

Counterintuitive Results

Following the 4Q, 2008 crash of the worldwide financial markets, the global concert industry faced a tremendous uncertainty when trying to craft plans for 2009 tours. How do you project the demand for discretionary items like concert tickets when the world seemed to be melting down in a string of bankruptcies and mass layoffs?

The answers came slowly during the traditionally lightly trafficked first quarter. The first high-profile 2009 tour on-sales rolled out to surprisingly strong business. Britney Spears, Phish, Bruce Springsteen, and U2 all posted impressive advance sales.

Coachella revived the concept of lay-away plans with great success. Eagles, Celine Dion, and Billy Joel / Elton John rolled out U.S. dates that proved there were still plenty of fans out there willing to pay over \$100 per ticket. Pink, AC/DC, Coldplay, and Tina Turner all posted huge international business.

Despite all the uncertainty, the global concert industry has gotten off to a good start in 2009.... although everyone keeps looking around, nervously waiting for the bottom to drop out from under them. So far that hasn't happened.

New Worldwide Top 25 Tours Chart

Pollstar has traditionally concentrated its analysis and projections on the North American concert business

TOP 25 Worldwide TOURS

Rank	Gross Millions	Artist	Average Ticket Price	Average Tickets	Total Tickets	Average Gross	Cities Shows
1	150.6	AC/DC	86.39	30,583	1,743,257	2,642,105	57/61
2	83.5	Tina Turner	121.65	31,183	686,021	3,793,488	22/52
3	74.6	Britney Spears	95.04	23,771	784,450	2,259,205	33/48
4	60.7	Bruce Springsteen & The E Street Band	91.44	24,586	663,834	2,248,092	27/34
5	60.2	Eagles	128.13	12,378	470,347	1,585,874	38/40
6	54.8	Fleetwood Mac	97.00	10,864	564,948	1,053,846	52/53
7	52.1	Elton John / Billy Joel	122.82	19,293	424,456	2,369,562	22/24
8	50.8	Pink	64.38	20,763	788,991	1,336,799	38/66
9	45.9	Coldplay	73.51	18,365	624,404	1,350,000	34/45
10	42.6	Celine Dion	108.24	17,875	393,249	1,934,759	22/25
11	41.4	Metallica	64.70	22,070	640,024	1,427,838	29/35
12	37.4	Beyoncé	76.31	15,321	490,260	1,169,115	32/41
13	36.2	Il Divo	77.88	7,270	465,262	566,148	64/72
14	35.3	Depeche Mode	76.00	46,501	465,007	3,534,064	10/10
15	32.5	Kenny Chesney	67.46	19,278	481,942	1,300,420	25/26
16	27.2	Dave Matthews Band	55.57	22,235	489,172	1,235,639	22/29
17	26.4	The Dead	81.72	19,013	323,226	1,553,714	17/22
18	25.0	Jonas Brothers	65.30	21,269	382,848	1,388,889	18/22
19	24.5	Nickelback	54.33	13,287	451,747	721,927	34/34
20	24.4	Dane Cook	62.74	11,112	388,906	697,143	35/38
21	23.9	André Rieu	86.14	4,466	276,883	384,690	62/66
22	23.0	"Walking With Dinosaurs"	38.31	31,598	600,365	1,210,526	19/157
23	22.7	Iron Maiden	50.42	21,439	450,218	1,080,952	21/21
24	21.9	Eric Clapton / Steve Winwood	116.58	13,413	187,779	1,563,717	14/14
25	20.3	Leonard Cohen	99.44	6,196	204,461	616,126	33/43

The annual POLLSTAR ranking of the concert industry's top performing artists is tabulated for all worldwide shows worked between January 1 and June 30, 2009. All ticket sales figures are calculated in U.S. dollars and are based on reported information and extensive research by POLLSTAR™ Copyright 2009.

because too little international information was available to produce statistically valid charts. That has changed and we now gather enough data to project the Top 25 Worldwide Tours Chart.

AC/DC's worldwide trek was easily No. 1 grossing over \$150 million and playing to more than 1.7 million fans in the first half of the year. Their tour continues into the fall and U2, whose stadium tour just began in Barcelona, may not have enough stops to push past the Aussies and into the top spot in the year end rankings.

Britney Spears was third in the world but easily topped our Top 100 North American Tours Chart (pages 8 & 10) upon which we base most of our year-over-year industry research.

What Recession

The concert industry in North America is off to what looks like another record year. The Top 100 tours grossed a combined \$1.16 billion which was up \$113.5 million or 10.8% over the same period in 2008.

The total tickets sold by the Top 100 was 18 million. That

represents an additional 1.1 million tickets or 6.5% increase over last year.

The average gross for the Top 100 climbed 8.5% to \$493,551, while the average number of tickets sold per city rose 4.7% to 7,327.

The average ticket price continued its upward spiral hitting \$64.61 for the Top 100 acts. That is up 4% or \$2.54 per ticket.

Price Is Right

It is now widely accepted that the vast majority of shows do not sell out and more needs to be done to

fill those empty seats. Some tours have been proactive from the start by adding a more affordable price point to try and move those seats.

Live Nation, recognizing that few of its amphitheatre shows ever sell out the lawn, has made a point of offering special promotions well in advance rather than hope for that big last-minute surge that rarely ever comes.

The crux of Live Nation's one-day promotions focused on an affordable all-inclusive price that fans would view as a good deal.

The first "no service fee" sale produced spectacular results but also created a backlash when fans found out that there were still add-on fees in the promotion. That was remedied in the following weeks as the company was more careful in its advertising and rolled out a variety of creative one-day special discounts, some of which were truly all-in pricing or included extras like a free Slurpee or hot dog.

Live Nation's operating results, which rely heavily on ancillary sales at its venues,

should be bolstered by the creative campaigns that are being done far enough in advance to make them appear like fan-friendly promotions rather than last-minute acts of promoter desperation.

The downside to ticket discounts, however, is that it trains the audience to wait for sales rather than buy when the show is announced. It also begs the question of why artist managers insist on making deals with unrealistically high bottom price tiers that force promoters to go back and renegotiate for discounted promotions.

Lessons From MJ

The sudden death of Michael Jackson did far more than wipe 50 sold-out arena shows off the books for the second half of the year.

Putting aside the tragedy of a superstar's passing and the legal battles to follow, it underscores two things that affect everyone in the concert industry.

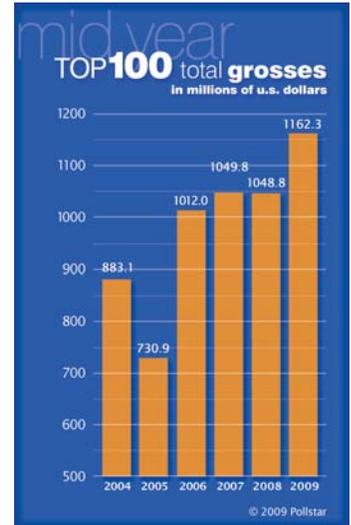
The live entertainment business operates in real time

and despite the most detailed advance plans, anything can happen. AEG Live placed a huge bet on MJ's comeback that looked like it was going to pay off nicely until June 25. It still might although the payback time will likely be much longer than expected.

AEG reacted quickly and responsibly to the tragedy as it unfolded before the most intense media spotlight in history. Despite all the hysteria around them, the company did an incredible job behind the scenes of pulling together and ultimately producing a public memorial fit for a King Of Pop.

Tim Leiweke, Randy Phillips, Lee Zeidman, Ken Erlich, Kenny Ortega, Paul Gongaware and the entire AEG staff did the industry proud under the most chaotic circumstances imaginable.

The biggest lesson, however, is larger than Michael Jackson or any one individual. It is the power of music to affect people's lives. The worldwide response to MJ's passing was far beyond what anyone could have imagined.



Who could have predicted that the death of a pop icon would completely dominate world news for 10 days? That his memorial service would be carried on 19 networks in the U.S. alone and that one in 10 people watched on television and countless more saw it from Internet streams?

The concert industry no longer has Michael Jackson but with his passing, the power of music to touch ordinary people's lives has never been more soundly demonstrated. | Gary Bongiovanni

