or drinks at a restaurant or bar so they can hear more music.
(70%)

% AGREE

86%

Good music at a bar or restaurant creates a more memorable experience.

85%

Overall, I'm a happier customer if good music is playing in a restaurant or bar.

77%

The type of music played at a restaurant or bar can make or break your experience.

% AGREE

82%

The type of music a bar or restaurant plays tells you a lot about what type of establishment it is.

A 2017 study demonstrated that **music that strongly matches a concept's personality, lifted overall restaurant sales by 9.1 percent** over playing a randomized selection of the most streamed tunes on Spotify.*

79%

I think more highly of a bar or restaurant if they have good music.

73%

If I walk into a bar or restaurant that plays good music, it makes me think the food and drinks will be good as well.

63%

I expect restaurant and bars to be playing music (live or recorded) when I walk in.

71% of millennials expect restaurants and bars to be playing music when they walk in

Music can build a brand and has the potential to impact sales.

"As long as the music is fitting for the overall mood of the place then I'll like it. A place's music draws people together." M, Age 34

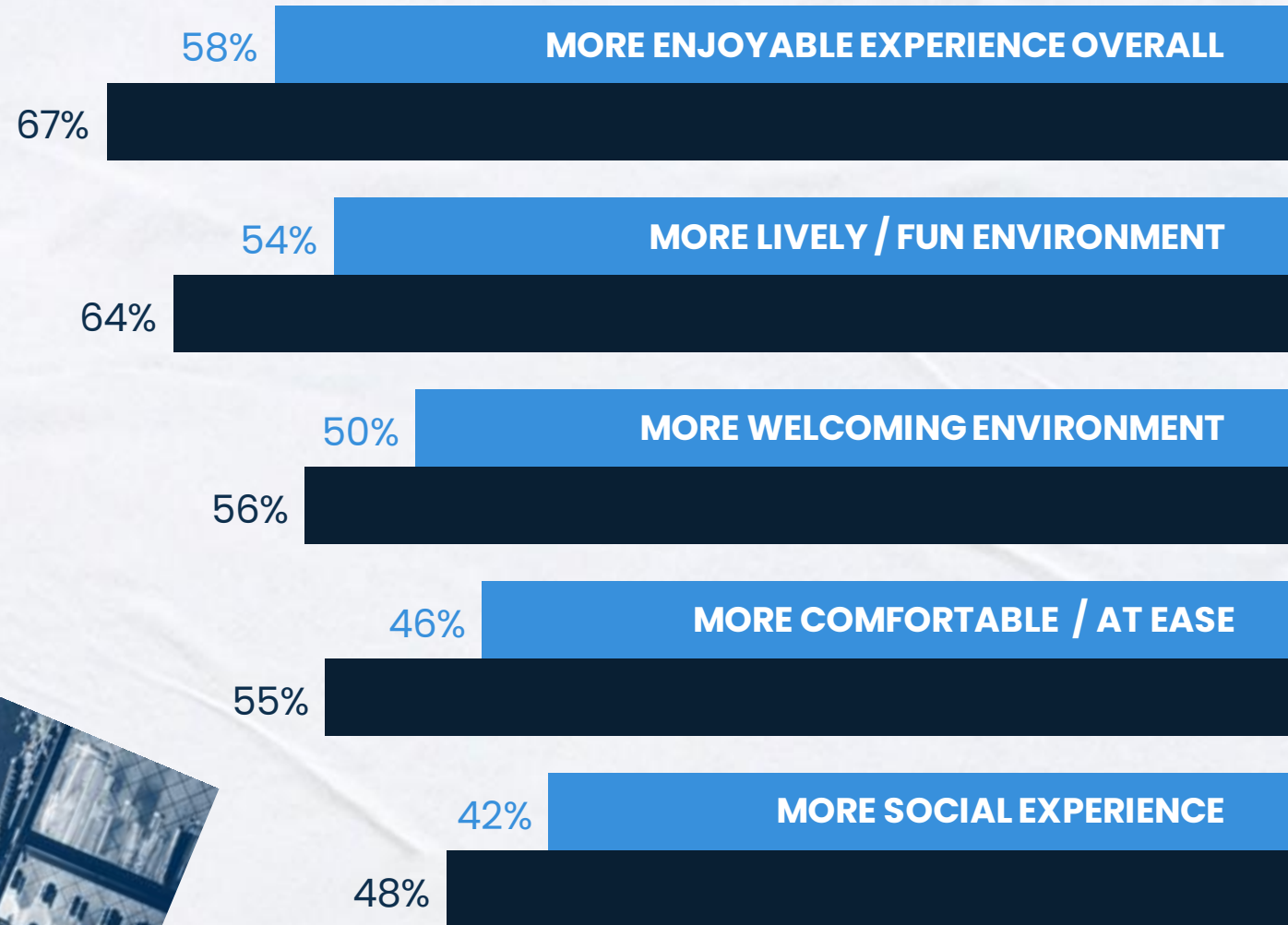
Music makes for a more enjoyable, lively, fun and welcoming experience.

"I think music plays a great deal in making the atmosphere one that is fun, happy, and free." M, Age 34



% WHO FEEL THAT MUSIC IMPROVES THEIR EXPERIENCE IN THE FOLLOWING WAYS

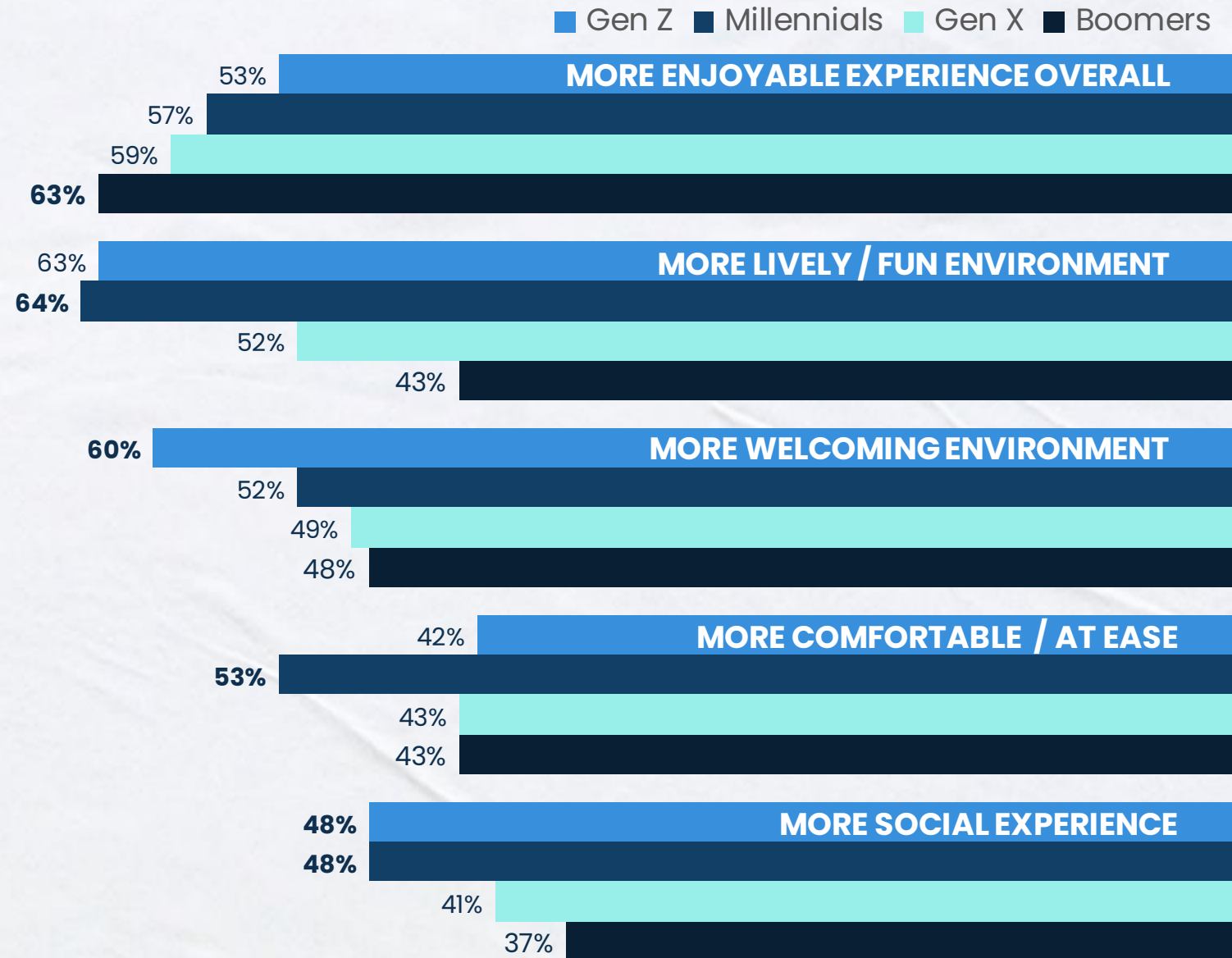
■ All Patrons ■ Live Music Patrons



Each generation enjoys different aspects of experiencing music at a bar or restaurant.

"Music enhances the experience; it makes it feel like a party. M, Age 47

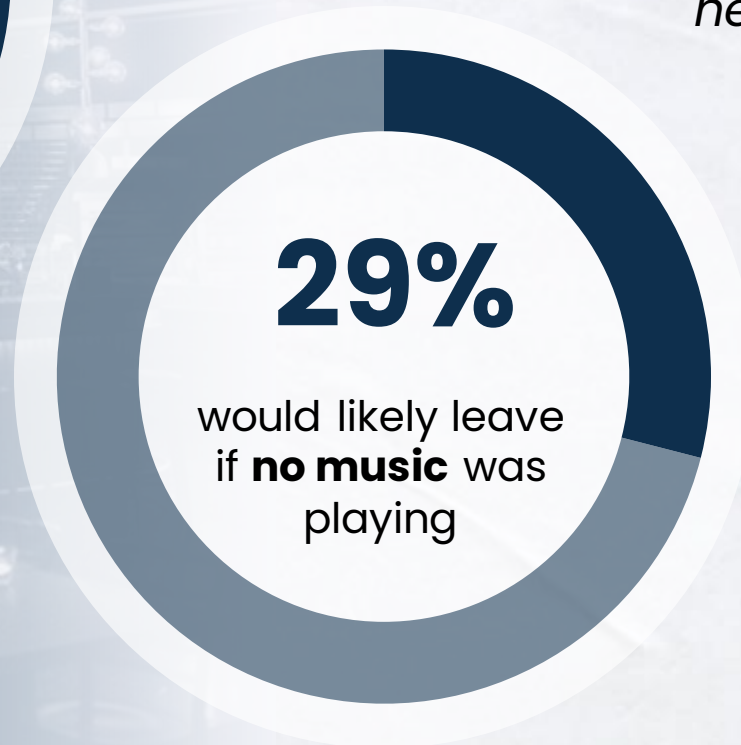
% WHO FEEL THAT MUSIC IMPROVES THEIR EXPERIENCE IN THE FOLLOWING WAYS



Bad music is worse than no music...



% AGREE



"I feel it helps the environment/atmosphere and makes things more fun. If I'm hearing too much bad music I get annoyed and bored."
F, Age 28

40% of Millennials would likely leave if they walk into a bar or restaurant and no music was playing



RISK OF HAVING NO MUSIC

■ All Patrons ■ Live Music Patrons

58%

ANY NEGATIVE IMPACT

72%

**...but
no music has
consequences.**

69% of
Millennials said
having no music
negatively
impacts their
experience

36%

MORE BORING EXPERIENCE

43%

27%

WOULDN'T WANT TO STAY LONG

34%

26%

WOULD FEEL DEPRESSED,
ANXIOUS OR ANNOYED

39%

14%

WOULDN'T
WANT TO RETURN

20%

"I like when music is played in bars or restaurants, I can not stand a really quiet place. I think music plays a huge role in the overall experience." M, Age 37

Music impacts loyalty and retention.

"If the music is nice, and I am really enjoying it, I would then like to stay longer and probably would order more stuff, maybe like side dishes or drinks, tea or coffee, dessert, just to enjoy the music." F, Age 41



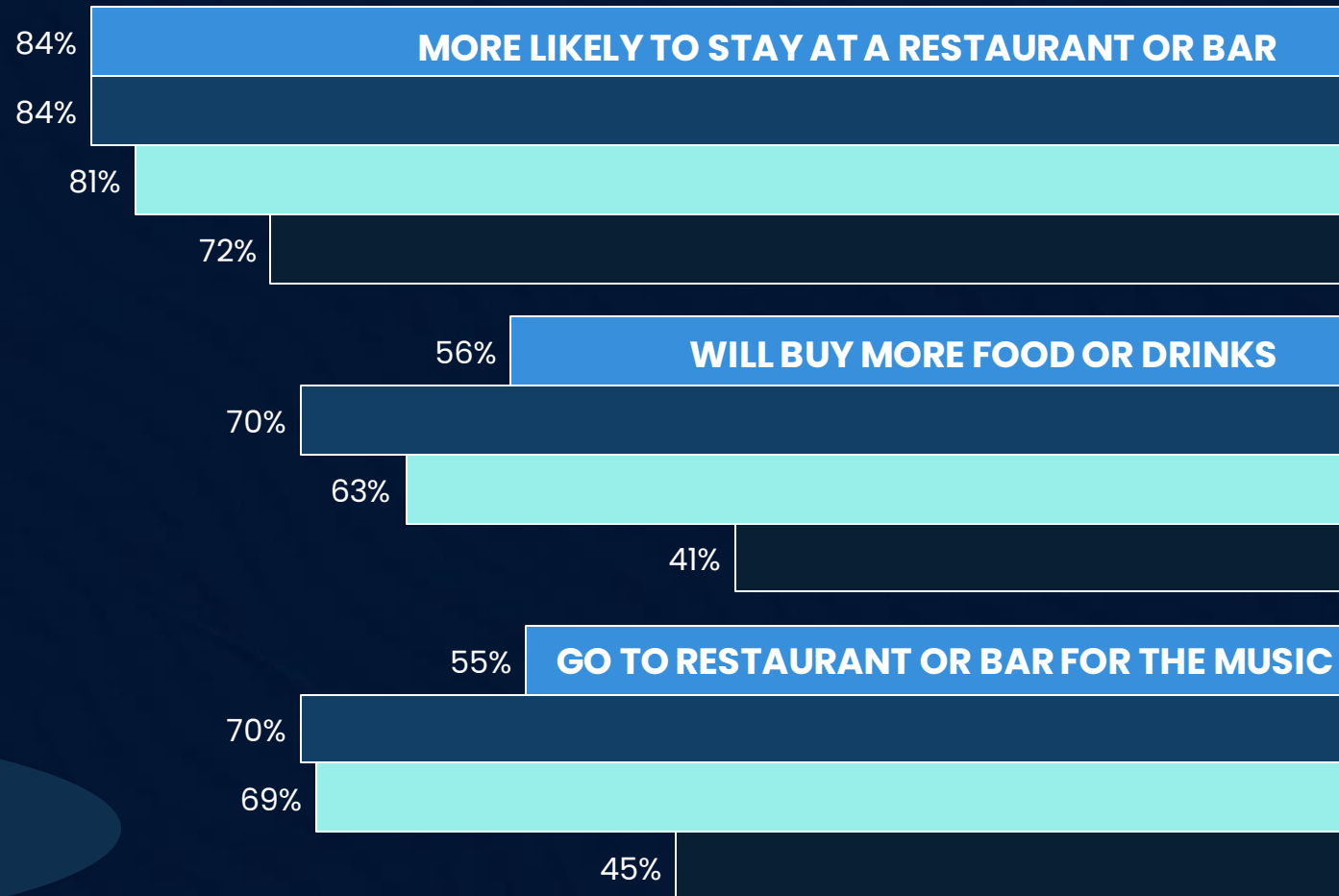
Millennials are consistently most likely to spend time and money on a restaurant or bar that has good music

"I think music adds to the atmosphere and gets everyone in the drinking mood a little more. F, Age 39

Millennials are also most likely to feel music creates a memorable experience (89%) and are overall happier customers when music is playing (89%)

% WHO FEEL THAT MUSIC IMPACTS THEIR BEHAVIOR IN THE FOLLOWING WAYS

■ Gen Z ■ Millennials ■ Gen X ■ Boomers



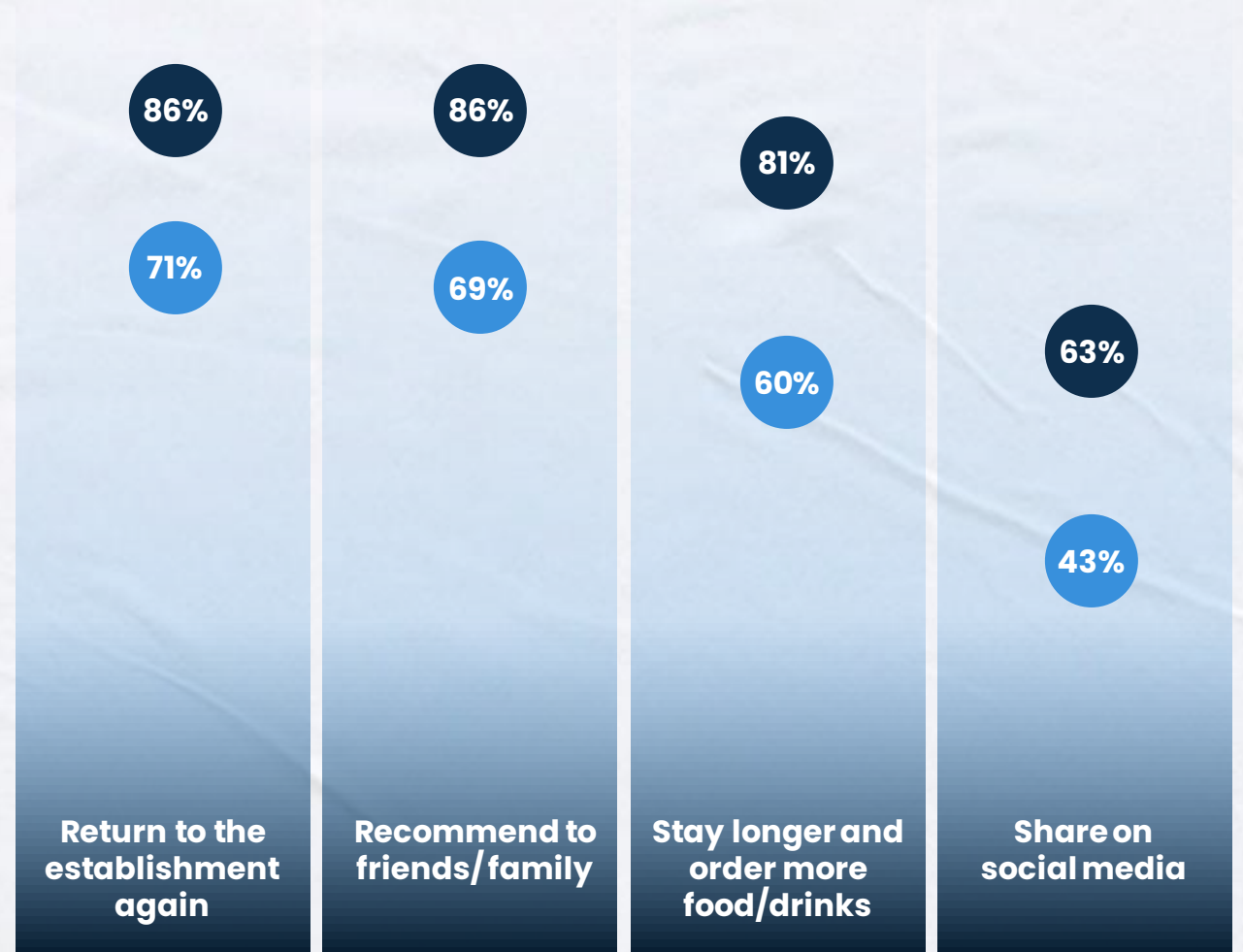
Patrons are more likely to return to an establishment, stay longer or recommend it to others if happy with the music – even more so among live music patrons.

"I like the music, it's very soothing and relaxing and it makes me wanna keep going back." M, Age 29



% EXTREMELY/VERY LIKELY TO DO IF HAPPY WITH THE MUSIC:

● All Patrons ● Live Music Patrons



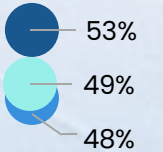
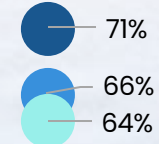
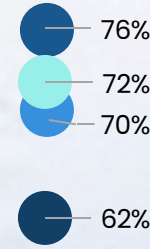
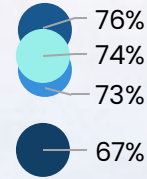
Millennials are most likely to spread the word about an establishment, stay there longer, and return there if they are happy with the music they play.

*"Good music makes a restaurant environment more friendly, and makes me want to visit again.
F, Age 41*



% EXTREMELY/VERY LIKELY TO DO IF HAPPY WITH THE MUSIC:

● Gen Z ● Millennials ● Gen X ● Boomers



Return to the establishment again

Recommend to friends/family

Stay longer and order more food/drinks

Share on social media

Live Music

consumers



**Both live and
recorded music
make an experience
more enjoyable.**

85%

OVERALL EXPERIENCE
**MORE ENJOYABLE
WITH OVERHEAD /
RECORDED MUSIC**

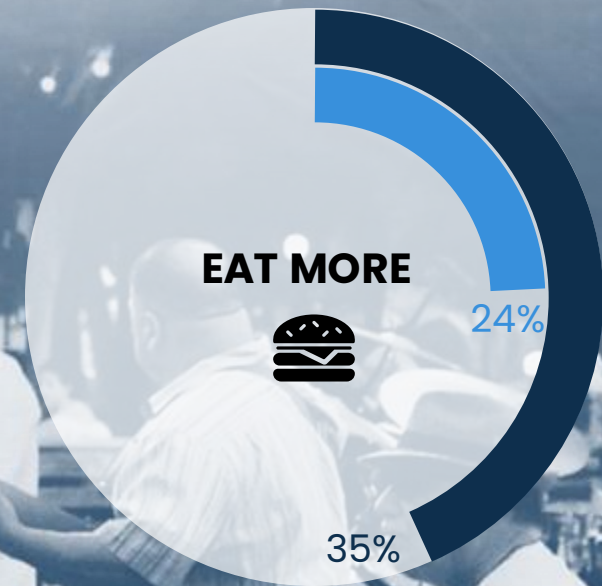
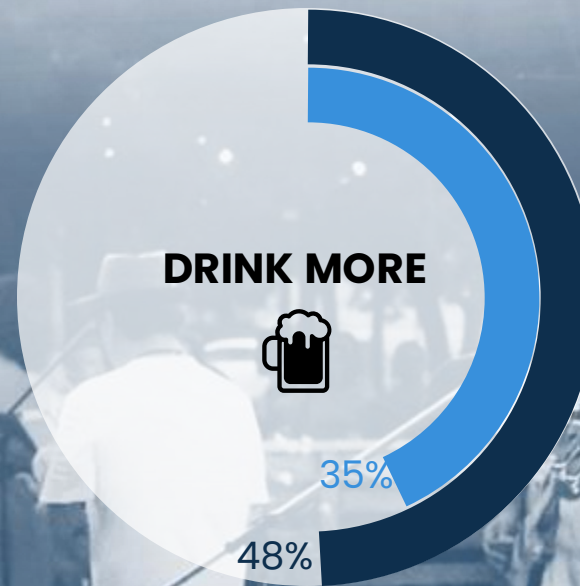
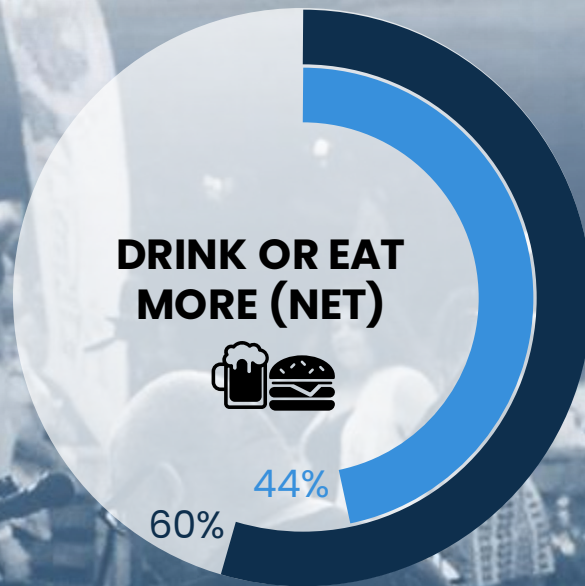
82%

OVERALL
EXPERIENCE **MORE
ENJOYABLE WITH
LIVE MUSIC**

Live music patrons are more likely to drink and eat more if they like the music.

IMPACT OF GOOD MUSIC

● All Patrons ● Live Music Patrons

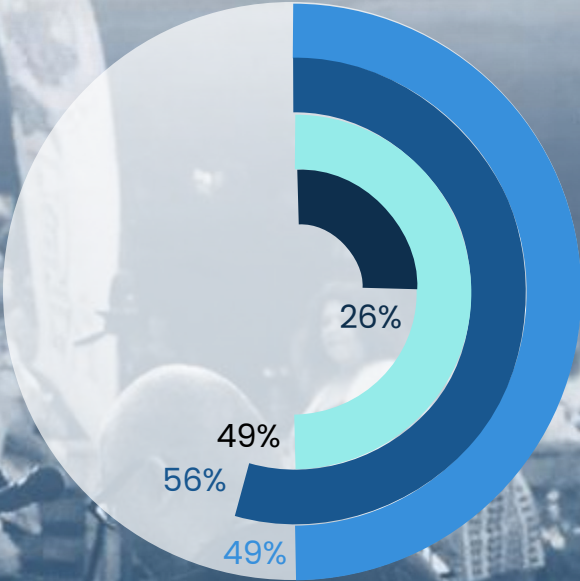


Millennials are most likely to spend more on food and drinks if they like the music.

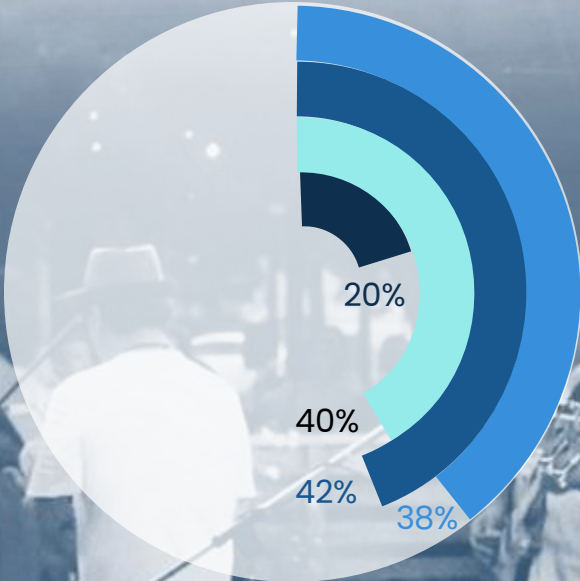
IMPACT OF GOOD MUSIC

● Gen Z ● Millennials ● Gen X ● Boomers

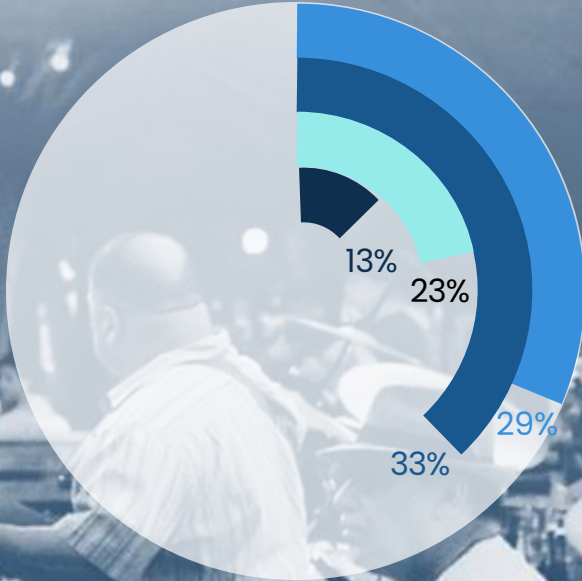
DRINK OR EAT
MORE (NET) 🍺🍔



DRINK MORE 🍺

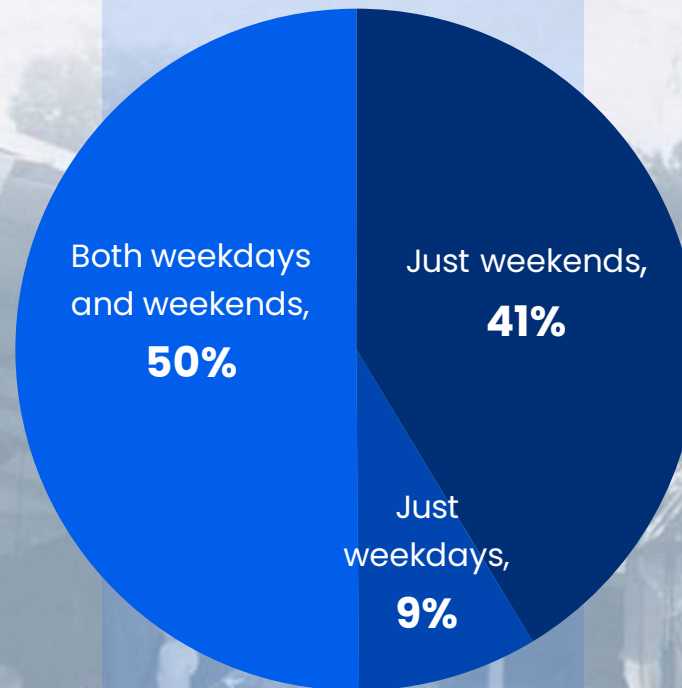


EAT MORE 🍔

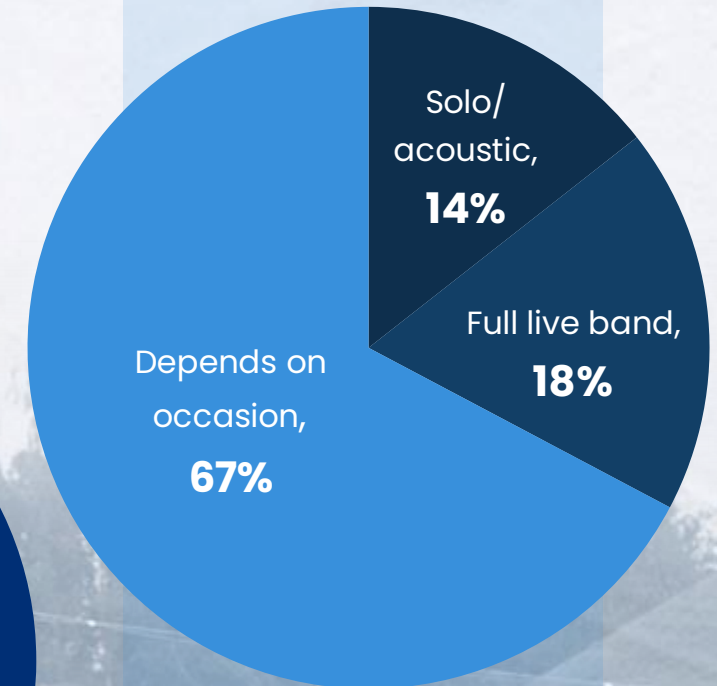


Live music is not limited to the weekends alone. Acoustic vs full band “depends on the occasion.”

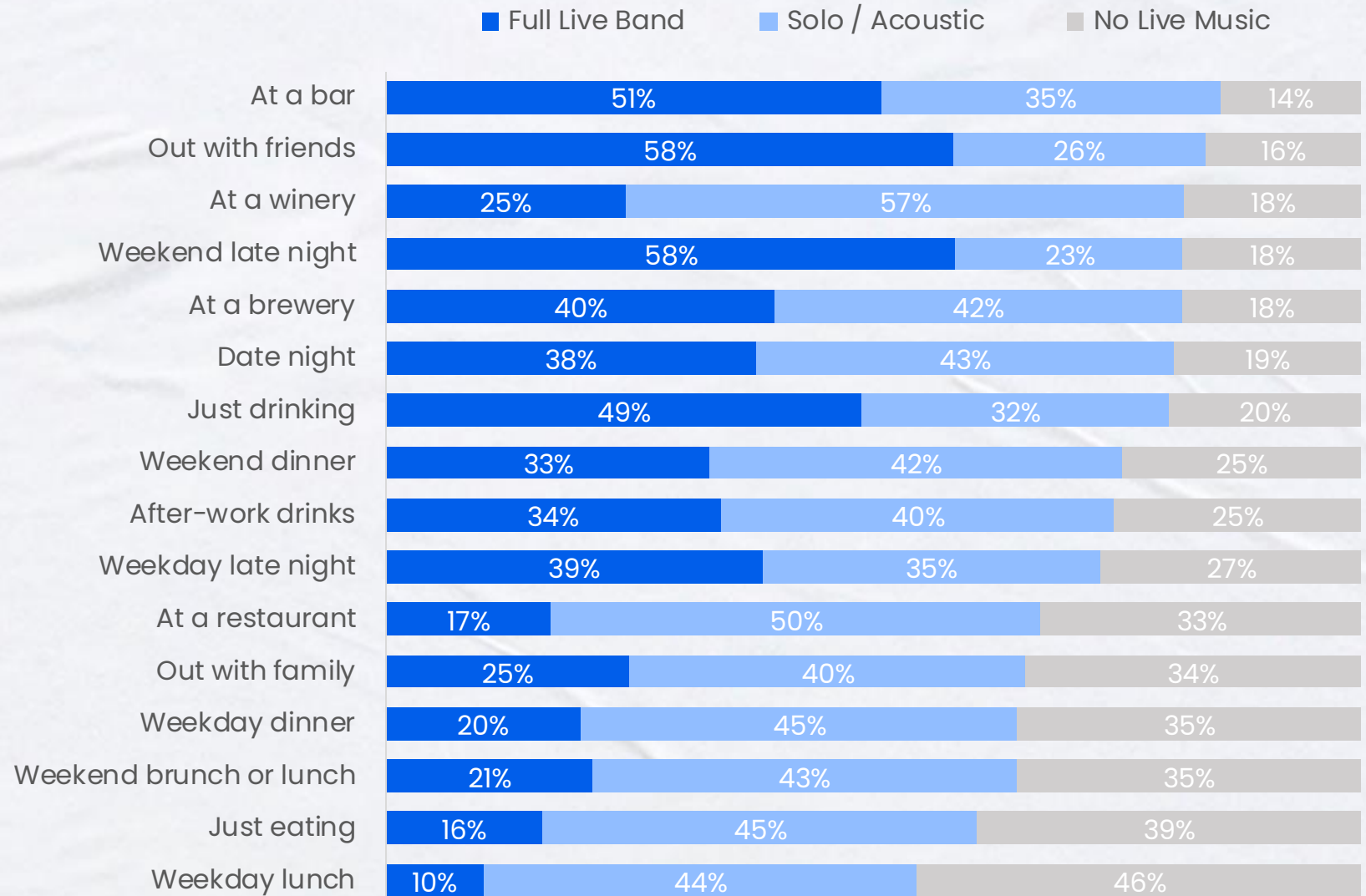
WEEKDAYS VS WEEKENDS



FULL BAND VS SOLO/ACOUSTIC



Full bands are more festive. Wineries and restaurants could benefit more from acoustic.



Live music has tangible value.



81%

Would grab a drink at the bar if there was a **20 minute wait** and live music was playing.



72%

Would grab a drink at the bar if there was a **40 minute wait** and live music was playing.



68%

Would pay for a **2-drink minimum** per person if there was live music playing.



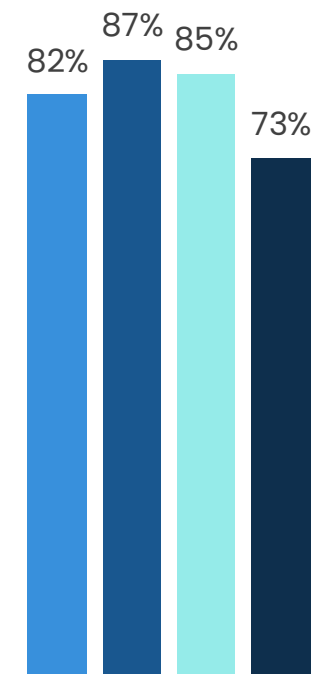
56%

Would pay a **cover charge** to enter a bar or restaurant if live music was playing.

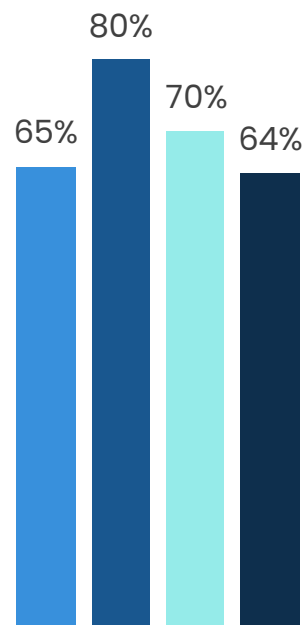


Millennials are most willing to spend more if live music is playing.

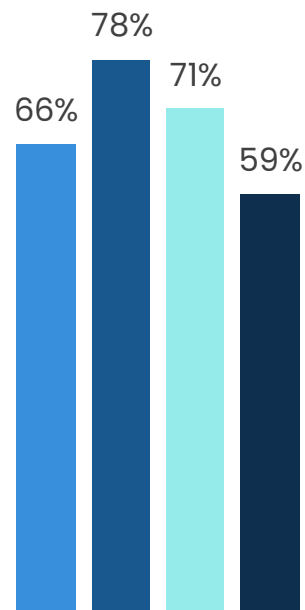
● Gen Z ● Millennials ● Gen X ● Boomers



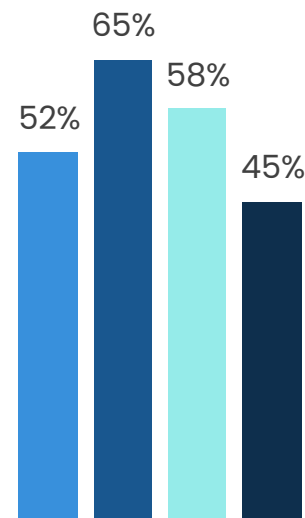
Would grab a drink at the bar if there was a **20 minute wait** and live music was playing.



Would grab a drink at the bar if there was a **40 minute wait** and live music was playing.



Would pay for a **2-drink minimum** per person if there was live music playing.



Would pay a **cover charge** to enter a bar or restaurant if live music was playing.



The Owner / Manager Perspective

B2B Qualitative Insights



Music is elemental in building brand

Establishing authentic identity

Music helps to define and sustain the identity and personality of EDE's. From an authentic Italian bistro to a swing era cocktail bar, music builds brand.

Transporting customers

The right music helps create a certain space and setting that aligns with brand vision and experience.

Setting expectations

A part of building a brand is curating an atmosphere and experience that customers can consistently associate with a certain place. Music plays a key role in defining and sustaining that experience.



Music plays a big role in building the brand of our restaurants. It communicates who we are. If you're hearing Bob Marley and then you're hearing your classic country songs and then you're hearing maybe a few poppy, lovey songs...it communicates that we're family friendly and we're fun.

– Sarah, Marketing Director, local restaurant chain, Washington D.C.



Music is such a fundamental part of this brand. It's a part of the experience of transporting people out of the chaos and into a different time.

– Stirling, cocktail bar owner, Louisville, KY

“

The more upbeat, the better chance for an upsell, the better chance they want to stay a little longer.”

– Christopher, vineyard owner and tasting room operator, Los Angeles, CA

“

Going out to dinner is an event, it's an experience. With the music, I have a lot of people that say hey, we'd like to have an after dinner drink now and we're listening to music, then we're going to have dessert, and we'll have our coffee. They're telling us that they're going to stay longer.”

– Thomas, owner, family Italian restaurant, Atlanta, GA

Managers see music's impact on the bottom line

The right beats keep people in their seats

When music is on point, managers can see that customers are happier, which means they stay longer and buy more.

When customers are enjoying themselves, they're less likely to decide to head home or to the next establishment.

Managers see the opportunity to upsell, too. As customers stick around, they're more likely to opt for a dessert and coffee or have another round of adult beverages. Cheers.

Live music clearly drives revenue—and sets establishments apart

Sales—and traffic — increase on live music nights

EDE operators who regularly feature live music see a clear boost in revenue on the nights they feature a band or DJ. Many leverage live music to drive traffic on otherwise slow nights, like early weekdays.

Live music differentiates from competition

Featuring bands and DJs is a way to distinguish one's place from competitors. It can also elevate a business' profile, positioning is as more sophisticated, cosmopolitan, relevant, community oriented, etc. depending on the location's brand and objective.

Live builds full, memorable experiences

Live music creates a more complete, full and positive experience for customers. It's not just a meal or a drink, it's a whole happening – something especially valued in a time where consumers often seek experiences over things.



Live is often about local connections

Connections to bands/DJ's mostly come through manager's and employee's personal networks. Bar/restaurant owners see live music as an important connection to supporting local musicians as a local business.

In their words

“

When there's live music that people appreciate, people tend to get sticky in their seats and spend time. Check average tends to go up 5 to 10% just because people are getting that second or third drink.

Revenues have jumped almost 25% on the nights that we have live music.”

– *Brian, brewery owner, Colorado and Utah*

“

Without the [live] music we didn't have the linger time, we would close sometimes at 9 o'clock. With the live music, we could push one o'clock in a bedroom community. There were more liquor sales, and that's a 75% profit margin.”

– *Thomas, owner, family Italian restaurant, Atlanta, GA*

“

We're trying to compete and give experiences that you would find in Chicago, New York, LA, Austin, Nashville, and the live music aspect is a little bit of that.

Live music just has this feel in a space that's really wonderful. It's about ambiance and people appreciate it and it's something that they highlight and that stands out to them in the experience.”

– *Stirling, cocktail bar owner, Louisville, KY*

Recorded or live, the music is the bassline that everyone's plugged into

"Music creates a buffer for people, a background so that there's not a lot of awkward silences."
– Sarah, Marketing Director, local restaurant chain, Washington D.C.



Customers feel comfortable and connected.

Music is critical to creating an atmosphere where customers feel comfortable and able to connect with one another. Even when not a primary focus, music pads the audio sphere, creating a sense of intimacy among groups as other chatter and business background noises are obscured.



When it's right, it's electric.

There's an energy to the room when the music is just right. Owners describe a sense of electricity, a pulse where everyone's enjoying themselves, conversations are flowing, and it's clear that everyone wants to be there.

"It's this static crackle of electricity. Everyone's vibing, there's a sense of ease in the room. You're not fighting any other conversations, there's this flow to it. It's positive. It's uplifting energy. There's this hum and hustle and everyone's glad to be there." – Stirling, cocktail bar owner, Louisville, KY

Variety is critical to meet customer needs

Music selections must strike a balance

To serve a range of demographics and tastes, business operators need a varied catalog of music. Contemporary, popular music helps spaces stay relevant and attract younger customers, while more classic hits keep older customers comfortable. Owners must also mind that their music does not offend any audiences or turn them off.

Changing settings call for changing tunes

Different day and week parts call for different energies or vibes, which a variety of music is key to supporting. Midday lunches may suit low key background music, while managers look for upbeat, energetic options during happy hour to cultivate the atmosphere and drive more sales.

Having a full music library helps keep things fresh

Especially for establishments with regulars, a deep enough assortment of tunes is important to avoid stale, repeat playlists. Managers want to keep their selection refreshed throughout the days and months.



When the mix is right, customers come back for more

The right vibes drive loyalty

Establishments that successfully cultivate a comfortable, familiar and fun environment see patrons returning again and again. Music is a key part of creating that ambiance and establishing what customers can expect.

Local favorites bring followers

Live music also helps drive loyalty, especially in places that regularly feature the same gigs. Friends and fans of the band become friends and fans of the bar.

“

Music plays a role in customer loyalty in the trust that it builds. When they come in they know they're going to have a particular experience: they're going to eat this kind of food, be in this kind of environment, hear this kind of music.”

- Sarah, Marketing Director, local restaurant chain, Washington D.C.

Staff are in on the good vibes too

Managers see music impact staff mood

Employees also appreciate good tunes – they help lift them up and keep them energized throughout long shifts.

The same is true on the flip side. When music is repetitive, low energy, or simply “off”, it can drag employees' attitudes down with it.

And good moods means higher productivity

When morale is up, so is employee effort and output. Managers see staff more on top of their tasks, and the positive energy translates into their interactions with customers.

Leading to a financial win-win for employees and the business

When the restaurant hits this happy hum among employees and customers alike, staff see bigger bills and bigger tips. That's more revenue for the business and more to take home for the team.

“When the music is right, I believe we have cleaner bathrooms and cleaner dishes. I believe the food tastes better. I believe that people enjoy their job coming to work. You get the employee loyalty.”

– Thomas, owner, Italian family restaurant, Atlanta, GA



Music supports effective marketing



Draws people in

Music can be the factor that gets people in the door. Especially in areas with a lot of tourists or others who may be unfamiliar with local establishments, hearing the right soundtrack can tip their decision to try a place.



Promotional content

Live bands, DJs or musically themed nights are great fodder for small business advertising, often via social platforms.



Word of mouth

Owner and managers believe that curating the right experience inspires people to tell their friends to try their place, building awareness and interest.



Reviews

Live music is often cited in online reviews customers share – a positive proof point of what makes for a good experience or sets a place apart.

Managing music requires a hands-on approach for EDE operators

Curation is a labor of love

Most owners/managers spend a good deal of time manually building and changing playlists, setting appropriate volume levels, and otherwise managing their music.

Services that provide playlists often miss the mark on their suggestions, and keeping customers and employees happy requires constant intervention.

Many wish for more effective solutions

A more centralized way to control music across different establishments, including diverse catalogs and functions like volume measurement and control would help address key pain points in music management for owners and operators.



Licensing approaches and attitudes vary

Owners and operators license because it's the right thing to do – legally and in support of artists

Most see licensing as a necessary step to stay “above board” as a business and have legal access to the kinds of music they want to play.

People also believe in supporting artists, and hope that a substantial share of their licensing fees do indeed go to the musicians. Demonstrating how licensing supports artists may differentiate different service providers.

Licensors take a multi-pronged communications approach but could offer more tailored recommendations.

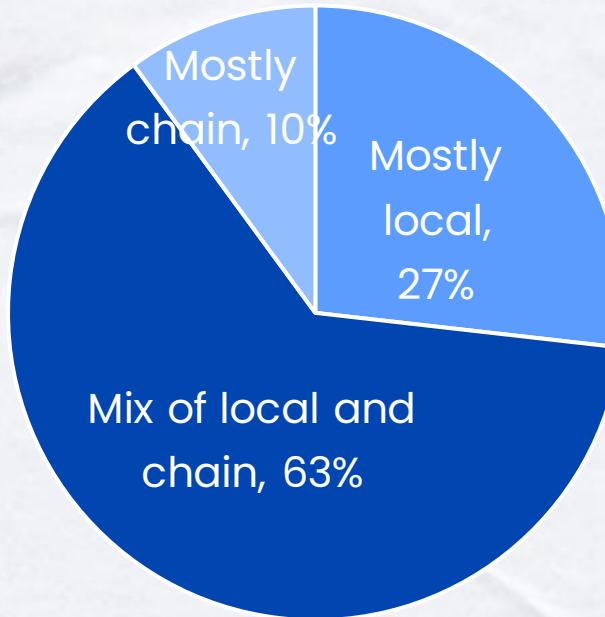
For those who hear from licensing companies, they often receive multiple formats of communication – letters, email and phone calls. While they don't mind the communication, the relationship feels more regulatory than supportive.

Some EDE managers feel companies miss the mark in what they suggest a business needs (or must do) – and wish they would take a moment to get more familiar with the business before pushing an approach (and price point) that does not fit the scope of their business.

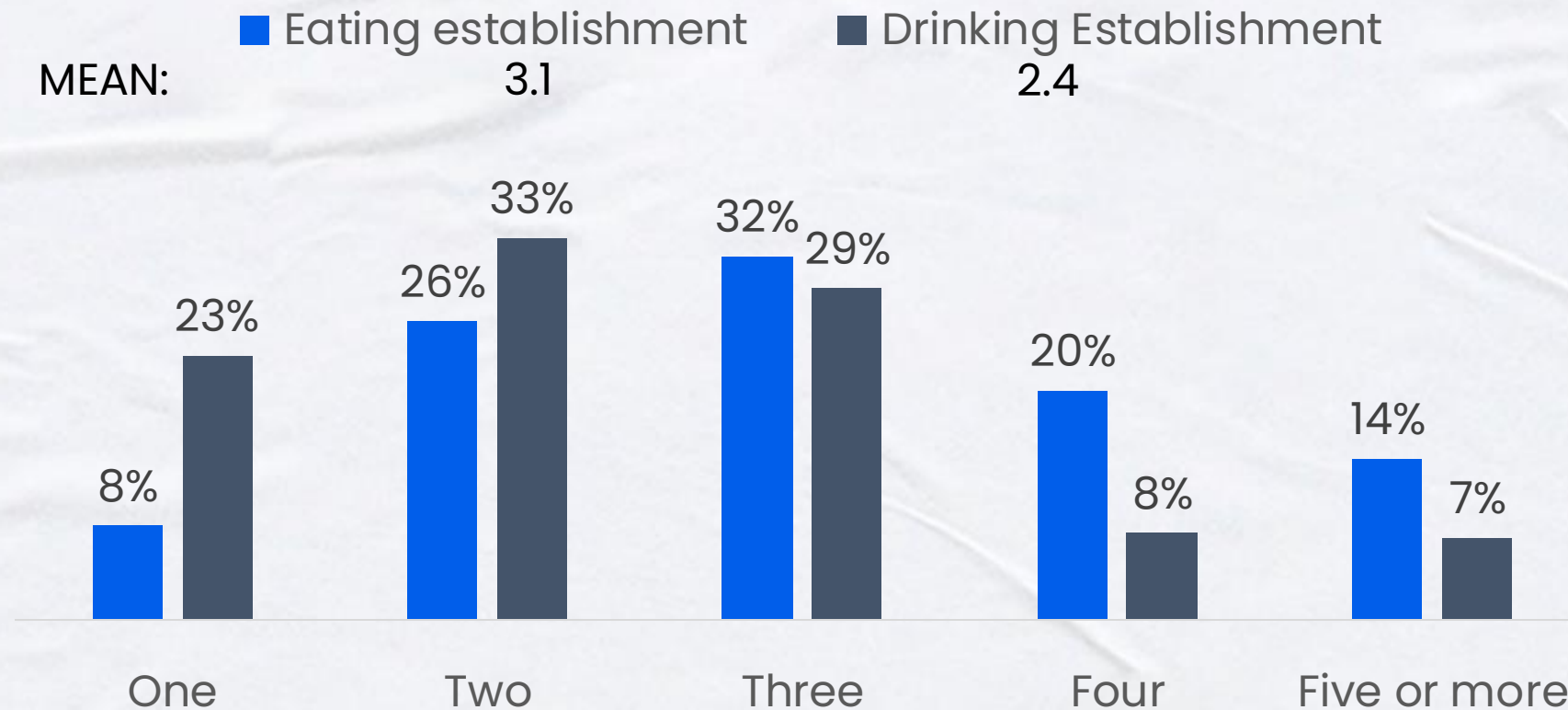
APPENDIX

TYPE OF ESTABLISHMENT

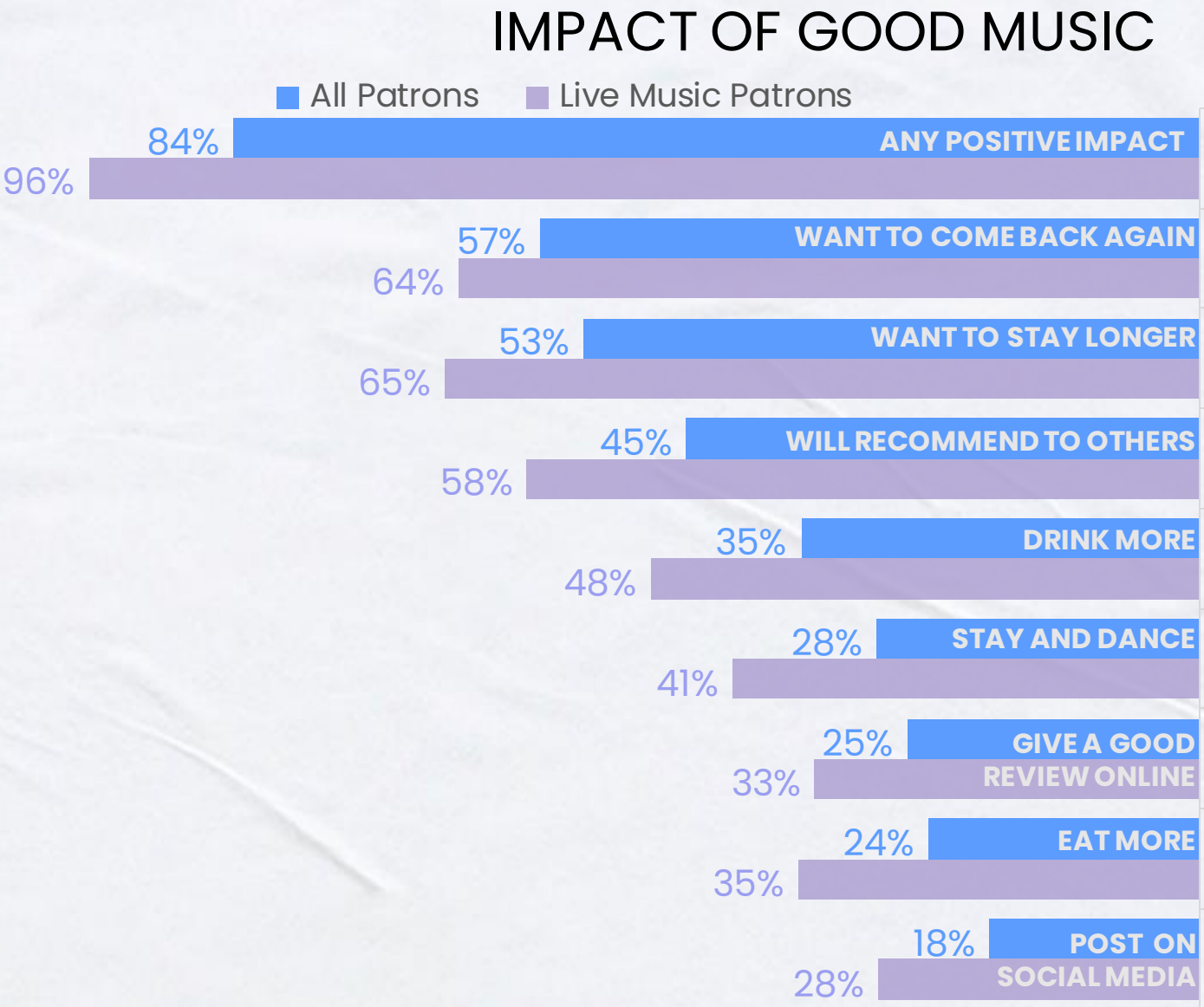
TYPE OF ESTABLISHMENT



DIFFERENT ESTABLISHMENTS IN PAST MONTH



IMPACT OF GOOD MUSIC



Music Benefits

MUSIC BENEFITS

