

## CONCERT PROMOTION AND PRODUCTION

While the monetization of recorded music has struggled mightily for years, it's a different story for live concerts. Although hardly immune to the vagaries of the greater economy, live music has an enormous economic advantage over recorded music. A fan must generally pay hard dollars to enjoy a live performance by a favored act, while an unauthorized shared download or a free stream puts little or nothing in the artist's pocket. Music concerts generated \$8.2 billion in surveyed 2017 ticket sales in North America, according to industry sources, not including the value of resale of tickets on the secondary market and the many acts that don't tour nationally. Add to that sum ticket resales, corporate sponsorships, and the economic spillover for supporting vendors and restaurants, and the vast economic footprint of live music becomes obvious.

Besides generating substantial revenue from ticket sales, live concerts boost record sales. Live concerts also increase demand for artist-related licensed merchandise, such as T-shirts, posters, jewelry, keychains, and books. Concerts and the sale of ancillary products are so critical that major recording companies are reluctant to sign an act that doesn't also have a compelling stage presence. And if the label does sign the act, there's a good chance it's part of a broad **360 deal** that yields the label a healthy piece of the box office and licensed merchandise income, among other revenue streams.

Three key players move and shake the concert promotion industry: the event promoter, the artist's manager, and the tour-bookings agent.

In Chapter 7, we detail the manager's, agent's, and attorney's roles; this chapter focuses on the **promoters**, who are the people and their organizations that oversee tours and are key to whipping up fan interest.

### CONCERT PROMOTION

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Concert promoters take the risks, pay the acts, market the shows, and sell the tickets. They risk receiving less money from ticket sales and other revenue sources than they will pay out in expenses. A half-century ago, the industry was characterized by a patchwork of local and regional promoters. But by the mid-1990s—and even more so in the new millennium—consolidation and centralization became the story. As is true with many industries, economies of scale and the ability to diversify risk can provide an operating advantage to large, sophisticated players. Among the best-known concert promoters are Another Planet Entertainment, Anschutz Entertainment Group (that includes

AEG, AEG Presents, Bowery Presents, Concerts West, Goldenvoice, Messina Group, and the Coachella Valley Music & Arts Festival), Dainty Group, Frank Productions, Jam Productions, I.M.P. Presents, and LiveStyle, Inc. The giant is Live Nation Entertainment, which is a \$8 billion-revenue-plus music/live entertainment conglomerate that books 26,000 events a year at approximately 200 venues that are owned or under exclusive booking contracts. Live Nation also owns ticketing juggernaut Ticketmaster, which handles ticketing transactions at company-owned and third-party facilities. With that clout, it books more than \$375 million a year in event **sponsorships** and advertising. In recent years, Live Nation has become more integrated within the concert business by buying artist management firms, which sit on the other side of the table when venues are booking performers. With the big promoters operating at such massive scale, nowadays major music stars expect **national promoters** (NPs) to coordinate their tours—it just makes sense for continuity and effective organization.

But NPs need local promoters with expertise to recommend appropriate venues, help determine seat prices, and arrange local promotional tie-ins with radio **stations** and retailers. National promoters quickly become aware of local promoters with good reputations.

National promoters usually negotiate a share of the net receipts—box office income minus expenses. Out of this, they pay the local promoter. Contracts between NPs, local promoters, and artists must be precisely drawn to make sure the expenses charged against gross income are allowable and accurate.

Key responsibilities of promoters include orchestrating ticket sales, organizing sale of artist merchandise at the event, assisting in securing sponsorship deals to support a tour, arranging the stage setup, providing some of the event staff, financial accounting, and complying with a myriad of live-event safety regulations. All this is done by either the NP or local promoter in conjunction with the performing artist and **venue** operator.

Besides the big acts that are handled by the leading promoters, there are thousands of events mounted independently by smaller operators who make up an important part of the live-entertainment ecosystem. Small-scale concerts have low-entry barriers because venues are plentiful and up-and-coming acts constantly seek bookings. In some cases, venues themselves also serve as the promoter of some concerts in their facilities.

## GETTING STARTED

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How do aspiring concert promoters get their start? Some have acts of their own that they book before established promoters take an interest in them. Others break into the business as students by serving on their college campus's entertainment committee. Still others begin by putting together a performance to raise funds for a charity or other organization in need.

### The Cost of Doing Business

Few start-up businesses run without an initial investment of cash, and concert promotion is no different. Promoters need cash to cover their expenses before the first ticket is sold, and expenses start with renting a concert hall,

advertising performances, arranging ticketing, securing liability insurance (covering accidents, inability of star talent to perform, weather-related disasters, and acts of terrorism), and making advance deposit payments to talent. Is the act a big name? If so, the performers may demand a luxury trailer and six bottles of Dom Perignon before setting foot on stage. Is the act known to attract rowdy crowds? If so, the promoter may need cash for a hefty damage deposit before the hall agrees to being booked.

Depending on the jurisdiction in which the promoter does business, there may be fees associated with establishing a concert promotion company. Does the county need a business registration? Has a business bank account been opened? For a general discussion of these kinds of challenges, see Chapter 27, “Starting Your Own Business.”

## BOOKING THE ARTIST

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### Finding the Artist

Who do people want to hear in a live concert? Preferably a big name, of course. Promoters are responsible for booking the full lineup of artists, which can include an opening act of lesser fame. The music of opening acts should be suitable for the headliner’s audience, and the opening act should not overshadow the main talent in terms of intensity or flair; if it does, the promoter will have an angry top-billed star.

Contracts are quite specific in spelling out how headliners and opening acts are presented in advertising and promotion materials, such as requiring the type size for opening acts to be 50% or less than the type size of the headliner’s name. Promoters also use the secondary act’s booking to establish relationships with up-and-coming talent that could flower into headliners down the road.

Promoters who take risks with acts early on hope they are the same promoters who reap the benefits of the acts’ eventual successes. The promoter that handled an artist’s most recent concert in a given area is referred to as the **promoter of record**, although such relationships are in decline as NPs and record labels with 360 deals try to exert more control over who works with whom.

## MAKING AN OFFER

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Booking the act is critical to the concert promotion process. How do promoters book the artists? If the acts are just starting out, promoters may deal directly with the artists themselves. More likely, however, promoters begin with the artists’ agents.

### The Agent

As one of the three key players in the concert promotion industry, artists’ agents negotiate venue bookings on behalf of music talent. Because agents work on commission, their job is to present the offers that reap the greatest possible fees. Promoters may find themselves dealing with a small talent

agency or with one of the more prominent Hollywood agencies, such as WME (William Morris Endeavor), Creative Artists Agency (CAA), or Paradigm Talent Agency.

***Who Represents Whom?*** Trade publications such as *Pollstar* and *Billboard* print talent and booking directories, and artist websites often provide contacts.

Promoters and agents often come together through conferences and meetings of performing arts administrators and university groups. Two examples of these opportunities to make agent contacts include the Association of Performing Arts Presenters (APAP) and the National Association of Campus Activities (NACA). At annual NACA conventions, college representatives, talent agents, performing artists, and labels gather for educational and showcasing opportunities.

### **Preliminaries**

***What Are the Artists' Fees and Available Dates?*** Once promoters have connected with the act's agent, they may make preliminary inquiries about the artists' usual fees and available dates. These inquiries can set in motion the preparatory steps necessary for a successful concert promotion, such as placing a hold on a particular concert hall for a particular date in anticipation of a formal booking.

***What Are the Possible Venues?*** Securing open dates can be difficult, and open dates are useless without the coincidental availability of the featured acts. In selecting venues, promoters can usually rent the facility for a flat fee or a flat fee plus a percentage of the gross ticket sales. For national tours there's usually 2 to 9 months' lapse between the first booking inquiry and the artist's first concert at a venue.

***What Does the Venue Offer?*** Venue management generally furnishes the stage manager, box office manager, maintenance crew, and ushers. A facility may also provide security, or the city may require promoters to hire security personnel based on the reputation of the act's audiences. A venue may also offer promoters an option called **four-walling**. In four-walling the promoter takes all the ticket sales money and assumes full financial risk if ticket sales are insufficient to cover some of the operating costs that would otherwise be absorbed by the venue. Under that arrangement, the venue has guaranteed revenue but no upside.

***What Is the Venue's Potential?*** Here, promoters must be cautious to estimate costs accurately. For example, a facility that seats 1,000 for a show with tickets averaging \$20 each will obviously gross \$20,000 if the show is a sell-out. But few shows actually sell out, and even if every seat is sold, expenses that aren't anticipated may gobble up any profit. Promoters may more often come out ahead when they locate a 5,000-seat arena, book a headliner, and

pull together enough money to finance an extensive promotional campaign. Regardless of a venue's potential number of ticket sales, experienced promoters don't budget for a concert that's standing room only (**SRO**) but for a 60% house, meaning that 40% of the tickets just won't sell. Projecting SRO sell-outs would prompt a promoter to stretch financially, which is risky. Theater managers have used this 60% house figure since the 1800s in planning their concert budgets.

After the promoter has worked out a preliminary budget based on all the information gathered, it's time to contact the artist's agent and make an offer.

### The Offer

Very few acts will perform for a flat fee if they tour nationally. Most of the agents who represent these acts begin fee negotiations on the premise that the show will sell out. Most of the promoters, on the other hand, want a protective cushion. If the show doesn't sell out, promoters want to know that they will, at the very least, earn back their expenses—including production, rent, and marketing costs—and that they will take home a profit before the main attraction and its agent get most of the money.

How these two deal makers come together is the subject of the next section.

## THE ART OF THE DEAL

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### Negotiating Artists' Fees

Discussions usually begin with agents expecting for their clients a guaranteed fee plus a percentage of the ticket sales. If the event is free, or if tickets are subsidized by a charity or student activities fund, both parties expect to negotiate only a flat fee.

Promoters will want to negotiate a **split point**, which is a number based on ticket sales and at which point the act and the promoter divide the balance. See Table 16.1 for an example of a split point as well as an expense detail for performance at a moderate-sized venue.

**Deal Points.** Agents will want to see all the estimated expenses associated with the event, including the artist's guaranteed fee, rent of the hall, labor for setting up and breaking down the stage, production costs (sound, lights, catering, etc.), and any other related expenses. Multiply the total expenses by a percentage—usually 15%—and this is the sum that agents traditionally allow the promoters as minimum profit. Deduct the expenses and the promoters' allowed profit from the gross ticket sales, and this back end—or the balance of the revenue after the split point—is what the promoters and the artists typically split. Custom dictates that this percentage be divided in an 85%/15% split, with the larger number going to the artists (although the trend for superstar acts is to take even more). The back end represents a second wave of potential profit for the promoter.

**Table 16.1 Sample of Expense Sheet at a Moderate-sized Venue**

<b>Artist:</b>			
<b>Venue:</b>			
<b>Date:</b>			
Expense Item	Estimated Cost (dollars)		
Advertising	20,000		
ASCAP/BMI	485		
Box office	100		
Catering	2,000		
Instrument rental	750		
Insurance	1,200		
Loaders	400		
Phones	100		
Rent	17,500		
Risers	600		
Runner	200		
Security	1,375		
Sound/lights	3,000		
Spotlights (2)	400		
Stage manager	500		
Stagehands (union)	4,800		
Piano tuning	125		
		<b>Capacity: 3,000</b>	
		Tickets	Income (dollars)
Total production	53,535	1,200 @ \$50	60,000
Headliner fee	15,000	900 @ \$40	36,000
Support act fee	5,000	900 @ \$30	27,000
		Gross potential	123,000
Total cost	73,535	Comp tix 100	5,000
Promoter profit (15%)	11,030	(100 @ \$50)	
Split point	84,565		
Split: 85%–15%		Net potential	118,000
		Split point	84,565
		Overage	33,435
		Headliner share	28,420
		Promoter share	5,015
Offer based on 3-hour maximum show, 150-mile radius exclusivity, and local sound and lights; 8 a.m. load-in, stage dark 5 p.m. to 7 p.m.			

Promoters are free to argue for a higher percentage split than 15%, and deal variations exist.

With the lion's share of ticket sales going to the top stars, promoters and larger venues such as stadiums make their money from ancillaries such as car parking, food/beverage, and licensed merchandise sales, which can easily run

into the hundreds of thousands of dollars from an audience of tens of thousands of people. In smaller venues with lesser acts that draw hundreds or just a few thousand attendees, there's no big windfall from such ancillaries, so artists typically get a somewhat smaller share of the back end.

Deals with venues vary based on how much competition there is among facilities in an area, assumed fan base in the region, and whether a venue is lightly or heavily booked already. One alternative compensation plan calls for the promoter to promise a guaranteed minimum to the artist, with escalators in the form of revenue sharing for ticket sales that exceed predetermined benchmarks. Another type of deal is putting all revenue from tickets, parking fees, sales of merchandise, and sponsorships in one pot, then subtracting all expenses and dividing the remainder through a percentage formula. Sometimes, venues have deal sweeteners with contracts specifying they get a few dollars per ticket on a sliding scale for tickets sold at a specified face value, such as more than \$25. This is often called a **facilities fee**.

In general, it is the promoter that is on the hook if concert revenue is disappointing, but the promoter usually has a window to cancel the date if early advance ticket sales are dismal. Into the 1970s touring was not a big moneymaker for most artists, who used concerts to promote their recordings. Artists often received **tour support** from labels to subsidize the cost of concerts to create buzz that would drive fans into record stores. Today, it is often profits from live shows that keep the music ecosystem working, rather than the other way around.

Of course, concerts don't always make money. Another key point of negotiation between artist and promoter is addressing whether the promoter can deduct shortfalls from concerts that sold poorly from other dates on the same tour that sold briskly. Such cross-collateralization can occur when the same concert tour has a multicity schedule. Usually there is a limit on the number of low-selling dates in a single tour that can be used to deduct from overall artist pay.

### Potential Versus Reality

The capacity of the venue (the number of seats that can be sold) multiplied by the value of an average ticket equals the *gross potential* of the event. A theater with 2,000 reserved seats with a uniform ticket price of \$25 has a gross potential of \$50,000. Some of the tickets will be designated for the artists' guests, and some will be given to the press or to radio stations for giveaways that help promote the concert. Deduct the value of these tickets from the gross potential and the resulting number is the *net potential*.

Before the act can take the stage, concert promoters must enter into a number of written agreements. Among others, promoters sign contracts with venue management, talent agents, merchandisers, lighting and sound suppliers, insurance companies, transportation firms, and caterers. Insurance covers losses in the event the act is unable to perform as scheduled. The insurance policy usually specifies circumstances that are covered, such as hospitalization and not just calling in sick. Policies also name persons close to a performer (spouse, children, parents, etc.) whose death or hospitalization is eligible for cancellation coverage. Contracts must also put in place clear agreements with the city's police and fire departments with respect to security arrangements for potential of terrorism and acts by deranged shooters. The costs of these contracts must be considered during the negotiation process, or the promoter will end up with unexpected leaks in cash flow.



## CONTRACTS

Once agent and promoter agree on the broader points of the offer, it is time for a contract. Agents issue contracts, and contracts consist of two parts: the face page and the rider.

The face page defines the basic information: time, date, place, length of show, how the artists' names will be billed (how they will appear in advertising), the agreed-on fees, and payment schedules.

The rider (or **technical rider**) is a longer document attached to the face page that details the artists' requirements. Riders may include the following: (a) travel arrangements; (b) hotels; (c) food and beverage catering; (d) technical needs such as band gear, sound, and light systems; (e) size and number of dressing rooms; and (f) any other detail the artist finds critical for performance.

Most promoters will ask to see the rider prior to making an offer. They understand that there are sometimes rider requirements that can kill a deal. For example, if the artist needs the promoter to supply a backup string section of 20 musicians, this might add \$5,000 or more to the promoter's expenses and can be a **deal breaker**.

The finer points of the rider can be open to negotiation and may depend on the star power of the act, whether there are multiple acts that must share in the billing and promotional campaign, and what sort of technical staging requirements the bigger names have requested and the smaller names on the bill will have to accept.

Riders usually start out with a standard contractual text, which parties will then alter by mutual agreement in negotiation. The more ticket-selling clout of the artist, the more the artist can negotiate in terms of money, control, and hospitality benefits. The sample provisions outlined below are just that and shouldn't be interpreted as always applicable. In an individual negotiation, the relative economic leverage of each party controls the outcome. In that sense, there is no right or fair answer.

### Technical Rider

Following is a condensed version of a technical rider, which is routinely included in a contract for a concert performance:

#### ARTIST RIDER ATTACHED TO CONTRACT

This agreement is concluded on the date of \_\_\_\_\_ between \_\_\_\_\_ (hereafter referred to as "the Promoter") and furnishing the services of \_\_\_\_\_ (hereafter referred to as "the Artist") and \_\_\_\_\_ Venue (hereafter referred to as "the Purchaser"). The Purchaser agrees to engage the Promoter for the services of the Artist upon all terms and conditions set forth herein.

1. INDIVIDUAL RESPONSIBILITIES: basic obligation of each party
  - a. Signatories to this Rider represent that they are legally authorized to enter into this agreement.



- b. All parties agree to keep terms of this contract and the contract itself secret to the extent permitted by law.
  - c. Each party shall be liable for its own negligent acts and omissions. The Purchaser's tort liabilities are limited to the laws of its domicile.
2. DATES/TIME: engagement schedule
- a. Specify the number of shows, day, and date.
  - b. The Purchaser agrees to have stage staffing in place one hour before venue doors open to the audience for sound and lighting checks to be conducted by the Artist and its representatives.
  - c. Specify the time that venue doors open on engagement days.
  - d. State the time for opening act to start performance(s) on stage and minimum length of stage performance.
3. EVENT PUBLICITY: publicity, advertising, and promotions
- a. Specify billing requirements for the Artist in promotional and advertising material, usually stating 100% of standard headline presentation in marketing materials.
  - b. The Purchaser agrees that the Artist will be sole billed headliner for each engagement, unless the Promoter agrees in writing to alternative billing.
  - c. The Purchaser may only use audio/music, artist voice, logos images, art graphics, still photos, and videos of the Artist in consumer marketing that are approved by the Promoter. Usage is limited to advance promotion of the engagement(s).
  - d. The Purchaser agrees to use tour marketing materials provided by the Promoter that are localized with date and venue insertions.
  - e. The Promoter agrees to make two outgoing email digital blasts promoting the engagement(s) to members of the fan club of the Artist that are geo-identified as located within \_\_\_ miles of the venue. The first blast shall be at least three weeks before the first engagement date and the second blast shall be no later than one week prior, unless the date is sold out.
  - f. The Purchaser and Promoter agree to publicize concert dates on their social and other digital media assets (*specifics depend on their digital media capabilities*).
  - g. The Artist's content and identification shall not be used in combination with any other product, service, or sponsor in publicizing the engagement, absent the Promoter's prior written approval for each usage.
4. CREATIVE AFFAIRS: who is in charge of concert
- a. The opening act(s) must be approved by the Promoter.
  - b. The Promoter determines what announcements will be made from the stage during the performance, except for safety announcements mandated by law.
  - c. The Purchaser agrees to promptly make changes in the staged presentation as ordered by the Promoter, as long as such changes do not conflict with government health and safety regulations, contractual union rules, venue insurance rules, or posted venue safety regulations.
5. COMPENSATION: pay for the artist
- a. The Purchaser agrees to pay a guaranteed minimum of \$ \_\_\_\_\_ to the Promoter or the booking agent, or \_\_\_% (*perhaps 85% or 90%*) of the ticket gross after applicable taxes and approved expenses are deducted—whichever figure is higher.
  - b. The Purchaser will make advanced deposit payment in the amount of \$ \_\_\_\_\_ to the Promoter or booking agent by a specified date to a specified bank account.

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- c. The Purchaser shall make payment in full to the Promoter or the booking agent of all payments due/final settlement no later than 30 days after the final engagement.
6. TRANSPORTATION:
  - a. If air travel is provided by the Purchaser, specify the number of tickets provided, class of service, dates of travel, and departure/arrival airports for the Artist (*usually not provided by the Purchaser*).
  - b. Specify air freight and excess baggage allowance (*usually not provided by Purchaser*).
  - c. Specify local hotel accommodations to be provided by the Purchaser to the Artist, including class of hotel, type of rooms, number of rooms, and dates rooms are provided (*usually not provided by Purchaser*).
  - d. The Artist travels with \_\_\_ tour buses and the Purchaser agrees to provide reasonable parking and maintain reasonable external bus security during the engagement.
  - e. For ground transport, the Purchaser agrees to provide one 15-person passenger van with driver and one professionally chauffeured large black SUV with tinted glass (Cadillac Escalade, Lincoln Navigator, or equivalent). All dome lights in the SUV must be blacked out or disabled so they never illuminate, including when doors open. This chauffeured SUV is on call for the Promoter's tour manager for **load-in to load-out**, starting from one full day before the first performance. (Ground transport is usually provided by the Purchaser.)
7. SPECIAL PROVISIONS: accommodations at the venue
  - a. No visible signage for advertisers and/or sponsors shall be on or near the stage during the engagement. The engagement shall be conducted without any direct or implied endorsement by the Artist of advertisers or sponsors of the Purchaser/venue, including no audio "presents" announcements made in connection with the Artist's concert.
  - b. The Purchaser will provide a secure, private dressing room—not shared—and VIP area for guests of the Artist and the Promoter. The dressing room shall be clean, dry, ventilated and odor free. (*specify minimum dimensions, furnishings, lavatory and, if necessary, showers*).
  - c. The Purchaser agrees to provide secure encrypted Wi-Fi wireless access to the Artist, its staff and affiliates of the Promoter.
  - d. There will be no Meet & Greets or press interview for the Artist set up by the Purchaser or its affiliates without prior written approval of the Promoter. The Purchaser may not sell any VIP ticket packages with backstage access without advanced written permission of the Promoter.
  - e. The Purchaser agrees that its security staff will aggressively prohibit the use of unsanctioned personal audio or visual recording of the Artist backstage and in the Artist private areas by any persons at any time, and also any recordings of the concert itself.
  - f. The Purchaser agrees to provide food/beverage for the Artist as mutually agreed upon. *The hospitality requirement is usually so detailed and lengthy, it requires a separate document attachment (some venues prohibit alcoholic beverages and specify the ban applies to hospitality provided to the Artist).*
  - g. A large private room to accommodate \_\_\_ (*number of*) touring crew members shall be provided with a buffet food spread, beverages, lounge furnishings, lavatory, and shower facilities.
8. LICENSED MERCHANDISE: sale at venue of Artist-related merchandise
  - a. No licensed merchandise containing the likeness or personal identification of the Artist and its affiliates may be sold in connection with the engagement without the advance written permission of the Promoter.

- b. The Promoter shall have the exclusive rights to commission and sell souvenir tour-specific items such as event programs, clothing, and posters on the premises of the venue, getting 100% of net proceeds (after a specified concessionaire expense and applicable taxes are deducted).
  - c. The Artist shall receive 85% of net proceeds of other Artist licensed merchandise carrying the likeness, images, or audio of the artist.
9. TICKET SALES:
- a. The Purchaser may not announce, advertise, promote, or sell tickets to the engagement(s) without a signed binding contract or written authorization by the Promoter.
  - b. All tickets shall be numbered in consecutive order and ticket prices shall not be priced more than agreed upon by the Promoter, exclusive of taxes and other mandatory third-party charges. If the Purchaser sells tickets at less than face value because of discount programs or other special arrangements such as group sales made by the Purchaser, those transactions will be entered as if the ticket sold at full price for purposes of Artist compensation, unless the Promoter allows discounting in writing.
  - c. For venues with private VIP boxes with unticketed seats, determine if a ticket allocation will be made for unticketed seats for accounting purposes (*although the Purchaser may oppose*).
  - d. The Purchaser agrees to make available to the Promoter or its representative the complete ticket manifest of the venue covering all seats and prices of seats. The Purchaser agrees to the reasonable right to audit by the Promoter and its designated representative.
  - e. The Artist and Promoter are to receive 20 complimentary tickets each to every performance for use at their discretion.
10. FACILITIES:
- a. The Purchaser agrees to furnish on the engagement dates a suitable venue that is heated or cooled for the season, ventilated, well lighted and in good working order, and with a stage equipped with high-quality curtains, electrical outlets, loud speakers, and lighting. The Purchaser agrees to give technicians and workers hired by the Promoter and the Artist necessary access.
  - b. The Purchaser may not assign or transfer this agreement or ultimate responsibility for any elements of the Purchaser's enumerated responsibilities and obligations.
  - c. No party to this contract shall violate or cause any affiliates to violate standard work rules in any union contracts that other parties to this rider are signatory.
  - d. Nothing in this agreement shall suggest a continuing joint venture, partnership, or ongoing business relationship between the Artist, Promoter, and the Purchaser.
  - e. The Purchaser is solely responsible for security, venue insurance, music publishing clearances, and access to the venue.
  - f. The Artist and Promoter agree not to bring visibly branded products or services to the engagement that conflict with preexisting branded sponsorships of the venue made by the Purchaser. (*The Purchaser then lists its sponsors with exclusivity.*)
11. EXPENSES:
- a. List all expenses paid for by the Promoter (*short list*).
  - b. List all expenses paid for by the Purchaser (*long list including food/drink for the Artist, electricians, security staff, equipment rentals, insurance, etc.*).
  - c. Specify which of the above expenses that the Purchaser may claim as deductions (including amount).

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12. EXCUSED PERFORMANCES: cancellations

- a. In the event of inclement weather, the engagement(s) shall be rescheduled on similar terms at mutually agreed dates, with no payments or penalties for the cancelled engagement(s).
- b. If as a result of a Force Majeure Event, the Artist and/or the Promoter are unable to or are prevented from performing as contracted for the engagement(s), the Purchaser fully bears the cost of the cancellation and shall not make claims to the Artist or Promoter.
- c. If as a result of a Force Majeure Event, the Purchaser is unable to provide the venue at the time of the engagement(s) and the Artist and Promoter are ready, willing, and able to fulfill the contract requirements, the Purchaser shall still pay the Promoter \_\_\_% of the minimum guarantee. If both the Artist and Promoter are not ready because of a Force Majeure event, then the Purchaser is excused from financial payment obligations but not any preexisting departure transportation and local accommodations/transportation obligations.
- d. A Force Majeure event is defined as any one of the following in the vicinity of the venue or adjacent to engagement dates: severe weather that visibly disrupts civil society on a mass scale; acts or threats including terrorism officially recognized by law enforcement; riots that visibly disrupt civil society on a mass scale; any advisory issued by a controlling government authority curtailing normal civilian activity; shortages of essentials such as fuel, water, and basic municipal services; labor disputes (strikes, lockouts, and boycotts) that directly impact engagement(s); incapacity of one or more members of the Artist; and other occurrences beyond the control of the Artist, the Promoter, and the Purchaser that make the engagement(s) unfeasible or clearly unsafe.
- e. The Promoter has the right to cancel within 30 days of the engagement with written notice with no penalty, unless otherwise specified. Any advance deposit paid by the Purchaser shall be refunded within three business days of event cancellation. Upon such cancellation and repayment of any advance deposit, the parties have no further legal obligations to each other.

13. BOOKING AGENT:

- a. The booking agent assumes no responsibilities other than representing the Promoter and the Artist, and responsibly handling financial affairs. The booking agent has no direct responsibilities or liabilities in staging matters at the venue.

14. DISPUTES AND INCONSISTENCIES:

- a. In the event of contractual disputes, the parties agree to rapid nonbinding arbitration to be administered by \_\_\_\_\_ whose expense shall be shared equally by parties involved. After arbitration, the parties are free to pursue other remedies.

## PRODUCTION PLANNING

As preparations for a performance unfold, promoters can find it daunting to make sure all the many required tasks are performed correctly and in the right sequence. A key step that falls off the to-do list can lead to disaster. As an example of how to approach this organizational challenge for a college concert, Table 16.2 lists the many tasks that must be **back-timed** so that preparations for a performance can unfold in orderly fashion.

**Table 16.2 College Production Planning**

Lead Time	Control Number	Responsibility
6–12 months	1.	Research history of college promotions in your area. What has worked well in the past?
3–6 months	2.	Formulate budget for forthcoming school year; appeal for funding.
	3.	Place tentative holds on performance facilities.
	4.	Make preliminary contact with talent agents to learn of tentative costs, available artists, and dates.
3 months	5.	Get school's approval of your plans. Submit bid for artist, specifying date and price.
	6.	Get acceptance, rejection, or counteroffer from agents.
	7.	Negotiate contracts with agents. Pending formal execution of contracts, exchange written confirmation.
	8.	Confirm your hold dates on facility, then formulate a written agreement with the facility management.
2 months	9.	Execute contracts with agencies, including technical riders. Add the booking to the calendar on the venue's website and other marketing materials.
	10.	Contact artists' record companies for help with promotion. Ask for press kits, promotional materials, money for block-ticket purchases, cooperative ads, templates for advertising, and even services of promotion personnel.
	11.	Formulate promotion budget and campaign. Calculate ad costs (a local media-buying ad agency can provide estimates).
	12.	Contract for outside suppliers, as needed, for sound reinforcement, lighting, security, caterers, etc.
6 weeks	13.	Place printing orders for posters, banners, etc.
	14.	Line up cooperative ads with radio stations, local entertainment websites, local stores, etc.
	15.	Contract for ticket-selling outlets.
	16.	Seek online and in-store displays of posters, albums, etc.
	17.	Line up student volunteers for ushering, taking tickets, setting up/ striking stage, providing publicity, being gofers, working in the box office, etc.
	18.	Clear plans with fire department: size of crowd, control of aisles, exits, etc.

(Continued)

**Table 16.2 (Continued)**

	19.	Clear security plans with police, sheriff, rent-a-cop firm, and campus police. Discuss liabilities with school's legal counsel.
	20.	Schedule press conference, interviews. Mount banners and posters at venue.
2 weeks	21.	Reconfirm arrangements with outside suppliers (sound, lighting, transport, caterers, etc.).
	22.	Check ticket sales. Adjust promotion activities accordingly.
1 week	23.	Call a production planning meeting with facility manager, stage manager, production director, and student volunteers. Issue written instructions to everybody concerning their responsibilities, schedule, and contingency plans.
3 days	24.	Reconfirm everything! a. With artists' road managers regarding any changes in time of arrival of personnel, equipment b. With outside suppliers c. With facility stage manager d. With student crew chairpersons e. With ticket sellers (If sales are lagging, execute preconceived last-minute promotion campaign.)
Performance day	25.	Call production meeting 1 hour prior to scheduled arrival of equipment and roadies. Everyone charged with responsibilities relating to the production and performance attends this meeting and takes notes. Discuss last-minute changes in plans.
	26.	Set up. Confirm that all personnel and equipment are arriving per plan.
	27.	Pick up ticket money. Deposit money in bank.
	28.	Welcome the performing artists and their entourage. Control issuing of backstage and auditorium passes. Save a few good (free) seats for unexpected important guests.
Postproduction	29.	If agreed contractually, join the road manager for a count of receipts shortly after the box office closes. Deliver cash at overnight bank deposit or predetermined secure storage.
	30.	Feed your people after the show, at least your volunteers. They've earned it!
	31.	Confirm facility cleanup is proceeding per plan. Did the venue experience more-than-normal wear and tear? If so, discharge your contractual responsibilities.
	32.	Write a summary report, following a short meeting with your key personnel: What went wrong, what went well?
	33.	Thank the participants by telephone, email, text, or letter for their cooperation, particularly those who worked as volunteers.

## MARKETING

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How does the ticket-buying public know that tickets for an upcoming concert are on sale? Through marketing, or through bringing the pertinent information to the **market**.

Marketing has many facets but it's helpful to keep in mind this broad divide: there's paid marketing that delivers controlled messages, and unpaid marketing, such as news stories prepared by independent journalists.

***Online and Mobile.*** The online world offers an amazing confluence of forces to promote concerts. Artists market through their fan club websites, and venues use their own digital assets to reach potential concertgoers. Each maintains a list of fans that made contact for use in pushing events and merchandise sales. A unique characteristic of online is that these assets facilitate direct interaction with consumers—there is no media middleman such as a newspaper or radio station, for example—and digital platforms can execute online ticket sales directly to the consumer.

Display ads can be placed on third-party music, entertainment, and local media websites, and those sites can be enlisted to give extra promotional visibility in exchange for concert ticket and band merchandise giveaways. Mobile devices—such as smartphones and tablets—are increasingly favored by consumers and also can facilitate purchases.

Promoters who present ethnic music may find specific digital media outlets that cater to a slice of the ticket-buying public. Irish performances, for example, may sell more tickets through Irish digital media than through the mainstream print sources (sometimes these outlets also have printed-on-paper magazines).

***Radio and Television.*** Broadcast television advertising can be useful if the goal is to reach a broad audience within a station's geographic area, but the expense is often not justified depending on the nature of the act and the size of the venue. With radio, there is some segmentation based on music format and thus a narrower demographic focus, a combination that often makes the medium a good advertising vehicle.

Radio stations sell air time in 30- or 60-second units, with fees based on the station's **rate card**, a list price based on estimates of how many listeners (in what demographic categories) tune in and at what times of day.

Local cable television systems offer city and regional commercials on basic **cable networks** such as the MTV channel cluster, Great American Country, Revolt, and BET Gospel. The viewing audience on any single cable network is typically smaller compared to a broadcast TV station. But a cable interconnect (a cluster of adjacent cable systems) typically offers the advantage of placement by selected geographic areas, which in theory leads to less geographic waste in advertising expenditures.

***Direct Mail and Email.*** Targeting a specific audience can be effective through direct-mail advertising and promotional emails, but using the right mailing list is vital.

Mailing lists assembled by artists, promoters, and venues are valuable because they typically aggregate the most promising prospects to buy concert



tickets. But such lists tend to be small—typically just a couple hundred or thousand contacts for a geographic area close to the concert venue. To cast a wider net, promoters can buy syndicated mailing lists with thousands or tens of thousands of consumers, or mount tie-ins with third-party organizations to gain access to mailing lists.

Emailing is attractive because there are no postage and paper costs, but blasting unsolicited emails is problematic. Consumers are weary of promotional barrages, so they punch up their spam filters to intercept messages, which makes emailing a hit-or-miss proposition.

Deals to piggyback on third-party mailing lists can involve purchasing ads for cash or bartering in exchange for concert tickets. For example, concert ads can be placed on email lists from radio stations, which would use the tickets as prizes in on-air promotion. Such tie-ins are often negotiated as part of **paid advertising** campaigns.

***Print Media.*** Mainstream publications such as daily newspapers are often avoided because their audience is broad and much of the readership may be off target. Typically, the main print buy is the “alternative” print media of free weekly newspapers, which have less-expensive ad rates than the mainstream daily city newspaper but lower circulation. These weeklies often list cultural events in their cities and cater to young audiences oriented to out-of-home entertainment.

### **Advertising Production**

Once promoters decide on their media mix—how much they want to spend for online, newspaper, radio, mail, and television ads—they need to produce the ads they want to run.

More and more, major artists themselves control production of concert advertising. (When the late rock star Prince wanted to be billed as “The Artist Formerly Known as Prince,” promoters complied.) Artists and promoters typically specify using template advertising materials that they prepare that leave spaces for insertion of venue name and engagement date. In display materials, size is often stated as a percentage proportion, such as the name of the supporting act should be no more than 40% the type size used for the headliner. If the performance is sponsored, ads will feature the sponsors’ names and will mention the acts’ latest recordings.

Nationally touring acts typically employ one set of advertising materials that can be used for all their concerts with minor customizing for a local venue and date. For local bands just getting started, radio stations and local cable interconnect ad networks can create satisfactory ads, if provided with audio and video tracks. Promoters can also call on the services of professional production companies. Although these companies require a fee, the higher quality of the commercials may outweigh the cost worries by ultimately being a catalyst for higher ticket sales.

## **PUBLICITY AND PUBLIC RELATIONS**

Cheaper than advertising—and perhaps even free—publicity and public relations help promote live performances. **Publicity** is a nonpaid marketing



► Johnny Lloyd of Tribes performs at Leeds Temple Newsam Park, United Kingdom.

Photo by Shirlaine Forrest/Getty Images for Coca-Cola.

function that includes issuing press releases, providing news outlets with video and audio clips, and generating favorable news coverage by making artists available for press interviews.

Recipients of publicity materials include all traditional and new media outlets that cover entertainment. The payoff is unpredictable because it's up to media outlets whether to publish or post anything. When a report is published that's favorable or informational, it's highly influential because consumers view such news

and informational editorial content as unbiased.

It may be worthwhile to hire professional publicists. A **PR** specialist has contacts in the press, knows how to exploit the editorial process, and devotes time when promoters can't. Fees are usually negotiable, and a major feature story could be worth many dollars that promoters would otherwise pay to advertise.

### Postering/Street Teams

The digital revolution is the trend setter for media these days, but old-fashioned boots-on-the-ground still prove to be highly effective for publicizing concerts. This involves placing posters in prominent locations with heavy foot traffic such as restaurants, taverns, night clubs, shopping malls, and so on. Sometimes the distribution is via *street teams* of temporary hires wearing identical clothing—such as T-shirts with artist logos—placing posters and passing out fliers to pedestrians in an attempt to draw attention to the concert. In most locales it's illegal to post on private property without permission. Follow applicable posting rules or else the promoter—who is plainly identified on concert materials—will catch flack.

## SPONSORSHIPS

Many promoters find that the most efficient and profitable concert promotions are those with one or more **sponsors** backing the project. Although sponsors may indeed pay some actual hard dollars for the privilege, most of the benefit to artists and promoters comes from the **soft-dollar** promotional clout that their marketing engines provide. There are several types of sponsors.

### Record Company Sponsorship

Record industry executives know that the successful promotion of a new album may depend on coordination with a concert tour. Record companies that help underwrite the costs of the concert production provide promotion materials, such as online marketing, posters, and banners. Some will buy blocks of tickets and then give them away to influencers that they believe might stimulate the ticket-buying public, such as disc jockeys or local media celebrities.

Recording companies may lend their own publicists or **product managers** to ensure a concert's success. Sometimes recording companies will organize and produce national tours for new acts, and there may be room for local promoters to work with labels as part of these national efforts. Labels have always been at least indirect beneficiaries of a tour's success. With the rise of 360 deals (see Chapter 11), labels often have a direct incentive to ensure that the money from live performances keeps flowing.

### Radio Station Sponsorship

Radio stations frequently sponsor or cosponsor concerts in their listening area that fit their audience profile. Radio outlets negotiate for tickets to give away to their listeners in exchange for free or reduced-rate radio advertising for the promoter. Concert promoters welcome radio sponsors because the people who listen to radio are presumably the same who will come to the concert. Streamers may promote concert dates, though as national services are not as engaged in localization as radio stations.

### Consumer-Goods Sponsorship

Both concert tours and venues line up sponsors, although their strategies are not identical. Both often vie for the same pool of automotive, beverage, financial services, and tech advertisers, though delivering vastly different benefits. Concert tours provide national coverage and an unchanged audience demographic—roughly the same age, gender and other population characteristics at every stop. Sponsors have their own demographic targets and seek to align with concerts whose audience is a match. Another benefit of aligning with tours is that national news media may cover concerts going coast to coast.

In contrast, venues host an assortment of events with varied audience profiles (ice hockey to symphonies), but offer a geographic focus that is valuable to local and regional businesses such as banks and various service providers. For example, local merchants such as convenience stores near venues might provide a reduced-price drink with purchase to patrons showing concert ticket stubs. News media coverage tends to be local in nature. However, some national advertisers also latch on to large venues for prestige, including splashy naming rights of facilities such as Microsoft Theater at L.A. LIVE in Los Angeles, the Barclays Center arena in Brooklyn, and the Pepsi Center in Denver.

Corporate sponsors provide advertising that promotes themselves and their music partners, messaging in their social media, quantities of their product or service, and, to a lesser degree, cash payments. An increasingly popular goodie is sponsors donating to artist charities, as long as the charity isn't controversial. Sponsors don't want to risk alienating large segments of the population by associating with a polarizing charity.

The marketing push that sponsors provide reduces marketing expenses directly borne by the tour and venue. For example, credit card outfits promote concerts in client communications, such as bill stuffers (paper or via emails) that accompany monthly statements. Sponsors of all types may run sweepstakes and ticket giveaways that directly promote concert dates in marketing materials not paid for by the promoter. As for their payoff, sponsors may get to distribute free tickets, discounted tickets, special access VIP seating, and other enticements, such as free parking and co-branded artist merchandise. Increasingly, sponsors

exploit digital media, such as producing audio/visual shorts of backstage hijinks or showing the audience in rapture. Occasionally, sponsors produce content tied to a new song from the artists. This allows sponsors to pepper cyberspace with the messaging integrated with popular music, which creates a closer association than just corporate logos on top of stacks of loudspeakers on stages.

Sponsors often hire specialist marketing agencies to negotiate deals on their behalf with tours and venues, relying on the agencies' experience knowing what deal points are feasible or not, expertise from executing many sponsorships, and cost-benefit analysis that consumer goods companies seek to validate their involvement. For national tours by top acts, the value of sponsorships from consumer goods companies in terms of advertising, marketing promotions, other event support and cash ranges from \$50,000 to \$5 million. At the other end of the scale, local bands playing the regional club scene can be happy with a \$2,000 sponsorship from a local motor scooter dealer, given the shoestring economics of garage bands. The main competitions for sponsorship dollars are sports, fashion such as events tied to apparel, and events related to hobbies such as collecting memorabilia or wine tasting.

Ultimately, the sponsor is seeking a subtle rub-off of the performer's popularity, along with a memorable concert experience, to benefit the company and its products. Sponsoring hotels promote their hosting of touring performers (leaving the audience to dream of running into Mick Jagger in the lobby of their local Hilton hotel).

Contracts always specify exclusivity in a category, such as only one women's clothing brand or one soft drink. Defining categories can create a tug-of-war in negotiations. For example, a consumer electronics sponsor might seek broad exclusivity while promoters or venues will seek a narrow definition, like just TV sets. Settling on just "TV sets" lets the promoter or venue seek additional sponsors for other consumer electronics categories such as personal computers, smartphones, tablets, music players, video games, and home security systems. The computer and video game categories can be further subdivided into hardware and software. Promoters who attach sponsors to concerts must keep in mind that the artists may have the right to reject the sponsor or limit the sponsors' exposure. Artists may also ask for additional fees if products are to be identified with their shows or their personas.

Promoters face conflicts in corporate sponsorships. If Toyota sponsors a tour and a venue has an arrangement with Honda requiring that only Honda gets signage at that venue, the promoter needs to book a different location.

### College Sponsorship

Colleges and universities sponsor a large percentage of the live concerts in the United States. Student-run committees handle the school's annual budget for campus-sponsored entertainment, but because college students generally lack sufficient experience to promote or book on their own, schools often bring in professional promoters to assist. From this exposure, the promoters of tomorrow may be born.

Regional college promoters often band together and offer artists **block booking**, whereby the promoters take care of tour dates, venues, production, and promotion for a series of area concerts. Agents and artists appreciate this initiative to do much of the work for them, and the college block can also benefit through negotiating strength.

## THE FUTURE OF LIVE

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### Private Concerts

Not all concerts involve selling tickets to the general public. There is a little-publicized but thriving business for private concerts.

Sometimes these support hosting businesses such as at gambling casino theaters, commemorative activities, or cruise ships. In a growing trend, top performers agree for long concert runs called residencies at Las Vegas casinos, which artists find appealing because they get rich concert paydays without grueling and expensive multicity touring.

Another type of private concert are short performances connected to televised events—such as at halftime during football's Super Bowl. Artists work for small fees because the big payoff is promotional with the vast TV audience. Consumer purchasing of the performers' recorded music usually spikes immediately afterward.

Finally, wealthy individuals arrange private concerts for personal events like birthdays and other personal anniversaries. The likes of Guns N' Roses, Elton John, Paul McCartney, Rod Stewart, and the Rolling Stones have serenaded by-invitation-only party guests at intimate events on the front lawns of mansions or at closed-off venues.

Asking prices for top performers in such private concerts can approach \$1 million and, for one-off private concerts for a wealthy benefactor, includes personally meeting the 60-something birthday boy and, on a limited basis, the guests. Artists often insist on "surprise" performances in contracts for wealthy benefactors with little or no advance publicity. Headliners don't want their fans to know they're at the disposal of the filthy rich, and no publicity is an attraction because it means no marketing expenses.

Farther down the popularity scale, other performers with charted music are available for one-off private affairs for \$3,000 to \$150,000 per concert. Talent representatives will book performers for birthday, graduation, anniversary, and holiday parties, if the price is right. Talent ends up performing at the local wedding halls or even in the backyards of middle-class homes. Because of the staging limitations of venues, many performances are cut down from tour scope and sometimes can involve just a piano or guitar. Travel expenses are usually paid on top of performance fees.

### Enhanced Transmission Technologies

In a new wrinkle that eliminates multicity tours, some concerts by popular musicians are "live" events transmitted as cable pay-per-view, to movie theaters via closed circuit, or via online video—all with fans paying premium prices to view and hear. With one performance, the artist reaches a wide audience and sidesteps the rigors of going on the road. In another development, 3D hologram performances of iconic but dead artists are presented in venues as "live" concerts. Virtual reality equipment that typically requires viewers to wear headgear that facilitates depth perception is another enhanced tech for concerts.

There is little fear, though, that in-person performances will generally fade away in place of electronic substitutes. An artist in a live venue reaching out and touching someone—figuratively at least and perhaps even literally—is just too powerful a force.

## CHAPTER TAKEAWAYS

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- Artists receive varying slices of the box office pie, depending on their own clout and the revenue-generating capability of the venue.
- A handful of competitive national promoters handle big acts making national tours. Local promoters with lesser-known acts account for the rest of the concert ecosystem.
- Concerts drum up ticket sales through a combination of publicity-generating news stories, paid advertising, short-term promotions where third parties such as radio stations get the word out, and long-term sponsorships with partners such as cell phone carriers.
- Concert tours mounting tie-ins with corporate sponsors get the sponsors to pay for some of the marketing costs, in exchange for allowing sponsors to associate with the tour and artist.
- College students interested in the field can gain valuable experience organizing and promoting campus performances.

## KEY TERMS

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back-timed (p. 304)  
block booking (p. 311)  
four-walling (p. 296)  
load-in/load-out  
(p. 302)

national promoters  
(NPs) (p. 294)  
paid advertising (p. 308)  
publicity (p. 308)  
split point (p. 297)

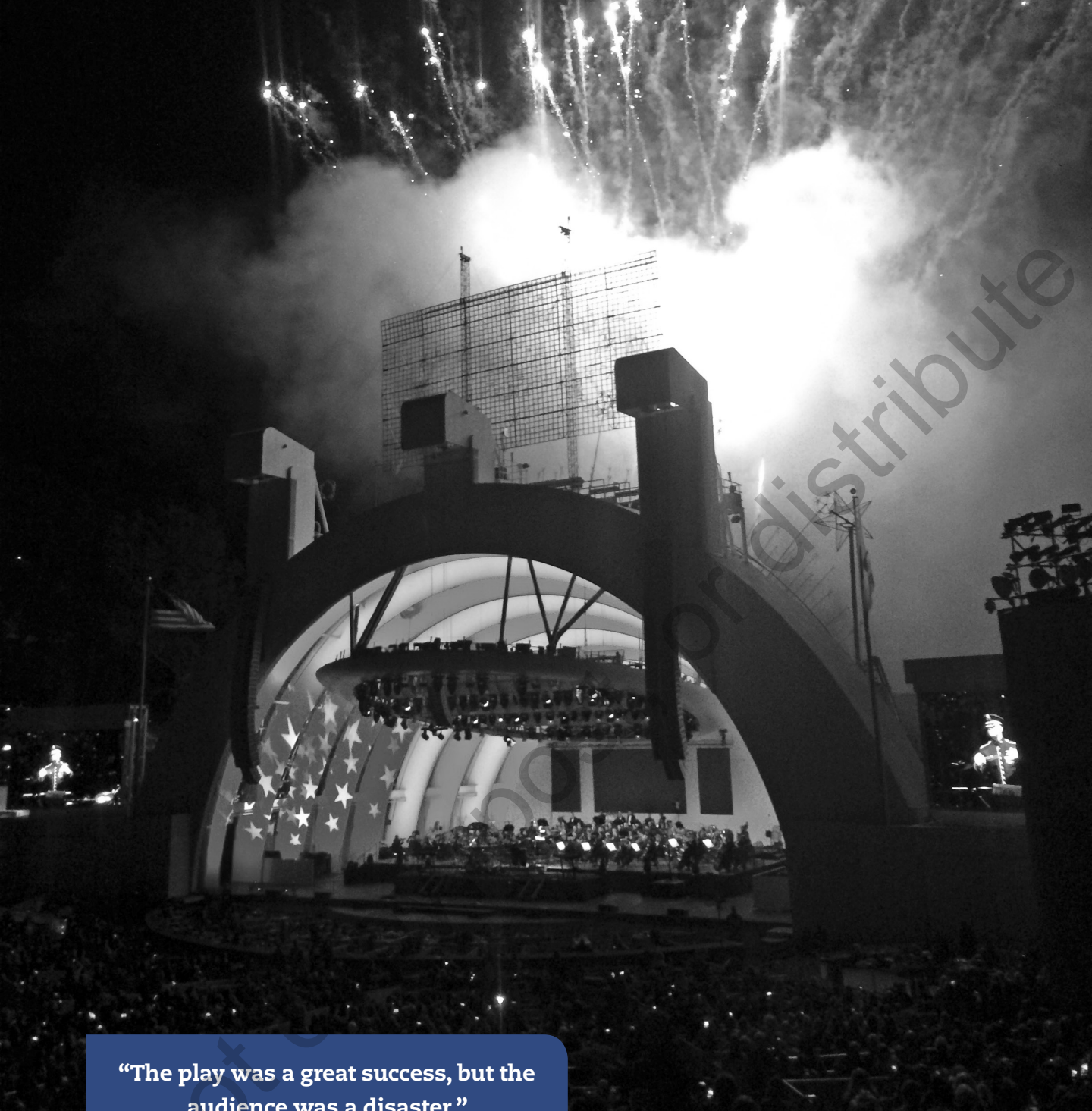
sponsorships (p. 294)  
standing room only  
(SRO) (p. 297)  
technical riders (p. 305)

## DISCUSSION QUESTIONS

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1. What are a promoter's options for filling up a venue when ticket sales are weak?
2. Describe the various marketing methods that use either paid advertising or publicity to promote a concert.
3. Discuss the types of digital media that can be used to promote concerts and their strengths.
4. Has the massive consolidation in the concert industry made life better or worse for artists? Record companies? Fans?





**“The play was a great success, but the audience was a disaster.”**

**—Oscar Wilde**

► The Hollywood Bowl.

Photo by Gretchen Baskerville.