

Ticketmaster and Live Nation: A Marriage Made In. . .

By Peter Jenner

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I have to confess to extreme prejudice. I've long viewed Live Nation (or Clear Channel as I still think of it) as an attempt to create a monopoly and extract money from the stock market. In my view, this effort always courted disaster, because such a company rarely manages to figure out how to make money, let alone run a service that benefits consumers and musicians. To be sure, those smaller enterprises that Live Nation bought out couldn't believe their luck and rejoiced in their ability not to lose their own money, whilst collecting a very big cheque. Meanwhile, Clear Channel hoped to win the corporate game by offering the promoters more money than anyone else, then charging more money than anyone else — but ultimately losing more money than anyone else.

Eventually, those free booting entrepreneurs, who were left to run their old companies lost their hunger — much like indie labels that get absorbed by the majors lose their character and hence their value to both the public and to artists. In my view, cozying up with Wall Street is antithetical to the whole idea of rock. Hell, I'm old enough to recall the original meaning behind phrases like “it's a rip off,” “kick out the jams” and “alternative lifestyles.” I was there back when *Rolling Stone* wrote about music and was hip and its writers cared. I am old enough to remember why the punk revolution was necessary and when it was normal to smoke pot. I can fondly recall the days of free-form radio and groovy FM, and then alternative rock. Sadly, all that spirit, energy and creativity seems to have been quashed by corporate entities like the major labels and Live Nation.

Then of course, there's Ticketmaster, which removed the burden of selling tickets from the promoter or the venue. Having a ticket office could be done away with, with such functions outsourced to a third party free to charge the customers extra for the privilege of taking their money for a show. First there's the service fee, then the credit card fee, then the postage fee, then for the car parking and so on. Since Ticketmaster paid the venue for the right to sell the tickets, everyone could just blame them for the rip off. Not content with buying the ticket office and saving the venue money, Ticketmaster also started giving the promoter or the venue a kickback on sales, with, say, the first \$3 dollars on the service charge going to Ticketmaster and the remainder to the promoter or the venue (or so I've heard).

Many artists and members of the concert going public found this whole setup offensive. Why couldn't they simply tell us the price of a ticket, maybe charge a little to cover the credit card and the postage, thereby keeping things clear and reasonable? The artist is paid (unless s/he is huge) on a deal based on the ticket price and the number of people buying them, subject to the costs of the show. Nowhere is there a mention of kickbacks from Ticketmaster. Then the venue takes a bite out of the merchandise income, without giving anything back on the food and drink sales to the

artist. This is greed and extortion, based on control of the available venues. Ask Pearl Jam how easy it is to get round this set up.

So now Live Nation and Ticketmaster want to get together because they are so incompetent as individual operations that the existing methods of extortion won't generate enough money for the inflated executive salaries, grotesque debt covenants and repayment schedules, shareholder earnings or the absurd overhead involved in maintaining an inefficient and unnecessary "corporate structure." At this point, both these agencies are as undesirable as the major labels or the big banks, and about as useful.

I am shocked that music managers would have anything to do with putting this situation together. Maybe they'll get great deals for their acts, but will it do anything good for the music community as a whole, or even concert attendees? Are the prices going to become more realistic? Will the deals become more transparent? Can we expect fewer superfluous rip offs? More likely, this proposed merger will mean more effort will be put towards developing the "secondary ticket market," otherwise known as the black market.

But who knows? Maybe the new Live Nation/Ticketmaster management will usher in truly transparent costing and accounting so everyone understands what they're getting. So that the fans can know that the price of a ticket is actually the price of a ticket, and the artists can know that the gross income for the gig is actually the gross income for the gig. Now *that* would be a positive result. Perhaps we can all recognize that in these hard pressed times it might be a good idea to not always go for the most money, but rather look at things more realistically. A fair price for a good show is something that might let more people experience music and help our industry survive through difficult times — perhaps even to grow again. Perhaps we need a mantra for the music business: more good music and fewer millionaires working out how to rip us all off.