

Report

STUDY ON BACKGROUND MUSIC IN CANADIAN SMALL BUSINESSES

Phone Survey Among Small
Business Owners / Managers



DATE 2019-01-31 PROJECT NUMBER 15881-001

Leger



CONTEXT & OBJECTIVES

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Leger was mandated to conduct a study on business background music in Canadian small businesses. Leger targeted owners, managers and assistant managers of small businesses with a physical space open to customers in industries such as retail, restaurants and bars, personal services etc. We conducted a phone survey to make sure to reach the right decision makers in each business. This methodology allowed us to contact some respondents afterwards to validate their answers.

OBJECTIVES

This report presents the detailed results of this study. The **main objectives of the research** were:

- Find out how many days, if any, a week small businesses play background music;
- Evaluate how important or not background music is to small businesses;
- Evaluate the willingness or absence thereof of small businesses to pay for background music;
- Identify which types of background music services small businesses use if any;
- Evaluate small businesses' knowledge of legislation regarding the use of personal music services in commercial establishments (e.g., difference between personal and business streaming licenses).

METHODOLOGY

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HOW?

A phone survey was conducted among 510 small businesses and a validation survey was conducted afterwards among 10% of respondents (51) to verify and validate their answers. To conduct this study, Leger bought a list of small businesses to contact based on criteria defined in collaboration with Stingray (specific industries, etc.).

We targeted small businesses across Canada with a physical space open to customers, excluding store chains and branches with a head office. The estimate is that there is a **global addressable market of 167,000 businesses**.

The survey results are statistically significant. **The margin of error is +/- 4.3% percentage points** at the 95% confidence level.

WHO?

All survey respondents are owners, managers or assistant managers of small businesses who have 1 to 9 employees in the following industries.

- Retail;
- Restaurants and bars;
- Personal services (e.g., hairdressers, dry cleaners, photographers);
- Leisure and entertainment services;
- Hospitality;
- Veterinary services.

WHEN?

Data collection for this study took place **between January 7th and January 14th 2019**, and the phone-based interviews lasted an average of 6 minutes.

HOW TO READ THIS REPORT

ROUNDING

Numbers in this report have been rounded out, but the numbers before rounding were used to calculate the sums presented. Therefore, these sums might not correspond to the manual addition of the rounded numbers.

SIGNIFICANT DIFFERENCES

Results presenting significant and relevant differences are indicated in a text box next to overall results.

*Percentages in **bold green** indicate a statistically **higher proportion** than other respondents. Percentages in **bold red** indicate a statistically **lower proportion** than other respondents.*

KEY FINDINGS

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A MAJORITY OF SMALL BUSINESSES PLAY BACKGROUND MUSIC AND SAY IT IS IMPORTANT...

71% of Canadian small businesses* with a physical space open to customers play background music **daily or at least 4 to 6 days per week**.
21% believe background music is **not at all important** in their business.



BUT MOST ARE NOT WILLING TO PAY FOR BACKGROUND MUSIC.

80% of small businesses are **not willing to pay** for background music. **9%** use a business music provider.
63% put on a radio station, **21%** play music they bought (e.g., on iTunes) and **17%** use a personal streaming account.



MOST ARE NOT AWARE OF LEGISLATION IN PLACE REGARDING BACKGROUND MUSIC.

82% are not aware of the **tariff for the public performance**. **11%** pay for such a tariff.
63% are not aware of any legislation preventing them from using a **personal streaming account** to play music in their business.

* Small businesses across Canada with 1 to 9 employees in the following industries: retail, restaurants and bars, personal services (e.g., hairdressers, dry cleaners, photographers), leisure and entertainment services, hospitality and veterinary services. Store chains and branches with a head office were excluded for this study.

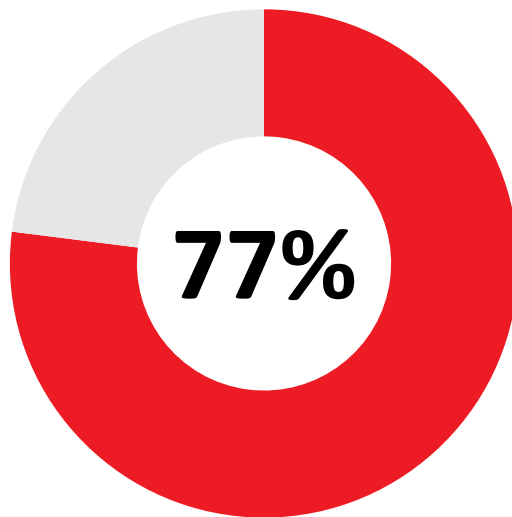
DETAILED RESULTS

BUSINESSES WHO PLAY BACKGROUND MUSIC

Q1 – How many days per week do you play background music in your business (in the physical space open to customers)?

Base: All respondents (n=510)

**BUSINESSES WHO
PLAY BACKGROUND
MUSIC AT LEAST
ONE DAY PER WEEK**



BY REGION

	BC	AB	MB/SK	ON	QC	ATL.
n=	68	55	34	190	119	44
	84%	80%	62%	76%	81%	68%

BY INDUSTRY

	RETAIL	RESTAURANTS AND BARS	PERSONAL SERVICES	OTHER*
n=	303	49	100	58
	78%	90%	79%	59%

BY NUMBER OF EMPLOYEES

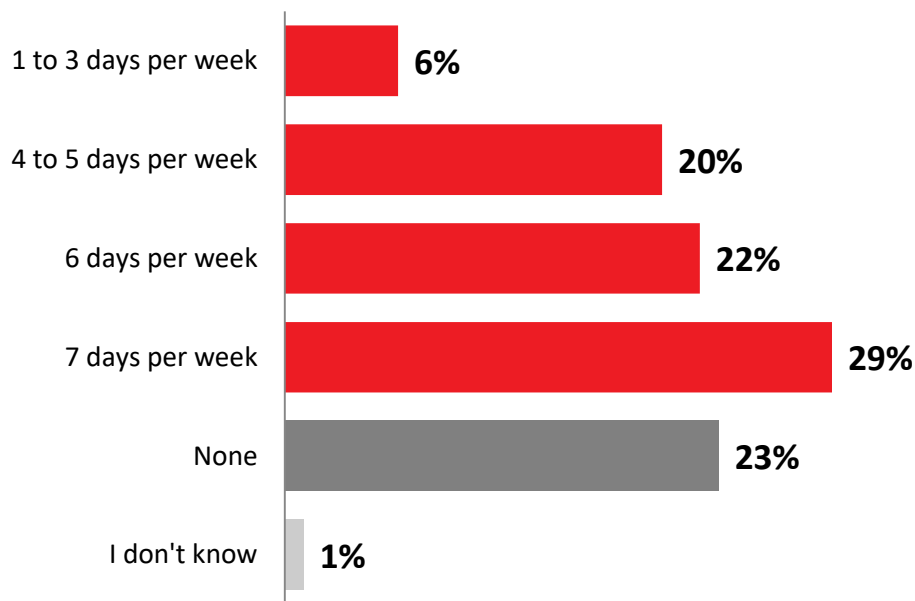
	1 TO 2	3 TO 4	5 TO 9
n=	183	160	167
	69%	79%	83%

* This category includes businesses from the following industries: hospitality, leisure and entertainment services, and veterinary services.

NUMBER OF DAYS PER WEEK BACKGROUND MUSIC IS PLAYED IN THE BUSINESS

Q1 – How many days per week do you play background music in your business (in the physical space open to customers)?

Numerical question* / Base: All businesses (n=510)



AVERAGE
NUMBER OF
DAYS PER WEEK

4.5

THOSE WHO PLAY
BACKGROUND MUSIC DAILY
OR 4 TO 6 DAYS PER WEEK

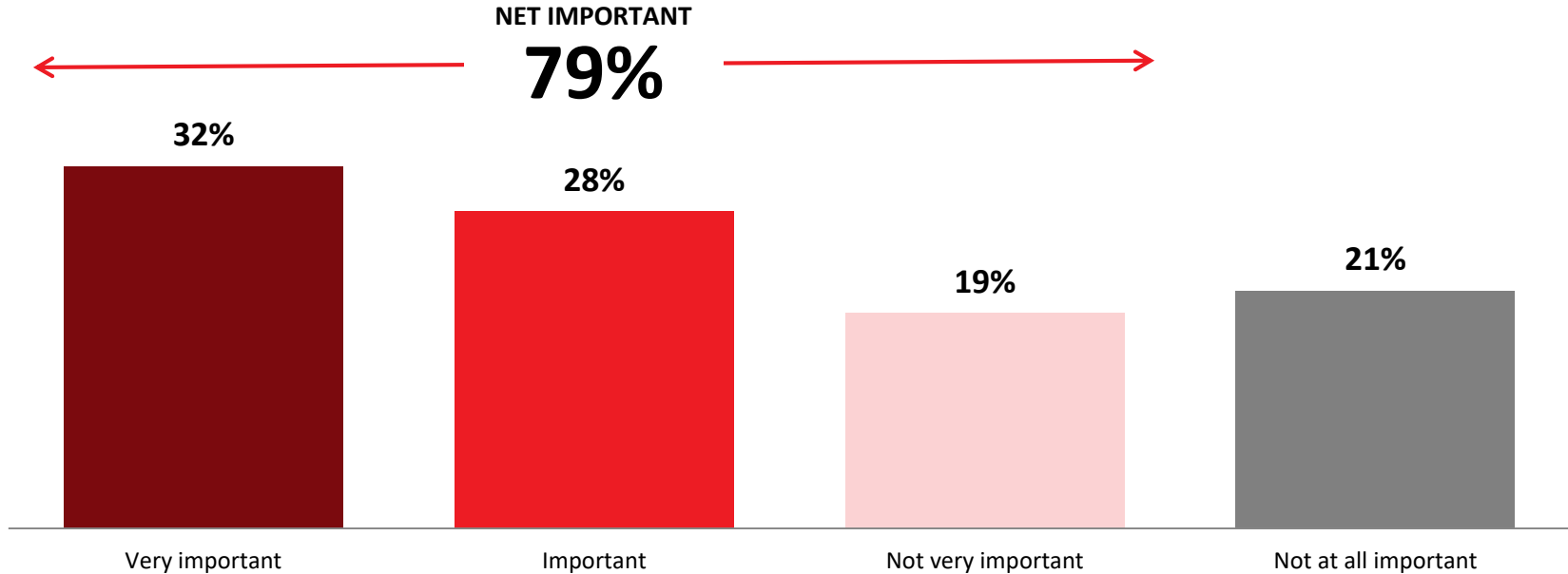
71%

* There were no answer choices for this question. The interviewers recorded the answers.

IMPORTANCE OF BACKGROUND MUSIC

Q2 – How important is background music in your business?

Base: All respondents (n=510)



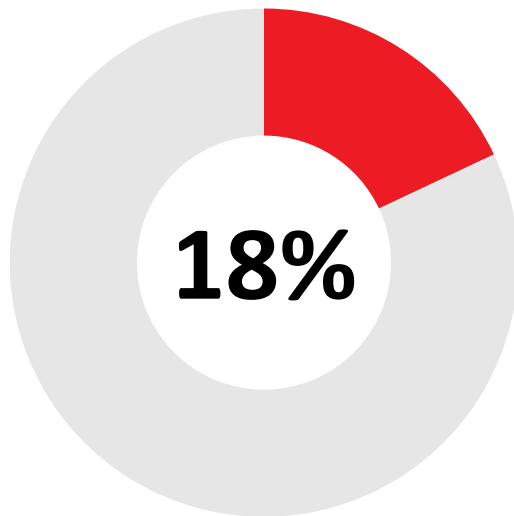
BUSINESSES WILLING TO PAY FOR MUSIC

Q3 – For background music in your business, would you be...

Willing to pay a small amount? A reasonable amount? A significant amount? Not willing to pay?

Base: All respondents (n=510)

THOSE WHO ARE
AT LEAST WILLING
TO PAY A SMALL
AMOUNT FOR
BACKGROUND
MUSIC IN THEIR
BUSINESS



BY REGION

	BC	AB	MB/SK	ON	QC	ATL.
n=	68	55	34	190	119	44
	16%	20%	9%	16%	20%	30%

BY INDUSTRY

	RETAIL	RESTAURANTS AND BARS	PERSONAL SERVICES	OTHER
n=	303	49	100	58
	14%	27%	17%	33%

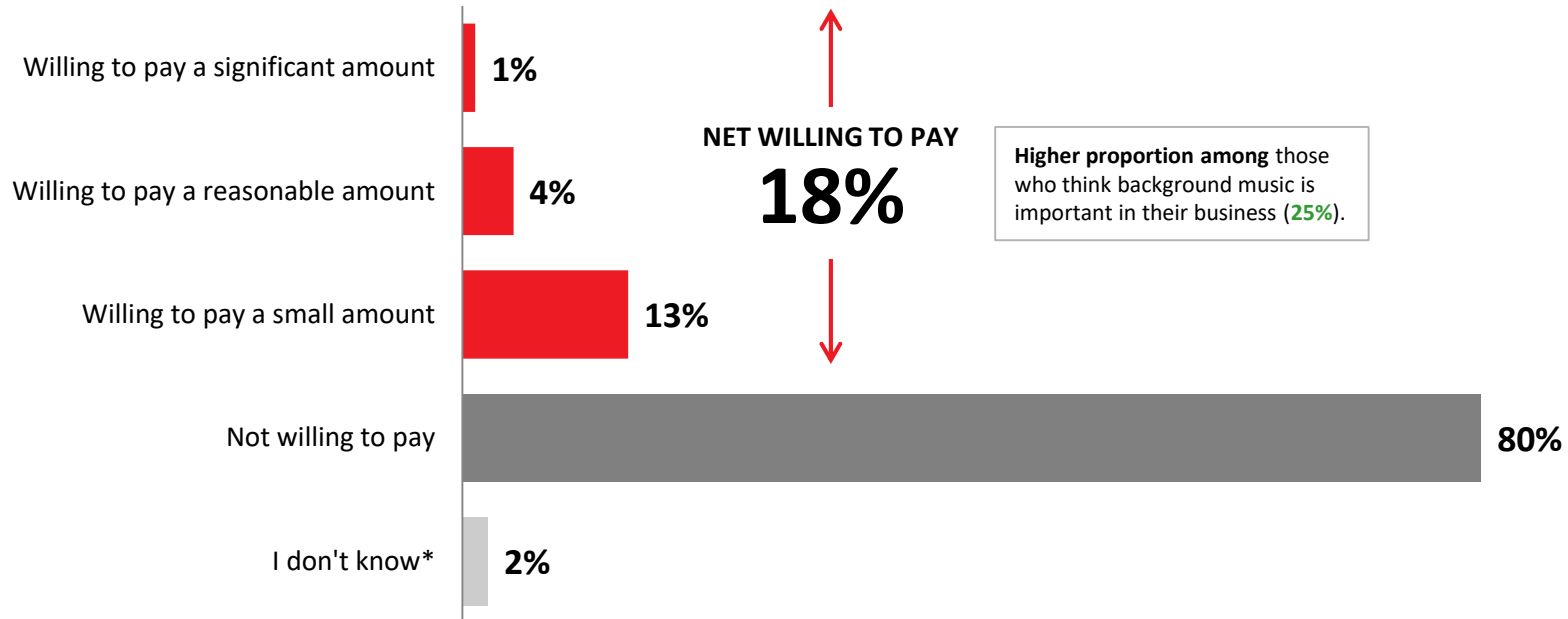
BY NUMBER OF EMPLOYEES

	1 TO 2	3 TO 4	5 TO 9
n=	183	160	167
	11%	18%	26%

WILLINGNESS TO PAY FOR BACKGROUND MUSIC

Q3 – For background music in your business, would you be...

Base: All respondents (n=510)



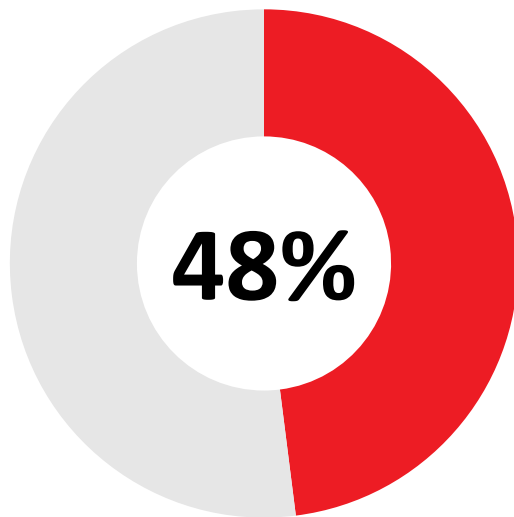
* The interviewers did not read this answer choice to respondents.

BUSINESSES WHO THINK PLAYING CANADIAN MUSIC IS IMPORTANT

Q8 – How important is it for you to play Canadian content in your business?*

Base: Those who play background music at least one day per week (n=395)

THOSE WHO
THINK PLAYING
CANADIAN MUSIC
IN THEIR BUSINESS
IS IMPORTANT



BY REGION

	BC	AB	MB/SK	ON	QC	ATL.
n=	57	44	21**	145	98	30
	40%	43%	43%	43%	60%	60%

BY INDUSTRY

	RETAIL	RESTAURANTS AND BARS	PERSONAL SERVICES	OTHER
n=	236	44	80	35
	47%	55%	46%	57%

BY NUMBER OF EMPLOYEES

	1 TO 2	3 TO 4	5 TO 9
n=	128	128	139
	50%	50%	45%

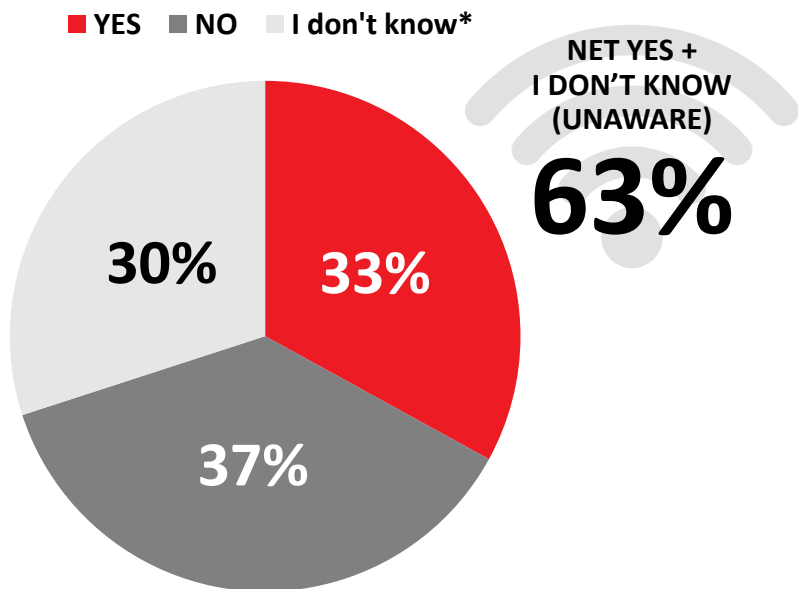
* Respondents from Quebec who answered the survey in French were asked about Canadian and/or francophone content.

**n < 30: results presented for information purposes only.

RIGHT TO USE A PERSONAL MUSIC ACCOUNT TO PLAY BACKGROUND MUSIC IN A BUSINESS

Q6 – To your knowledge, does having a personal music account such as a Spotify account or Apple Music account give you the right to use it to play background music in your business?

Base: All respondents (n=510)



BY BACKGROUND MUSIC SOURCE

	PERSONAL STREAMING ACCOUNT	RADIO STATION	PURCHASED MUSIC	BUSINESS MUSIC PROVIDER
<i>n=</i>	69	250	84	37
YES	64%	31%	40%	35%
NO	9%	39%	26%	43%
I don't know*	28%	30%	33%	22%

BY REGION

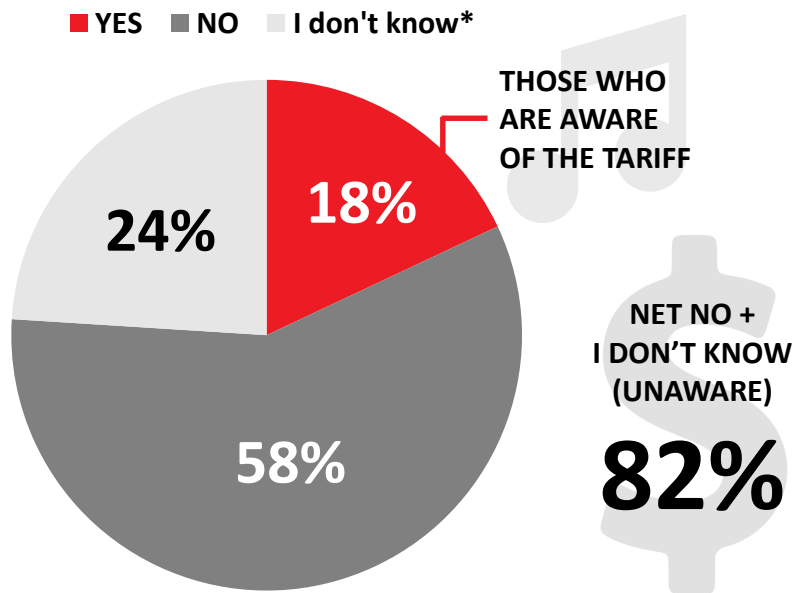
	BC	AB	MB/SK	ON	QC	ATL.
<i>n=</i>	68	55	34	190	119	44
YES	38%	45%	32%	31%	29%	25%
NO	32%	18%	38%	42%	36%	50%
I don't know*	29%	36%	29%	27%	35%	25%

* The interviewers did not read this answer choice to respondents.

TARIFF TO PLAY BACKGROUND MUSIC

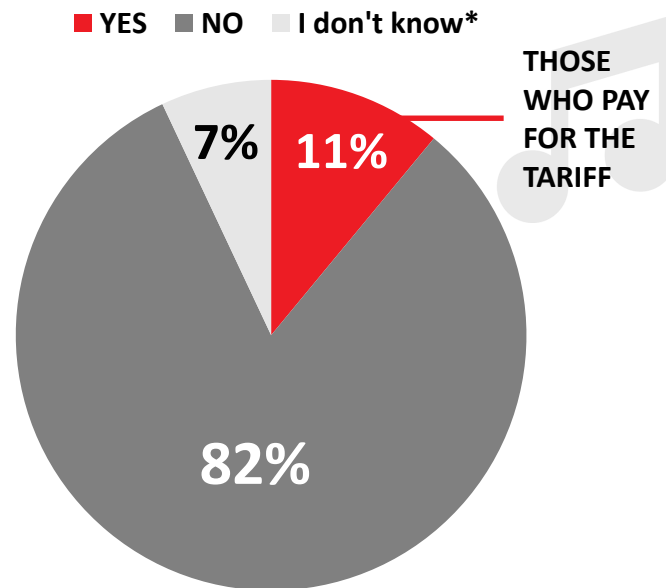
Q9 – To your knowledge, is there a tariff for the public performance when you play any type of music in your business?

Base: All respondents (n=510)



Q10 – Do you currently pay for such a tariff?

Base: All respondents (n=510)



* The interviewers did not read this answer choice to respondents.

A man and a woman are working together at a desk in a workshop or office. The man, wearing glasses and a striped shirt with an apron, is leaning over a laptop. The woman, also wearing glasses and a denim shirt, is talking on a mobile phone while looking at the laptop. The background shows shelves with various items and a window with blinds.

RESPONDENT PROFILE

RESPONDENT PROFILE



REGION

n=

TOTAL

510

British-Columbia

13%

Alberta

11%

Manitoba / Saskatchewan

7%

Ontario

37%

Quebec

23%

Atlantic Provinces

9%



INDUSTRY*

n=

TOTAL

510

Retail

59%

Restaurants / bars

10%

Personal services

20%

Leisure and entertainment services

7%

Hospitality

4%

Veterinary services

1%



NUMBER OF EMPLOYEES

n=

TOTAL

510

1 to 2 employees

36%

3 to 4 employees

31%

5 to 9 employees

33%

AVERAGE

3,7

* Each industry is proportionally represented to ensure sample representativeness.

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