

BY KATIE HASTY

THE BILLBOARD Q&A

EL RECORDS
CO-FOUNDERSErnie Lake &
Josh Katz

By working with tastemaking hotels and restaurants, the men behind El Records are changing the very concept of what it means to be a record label.

Part of Josh Katz and Ernie Lake's job is to eat expensive meals at fancy restaurants in the Hamptons. Their busy schedule is occupied by stays at some of the finest and most exclusive hotels in Las Vegas, New York and Los Angeles. They've had to endure treatments at the Cornelia Day Resort Spa and meals at Tao, Mistral and Barna, as well as work with clients in Dublin, Jamaica and Puerto Rico.

"I swear our job really is very hard," says Lake, co-founder of El Records. "We strive to deliver the perfect product. Our future projects depend on it."

Lake says this from the lounge situated atop New York's Hotel Gansevoort. The hot spot—located in the trendy Meatpacking District—is one of many hip establishments that has tapped these self-described "music stylists" for custom CDs and music programming. Since 2001, the pair and the El Records team have met with businesses to develop music maps and playlists for patrons at, among other places, Warren Tricomi Hair Salons and the Hard Rock Casino.

A remixer/producer since the early '90s, Lake's skills as a dance/electronic artist extend directly into El Records' extensive catalog. His music is heard in lobbies, bathrooms, lounges and poolside of various establishments. Some of the music makes its way to branded CDs, which are sold directly to the patrons of the establishments as a keepsake of their visit. Katz, meanwhile, has marketed projects for Jive, Arista, BMG Distribution, Rebel Waltz Management and other companies.

What kind of business is El Records?

Ernie Lake: It's a two-tier company. First, we have CDs, and then we've got the programming side. For either side, it's about capturing the essence [of] what a space is about. Much like an interior designer, we're music stylists. We come in and assess the environment—whether it's for shopping, eating or lounging. We need to know the customer's lifestyle. They might be coming in from a business meeting, or they might be coming in from a photo shoot. On the back end, the CD side, we're more geared toward extending the brand. When they take the CD out of the environment, it's going to remind them of their stay, of this environment. It's like buying the robe from the hotel.

How much does each project cost the client?

Josh Katz: That depends on the size of it. With any kind of space, you need to assess how many zones there are—bathroom, lobby, out

front, patio, main space, private rooms, whatever. For instance, with the Borgata [Hotel Casino & Spa in Atlantic City, N.J.], you're talking 26 zones of music. Then you have to figure in the scheduling for the space. The music for afternoon lunch, for example, is very different from a Saturday night dinner.

We don't go in and say, "What's your budget?" We create a custom plan. We say, "Here's what it's going to take to make this work the way it should." The client can then subtract or add to that. We set minimums on the CDs and work off that minimum. Our first question going in is, "How many seats?" or "How many rooms?" We don't oversell the CDs. It's about how many we realistically think we and they can move.

Have you considered selling your albums through traditional retailers like Target or Virgin?

Katz: Part of our strategy and what makes our projects special is that they're only available on-site. Whether the hotel leaves them in

a patron's room, or the CD is sitting on the desk at reception, people will feel it was exclusive to their experience. That hasn't hurt us much, though. A couple of our titles have sold or been distributed over 100,000 copies. Our clients ask for something unique and original and that's what we provide them.

Do you use original and/or licensed music?

Lake: Around 90% of the music we put onto CDs is music we make or own. The other 10% is newer artists we like to use. Recently, it's been songs by Slowrunner, Andrew Bird, Rachael Yamagata, Maximo Park, Aquaduct. Sometimes [brand] managers already know what artists, or what kind of artists, they want to represent their property.

Katz: Owners want to feel like they're introducing somebody new to their patrons, or at least feel like they're giving them something fresh. They may not be mega-stars today. A good exam-

ple is Citizen Cope. We featured him on one particular disc. After that happened, he came up to me and told me he received more recognition off that compilation than from his own discs. It's because we distribute the CD to a specific audience.

What pitfalls do business and brand managers fall into when it comes to music programming today?

Lake: One of the biggest complaints you'll hear about an establishment is that the music is too loud or too aggressive or didn't make people feel good. Music is so core to people's lifestyles.

Katz: Managers also don't want to just let anybody throw on some music. There needs to be a standard. You may really love a band and want to listen to them all the time, but that doesn't mean that that's what your customers should be listening to. You have to know what people want to hear without it inhibiting them from what they're enjoying.

In what ways are you trying to expand the El Records brand and business?

Lake: First, it's been important for our office to have a studio. We get hotels wanting more than just an album's worth of music. They'll want a whole day's worth of exclusive music. So we need to turn that stuff around and be able to record with artists on the spot.

Katz: We're also starting to be more vocal about licensing oppor-

tunities. We've already licensed [music] to Warner and Rhino for some nontraditional uses, particularly around the holidays. We are growing our own catalog. A good amount of stuff Ernie's put together was used during the Winter Olympics a couple years back. E!, Access Hollywood, VH1 and other TV opportunities have opened up, too.

Lake: We've done tons of restaurants and hotels, but we wouldn't be opposed to working with a grocery store or something like that. We've already worked places like Citarella and Bank of America. But whatever the business is, there must be a need for the brand to have a sound.

What you have doesn't sound all that much like a record label, yet you call the company El Records. What gives?

Katz: [Laughs] We're not, not really, in the music industry—that is, in traditional sense of a label. Maybe we're what labels will look like in five years.



LAKE, left, and KATZ

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