

THE BIGGEST SHOW ON EARTH: The U2 360-Degree Tour and its implications on the Concert Industry

An Undergraduate Honors Thesis by

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Abstract

The rock band U2 is currently touring stadiums and arenas across the globe in what is, by all accounts, the most ambitious and expensive concert tour and stage design in the history of the live music business. U2's *360-Degree Tour*, produced and marketed by Live Nation Entertainment, is projected to become the top-grossing tour of all time when it concludes in July of 2011. This is due to a number of different factors that this thesis will examine: the stature of the band, the stature of the ticket-seller and concert-producer, the ambitious and attendance-boosting design of the stage, the relatively-low ticket price when compared with the ticket prices of other tours and the scope of the concert's production, and the resiliency of ticket sales despite a poor economy. After investigating these aspects of the tour, this thesis will determine that this concert endeavor will become a new model for arena level touring and analyze the factors for success.

Introduction

The concert industry handbook is being rewritten by U2 - a band that has released blockbuster albums and embarked on sell-out concert tours for over three decades - and the largest concert promotion company in the world, Live Nation. This thesis is an examination of how these and other forces have aligned to produce and execute the most impressive concert production and single-most successful concert tour in history. During the course of this study, the findings will prove that no other concert promotion firm or artist in this current time could match the accomplishments of the *360-Degree* tour, and possibly for the rest of time.

In an examination of the industry as a whole both past and present, this study illustrates that the concert industry has consolidated into companies that can coordinate massively successful tours across the globe singlehandedly; a first for the industry. It will also explain that the industry has undergone a period of steady growth in the past decade, but has encountered turbulent times in the past few years. Also, this section will list the most successful tours of the past. These details give the *360* tour historical and economic context from which the accomplishments can be fully appreciated.

After examining the industry, the thesis will prove that the artist - U2 - is of unique stature in the music industry after studying their accomplishments. U2 creates a concert attraction of unparalleled breadth. Also, adding to draw of the tour is the immense stage production designed by veteran U2 show designers and stage architects, and provided by a number of firms. The type of coordination and the costs involved with the production will be examined in full.

Along with the production, Live Nation also handled the booking, marketing, and ticketing for the concert tour. This is the first time that all of these aspects of a tour were

controlled by a single firm. The thesis will, however, examine all of these aspects separately, as all of them are involved in the success of a concert tour endeavor.

When the numbers are calculated at the end of the tour in July 2011, the *360-Degree* tour will be declared the most successful concert tour of all time in terms of both total gross and attendance. At the conclusion of this study, the question of whether this tour will ever be topped by another tour will be put forth: In a November Billboard article, Live Nation's Global Music Chairman, Arthur Fogel said of the *360-Degree* tour, "This tour is big, so successful, so great...it so far eclipses anything in the past and quite possibly anything for the rest of time. How do you top this?" (Waddell, November 2010)



U2's Stage in Berlin, courtesy of Clair Global

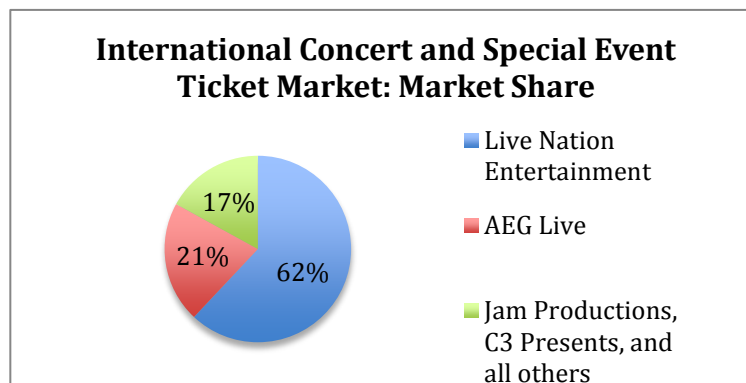
Concert Industry: History and Economic Context

Prior to examining U2's current tour's box office information and production capabilities, the tour's accomplishments must be given both economic and historical context. The recorded music and live entertainment industries have undergone tremendous changes in the past decade, and these changes are forging a path for artists and concert promoters to execute large-scale concert tours that are bigger and more successful than ever. These opportunities have been made possible by a common market force that has influenced the concert industry: "competitive pressures have led to consolidation in the concert promotion industry" (Baskerville, 244).

The concert industry began as a loose system of independent promoters, venues, and festivals at the onset of the popularization of rock and roll music. As rock and roll became more mainstream as both a music and social force through emboldening influences like the Vietnam War and the counter-culture movement in the 1960's, the relationships between promoters, venues, and artist representatives developed into an interconnected network. Influential promoters then consolidated these networks by obtaining ownership in venues and creating independent promotion firms: Bill Graham's *Bill Graham Presents* (venues: Fillmore East and Fillmore West), Chet Helms' *Family Dog Productions* (venue: Avalon Ballroom), and Don Law's *Don Law Company* (venue: Tea Party)—(Dorenfeld). However, the earliest example of a promoter owning and operating multiple venues as a conglomerate was Rob Sillerman's company SFX Entertainment, which was first founded as a radio conglomerate, SFX Broadcasting. Sillerman first forayed into concert promotion by purchasing promoter, Delsener/Slater of New York, followed by deals to acquire Sunshine Promotions of Indiana, Bill Grahama Presents of San Francisco, Contemporary Group of St. Louis, Concert/Southern Promotions of Atlanta, Network Magazine Group, and PACE Entertainment Group (SFX).

The Super Promoter – Live Nation Entertainment

Continuing with the consolidation of the industry, Sillerman then “spun [SFX] and sold it to the radio conglomerate, Clear Channel Communications (CCC) in 2000” (Dorenfeld). This became CCC’s new division, Clear Channel Entertainment, which was spun off into a separate entity with control of all of the old SFX venues, exclusive booking contracts, and promotion companies under one new roof, Live Nation (Barnet, Berry, Waddell. 113). As the years progressed, these patterns of consolidation formed the top concert promoters that we now know, including the aforementioned largest, wealthiest, and most influential concert promoter, Live Nation Entertainment (no longer owned by Clear Channel Communications), and the second-largest company of this kind, AEG Live. Both own and operate a number of clubs, arenas, and amphitheaters and have exclusive booking contracts with many other venues across the globe and execute concert tours of the largest scale, but it should be noted that Live Nation’s market share dwarves AEG’s and the independent promoters that follow – Jam Productions and C3 Presents. Live Nation controls 62% of the entertainment ticket market and reported total revenues of over \$5.06 billion in 2010 (“Live Nation...”). AEG Live is the second-largest concert promoter with a 21% market share in tickets (“Entertainment Venues...”). Jam, C3, and other independent promoters barely rival the aforementioned corporations in terms of influence and income (US v. Ticketmaster Entertainment, INC. and Live Nation, INC).



Though Live Nation already had a tight hold on the concert industry by the early 2000's, the firm expanded its reach by consolidating outside of the traditional means. To become the largest concert promotion company and venue operator in the world, Live Nation engaged in horizontal integration – the merging of two or more companies that conduct the same business – by acquiring other concert promoters and venues. The firm also recently practiced vertical integration – merging with companies that conduct complimentary business - when they merged with the largest ticket seller in the world in 2010, Ticketmaster, to become Live Nation Entertainment (LA Times).

This merger allows Live Nation Entertainment access not only the resources from venues – concert production capabilities, audience demographic and ticketing data, merchandise rates – and individual concert promoters – agency and artist contacts -, but also the control of ticket pricing rates and fees (Huffington Post). Live Nation Entertainment has also recently entered the recorded-music business by inking all-encompassing deals with popular music titans, Madonna, Jay-Z, and the band of topic, U2 (Foley). The consolidation practices of Live Nation gives the firm the capabilities and clout to execute a concert tour endeavor unlike anyone has ever seen, as Live Nation chairman Irving Azoff explains: “History shows fans want consolidation, you see it across the web every place...Google, Amazon, eBay, Facebook” (Peoples).

List of Top - Grossing Tours of the Past

This *360-Degree* tour might become the largest grossing and the most attended tour of all time, but there are many other acts and tours that have trekked before and generated astounding numbers. Examining the most successful tours of the past allows one to fully appreciate the size and scope of Live Nation's and U2's current endeavor.

Before April 10, 2011, the top-grossing tour of all time was the Rolling Stones' *A Bigger Bang* tour of 2005-2007, which included 144 shows in front of paying audiences of approximately 4,680,000 (Pietrolungo) and accumulated a gross over \$558 million (Watt). AC/DC's 2008-2010 *Black Ice* tour was number two, with 168 shows in front of more than 4.8 million fans and grossed \$441.6 million (ACDC.com). After grossing \$408 million from 85 shows in front of audiences of over 3.5 million, Madonna's *Sticky and Sweet* tour was ranked the third largest-grossing concert tour (Waddell, *Madonna*). Of the top-ten tours of all time, the Rolling Stones have four tours on the list and U2 has two (including the *360-Degree* tour).

If U2's 2009 and 2010 reported gross and attendance figures are included and factored into the current list of the top tours, U2 was ranked as the second highest-grossing tour and the most attended tour of all time, with half as many shows as both the *Bigger Bang* and *Black Ice* tours (Pollstar). If the reported gross and attendance figures as of April 10, 2011 are added, *360-Degree* is currently ranked the highest-grossing and most-attended tour (Waddell, "U2 Sets Record...").

Highest-Grossing Tours of All Time (as of April 11, 2011, according to *Billboard* and *Pollstar*)

Rank	Actual Gross	Artist	Tour Name	Years	# of Shows	Attendance / Average Per Show
1	\$558,255,524 [*]	U2	<i>U2 360°</i> Tour	2009-2011	84	5,051,275 / 60,134
2	\$558,255,524	Rolling Stones	<i>A Bigger Bang</i> Tour	2005-2007	144	4,680,000 / 32,500
3	\$441,600,000	AC/DC	<i>Black Ice</i> Tour	2008-2010	167	4,846,965 / 29,024
4	\$408,000,000	Madonna	<i>Sticky & Sweet</i> Tour	2008-2009	85	3,545,899 / 41,716
5	\$389,000,000	U2	<i>Vertigo</i> Tour	2005-2006	131	4,619,021 / 35,259

^{*} Tour is still in progress. According to Ray Waddell of *Billboard* Magazine, *U2 360* passed the Rolling Stones *A Bigger Bang* tour in gross on April 10, 2011 at U2's show in Sao Paulo, Brazil.

Concert Industry in Current Economy

As the figures above show, the aforementioned tours were very lucrative, but this is not indicative of the current trends of the concert industry. The past few years have been some of the best and worst in the concert industry in terms of ticket sales.

2008 and 2009 both proved to be prosperous for the concert industry. Ticket sales hit a new high point in 2008 after increasing more than 7 percent with revenues of \$4.2 billion (Hartford Courant) and the industry “continued a recession-proof boom in 2009” (Daily Variety). The robust concert industry of those years led to an overconfidence by concert promoters and ticket sellers, and increased prices to the point where consumers balked: “Though industry-wide total grosses had increased in eight of the previous nine years, that growth had largely been driven by rising ticket prices...that led many in the industry to warn that if fans’ tolerance for rising prices were to wane, the gravy train could grind to a halt” (Smith).

Indeed, this is what occurred, as 2010 proved an abysmal year for the concert industry. Pollstar reported that the 50 largest worldwide tours grossed 12 percent less than in 2009, Michael Rapino, the CEO of Live Nation Entertainment, “said last year that 40% of seats routinely went unsold” (New Zealand Herald), and The Washington Post proclaimed, “It’s official. The concert business had a lousy 2010” (Richards).

The past years’ ticket sale reports and media coverage illustrate a dichotomous economic climate for the concert industry, but one thing is clear: young people are not attending concerts like they used to. “A report by Edison Research found that in 2010, 12-24 year-olds went to fewer than half as many concerts as 2000; nearly two-thirds went to none at all” (Kulash Jr.). It should be observed that most of U2’s fans are not members of this age bracket, but it is a disconcerting sign for the concert industry (Financial Times).

Though the global economic situation has been turbulent in 2009 and 2010, U2's tour generated astounding ticket-gross numbers in both years, even grossing the third-highest tour of 2010 with less than thirty shows; the number one and number two tours both included over sixty shows (Financial Times). The show's success and resiliency to troubling times can be attributed to a number of factors – lower ticket prices, most U2 fans are over 24-years-old, the unique concert production, the ticket seller - that will be examined further in the sections below.

The 360-Degree Tour: Overview

U2 performs exclusively in stadiums and arenas around the world on their current tour. The staging concept is the first of its kind: a configuration that is 360 degrees in an “in the round” concept that allows for the audience to enjoy the show from within the radius of the circular stage. The band, along with the myriads of staging, lighting, and audio professionals and their respective companies have been involved in planning for the tour since the end of the band's previous Vertigo tour in 2006 (Clair, “Backstage Pass”).

After testing the sound, staging, and lighting in January 2009 in Toronto's Rogers Center, the band embarked for their first show of the *360-Degree* tour on June 30, 2009 in Barcelona, Spain. Since then, the band has traveled and played shows in 23 countries. The tour will not conclude until July 30, 2011 in Canada, but even though it is only two-thirds complete, the tour has clearly been a blockbuster.

At the conclusion of 2010, U2 played 76 shows in 53 cities in front of more than 4.5 million paying concert attendees and grossed \$471.9 million on the *360-Degree* tour (Pollstar). To date, every show has sold out (Live Nation). These numbers put the *360-Degree* tour on pace to not only break the gross record of \$558 million set by *Bigger Bang* tour, but to shatter it, as these figures do not account for the thirty-four shows scheduled for 2011 (Live Nation).

The tour has garnered positive attention throughout the music and live entertainment industry and has earned a number of awards, including Live Production of the Year in 2009 from the Total Production International (TPI) Awards, 2009's Top Tour and Top Draw awards from Billboard Magazine, and two individual awards from TPI - Video Visionary of the Year and Lighting Designer of the Year - to Show Director, Willie Williams.

This tour's success cannot be attributed to a single factor because the job of coordinating and promoting a tour, which is handled mostly by a concert promoter, is a multi-faceted task: "Anyone who considers entering the field of concert promotion should have an aptitude for juggling a thousand details and managing all aspects of the production" (Baskerville). In the case of the *360-Degree* tour, the "thousand details" can be broken down into the following categories: Production, Routing, Ticketing, Marketing, and the Artist.

While there are many important aspects of a concert tour, and all of them will be examined, the determination of a concert effort's success begins and ends with the artist.

The Artist

U2, the band, has enjoyed a career that can be paralleled only by a few "legends" in the music world. This is due to the band having a combination of mainstream success, cultural significance, a relentless touring schedule, a lead singer who is a celebrity in his own right, and the most-overlooked aspect of a successful musical act, longevity. According to *Billboard's* editor of touring, Ray Waddel, "U2 is selling out stadiums around the world and breaking attendance records in the process. A lot of bands that have been around this long have peaked commercially, and that certainly does not seem to be the case with U2" (Gundersen).

The four boys from Ireland have been a band since 1978 and released four albums to lukewarm acclaim and commercial success, but didn't break through until the 1980's with appearances at the *Live Aid* benefit music festival and the release of their first number one

album in 1988, *Joshua Tree*, that catapulted them to superstardom (Flanagan). Since then, the band has won 21 *Grammys* (2 for Album of the Year), 8 BRIT awards (6 for Best International Group), 5 *MTV Awards* (nominated for 16 others), 12 *Irish Music Awards*, numerous Rolling Stone Magazine *Readers' Picks* and *Critics' Picks*, and countless other musical and humanitarian awards (U2Faqs.com). The group was inducted into the Rock and Roll Hall of Fame in 2005, with the award presented to them by Bruce Springsteen ("U2 Bio").

In the past decade (2000-2009), U2 ranks number two on the list of top-touring artists with a total gross of over \$844 million (Billboard). If you add the \$160.9 million grossed on the current tour in 2010, U2 is the top-touring artist of the past decade and of all time.

Though these accomplishments are impressive, they still do not fully explain the cultural significance of the band. Their lead singer, Paul "Bono" Hewson, has championed a number of philanthropic causes such as Third World debt relief, and has involved the band in benefit concert efforts like *Live Aid* and *Amnesty International's Conspiracy of Hope* tour throughout their career ("U2 Bio"). The passionate and outspoken nature of Bono not only put the band in the headlines and made the band a household name, but also created significance for the band that reached beyond music.

The band has cultural clout, and this is further expanded by the business sensibility of their manager, Paul McGuinness: "[He] can take credit for a series of eye-catching deals that have led to U2-branded iPods, 3D concert films, sponsorship from BlackBerry, and [U2's show at the Rose Bowl in Pasadena, California was] the first concert streamed live on YouTube" (Edgecliffe-Johnson, "Lunch"). McGuinness also supported U2's decision to be the first band to delve into the realm of musical theatre. Though their *Spiderman* musical has stalled and will begin performances this year, the fact that the rock band Green Day began writing and

producing a musical, “American Idiot” shortly after (even though it beat *Spiderman* to the stage) illustrates the scope of U2’s influence.

An examination of the influence of a rock act may seem superfluous or unnecessary, but the importance of the artist in the scheme of a concert tour is central to a tenet of the Arts world as a whole: the Arts is product-centered (Sturm). An arts organization, concert promoter or otherwise, cannot change the product and call it by the same name. However, just as in any other business, a faulty product cannot be rectified through creative advertising or public relations campaigns. As AEG Live CEO Randy Phillips says, “If an artist is hot, people are motivated to find a way to go. If they’re not, I don’t care how much money you spend on marketing or how you package things, it’s not going to work” (Waddell, “The Year in Touring”).

The product of a concert and concert tour revolves around the artist; however, that is not the completed product. The way the artist is presented on stage through sound, lights, and stage configuration completes the package, and in the case of the current U2 tour, the package is one-of-a-kind.

Production

The idea for the *360*’s radical production had been strongly considered by U2 and their manager, Paul McGuinness, for many years and in fact, many artists had considered this type of concert production, but no one had been thinking about doing a tour with it (Cunningham). What sparked U2 to embark on this staggering endeavor was, as McGuinness says, courage: “U2 has always been a band that is very prepared to invest in their own career...and with Arthur Fogel and Live Nation, we have partners that are equally courageous in business terms” (Cunningham). The specific 360-degree idea for U2 was formulated two-and-a-half years before the first concert date, first by the band and Paul McGuinness. After the idea was completely conceptualized, the production team led by long-time U2 Show Designer Willie Williams, Stage

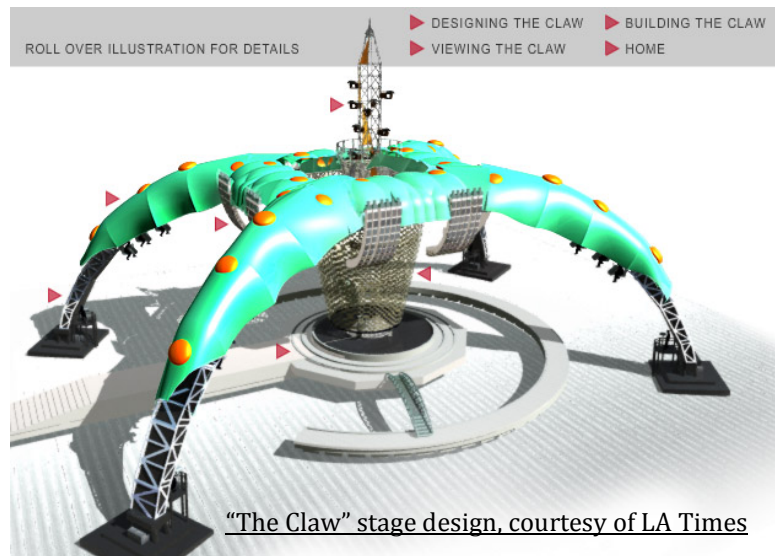
Designer Mark Fisher, Production Director Jake Berry, and Transformable Design Engineer and Inventor Chuck Hoberman worked on the planning, designing, and building of the stage for close to 18 months (“Chicago Tribune’s...).

To accomplish the band’s ambitious goals for this tour, which included the 360-degree concept, the production crew had to rewrite many of the normal rules for stage and sound configurations: “Because of the staging’s scope and design, the textbooks had to be thrown out and a system designed that would cover everyone” (Becka). The band wished to embark on an arena tour with a stage show that would be the same experience for those in the front row as those in the bleachers, and this was achieved by playing in massive venues, but playing on a stage just as massive, as to make the venue look small by comparison. As Bono put it, the tour should deliver “intimacy on a grand scale” (Becka).

Introducing, “The Claw,” a 170-foot tall, 210-foot wide superstructure inspired by the Landmark Theme Building at the LAX Airport in Los Angeles that U2 calls their stage:

“The imposing centerpiece, a four-pronged UFO anchored by a glowing 164-foot pylon and

cylindrical LED screen, looms over a sprawling stage with footbridges that glide around ringed catwalks. U2’s soaring anthems prove equally immense pounding through a state-of-the-art sound system suspended high enough to allow clear sight lines for all” (Gundersen).



The Claw is equipped with state of the art equipment in all aspects of concert production. The sound is broadcast through a combination of 304 speakers that hang on all sides and are built in to the bottom of the stage, all provided by the largest live event production company in the world, Clair Global Services & Live Shows (“Backstage Pass”). Sound is only a part of the stage production for the tour, as the visual aspect is championed by Show Designer, Willie Williams, and Stage Designer, Mark Fisher.

The 360-degree LED video configuration is made up of 888 LED Panels 5 feet high and 10 feet wide “connected to an undercarriage of scissor beams” and is provided by Barco (“A Look...”). The video screen surrounds the band and has the ability to change shapes during the course of a single concert. The show’s designer, Willie Williams, believes that “video is the most powerful tool you can have on stage, but now that video is so ubiquitous in rock stage settings, we needed a very extreme change to be heard” (“Barco Creates...”). To add to the visual aspect of the show, each of the four 82-foot-tall support legs of the stage house moving lights,



Barco’s LED Screen for 360 Tour, photo courtesy of DigitalProductionME.com

spotlights, and strobes and the 88-foot-tall spire that tops the stage also includes moving lights and disco balls. Also, the fabric skin that covers the stage and shelters the metal structures from sun and rain also includes circular lights and highlights (“A Look...”).

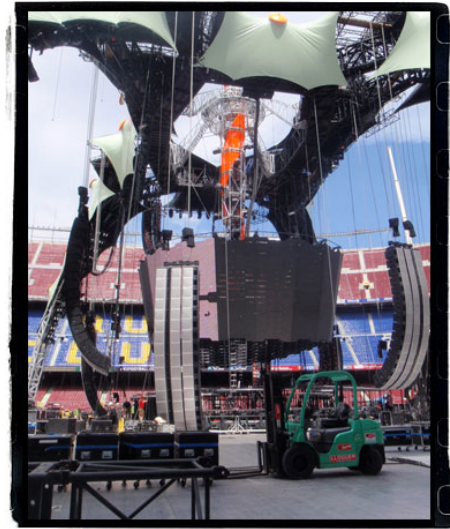
Since the 360 stage is much larger than a normal concert stage, the lighting needed to be more powerful than a normal concert rig to provide enough luminosity from larger distances, since the audience can range from more than 80 to 500 feet away. The Bad Boy Luminaire, Series 400 Power and Data Distribution

System, and the Mbox Extreme Media Server from Production Resource Group were the solutions. These are only a fraction of the pieces that together make up the set for the 360 tour, and it takes the coordination of a myriads of individuals and organizations to make this groundbreaking set a reality. These efforts are not merely for glitz and shock value, but they also serve practical purposes.

Since most speakers and lights are elevated, the elements that normally obscure the audience's view of the performing artist are removed, making for a clean stage that can be clearly viewed by all audiences. In addition to an aesthetically awe-inspiring stage, the concept also boosts attendance as it allows for more standing room within the confines of the "in the round" stage design (Ticketmaster). Specifically, the stage design's fit in each venue "has resulting capacity

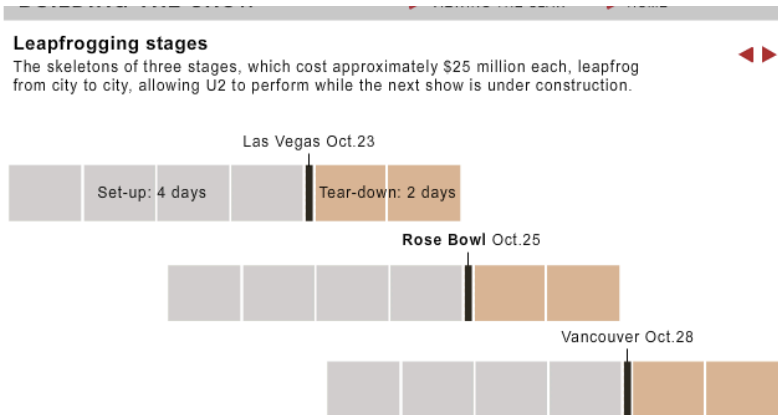
increases of 15%-20%" (U2 Sets Record...). Also, the stage allows for unique ticket scaling, with "10,000 or so really cheap tickets" located further from the stage and then a progressive scale where ticket prices escalate as you move closer to the band (Cunningham). The stage itself is a circular configuration that forms a runway for Bono and other band members to roam around what appears to be within the audience. Keeping with the theme of the rest of the stage design, the runway is lined with lights and the drum riser where the drummer performs rotates and is directly below the panoramic LED screens ("A Look..."). This design allows for the audience to be all around the band, where everyone feels equally included in the show.

The set itself is gargantuan, and the time, money, and manpower that is required to set up, tear down, and deliver the stage to each venue is even more mind-boggling. First, The Claw



Hanging 15 Speakers during construction of a "Claw" stage, photo courtesy of Clair Global

takes four days to set up and two days to tear down, and with each concert taking place either the following day or within 3 days of each other, multiple sets had to be created. On this current tour, there are three skeletons of the stage on tour simultaneously. This means that U2 often will perform on one stage, while another “Claw” is torn down from the previous show and yet another “Claw” is being built for the next show. Each “Claw” costs approximately \$25 million



3 “Claw” stages are on tour with U2 at the same time. Each costs \$25 million, takes 4 days to set up, and 2 days to tear down. Diagram courtesy of LA Times.

(Gundersen). U2’s manager, Paul McGuinness says, “No one has thought about touring with a 360-degree production and now I can see why, it’s so expensive” (Cunningham). According to McGuinness, production costs for the tour are approximately

\$750,000 per concert date whether the band plays or not (Edgecliffe-Johnson, “Lunch”). This includes the 180 trucks that transport the audio and video gear and staging along with the more than 400 people that are employed as production staff.

It is a daunting task to manage a tour of this magnitude, but Live Nation Entertainment’s Global Music Chairman, Arthur Fogel, has one of the most impressive track records of organizing and executing concerts of this scale. His resume is astounding, “play[ing] a key role in seven of the top ten tours of all time, including treks by U2, Madonna, the Police, and the Stones” (Waddell, “U2 360-Degree Tour”). Though these are impressive figures and names, one may still wonder if his role has really been that important or influential. However, Lady

Gaga's manager, Troy Carter, decided to strike a deal with Live Nation to produce her last tour because of Arthur Fogel: "[he] came in and really helped us clean it up from a production side" ("Touring: Big and Rich"). His influence is not only respected, it is sought after, and few else in the music industry could be trusted to coordinate a tour of this magnitude.

When a big artist performs with the biggest production in the world, it is impressive. But it becomes exemplary when incorporating the management of a concert promoter with larger-than-life influence. Together, these elements become aligned so that the largest concert tour in current history can be made possible.

Routing

Aligning elements to maximize success is both the end goal and the challenge of putting together a successful concert tour. In no part of the experience is this more evident than routing the tour. A tour's routing is the course of tour dates in chronological order; the route the tour travels. While it may seem this is a simple task of putting tour dates in chronological order in venues in closest proximity, there is a lot to consider: which markets are strong for the act, which markets is an act trying to build popularity, how long has it been since the act's last performance in that market, availability of venues, travel duration and costs between venues, days off for the band, potential weather conditions for each date (since each concert is outdoor), and potential postponements (Barnet, Berry, Waddell. 48-49). The routing process for the *360* tour is only further complicated by the grand scale of the stage and the time required to set it up and tear it down.

The criteria for the booking of the tour was set out by the band early on since the end of their previous tour in 2006: they would play solely arenas and stadiums. The magnitude of such a venture is astounding when examining the numbers, as the 42,213-capacity Sam Boyd Stadium is the smallest of any venue on the trek (Live Nation). Though the production expenses for the

tour are considerable, these large venues and number of tickets sold put the tour into the black during the second leg of the tour in October (Monaghan).

The tour's 110 dates were originally scheduled to begin in June, 2009 and to end in April, 2011 with 7 "legs" or portions: 2 in North America, 2 in Europe, and groups of dates in South Africa, South America, and New Zealand/Australia (Live Nation). All dates were scheduled by Live Nation and each date was routed with the aforementioned conditions in mind, especially the travel time costs, stage construction and deconstruction, and days off for the band. Time between dates in different cities were between 2 and 5 days, which allowed for the band to travel and have some days off and the 3 different "Claw" stages to be built, torn down, and shipped to the new date (Live Nation). The single promoter scheduling an entire tour is a new phenomenon in the concert industry, but Fogel says it has its advantages, including aligning interests with artists, cost-efficiency, marketing cohesion, and "maximizing revenues for the artist in ways that the traditional system can't" (LeBlanc).

The clout of Live Nation, the stature of the band, and the grandiosity of the stage all combined for maximum compliance with potential venues that viewed these dates as incredibly lucrative (Waddell, "U2 Set To"). This was most evident when, prior to the second North American leg of the tour, Bono had to undergo emergency back surgery and 16 dates were rescheduled. The back surgery put Bono out for two months, but the real story is how quickly the tour got back on track, due to the efforts of Live Nation Entertainment and Arthur Fogel.

According to Fogel, "I have to say that the buildings were incredibly cooperative, and we got it together pretty quickly and were able to get it announced" (Waddell, "U2 Set To"). Most of the people who bought the 1 million tickets that were sold for a gross of approximately \$100 million did not ask for refunds, and all of the tickets that were refunded were quickly resold. McGuinness added, "[Live Nation] did an amazing job rerouting the tour so that we were able to

perform in the buildings we had originally booked, a real piece of skill” (Waddell, “U2 Set To”).

One ponders if these obstacles could have been overcome by a smaller concert promoter with significantly less global influence.

Marketing, the Ticket Seller, and Ticket-Selling

As established earlier, Live Nation’s influence and clout in the concert industry market is unparalleled. The main job of a concert promoter is to promote the concert and sell tickets (Barnet, Berry, Waddell, 113). When it comes to these aspects of touring, Live Nation was founded on its ability to market concerts and convert those performances into cash. Even though the firm has an impressive track record with its concert efforts, the task of executing a world tour, especially one of the immensity of the *360* tour is a challenge.

As many influential promoters and music-industry professionals will tell you, marketing a single concert has many components within a single marketing plan: market research, announcement date, on-sale date, press, sponsorship, complimentary tickets, etc. Larry Vallon, Senior Vice President of National Booking for AEG Live, says that marketing a show depends by genre and audience, while owner of The Roxy Theater in Los Angeles, Nic Adler, adds that the type of venue determines the artists that are booked and the corresponding marketing plan, and Brad Wavra, the Vice President of Touring at Live Nation, says that making sense of all of the data available on the internet about music-listeners is the key to creating successful shows (ArtistHouseMusic.com). These are only a few of the factors that make up the marketing of a live show. If you multiply these responsibilities by the 110 concert dates on the *360* tour, this becomes an increasingly daunting task. As the aforementioned statements by Arthur Fogel suggest, a tour the size of the *360* tour could not possibly be coordinated by independent promoters to the degree needed to sell out every date. With Live Nation at the helm, there is the potential for coordinated branding, ticket prices, announcement and on-sale dates,

marketing timelines, press and publicity, and a multitude of other details. Having a single promoter also helps coordinate the sponsorship for the tour, as each date no longer needs its own sponsor. U2 is sponsored by BlackBerry, and with a single promoter coordinating the tour, Live Nation can easily brand the entire tour as “Presented by BlackBerry” (Edgecliffe-Johnson, “Lunch”).

Not only was Live Nation Entertainment in charge of the production, booking, and marketing of the tour, the firm had control over the true money-making aspect of the tour as well: the ticketing. When the *360* tour began in June of 2009, Ticketmaster Entertainment and Live Nation were separate entities, but had proposed a merger of the two companies that would create the new company, Live Nation Entertainment (Proctor). This was stalled while the United States Justice Department investigated the merger for anti-trust violations, but was ultimately approved in 2010 (Nakashima). However, prior to this approval, Ticketmaster and Live Nation were doing business together with the idea that they would become the same company, and competing interests became coinciding interests (Proctor). Also, since Live Nation Entertainment does not need to negotiate different split rates for individual promoters in the area because they are all under the Live Nation Entertainment umbrella, these can have beneficial effects on ticket prices for consumers (Nakashima).

The ticket prices for this tour were indeed low when compared to other top world tours and when considering the enormity of the stage production. The average ticket price for the *360* tour is approximately \$100 American, while Madonna’s *Sticky & Sweet* tour had an average price of \$115 American (Pollstar) and Rolling Stone’s *Bigger Bang* had an average ticket price of

\$195 American (Wapshott). U2’s prices are very affordable when put in this context. The 360



Venue Layout for U2’s 360 show in Denver’s Invesco Field at Mile High Stadium, courtesy of Ticketmaster. A \$25 ticket is for Level 1, Level 2, or Level 5; a \$50 ticket is for all of these and Club Level 3, a \$95 ticket is for all of these and North Reserved, and a \$250 ticket is for all of these and the General Admission Floor.

tour has four price tiers of \$25-35, \$50-60, \$95-105 and \$250-260, with the \$25 level giving the ticket-holder access to the seats furthest from the stage, the \$50 ticket gives access to the middle sections,

and the \$250 ticket gives you access to club seats and general admission (Ticketmaster). There is

no public information available for the breakdown between how these ticket sales are partitioned between the different parties – ticket seller, concert promoter, artist, and venue – but these are more reasonable ticket prices when given the ultimate product of the concert and considering that the top ticket price for the *Bigger Bang* tour was over \$500. These prices are even more astounding when considering that ticket prices have risen faster than inflation steadily since 1981, and risen faster exponentially since 2003 (Connolly and Krueger).

The ticketing, funding, and promotion capabilities required for this type of endeavor were far beyond the abilities of independent promoters, and the homogeny needed to execute a tour of this magnitude could not be accomplished through a network of individual companies. McGuinness remarks that this is not a swipe at independent firms, but is indicative of a trend that is common in the industry: “The scale overtakes the transaction” (“Touring: Big and Rich”).

While the scale of the tour is monstrous, the transactions completed on the part of the consumer are equally as impressive. As previously mentioned, all of the dates of the tour have, thus far, sold out, and in a trying economic market: “The feat is even more remarkable when one considers that the band will break the record [for highest-grossing tour] on a tour that spanned trying economic times around the globe” (Waddell, “U2 360 Tour”). This was accomplished because Live Nation Entertainment and U2 delivered a tour that was unique, and because it was unique, consumers could not keep themselves from purchasing tickets. According to Chip Hooper, the head of Paradigm Agency’s music division, “The bands that did well were the bands that you absolutely had to see” (Waddell, “The Year in Touring”). It is apparent that due to the production, marketing, booking, and ticketing efforts of Live Nation, U2’s *360-Degree* tour was a tour that a concert-ticket consumer absolutely had to see: the combination of the largest, most abstract and creative stage in history, the first expandable 360-degree LED video screen, the largest speaker system for a concert stage ever, and the appearance and performance by one of the most-popular performing artists of all time created the must-see event of current times.

The Future of Touring - Conclusion

Not only was U2 a must-see show the past three years, it was *the* must-see show. On April 10, 2011 in Sao Paulo, Brazil, “the band's "360" tour became the highest grossing tour in history...and by the time it wraps in North America on July 30 at Magnetic Hill in Moncton, N.B., U2 will have shattered the record at about \$700 million [total gross]” (U2 Sets Record). Not only is the money astonishing, but by the end of the tour, the number of living, breathing, screaming concert-goers who bought tickets to the 110 shows will be even more impressive: over 7 million. Remarkable figures, yes, but the bigger story is they may speak to a tectonic shift in the

stadium-level touring industry. Also, there is speculation that this tour may not ever be bested in attendance or gross by any act other than U2, and they may be right.

Consolidation has proven to be the name of the game in the live entertainment industry, and increasingly aggregating aspects of concert promotion could create successes never thought possible. The *360-Degree Tour* is the first tour during U2 and Live Nation Entertainment's 10-year, 360-deal (U2 Sets Record...), and one can estimate that Live Nation will create future live successes for the band. However, this is the first stadium-level tour since the merger of Live Nation and Ticketmaster, and it topped everyone's expectations including the tour's commander, Arthur Fogel: "This is one of those things that is so special and unique that, in this form, it probably only comes around once" (U2 Sets Record...). This may be siren-call to the rest of the industry that the future of top-tier concert tours may need to be produced by companies that keep a majority of their operations in-house. In fact, another of Live Nation's 360-deal artists, Madonna's only top-10 concert tour in terms of gross was the first after she signed her new deal (Billboard).

There are artists that come to mind that could possibly make a run to top U2's latest tour, but the list is short. "When the biggest band on earth stages the biggest show in history, the question arises: Who will follow? There's no sign on the horizon of U2's heir apparent" (Gundersen). "Many in the industry say Coldplay or Kings of Leon are possibilities. Others think that the days of multiple stadium-level artists are over. Getting there is hard enough; staying there is much more difficult" (Gundersen). Lady Gaga is an artist with the creativity, work ethic, and stature to create a unique stage show and tour with a scope to rival the *360-Degree Tour* artistically. If Lady Gaga keeps churning out hits, taking artists risks, and is given the resources of a Live Nation Entertainment too, the combination could create an endeavor that is just as impressive as U2. It could be Lady Gaga, it could be someone else, but as was discussed earlier

(in sections, *The Super Promoter – Live Nation Entertainment and Marketing, Ticketing, and Ticket-Seller*), it will take a conglomerate pulling the strings on the business end to pull it off.

However, for this to take place, not only would all of the elements need to be aligned again for mind-numbing gross and audience numbers, they would need to succeed in making every cent count while allow for the largest audiences possible. Says McGuinness, “The figures will probably be unbeatable, unless somebody else does a tour that increases the capacities of the buildings by 20% these records we’re setting will stand for a long time” (Waddell, “U2 Returns To”).

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