



Live music
Industry
Venues and
Entertainment

Valuing Live Music (2022)

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media insight consulting

Contents

Foreword	3
2022: An Unequal Relaunch	4
Live Music Revenues	4
Live Music Employment	5
LIVE Insights: Fan Experience	6
The Industry Experience	7
Looking Back	7
Acknowledgements & Authors	8



Foreword

2022 was a year that began with tremendous uncertainty, tested our industry's ability to deliver and ended with our sector having to navigate increased costs of doing business and an unpredictable customer base (driven by post-Covid behavioural shifts and pressure on disposable income).

Still grappling with COVID-19 related postponements, audience no-shows and event cancellations, February 2022 also saw our industry face fresh challenges as the Russian invasion of Ukraine brought increased energy prices and supply chain stresses. Through it all, we continued to delight millions (as the numbers in this report evidence) though the grassroots venues, festivals and, let's not forget, artists themselves faced significant challenges. With balance sheets and savings reduced by lockdown, our resolve was stretched to breaking point as soaring costs came up against customers in a cost-of-living crisis.

It is testimony to the resilience, passion and expertise of our people that we were able to meet so many of these challenges and keep delivering unique, communal experiences for live music fans. Be that tens of thousands of people gathered in a field, arena or stadium to see our biggest names or tens of people discovering something new in a grassroots venue. Of course, every big name started out small and it is more important now than ever that we protect and nurture those venues, events and artists.

For LIVE, 2022 saw the appointment of our first full time Chief Executive and the delivery of regulatory and legislative successes such as dual licensing in haulage to keep our largest tours on the road and the prevention of the imposition of mandatory anti-spiking training for all festival staff (not that we do not take the matter seriously but that mandatory training would have been unnecessary and a major cost at a time when festivals were looking to rebuild post-lockdown).

LIVE Insights offered new perspectives on the audience behaviour. Highlighting lockdown's ongoing influence over from purchasing habits to appetite for leaving their sofas. While LIVE Talks delivered free monthly seminars on topics of keen interest to our sector. These invaluable, expert-led sessions underpin the work of our sub-groups, particularly LIVE Workforce's efforts to make our sector the best place in which to build a career for people from all parts of society.

That work requires us to make clear to all communities the potential for great experiences working in our sector, remove barriers to progression and support our teams. The latter being particularly necessary in 2022 as, having lost many, many skilled and experienced individuals to other sectors, we were still able to deliver for our audience. As one LIVE board member put it, "we are three times busier than normal, delivering two and half times the events while dealing with the added complexities of a post-lockdown world in terms of refunds, cancellations and postponements".

In conclusion, at a headline level, it is clear the numbers are heading in the right direction. Having lost 60% of our value 2021 v 2019, it is significant to have now passed £5bn total spend. A true testament to the public's appetite for live music. That said, the headline revenue growth risks hiding key dynamics. The bounce back has not been uniform with grassroots music venues and independent festivals finding things the most challenging. Working with Government, LIVE will continue to advocate for policies and programmes that nurture our ecosystem in all its glorious diversity. An ecosystem that delights millions, acts an economic catalyst and does so much for the UK's reputation on the world stage.

Jon Collins, CEO LIVE



2022: An Unequal Relaunch

As the UK relaxed the various COVID-19 regulations (with all English legal restrictions officially lifted 24th February 2022) there was a backlog of pandemic-postponed concerts and tours that first had to be rescheduled.

Simultaneously new events were put on sale adding to calendar congestion throughout the year, and beyond, all of which greatly added to demands on consumer attentions and their wallet.

The industry was pleasantly surprised by the widely reported initial exuberance of audiences as artists, promoters, and venues as well as the various live music support services (event production, logistics, concierge and security staff, ticketing, advertising, and marketing services etc.) appeared to roar back into our collective cultural experience.

However, the on-site experience was more mixed. During mid-2022 there was a much larger than usual level of no-shows by advance ticket purchasers, which presumably was caused by some temporary reticence to attend mass events too soon after COVID-19. This was more pronounced at the grassroots level, where events were cheaper or free to attend (meaning the financial downside of not using that ticket would be negligible).

Live Music Revenues 2019-2022 (£ Billion):

	2019	2020	2021	2022	Share	vs 19
Total Market Value	£4.5	£0.6	£1.8	£5.2		15.9%
Of which Concerts	£2.9	£0.4	£1.2	£3.8	72.3%	29.8%
Of which Festivals	£1.6	£0.2	£0.6	£1.4	27.7%	-9.4%

Overall, the market revenue grew 15.9% compared to pre-pandemic 2019 levels. This headline growth was driven by music concerts, which grew revenue 29.8% (vs 2019) and lifted the whole market despite music festivals lagging 9.4% behind their 2019 trading. The differing fortunes of concerts and festivals led to a rebalancing of their respective shares, with concerts growing to 72%, up from 65%, and festivals falling to 28% from 35% in 2019.

It is notable that whilst concerts had a remarkable year in 2022, exceeding the total revenues of 2019 by 29.8% this reflects the stockpiling of events postponed during the previous two years and the rush by many artists, and promoters to then start earning again.

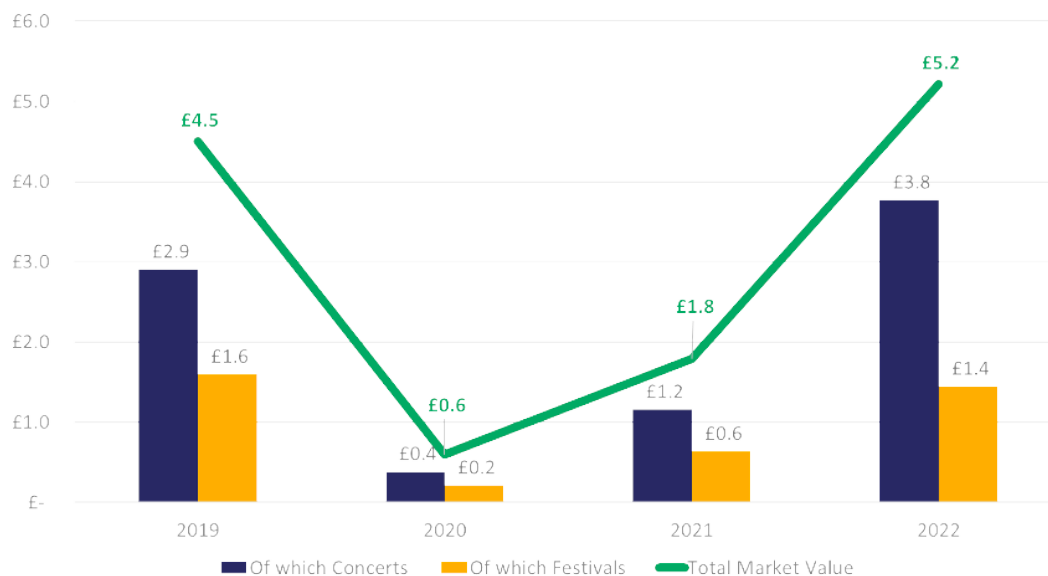
It should be noted that many of the backlogged shows that took place in 2022 were originally sold at pre-pandemic prices, despite the inflationary costs experienced since. This fact should be kept in mind when making judgements about 2022 profitability, and when making 2022 vs 2023 price comparisons in the future.

Unfortunately for many festival organisers there was insufficient time to relaunch, and a number of smaller and independent operators missed the summer season for a third consecutive year, putting even greater pressure on limited financial reserves.

Similarly, while the total value of the concert market grew, there was a stark contrast between the success of arenas and stadia and the struggles of grassroots music venues.



2022 live music income is greater than 2019 (£bn's)



Geographic Spread of Events

Overall, 42,000 licensed live music events took place in 2022. The vast majority of which were concerts, with 745 festivals taking place. These music events happened across 2,513 unique venues in the UK.

Across the UK, London remained the largest region, accounting for a third of total live music income. Manchester, Glasgow, Birmingham and Cardiff complete the top 5 cities.

Top 5 Cities (%share of value)

London	33.7%
Manchester	8.2%
Glasgow	6.8%
Birmingham	4.2%
Cardiff	2.8%

While this looks disproportionate in the capital, London's share is bolstered by the concentration of venues within the city, and relatively few small music festivals. As such it benefitted from the high profile superstar acts, without being too impacted by the slower recovery of festivals and wider grassroots challenges.

UK Live Music Employment 2019-2022

Employment	2019	2020	2021	2022	Share	vs 19
Total	210,000	-	180,600	228,340		8.7%
Permanent	52,000	-	44,720	51,696	22.6%	-0.6%
Casual	158,000	-	135,880	176,644	77.4%	11.8%

¹Our approach captures specifically licensed live music activity, where music was a core part of the entertainment. It does not capture incidental live music, such as open mic nights, live background music in pubs and bars, unticketed DJ sets or karaoke. As such it varies slightly from the published PRS for Music figure for total live music activity in the UK.



The number of people employed within the sector in 2022 rose by 8.7% from 2019, with the majority of recent growth coming from the causal sector, which raises two interesting dynamics.

Firstly, full time roles – for those involved in managing and delivering the events – remains just below 2019 staffing, while revenues grew by 15.9% in the same period, meaning those FTEs were either working more efficiently or working longer hours, or both. It is also worth noting that the gusto with which live music returned put pressure on the workforce – and artists - to enthusiastically perform and to do so quickly from a standing start, and there are anecdotal examples of a higher rate of burn out since the pandemic.

Secondly, the proportionality between Permanent and Casual (freelance, self-employed and/or on zero-hours contracts) staff reflected the downsizing of FTE's that occurred during COVID-19 and then post-pandemic the fiscal flexibility and desirability for many organisations of then externalising staffing and service requirements.

The live music industry despite the utilisation of the UK Gov furlough and job support programmes and other initiatives to support companies and aid the retention of staff had inevitably downsized operations.

This loss of sector expertise was emotionally distressing to individuals and companies and yet when the 2021-22 UK relaunch occurred the immediate response by many organisations was to cautiously attempt to cope without i.e., more with less, and few corporations had returned to the 'full-time employment' levels of 2019 by the end of 2022.

While the permanent employment statistics do not look significantly different, there has been a loss of experienced and skilled workers from the sector and lots of churn and turmoil within what appears to be a relatively normal number. The individuals making up the c50k permanent jobs the live sector supports are of a very different experience level to before the pandemic.

LIVE Insights: Fan experience of returning to live

There were a number of 2022 macro-economic shocks to consumers with spiralling inflation and energy costs. And then the increased bank interest rates with upwardly revised mortgage payments further impacted consumers.

Other live music industry issues included the continued fall-out and increased 'freedom of movement' restrictions, more complicated and expensive visas, carnets and trucking logistics following Brexit.

As well as the industry coming to terms with new operating conditions, consumers were very much still recovering from the shock of COVID-19. Research from LIVE, carried out in May 2022, found that 55% UK adults had changed their attitude about going out post-pandemic, with 20% going to fewer events overall. Concerningly, those numbers spiked to 72% for the 18-24 demographic and 76% in London – two key markets for obvious reasons.

There were also new challenges post pandemic, with 15% of the UK population not having as much energy to go out and 15% not thinking about going out, live music had to fight for its place in the diary. Meanwhile, 13% of those surveyed felt that "travelling to events now feels like a lot of effort", which was most impactful in large cities where working from home had become much more prevalent.

Given a proportion of consumers were either out of the habit of attending gigs or facing a real squeeze on their disposable income (or both) the live music industry needed to work hard to maximise attendance. The increasing cost of living was also a factor, with 31% of the population feeling that tickets were too expensive and 25% having less disposable income to spend on tickets.

The post-pandemic event calendar was another complicating factor with over 1 in 4 (28%) live music fans still holding tickets awaiting a rescheduled date. Of those holding tickets, on average they were waiting for 2.3 events. Moreover, 14% of those holding tickets were waiting until those events had happened before booking new ones.



When the research was repeated in November 2022, many of these dynamics proved stubborn, with research showing a similar state of affairs. There were incremental improvements, but the small changes were insignificant compared to the disruption the sector was experiencing.

In November the number of people who were still waiting to use pre-pandemic tickets fell to from 28% to 24%, concerns about being in crowds fell slightly (down to 23% from 28%), and those not having as much energy for going out (14% down from 15%) persisted.

In some cases the picture worsened, with 22% of people going to less events overall (up from 20%) and the number of people lacking disposable income for tickets (up to 22% from 19%). Overall, it was a very difficult operating environment for all of 2022.

The industry experience of the return to live

After this initial joyful return to live, by the end of 2022 it was apparent to many in the UK live music industry that there had been some changes in consumer behaviour from the pre-pandemic period.

Despite many of the major operators announcing record quarterly revenues, and whilst audiences in total had obviously rushed to embrace the live experience, it was increasingly clear there were some that had not returned. Either not coming back or coming back less often than before.

There was also a trend with live music audiences to attend fewer, but larger scale concerts and festivals as noted by Will Page ('Roar of the live music crowd drowns out stadium income from sport', FT, 2022). This created challenges for mid-scale events, notably theatres (1,500 – 5,000 capacity), or with the regional dates of national tours, or those events that typically attracted an older audience, or where mid-career artists, bands and attractions were unable to compete so effectively for market awareness and ticket purchase whilst the tier #1 major national and international touring artists announced new spectacles.

So, audiences did return, but not consistently across all genres of entertainment, or regions, and further research is required to identify whether the type and frequency of music event attendance has changed.

There were also conflicting reports of changes in the amounts spent at onsite F&B with some organisations bemoaning the growth of pre-gig drinking elsewhere whilst other operators registered a growth in alcohol and merchandise spend.

There was however a growing sense that the new generation of event attendees were perhaps less orientated around alcohol consumption and some operators were experimenting with a wider range of low and no-alcohol options, which can affect the viability of low price and free events, especially for smaller scale grassroots events.

Looking back at 2022

There is plenty of encouragement to be taken from 2022, not only in the resilience of the sector in bouncing back quickly once events were able to take place but also in the appetite that consumers continued to show despite a two-year hiatus.

However, the new 'normal' is a far cry from the old, and the new market dynamics present different pressures across the value chain.

Festivals in 2022 were yet to recover to their 2019 levels, and people were choosing to buy tickets later i.e., closer to the actual event date – increasing the risk for those events to come back, meanwhile changes in consumption habits affected the balance between ticket prices and food, beverages, merchandise and other onsite spend.

There is also a need to look at the UK ecosystem in the round. While the headline revenue growth is encouraging and speaks to the powerful demand from UK fans, the plight of grassroots music venues – and increasing difficulties touring Europe – raises important questions about whether existing infrastructure will allow emerging UK based bands to emulate the successes of Coldplay, Stormzy, Adele, and Ed Sheeran on the global stage in the future.



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LIVE

LIVE's membership includes:

- Association of British Orchestras (**ABO**)
- Association of Independent Festivals (**AIF**)
- Association for Electronic Music (**AFEM**)
- Association of Festival Organisers (**AFO**)
- Association of Independent Promoters (**AIP**)
- British Association of Concert Halls (**BACH**)
- Concert Promoters Association (**CPA**)
- Entertainment Agents' Association (**TEAA**)
- Featured Artists Coalition (**FAC**)
- Music Venue Trust (**MVT**)
- Music Managers Forum (**MMF**)
- Musicians Union (**MU**)
- National Arenas Association (**NAA**)
- Production Services Association (**PSA**)
- Professional Light and Sound Association (**PLASA**)
- Society of Ticket Agents and Retailers (**STAR**)

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