Business Is Down

The economic malaise in the United States is apparently translating into about a 15 percent drop in key concert industry indicators. Some geographic areas with stronger underlying employment figures are faring better than others, but in general the downturn is affecting markets of all sizes. The effect is more pronounced with larger shows while the more affordable club-level acts are still seeing respectably sized audiences.

Canada is holding up better than the lower 48 states and markets like Toronto seem to be doing just fine. Sales in Mexico appear to be off largely because some U.S. acts are bypassing the country for now, although Paul McCartney can still play Mexico City and sell more than 100,000 tickets.

International concert grosses are on par with last year’s as fans in Europe, South America and Australia still show a strong appetite for live music. There have been some high-profile Euro festival casualties, as there always are in the increasingly crowded outdoor calendar, but promoters are not feeling widespread disappointment with overall sales results.

Pollstar’s international data collection volume continues its exponential growth so that in addition to our exclusive Top 100 Tours of North America chart (pages 6 & 8), we now project comprehensive numbers for the Top 50 Worldwide Tours, found on page 4.

Top 100 Tours

The Top 100 Tours of North America for the first six months of this year have a combined gross of $965.5 million. That is down $196.8 million, or 17 percent, from the same period one year ago. One must go back to 2005 when gross volume was $730.9 million to find a lower number.

The total tickets sold by the Top 100 was 15.9 million, down 2.1 million or nearly 12 percent from the same period last year. That is the lowest number since the 14.5 million turnstile clicks recorded in 2005.

The average gross among the Top 100 acts plummeted to about $422,000. That represents an average gross decline of more than $72,000 or 14.4 percent per show.

The average number of tickets sold per show also showed a corresponding decline to 6,951 tickets or 9 percent compared with last year’s 7,639.

The average ticket price was $60.77. That represents a face-value price cut of $3.84 or 6 percent compared with last year’s record average price of $64.61. Given the economic realities of today’s marketplace, we expect that average to continue to fall through the end of the year.

Top Grossing Shows

Coachella is the top grossing show so far this year with a sold-out crowd of 225,000 paying more than $21.7 million. That number further cements AEG’s annual Southern California festival as America’s premier outdoor event.

Madison Square Garden was by far the most active arena with eight events in
the Top 100 concert grosses in North America for the first half of the year. Hollywood Bowl and Staples Center were joined by Mexico City’s outdoor Foro Sol and iconic Auditorio Nacional with four grosses each. Air Canada Centre in Toronto and Verizon Center in D.C. each added three events.

The biggest surprise was among concert promoters, where AEG Live-affiliated companies collectively produced 46 of the Top 100 grosses, for the first time beating out its much larger rival, Live Nation, which added 27 events to the list. In addition to the Coachella and Stagecoach festivals, AEG Live’s numbers were bolstered by having its Bon Jovi tour post 18 huge grosses while its Taylor Swift dates added eight shows and the George Strait / Reba tour chipped in seven more.

Live Nation’s top tour was Elton John / Billy Joel which generated 10 multimillion-dollar grosses.

**Worldwide Ticket Sales**

**AC/DC** was by far the hottest attraction, selling more than 1.8 million tickets around the globe. A year ago the Aussie band also dwarfed the competition with 1.7 million tickets sold. No other artist reached seven-figure sales.

Worldwide Arena, Theatre, and Club ticket sales charts show numbers that are slightly down, but from top to bottom are close to what we saw a year ago.

The Amphitheatre ticket sales chart, however, shows a huge drop off. Live Nation, which operates most of the top sheds, has had to cancel several tours that were playing its struggling outdoor venue network. The company has also been slow to report shows so far this season as it grapples with widespread ticket discounting in an attempt to put butts in seats to maintain its ancillary revenue streams.

The Worldwide Promoter ticket sales chart, as would be expected, was led by Live Nation, which reported about 9.7 million tickets sold. That is down substantially from last year’s 12.9 million. The bigger surprise comes from No. 2 promoter AEG Live, which reported 5.6 million tickets sold, which was actually up over last year’s 5.5 million. A number of other U.S. promoters including Jam, C3, Beaver, Bowery, and Another Planet all posted stronger numbers than a year ago.

On the international side, Marek Lieberberg (Germany), T4F (South America), 3A (U.K.) CIE (Mexico), and Michael Chugg (Australia) also reported stronger numbers for the first half of the year.

**The Sky Is Not Falling**

Some in the U.S. consumer and trade press have been quick to declare this the worst summer concert season in years. That is certainly true if you look purely at the numbers. It defies logic, however, to think that in our current economic environment, where unemployment numbers are still growing, that the industry could saturate every market in the country and continue to push the envelope on price without experiencing some major casualties.

In the long term, the concert business will remain healthy because consumers continue to demonstrate a strong desire to see live music. Promoters selling tickets to Lady Gaga, Taylor Swift, Justin Bieber, or Muse shows are not crying.

In a market saturated with Boomer acts, James Taylor has been able to rally his fan base to come out one more time by bringing along Carole King. Eagles, on the other hand, have had to cancel some stadium shows when they found fans less than excited about paying $200-plus again for a show they saw a few years ago.

In tough times fans will be even more selective. They may be turned off by pigish, top-tier prices, resentful of ticket add-on fees and downright angry when they hear about discounted tickets after they have paid full price.

But fans still crave live music and will come out to shows when they can afford it, despite the industry’s misguided efforts to squeeze the fun out of the experience. — Gary Bongiovanni

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