

ANDY REYNOLDS

THE LIVE MUSIC BUSINESS

Management and Production of
Concerts and Festivals

Third Edition



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The Live Music Business

The Live Music Business: Management and Production of Concerts and Festivals, Third Edition, shines a light on the enigmatic live music business, offering a wealth of inside advice and trade secrets to artists and bands looking to make a living in the industry. Previously published as *The Tour Book*, this new edition has been extensively revised, reorganised, and updated to reflect today's music industry.

This practical guidebook examines the roles of the key players – from booking agents to concert promoters, artist managers to talent buyers – and the deals, conventions, and processes that drive this global business. Written by a touring professional with over 25 years of experience, this book elucidates why playing live is crucial to the success of any musician, band, or artist, explaining issues like:

- what managers, promoters, and agents do and how they arrange shows and tours;
- how to understand and negotiate show contracts;
- how to create a contract rider and how it affects the money you earn from a show;
- how to appear professional and knowledgeable in an industry with its own conventions, language, and baffling technical terms; and
- a three-year plan using live performance to kickstart your music career.

Intended for music artists and students, *The Live Music Business* presents proven live-music career strategies, covering every aspect of putting on a live show, from rehearsing and soundchecks to promotions, marketing, and contracts. In an era when performing live is more essential than ever, this is the go-to guidebook for getting your show on the road and making a living from music.

Andy Reynolds is a concert tour manager and audio engineer with more than 25 years of professional touring experience. He has worked for artists such as Maribou State, George FitzGerald, Maverick Sabre, The All-American Rejects, House of Pain, Super Furry Animals, Machine Head, and Pavement and has also worked supporting U2, Whitney Houston, and the Foo Fighters. He also teaches live sound engineering and concert tour management at colleges and universities in the UK.



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ANDY REYNOLDS

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For Eileen and Lily



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INTRODUCTION

“The top 10% of artists make money selling records. The rest go on tour”.¹ *Scott Welch, manager for Alanis Morissette and LeAnn Rimes*

“We used to have a tour to promote a record, now we have a record to promote a tour”.² *Ken Fermaglich, booking agent, Guns N Roses and Paramore.*

The statements of Welch and Fermaglich above are indicative of opinion regarding the importance of live music for artists. The common view is that artists increasingly look to revenue from ticket sales, as income from recorded music fell post-2000. This may be true, and may not be relevant for the vast majority of music artists. In the case the view is based in fact, there is also little guidance for artists on how to create revenue from performing in clubs, theatres, arenas, stadiums, and green-field, open-air festivals. The roles of the key figures, the deals, conventions, and processes, of the live music business are not widely documented. For instance, there are some aspects of the industry that operate “on a handshake” – verbal agreements for deals worth millions of dollars – and that is bewildering for the outsider.

However, the decade 2010–2020 also saw the live music business become a “real business”.³ What was previously a collection of small companies with a fragmented offering has turned into a global business, dominated by international companies who have the knowledge and financial capacity to invest in new artists, new venues, better marketing, and better ticketing systems. This investment assists artists in reaching more fans and give those fans a better concert experience.

The live music business, therefore, needs closer examination. This book will help you to appreciate the roles of the key players in the live music business and give you knowledge of the day-to-day planning of concert tours and festival appearances. The book is divided into two parts. The first, Live Music Management, looks at the people and companies who organise the concerts and make the deals. You will be introduced to the work of the booking agents, the role of the concert promoter, and the relationship of the artist manager with the two. The second part, Live Music Production, looks at the mechanics of how those deals get transformed into the concerts, festivals, and club nights. You will meet the technical and production crew and examine the six elements of concert production and get a detailed explanation of the budgeting process for a concert tour.

NOTES

- 1 Kafka, P., 2003. “The road to riches”, *Forbes*, 7 July, 2003.
- 2 Rendon, F., 2018. “Q’s with UTA’s Ken Fermaglich: Powerhouse rock agent talks clients, industry” [WWW Document], n.d. URL <https://www.pollstar.com/News/qs-with-utas-ken-fermaglich-powerhouse-rock-agent-talks-clients-industry-135722> (accessed 3.12.21).
- 3 Gensler, A., 2019. “Q’s with... Marc Geiger WME partner & head of music on the decade and what lies ahead”, *Pollstar* 39, 15–16.



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PART ONE

Live Music Management

Live music is big business. Any examination of an industry usually includes an assessment of the worth of that industry or market segment. PricewaterhouseCoopers (PwC), a consultancy, value live music (ticket sales and related sponsorships) as being worth \$30 billion by 2022 – of which over \$24 billion will be from ticket sales.¹ Pollstar, an industry trade paper, reported that gross ticket sales from the top 100 tours of 2019 was \$5.5 billion.² The forecast might be unrealistic: \$22 billion worth of tickets need to be sold in the next four years if the PwC figures are to be achieved.

Whatever the predicted worth of the business, the value to an artist entering the industry must be valued using different metrics – that of the promotional possibilities and the revenue it will bring to that particular artist.

This section will introduce you to the key players in the organisation and management of the live music business – the artists, the artist managers, the booking agents, and the talent buyers/concert promoters.³ Figure P1.1 shows the relationship of these key players all revolving round the artist.

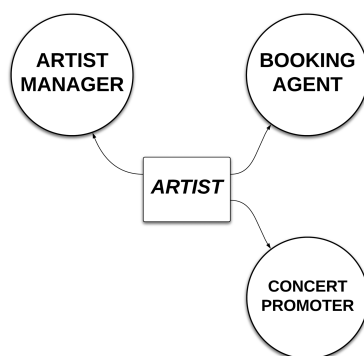


Figure P1.1 The key players in the organisation and management of the live music business

NOTES

- 1 PricewaterhouseCoopers, 2019. *Global Entertainment & Media Outlook 2019–2023 – Getting Personal: Putting the Me in Entertainment and Media*. PwC. URL <https://www.pwc.com/gx/en/entertainment-media/outlook-2019/entertainment-and-media-outlook-perspectives-2019-2023.pdf> (accessed 11.11.19). <https://www.pwc.com/gx/en/industries/tmt/media/outlook.html>.
- 2 *Pollstar 2019 Year End Special* [WWW Document], n.d. URL <https://www.pollstar.com/speci-aledition/pollstar-2019-year-end-special-142982> (accessed 9.29.20).
- 3 Concert promoter is the more common term used to describe talent buyers and one used from now on in this text.

1

CHAPTER 1

THE ARTISTS

CHAPTER OUTLINE

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The three parts of the music business (recorded, publishing, and live) revolve around the artist. The artist creates the “product” – songs and performances – which generate revenue in the respective business areas. Revenue in the live music business is generated primarily from selling concert tickets for performances at one-off shows, on concert tours, and at festivals. The key players identified in Figure P1.1 will all receive a portion of the ticket sales, and some key players will be able to generate ancillary income from the artist’s live activity. But it is the artist who drives the business – the ability of an artist to sell concert tickets, thus “spinning the wheel” of further income generation, is of foremost importance. Selling tickets is not only an income stream. Artists and their managers view the ability to sell tickets as an indicator of the connection between the artist and the fans. The number of streams and YouTube views for a particular artist may reach the millions but “there isn’t any shortcut to selling tickets. You have to go through a process of development and building an audience”, according to Harry McGee, an artist manager.¹ Artists agree. “There are a lot of artists with millions of streams worldwide because they have got on some play list”, says Victoria Hesketh, who performs as Little Boots, “but they couldn’t put a gig on and sell ten tickets”.²

The views of artists and their managers may contain sweeping statements, and it is clear there are two benefits from live performance. The first is an income stream which may well exceed that from recorded music (streams, downloads, and physical sales). The second benefit is the relationship between the artist and the fan. Buying a concert ticket shows a deeper connection with the artist than that of following them on social media or adding a song to a play list. These two benefits should therefore be acknowledged in any artist’s career planning. This is true regardless of the career stage the artist finds themselves. Figure 1.1 shows a timeline of an artist’s career and the contribution live performance makes at each stage.

Figure 1.1 depicts the artist’s career from the point they have established themselves, whether by being signed to a management company, being signed to a record company, self-releasing an album, or a combination of those milestones. The artist will still perhaps organise their own shows in year one. Depending on genre and location,



Figure 1.1 Time line: The contribution of live performance to an artist's career

these performances may be in bars, pubs, and function centres, hired by the artist and staged with the intention of impressing, friends, family, and industry tastemakers. A management team or record company may have become involved, and the need arises to “showcase” the artist's abilities (we will examine the concept of showcases in chapter three: Booking Agents). The artist should have progressed to selling concert tickets to the public (“hard tickets”) by the end of year one.

A booking agent will have become involved towards the end of year one, and the agent will work tirelessly in year two to secure appearances at domestic green-field, open-air, summer music festivals. The artist will appear very early in the day at these events (when many festival-goers have either not arrived or are still sleeping in their tents) or on one of the many smaller stages and tents that make up a large-scale music festival. Still, these appearances are an accepted way of introducing an act to the general public and gauging the reaction from new fans. The agent will also arrange for the artist to be added to the bill by established artists (called a “support slot” or “opening up”). Opening for a well-known artist is another way of finding new fans and gauging the artist's ability to entertain a crowd.

The artist will have established themselves by the end of year two and will be booked to appear at international music festivals in year three. The artist will also commit to a tour of 1000–5000-capacity domestic venues in the autumn or winter of year three. The so-called “headline tour” is a milestone for artists, validating their hard work and the commitment from their fans.

Year four will see the artist capitalising on the foundations laid in the first three years, with them headlining domestic music festivals and moving into stadium-level touring (>5000~20,000-capacity).

THE IMPORTANCE OF LIVE PERFORMANCE

The perceived impact of performing live has shifted, since 1999, from proving ability to a revenue stream.

Pre-1999, playing live was a way of proving the ability of the artist, therefore gauging their “authenticity”.³ Ability includes both the technical nature of the craft (good singing, competent playing of instruments, decent songwriting) as well as the mysterious

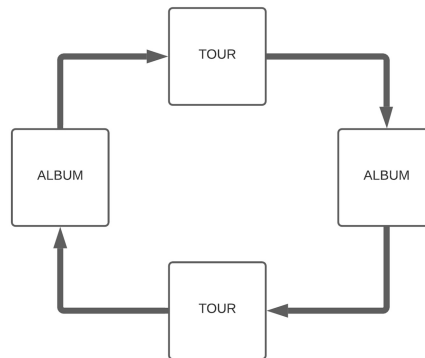


Figure 1.2 The album-tour-album cycle. An artist releases an album, undertakes a concert tour to promote the album, finishes the tour, writes, records, and releases a new album, undertakes a concert tour to promote the new album, and so on

“star quality” that successful artists have. Authenticity is a desirable asset – audiences respond favourably to artists who have “paid their dues” by starting out in grassroots venues and “can judge what they do is real”.⁴

The discovery of new artists in the pre-internet era relied on teams of Artist & Repertoire (A&R) people first hearing demonstration recordings (demos) of bands. The team would then attend live performances of the bands they felt were going to be successful. An artist that could hold the interest of an A&R person attending a gig in a bar would stand a good chance of being signed to that record company. This still holds true – live sets are seen as “the best indication of the quality of an artist and their music”.⁵

LIVE PERFORMANCE AS A PROMOTIONAL ACTIVITY

The music business of the “old days” (pre-1999) concentrated on getting radio play of singles that were released to promote an artist’s new album. Performing live was seen as a promotional activity – playing live and touring was undertaken to alert fans to songs on the latest album. A successful artist would therefore find themselves in the “album-tour-album” cycle (Figure 1.2).

PRE-1999: “THE OLD DAYS”

It is generally accepted that the music industry has operated in two phases “pre- and post-Napster”. Napster was a peer-to-peer file-sharing service that launched in November 1999 and enabled music fans to discover and keep the music they liked, without paying for it.

Napster and other file-sharing services are often blamed for the slump in recorded music sales from \$36 billion in 2000 to a low of \$29 billion in 2007.⁶ Whether

file-sharing was totally to blame is arguable; increasing competition from console gaming, DVDs, and other consumer entertainment, also played a part. What is true is that the recorded music industry has had a long, slow, climb back to the sales volumes reported in 2000. Veterans of the music business sometimes use the phrase “the old days” in speeches and reports – they are referring to the business before 1999.

The “cycle” describes the timeline of an “album campaign” – the period allocated to promoting a new album. The album-tour-album cycle involved releasing an album, touring to support the release, finishing the tour, resting, writing new material, entering a studio to record the new material (often also involving the writing of material in the studio), releasing the new album, going on tour to support the new album, and so on. The cycle was accepted as the lot of a successful artist, and the recorded music business did not have any involvement in the live side of the business – they were happy as long as the artist hit the road to promote the new album. Mick Jagger of the Rolling Stones sums up the relationship:

Recorded music and the business of it is a totally separate subject from the road, and it has a completely different business model and, of course, one’s linked to the other. But for years, they were never really linked at all. In fact, you could never get the two groups to talk to each other. It was a nightmare.⁷

The modern record company may be more invested in the live music business these days, and the album-tour-album cycle is still applicable. An artist will have other activities taking place between – or concurrent with – stages of the cycle, such as film and TV appearances,⁸ product launches,⁹ and collaborations with other artists. There is also sentiment regarding the value of the album in the modern streaming-led music business and that a promotional campaign will no longer feature, or even need, the album as a collection of songs at its centre.¹⁰

That may be the case in future; for now, playing live is a valid promotional strategy with demonstrable benefits. Artist and record companies report significant uplifts in sales for artists who perform at major music festivals,¹¹ such as the Coachella Valley Music and Arts Festival (US) and the Glastonbury Festival of Contemporary Performing Arts (UK). Chart-reporting company Nielsen SoundScan reported that Tupac Shakur’s “Greatest Hits” album (released in 1998) saw increased sales of 571% after the rapper appeared at the Coachella festival in 2012.¹² This despite Shakur having died in 1996 and appearing at the Coachella festival represented as a hologram.

LIVE PERFORMANCE AS A MAJOR REVENUE STREAM

The A&R discovery process now includes measuring an artist’s popularity on social media and music upload sites, such as SoundCloud, to gauge future success. The ability

to perform live may still be counted in the A&R decision, and the earning potential from live performance is an important consideration. The introduction to this book features a quote from Scott Welch, a music manager, about artists making the majority of money from touring (the quote appeared in an article written in 2003, as revenues from recorded music were in free-fall). Regarding live performance as a major revenue stream is a common sentiment and is backed up by data. The highest-earning artists of 2018 made almost 75% of their money from touring and concert activity.¹³ The list of 50 artists compiled by Billboard magazine¹⁴ included U2, Garth Brooks, Metallica, Bruno Mars, and Ed Sheeran in the top five, who also all have respectable income from recorded music and publishing. The fact that these artists received three-quarters of the revenue from live performance is noteworthy and fuels the seemingly endless blog posts and articles about the importance of live as the major revenue source for modern artists.

Do artists outside of the Top 50 earn the same proportion from touring and concerts? Individual artist data are protected, and the data reported in the Billboard report are based on projections, using accepted industry reporting.¹⁵ These projections have some significance when reporting on earnings exceeding ten million dollars, as a percentage change here and there still gives a convincing picture of earning proportions. However, a successful artist outside of the Billboard Top 50 earners list will make a lot less from their music, and generalisations on lower incomes are misleading. For instance, say an artist earns the equivalent of the US household income for the year, \$61,000.¹⁶ The Billboard report suggests the artist would earn 75% of this figure from live performance – \$45,750 – which is a great deal to earn from performing in bars and clubs. You shall see the potential revenue an emerging artist can expect to receive in “*Creating the Deals*” later in this book. A take-away from this section should be that the importance of live performance as a revenue stream for artists is true at the top of the market (artists with established careers or that have capitalised on breakout success to go directly to performing in arenas), and that perceived importance and revenue share may not be true for emerging artists.

A SIGNIFICANT REVENUE STREAM IF COSTS ARE LOW

It should be noted at this stage that reported revenue from live performance is dependent on associated touring costs. Table 1.1 shows the broad categories of artist expenses when performing live. You will look at these costs in part two, “*Live Music Production*”; for now, you should know that touring is expensive.

An undiscovered artist will incur these costs in the same way as a stadium-filling legacy act. The costs for the emerging artist will be less in total but may be a greater percentage of the performance income. For instance, the artist may have to rent a car or van, book a hotel, put new strings on her guitar, and pay her backing musicians, to perform a show in the next state. A rough total for these expenses could be \$400; the revenue from the show may only be \$500. This is not an unrealistic scenario, and any calculation of performance income as a major revenue stream must

Table 1.1 The four categories of live performance expenses, with examples for each

CATEGORY	EXAMPLES
WAGES	<ul style="list-style-type: none"> Session musicians Musical director Other performers Technical crew Touring management crew Merchandise sellers Drivers
TRANSPORT	<ul style="list-style-type: none"> People carriers Sleeper buses Trucks Flights Freighting of equipment
ACCOMMODATION	<ul style="list-style-type: none"> Hotels Apartments
PRODUCTION	<ul style="list-style-type: none"> PA (sound) Lights Video Backline Set Stage Work permits and visas Rehearsals

factor in the costs involved. An artist who is going to make a living from live music must keep their costs down.

THE IMPORTANCE OF LIVE PERFORMANCE BASED ON GENRE

The benefit of authenticity is apparent when taking genre into account. For instance, live music is seen as the preserve of “real” musicians – those in groups playing “rock music” with other musicians, with guitars, drum kits, and vocals unaided by technology. This type of music, and the performance, can be viewed as “authentic”.¹⁷ At the same time, authenticity in certain genres may have been compromised using technology in live performance.¹⁸ Pop music performers may lip-sync (pretend to sing while pre-recorded vocal tracks are played), for instance, and are therefore judged as inauthentic. A study of the top-grossing tours of all time would seem to confirm this sentiment, as all but four of the artists in the current top 20 highest-grossing tours chart as provided by Pollstar, a trade magazine, are groups performing guitar-led music that fits broadly into the rock genre.¹⁹

A genre may be deemed to be inauthentic, and historically purveyors of music in genres considered to be inauthentic would not seem to benefit from live performance,

compared with artists operating in “authentic” genres. Changing audience consumption habits have seen a shift in this perception. An example is hip-hop. Although accounting for over 20% of music consumption (physical sales, downloads, and streams) in 2018,²⁰ hip-hop had never been considered successful in concert venues. Platinum-selling hip-hop artist Jay-Z’s 2008 headline slot at the Glastonbury festival was met with criticism, with many complaining of the booking of a hip-hop artist for a festival that mainly featured rock and folk²¹ artists.²² Concerts and tours by other hip-hop artists were often affected by worries of violence at the shows and did not sell many tickets.²³ Hip-hop concerts also suffered with a lack of authenticity – sub-standard sound and lack of performer charisma also plagued hip-hop tours of the 1980s and 1990s – giving the impression the artists “could not play”.

Before the pandemic, hip-hop was proving to be as successful in concert halls as in recorded music. A hip-hop fan’s ability to discover new music through streaming and music upload sites, such as YouTube (a video-sharing service) and SoundCloud, has lowered the barriers to entry, especially for independent artists (those not signed to a record company), and “industry gatekeepers have become less important”.²⁴ Hip-hop artists can gauge demand for their music by analysing the statistics provided by Spotify (a music-streaming service), for instance; concerts and tours can then be booked in cities where there is sufficient demand. (You will see more on this in “Strategy” section later in this part). The result is artists can perform in the cities where their fans live and can then use that support to justify inclusion on the bill at major music festivals. Fans have less concerns about authenticity, the removal of gatekeepers allows fans to champion music on their own terms, and the concert experience is part of that dedication to an artist.

WHO ARE THE GATEKEEPERS?

Gatekeeper is the term used to describe people who create a barrier between two sets of people. The term originated to describe secretaries and personal assistants who controlled access, either by phone or in person, to company executives and business people.

The term is used in the music business to describe creative decision makers – an example being radio stations. Traditionally, you heard music on the radio, but you did not hear all the music that had been released; you heard only the music that has been filtered through the radio show producers and presenters who decided to play it out.

Other live music business gatekeepers are the booking agents and promoters. You can only attend the concerts that have been organised by those two parties, and that arrangement used to rely on instinct and gut feeling to pick which artist would sell a good number of tickets. Analysing data from internet services such as Spotify has changed that arrangement: fans can implore an artist to perform in a certain city and back up the request with statistics about relevant views and streams. Promoters and booking agents still must work together to organise a show, but the fans have more say on what they want to see – and when.

LIVE PERFORMANCE ENABLES AN ACCELERATED TIMELINE OF SUCCESS

The discussion on hip-hop, and the removal of barriers to entry for emerging artists, is relevant to the live music business. Thanks to internet-enabled services, such as YouTube, music discovery is a level playing field, and a fan in Birmingham, England can discover and enjoy the same music as a fan in Birmingham, Alabama and Birmingham, Saskatchewan. Artists increasingly own the distribution and marketing of music, and this control has given music-makers the ability to disrupt traditional methods of promotion – concert touring amongst them. Artists are able to build an audience and give those fans what they want – including selling them concert tickets. This has always been the case – signing a record deal, touring to promote an album, releasing another album, touring in larger venues to promote the new album and so on – and now the process takes less than a year, instead of five or ten. Live Nation Entertainment (a concert promoter) proposed that the “new way” for artist development tracked a path from self-release to filling arenas in three months!²⁵ The thinking is if 2 million people in New York state stream an artist’s song, there is a good chance the artist can entice 2000 of them to attend a show in Manhattan.

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CHAPTER 2

ARTIST MANAGEMENT

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An artist manager will become involved in an artist's career at a point mutually agreed by the artist and manager. An arrangement will be made as to the scope of the manager's work and responsibilities. The arrangement will last (hopefully) for the entirety of the artist's career, and even when music business specialists (booking agents and promoters) are brought on board, the artist manager will still have a huge part in the planning and execution of the artist's live performance career.

THE ARTIST MANAGER'S ROLE IN LIVE PERFORMANCE

"Managers are responsible for connecting artists with career income, and earn a percentage of the economic activity they generate for [the] artists and themselves".¹

Paul Allen, *Artist Management for the Music Business*, 2015.

There are many definitions of the role of the artist manager (see Passman, MMF, et al), and Allen's concept of connecting the artist with income is a useful one. An artist manager will charge a percentage of artist earnings (commission) and that percentage rate varies. 15%–20% of gross earnings (before deducting expenses) is a typical range, with most managers charging 15%.² Gross earnings from recorded music have fallen, as fans stream music rather than buy physical copies or download digital files. The payout to the artist per stream is negligible, compared with royalty rates from physical products, and the resulting management commission amount is also low. The modern music manager must work hard to connect their clients with "career income", and live performance is seen as a major source of that income (see