

## PlayNetwork helps stores use music, video to boost business

At Martin + Osa in Bellevue Square, "Love Plus One" plays overhead not because it's a favorite of the sales staff, but because the 1982...



[enlarge](#)

Rod Mar / The Seattle Times

PlayNetwork's Heidi Keele, senior director of marketing, and David Brewster, senior vice president of marketing and creative services, are in Martin + Osa, a Bellevue Square retailer that uses their company's audio and visual services.

By [Amy Martinez](#)

*Seattle Times business reporter*

At Martin + Osa in Bellevue Square, "Love Plus One" plays overhead not because it's a favorite of the sales staff, but because the 1982 single by British pop-rock band Haircut 100 is familiar to men and women in their 30s, the clothing store's target market.

"It's an upbeat, recognizable sound that makes customers feel connected to the store and puts them potentially in the right frame of mind to shop and spend," said David Brewster, a senior vice president at PlayNetwork, which provides music and video programming services.

Martin + Osa, a new brand by American Eagle Outfitters, recently hired PlayNetwork in Redmond to create a customized soundtrack for its stores nationwide. It joins a PlayNetwork roster that includes Starbucks, Eddie Bauer, Chico's, Hot Topic and Puma.

PlayNetwork helps stores with their music selection in hopes of persuading shoppers to linger a little longer and keep coming back — no easy task given shoppers' concerns about their financial situations.

The National Retail Federation last month projected that 2007 holiday sales will be up just 4 percent from 2006 as a weak housing market and a credit crunch cause shoppers to rein in spending. That projection is below the 10-year average increase of 4.8 percent and would be the most disappointing growth since 2002.

### PlayNetwork

**Headquarters** Redmond

**Description** Sells music and video programming services, as well as related equipment, to stores and restaurants worldwide

**Employees** 106

**2006 sales** \$32 million

**Some of its customers** Starbucks, Abercrombie & Fitch, Bally Total Fitness, Eddie Bauer, Hooters, Hot Topic, Martin + Osa, Steve Madden, TGI Friday's

*Source: PlayNetwork*

Still, Chief Executive Lon Troxel expects PlayNetwork to benefit from the challenging retail environment, since stores will have to vie harder for shoppers' attention.

PlayNetwork is on track to post 2007 sales of more than \$40 million, up from \$32 million last year, Troxel said.

Pat Johnson, principal of Outcalt & Johnson: Retail Strategists in Seattle, said some stores make the mistake of playing music to "please the people who work there, as opposed to the people who shop there."

When done well, she said, "music can be a very powerful tool" in turning around flagging sales. "You have to create an environment for the shoppers you most want to attract."

PlayNetwork updates soundtracks every month to make them current and match promotional activities, Brewster said. Starbucks, for example, refreshes programming to reflect the music it offers for sale along with its drinks and food, he said.

Eddie Bauer regularly introduces songs that represent the "independent spirit of outdoor adventure," according to a one-page summary of its 2007 music strategy.

That means melodic vocals with a "vibrant tempo," or just about anything by Jackson Browne, Creedence Clearwater Revival and B.B. King.

What Eddie Bauer shoppers won't hear: ballads, indie rock and electronica.

PlayNetwork secures the licensing rights from record labels and pays three types of fees on stores' behalf. Stores in turn pay PlayNetwork \$40 to \$60 a month per location.

But those monthly payments add up to less than half of PlayNetwork's annual sales. Instead, audio and video equipment sales make up the bulk.

Also, PlayNetwork increasingly sells Web radio, podcasting and video services, Brewster said. Hollister, the teen surfer-clothing brand, hired PlayNetwork to set up cameras at California's Huntington Beach, giving real-time images of breaking waves on wall-mounted video screens in stores.

To support growth, Troxel is looking for more office space in the Seattle area. With a little more than 100 employees, it's spread across three locations totaling 30,000 square feet.

Troxel plans to consolidate PlayNetwork into one location with up to 50,000 square feet next year.

Privately held PlayNetwork was created in 1996 by Adam Brotman, a nephew of Costco co-founder Jeff Brotman, and became profitable in 2006, Troxel said.

Adam Brotman remains on PlayNetwork's board but has turned management over to Troxel, a longtime music-industry veteran who was chief executive of DMX in Los Angeles before it bought Seattle-based AEI in the early part of this decade.

Florida-based Chartwell Capital and Talon Asset Management of Chicago have a 60 percent ownership position; management owns 16 percent.

Top rival Muzak, which was headquartered in Seattle before moving to Fort Mill, S.C., in 2000, plans to merge with PlayNetwork's next-biggest competitor, DMX, now of Austin, Texas.

Troxel said that planned merger — which still must be approved by regulators — helps PlayNetwork by creating "a lot of uncertainty for their customers."

"We've had more customers call us during this period of time," he said.

*Amy Martinez: 206-464-2923 or [amartinez@seattletimes.com](mailto:amartinez@seattletimes.com)*

Copyright © 2007 The Seattle Times Company