



# PRIMAVERAPRO 2015 CONCERT VENUES INTERNATIONAL CONGRESS

## CONCLUSIONS

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# FIRST INTERNATIONAL CONGRESS OF CONCERT VENUES

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MACBA (BARCELONA)**

If one thing became clear during the Congress of Concert Venues it was that there is no magic formula for a venue to be successful, to be profitable, for it to have a social and educational return, and for it to boost the development of talent, employment and the economy. The differences in laws and business models, linked to local tradition, to the conditioned behaviour of the public and to each culture makes it difficult to draw conclusions beyond establishing the need to boost communication among all sectors to harmonised different points of view and to create new synergies in a sector that has grown and developed almost uncontrollably with no practically no collaboration between venues of different countries. Nevertheless despite this complex panorama, one point on which there was unanimity from the very beginning of the International Congress of Concert Venues celebrated within the framework of PrimaveraPro 2015 is the recognition of live music venues as places of cultural and artistic development.

We could organise the contents of the conferences in the following points:

## 1) DIFFERENCES IN BUSINESS MODELS

The presentation of data by Live DMA, during the panel “*European concert venues: facts and figures*” made it quite clear that the European panorama of concert venues differs substantially from country to country. These conclusions were based on figures obtained in 2013 in 301 European venues that are members of different associations: ACCES (Spain, except ASACC in Catalonia), CLUB PLASMA and CLUB-CIRCUIT (Belgium), DANSK LIVE (Denmark), FEDELIMA (France), NKA (Norway), VNPF (Holland). There is currently a new study in progress with figures from 2014 compiling the activity of up to 1108 European venues including, this time, the Catalan venues that are members of the ASACC and the Swiss ones from PETZI.

Although the spectrum studied is only a small part of reality, some of the figures disclosed could be used as a starting point for the analysis:

In Spain and Germany 90% of venues are private companies, compared to the rest of Live DMA's venues where the majority are "non-profit" and enjoy legislation that allows them to use an extensive network of volunteers that are crucial for their survival. "If in Europe volunteers stopped being involved in the venues, half of the concert venues would have to shut down", commented Arne Dee of Live DMA, who underlined that 25% of the concert activities in Europe is done by volunteers, 70% by paid personnel and the remaining 5% are interns or "trainees". In Spain it is not possible to work with volunteers as it is an unregulated activity, which means that up to 96% of the personnel working in venues are paid and/or on a fixed salary.

In Spain only 3% comes from some sort of public funding. Of the remaining 97%, half comes from sponsorship and the other half from ticket sales. Whereas in France, the funding can represent up to 60% of the income of a venue thanks to the other activities that they organise (rehearsal studios, local artists support, training courses, cultural actions and educational activities...).

In the rest of Europe the average figures are the following: 42% comes from public funding, 32% from ticket sales and the 25% remaining from other incomes (the bar, renting of the venue, sponsorship etc.). The explanation supplied by Live DMA to justify such high public funding figures is that venues are part of public policies that aim to boost the development of talent, influence education and work on the training of new audiences. This is in tune with the "non-profit" character of most of the European venues. However there is no research linking this public money to the price of the tickets and actual access to culture.

As regards economic impact, from the 301 concert venues involved in this study, we can estimate the total figures for all Live DMA venues (1108 venues) with a turnover of 1,111,000,000€, expenses of 1,065,000,000€, and with 16,500 people employed and 60,000 volunteers and a total of 112,000 musical activities.

When talking about the business models, on Thursday the apparently endemic dependence on the sale of alcohol and on sponsorship from private brands was discussed. Carles Sala, from the Barcelona town hall, explained in during the talk "*Austin, Groningen, London, Reykjavik and Barcelona: the cities of music*" that "in order for a venue not to depend on the sale of alcohol there should be more public funding". But a couple of hours later, the opinions expressed during the panel "*The present and future of concert venues: business and management models*" helped to take a closer look at the implications inherent in the receipt of public funding. Mark Minkman, from Paradiso, in Amsterdam, a Dutch venue with a long history of "non-profit" management, admitted that 15% of his budget comes from public funding but he also insisted that "public funding is not so important for us. Many of our nights are *sold out*. The profits that we get from this we reinvest in small bands that will not sell out... public funding obliges you to back these bands. If there was no public funding, there would be the danger that you would only concentrate on getting "sold outs"". He also explained that his intention is to keep the price of tickets as low as possible in order to help the bands build a solid career. On his part the Danish speaker Jakob Brixvold (Dansk Live)

highlighted the case in Denmark the awarding of funding is very unequal but that it helps the artist get more generous *fees*.

The case of France is really a world apart. Stephanie Thomas, from FEDELIMA explained that the funding has a “social function” as the venues “are considered as a hub of cultural interest in France”. Moreover, through a deductible tax payable by live music venues, they manage to get big venues to help smaller venues to survive. This tax is collected by a semi-public organisation with a mixed governance between stakeholders, trade unions and the State, called CNV, which redistributes it according to the needs and objectives set by the sector (equipment, festivals, artists in residency, export...). Thus making the venue an important part of the social fabric of the city. However, in relation to the small capacity venues, Stephanie Thomas pointed out that brands are not interested in small venues, “but we have a law of patronage that allows us to get money from private individuals through donations”. Gerardo Sanz, representative of ARC and band manager told a very different story when he talked about the Spanish scene: “In Spain you can’t play in a venue that is not sponsored by a private brand anymore, but in general that is not a problem for the artists”. Sanz also wanted to comment the importance of venues for bands: “Venues are the natural habitat of artists. But here they have stopped being pro-active because of the crisis, they are no longer music trendsetters, neither is the press here in Spain anymore” And he added, “Venues should help unknown bands”. However there was no suggestion of how to do so. The problem of dependence on the sale of alcohol was also debated, although no clear conclusion was reached, during the first conference of the day about the cities, Mark Davyd from *Music Venue Trust London* said “Many venues in London manage to do business thanks to the number of beers that they sell. We have calculated that in the 122 venues of the association, only 1 manages to make a profit on music alone. The 121 others make a profit thanks to beer and the club activity”.

## 2) LEGISLATION, FLEXIBILITY AND MEDIATION WITHIN THE URBAN ENVIRONMENT

Although it is complicated to draw clear conclusions, it seems clear that there is a correlation between the health of live music in a city and the type of legislation that governs it. It may seem obvious that the more regulation the less live music and that the less regulation more live activities; but as could be seen from some specific examples, such as Groningen (Holland) and London (UK), the real determining factor is the application of that law, the use of common sense by authorities and the urban pressure in gentrification processes. As Sala (*Town hall of Barcelona*) pointed out at the start of his speech during the panel on European cities, “one of the great difficulties faced by the live music sector is the coexistence of the right to rest at night and the right of the cultural sector to express itself. This creates a conflict in cities that still needs to be resolved”. It is a conflict that every city has tried to resolve in their way.

A model to consider is that of Groningen, the second cultural city of Holland. There legislation regulates musical activity but only in 30% of cases is it enforced. In fact there are only 2 venues in which live music is officially legal; in the other 200 it is not. The law is only enforced when there is a problem and the norm is to allow common sense and mediation rule, for example with the figure of the “night mayor”. A long tradition in Holland, that started in Rotterdam forty years ago, is an unpaid position that mediates the problems between the day and the night. The mayor is voted for by Internet and helps to solve problems of coexistence in young cities with a lot of night time activity and a large student population. This was explained by Chris Garret, professional musician and current Night Mayor of Groningen.

Another significant case is London, where in 2012 they opted to deregulate the live music sector completely, boost its expansion and avoid the closure of venues. Although after three years the results are not those expected. The numbers speak for themselves: between 2007 and 2015, 43% of London venues have shut down. Paul Broadhurst, representative of the music sector of the *Greater London Authority*, criticised his own legislation: “ the law that deregulated live music activity as a promotional measure, has not worked for many reasons: the extremely high urban pressure within the city, the great demand for houses and flats and the unexpected gentrification of some areas. The improvements in urban transport has also caused something that we were not expecting: the rise in rents and this has led to the closure of many venues.” Another reason for the decline in the sector is that the venues do not have any person to talk to in an official capacity, to insist on their rights and to apply for subsidies for venue improvements due to a very complex bureaucratic structure. They admit that there is a certain chaos and administrative void that means that managers of venues prefer to stop programming rather than face the administration and having to understand the regulations that are ruled by the same criteria as other night time activities such as prostitution for example.

Due to this situation new associations such as *Music Venue Trust London* have appeared that are trying to detect exactly where the problems are in order to find solutions. They believe in starting over and changing mentalities, by underlining what concerts venues are for, in programmes such a as *Agent of Change*. He gave as an example the solution to a recurring situation: if somebody moves in next to a concert venue it is him or her who should adapt and not the venue. Mark Davyd (MVTL) also wants to organise the administrative chaos that Paul Broadhurst himself admitted to, by trying to make venues aware of their needs and insisting that they can find solutions if they know where to look for them. “We must broaden our horizons, ask ourselves how many actual jobs the music business generates and determine the economic opportunity that it implies: thousands of jobs in a spectrum that starts with the person who makes the strings of a guitar.” commented Davyd, in an attempt to boost the confidence of this sector known for its *sticky carpets*.

Similarly, the mayor of Reykjavik, Dagur B. Eggertsson, mentioned this change of mentality that would imply more relationship with the environment. Eggertsson explained that, at festivals such as *Air Waves*, it was very common to have concerts in private houses. This potentially conflictive situation with neighbours was managed through good communication to boost coexistence, something that directly affects culture and knowhow. "Reykjavik is a young city and the majority of the bands are young and have been created in a context in which there is hardly any market for music. This provokes a certain attitude to music", he commented.

### 3) RENEWAL OF AUDIENCE

During the panel "*The present and future of concert venues: business model and management*" Gerardo Sanz, member and representative of ARC, talked about the situation in Spain and strongly asserted that "The audience of concert venues was getting older and that there was not renovation". This comment generated some replies that showed that in other European countries the access of young audiences and the generational renovation was happening in a positive and natural way, without any traumas whatsoever. Mark Minkman (*Paradiso*, Holland) said, "We have no problem with young audiences". Now the children of the audience who first came to *Paradiso* come (....) we try to look for formulas to attract younger and older audiences, such as combining a young support band with a consolidated band (....) it is necessary to innovate to keep live music alive. Young people do not live live music in the same way, we must create events for them." Jakob Brixvold (*Dansk Live*) added that we must not forget other sectors of audiences either: "it is necessary to create experiences for young people and for other sectors such as women". In relation to new audiences, it is worth mentioning the birth of festivals such as *Air Waves* (Iceland) that started in 1999 as a way to attract tourists during the months of low season and bad weather with the sponsorship of the airline company Iceland Air. At the 2014 edition there were 9000 spectators. It is a festival that integrates outdoor concerts, concerts in bars and in private homes and is trying to be part of the musical education system in order to integrate young audiences. The *South by Southwest* festival, that currently puts on 200 concerts in venues in Austin (Texas, USA), was also created in order to maintain activity in low periods of programming, said its director, James Minor, who participated in the panel about cities.

During the session of conclusions, the importance of including the network of venues in an integral programme of music education was highlighted, especially with regards to the creation of new audiences. This necessity was especially underlined in the sessions about Reykjavik, Groningen - where live music forms part of an educational plan called *Music Chain Approach* - London and France. However, currently we do not have enough data to analyse the real return that these educational programme have.

Nevertheless the general consensus was that live music venues should be part of those educational programmes so that their role in society could be more positive and so that mediation in the case of conflicts could be easier.

#### 4) USE OF DATA, MOBILE APPLICATIONS AND WEB DEVELOPMENT TO GET TO KNOW THE USERS

The conference “*Venues and their audience a geolocation relationship*” centred around the importance of the use of data monitored by the web of venues, the development of their own applications and web development to find new ways to boost customer loyalty; and also the importance of a correct interpretation of the data in order to establish new sales strategies, to segment the audience and know their behaviour. Venues must look after the audience, recognise them, welcome them and offer tailor made products.

The sala Apolo, represented by Maria Sagrera, presented its new application Appolo “owing to the increase in taxes we have had to look for new ways of creating customer loyalty”. For this purpose first they created the Apolo 113 card but it had its failings. Now they have used the data base that they created thanks to the card as the foundations for a new Application that allows them to monitor the behaviour of the audience and reward them with information so that they can know beforehand when a concert by an artist that they listen to is confirmed and have access to ticket sales. They can also get discounts. With Appolo, which is still in beta phase, they aim to find out about the behaviour of the audience inside the venue and to offer other experiences and to redirect the audience to an alternative event when a concert is sold out in one of the venues.

In a city with a constantly changing and cosmopolitan population as is Brussels, AB has opted for promoting the web page, with a good positioning on Internet and being very powerful and active on the social networks, such as Instagram competitions, having their own video channel in *streaming* (“AB TV”), etc. This was explained by Fabien Miclet, who defended having a professional team and the “best sound” as measures to get “the complicity of audiences and of the bands that play in Brussels”. Cor Schlosser (Melkweg, Amsterdam / A38, Budapest) also advocated obtaining customer loyalty through good sound quality and through boosting the promotion of the venue with specific campaigns. “You must come up with a totally *friendly* experience, and that experience starts with the people on the door. The people who work in the venue must be people who want to be there”. They have also created a programme tailor made for their audience.

Magnus Restofte from the venue Vega in Copenhagen has a similar experience: he also advocates a latest generation web with applications that allow you to create unique new experiences. And with the data obtained in the last few years they have noticed that the Danish

audience never go to concerts alone; for that reason they created the application “Makker” that looks for a friend for you to go to a concert with. There is also the group version “Gruppe” that uses private groups on the venue’s Facebook for people to organise going to an event together. After having put several things in motion they noticed that what really works for Danish audiences are discounts. On the web you also have the option to ask for concerts by specific bands and the audience get organised to raise the money. In response to a question from a member of the public, they talked about the problem of competition from town halls that organise free concerts. “We have talked to the Copenhagen town hall asking them to control these activities so that people do not get used to music being free”

## 5) THE IMPORTANCE OF ASSOCIATIONS

Faced with the great variety of business models in concert venues and regulations on live music, becoming part of an association or group is an excellent tool to try to put some order in this very diverse panorama, above all at a legislative level. This was the main conclusion of the last conference. Associations of venues enable the collection of data and exchange of information among countries that allow the real economic impact of live music to be measured and thus to get more favourable legislation at a European level. It also helps venues to understand and face local regulations, to fight with legal intricacies and to facilitate administrative management, that are often an obstacle for the survival of businesses.



## Programme:

### AUSTIN, GRONINGEN, LONDON, REYKJAVÍK, BARCELONA: THE CITIES OF MUSIC

10.00am - Room 1 - Auditorium (MACBA – Meier)

Speakers: Chris Garrit (Council of the Groningen City Hall), Dagur B. Eggertsson (Reykjavík Mayor), James Minor (SXSW Music Festival GM), Mark Davyd (Music Venue Trust London), Paul Broadhurst (Greater London Authority),

Moderator: Carles Sala (Barcelona City Council)

### THE PRESENT AND FUTURE OF CONCERT VENUES: BUSINESS MODELS AND MANAGEMENT

2.00pm - Room 1 - Auditorium (MACBA – Meier)

Speakers: Gerardo Sanz (ARC), Jakob Brixvold (Dansk Live) , Mark Minkman (Paradiso), Stéphanie Thomas (FEDELIMA)

Moderator: Mark Davyd (Music Venue Trust)

### VENUES AND THEIR AUDIENCES: A GEOLOCATION RELATIONSHIP

2.00pm - Room 1 - Auditorium (MACBA – Meier)

Speakers: Cor Schlosser ( Melkweg / A38), Fabien Miclet (Ancienne Belgique / Liveurope), Magnus Restofte (Vega), Maria Sagrega (Apolo)

Moderator: Raúl Ramos (Asimétrica)

### LIVEUROPE PRESENTATION

3.30pm - Room 1 - Auditorium (MACBA – Meier)

Speakers: Fabien Miclet (Ancienne Belgique / Liveurope)

### SOLIMA PRESENTATION

4.00pm - Room 1 - Auditorium (MACBA – Meier)

Speakers: Philippe Berthelot (FEDELIMA)

### CONCLUSIONS AND EVALUATION OF THE CONCERT VENUES INTERNATIONAL CONGRESS

4:30pm - Room 1 - Auditorium (MACBA - Meier)