Salon Music Licensing Compliance Checklist

In <u>Episode 60</u> of Marketing 100 on <u>The Salon Business Show</u> we explored how to create the perfect salon playlist that delights clients and energizes staff.

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Introduction

Playing music in your salon can **elevate the atmosphere**, but it also triggers **public performance** rules under U.S. copyright law. Even small salons must comply. Failing to do so can lead to **significant fines**, legal headaches, and unwanted publicity.

This **comprehensive guide** gathers the **key facts** from authoritative sources and expert research. Follow these steps to protect your business, support artists, and keep your salon environment engaging.

Step-by-Step Music Licensing Requirements

1. Confirm You Need a License

In most cases, yes. **Public performance** of copyrighted music requires licensing—no matter how small your salon is:

• Live Music (bands, DJs, solo performers)

- **Recorded Music** (CDs, MP3s, personal streaming accounts)
- **TV/Radio** (beyond limited exemptions)

Exception: If you **only** play a local AM/FM radio or broadcast TV *and* meet the size/speaker limits under the homestyle exemption, you may not need a separate license.

2. Identify Relevant PROs (Performing Rights Organizations)

In the U.S., four major PROs represent songwriters and publishers:

- ASCAP (American Society of Composers, Authors, and Publishers)
- BMI (Broadcast Music, Inc.)
- <u>SESAC</u>
- <u>GMR</u> (Global Music Rights)

A license from one PRO covers *only* the catalog that PRO controls. Since most salons play a variety of popular tracks, you generally need coverage from **all** to avoid accidental infringement. **Direct Licensing** typically means signing up for annual blanket licenses with ASCAP, BMI, SESAC, and sometimes GMR if you play artists they represent.

3. Decide Between Direct Licensing or a Music Service

1. Direct Licensing

- **Pros:** You manage licenses yourself, might be cheaper if you rarely play music or only use certain catalogs.
- Cons: Dealing with multiple PROs can be time-consuming, annual fees can add up (~\$800–\$1,200+ for a small salon if you combine ASCAP/BMI/SESAC/GMR).

2. Business Music Service (recommended)

- Pros: One-stop solution—service handles all PRO fees. Typically includes curated playlists, scheduling, and brand-appropriate music. Pricing often \$20-\$40/mo.
- **Cons:** Monthly subscription costs; must use the service's interface or hardware.

4. Complete and Maintain Licensing

- If Direct:
 - Fill out each PRO's online form, indicating you're a hair salon or beauty shop.

- Pay the annual fee (based on factors like square footage, number of speakers, or attendance).
- Renew before it expires—usually yearly.
- If Using a Music Service:
 - Subscribe online and set up the player/app.
 - Verify the service pays ASCAP/BMI/SESAC (and GMR if needed).
 - Keep records of your subscription in case an inspector or PRO agent asks.

5. Common Misconceptions

- "We're too small to be noticed." Even very small salons have been contacted by PROs. Noncompliance can lead to fines or lawsuits (NFIB).
- "I pay for Spotify Premium; that's enough." Premium consumer streaming services (Spotify, Apple Music, Amazon, YouTube, etc.) do not cover commercial settings (<u>Spotify Terms</u>).
- "I own these CDs, so I can play them anytime." Buying music only grants personal use. Public performance requires a separate license.
- "If it's just a cover song or instrumental, it's fine." The underlying composition is still copyrighted, so you still need a license.

Comparison of Business Music Services

Below are popular **licensed** music providers that handle PRO payments for you:

Service	Monthly Cost	Licensing Coverage	Key Features	Website
Pandora for Business	~\$26.95 + \$99 device	ASCAP, BMI, SESAC, GMR	Ad-free Pandora stations for business, easy setup, simple radio-style use	moodmedia.com
Cloud Cover Music	\$16.95–\$26 .95	ASCAP, BMI, SESAC, GMR	Custom playlists, scheduling, explicit-filter, multi-device support	<u>cloudcovermusic.com</u>

Soundtrack Your Brand	\$34.99 — \$39 .00	All major PROs	100M+ tracks, import Spotify playlists, advanced scheduling/filters	soundtrackyourbrand.com
Rockbot	\$25–\$30	ASCAP, BMI, SESAC	Interactive requests, digital signage, large licensed library	rockbot.com

Note: These services typically charge per location. For multiple salon locations, you need multiple subscriptions.

Legal FAQ: Music in Commercial Settings

Q1: Can I use Spotify or Apple Music in my salon?

A: No. Personal streaming accounts are licensed only for private use. To legally stream music in a business, you must use a commercial platform like <u>Soundtrack Your Brand</u> or Pandora for Business that explicitly covers public performance.

Q2: What are the penalties if I don't comply?

A: You could face **statutory damages** ranging from **\$750 to \$30,000 per work**, and up to **\$150,000** per work if the infringement is found willful (17 U.S.C. § 504(c)). PROs frequently send cease-and-desist letters or file lawsuits if a business refuses to license properly.

Q3: What if I just play terrestrial radio or TV?

A: Under the "homestyle exemption", certain **small** establishments (under 2,000 sq. ft. for non-food businesses) can play local over-the-air broadcasts with limited speakers/TVs:

- No more than 6 total speakers, with no more than 4 in one room
- No more than 4 TVs, each up to 55", with only 1 TV per room
- Must be a free, local broadcast (not satellite or streaming)

If you exceed these limits or stream satellite/cable/internet radio, you need a license.

Q4: Are live music and DJs covered?

A: Live music is also subject to public performance rights. If you have blanket licenses from all PROs (or a licensed music service that covers live usage), then **live covers** or DJ sets are covered. If not, you risk infringement claims.

Q5: Do I have to license each PRO separately if I choose direct licensing?

A: Typically, yes. Each PRO covers a different segment of the music market. Unless you only play music from a single PRO's catalog (impractical for most salons), you'll need multiple licenses. This can add up to **\$800–\$1,200/year** (or more) for a small salon.

Q6: How do PRO agents check compliance?

A: PRO representatives (sometimes called "license enforcers") may visit or call local businesses, observe music use, and ask for proof of license. They might also send a formal letter demanding you buy a license if unlicensed music is used.

Q7: Do I need to post or display my license?

A: Not necessarily, but you should **keep proof on file**—like your license agreement or subscription receipt. If a PRO agent inquires, you can present that documentation.

Cost Calculator & Estimates

Direct Licensing (All PROs)

- ASCAP: ~\$250/year (small retail)
- **BMI**: ~\$300–\$400/year (varies by sq. ft.)
- **SESAC**: ~\$200-\$300/year
- **GMR**: Often negotiated based on usage/artists

Approx. Total: \$800-\$1,200+ annually for a small salon with <2,000 sq. ft.

Business Music Service

- **Range**: ~\$20–\$40/month per location
- Annual: \$240-\$480+ (depends on features, devices, # of locations)
- **Benefits**: No separate PRO fees, curated playlists, compliance guaranteed

Radio/TV Exemption

- **\$0** if you strictly meet the homestyle exemption.
- If you add extra speakers or exceed size limits, you must license or switch to a business music service.

Quick-Reference Staff Card

Salon Music Compliance – Staff Do's & Don'ts

🔽 DO

- Use only the salon's **approved** (and licensed) music source
- Keep volume to a reasonable level
- Refer any inquiries from a "music licensing agent" to management
- Ask if unsure whether a certain playlist/app is allowed

X DON'T

- Play personal Spotify, Apple Music, or YouTube in the salon
- Assume CD ownership covers public performance
- Turn on satellite radio or digital streaming without verifying the license
- Ignore official letters from ASCAP/BMI/SESAC/GMR

NOTES:

- We use: [Insert Service or PRO Info]
- Our licenses are **renewed yearly**; keep proof accessible
- Encourage staff to respect copyright-it's the law

Additional Resources

- U.S. Copyright Law Title 17: www.copyright.gov/title17/
- ASCAP Licensing: www.ascap.com/help/ascap-licensing/
- BMI Licensing: www.bmi.com/licensing
- SESAC Licensing: www.sesac.com/licensing/
- GMR: globalmusicrights.com
- Spotify Terms of Use: spotify.com/us/legal/end-user-agreement

• NFIB Legal Guide:

nfib.com/content/legal-compliance/legal/legal-guide-to-playing-music-in-your-busi ness/

- Soundtrack Your Brand: <u>soundtrackyourbrand.com</u>
- Cloud Cover Music: <u>cloudcovermusic.com</u>
- Pandora for Business: moodmedia.com

Disclaimer: This guide is for general informational purposes and **not** legal advice. Consult a qualified attorney or contact the PROs for specific guidance. Compliance ensures your salon avoids legal risks and supports the creators of the music.

Use this guide to stay **legal**, **save money**, and maintain an **inviting ambiance** for clients.