LONDON’S VENUE MARKET
AN INTERNATIONAL BENCHMARKING STUDY
PRESENTED BY SOUND DIPLOMACY
We benchmarked London’s venue ecosystem against four other major cities: Berlin, Paris, Madrid and New York City.

Like London, these four cities are standard stops on venue tours, offering state-of-the-art venues to acts and music fans.

**BERLIN**
The Germany, Austria and Switzerland region sold over 7.3m tickets worth €380m in 2016 and has the highest average ticket price of all the regions surveyed in the report, with a cross-genre average of €51.74 and a concert ticket average of €61.62.

Berlin’s Mercedes-Benz Arena is a purpose-built €165m, 17,000 capacity venue. It boasts several event suites, 6 locker rooms and 4 dressing rooms across its 60,000 sqm of space. 2017 had the strongest first-half for Mercedes-Benz Arena since it opened, although it already averages 1.3m visitors and 130 events per year.

There is limited parking available onsite with the ability to pre-book online, along with 400 cycling bays. The venue is accessible via public transport, including from regional train services to other German cities and international services. All transport operates 24 hours on weekends, making post-show journeys home easy for audiences.

Since its opening, the venue has undergone some technical refurbishments, such as introducing Tripleplay technology by installing 200 IPTV (Internet Protocol Television) screens across the venue’s various bars, VIP lounges and concourse. The screens display scores, statistics and live streaming with almost nonexistent delay, capable of integrating social media. Employees are able to control individual screens with their phones or tablets. They also recently upgraded their Wi-Fi offering to ease the network pressure of its 15,000-strong crowds accessing at once and is developing its own app.

<table>
<thead>
<tr>
<th></th>
<th>POPULATION</th>
<th>GDP PER CAPITA</th>
<th>AVERAGE TICKET PRICE</th>
<th>VENUE TO POPULATION RATIO</th>
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</thead>
<tbody>
<tr>
<td>BERLIN</td>
<td>3.47m</td>
<td>€31,504¹</td>
<td>€51.74 general / €61.62 concerts (GAS regional)²</td>
<td>1 venue = 3.47m people per venue</td>
</tr>
<tr>
<td>LONDON</td>
<td>8.78m</td>
<td>€43,629¹</td>
<td>€50.30 general / €50.20 concerts (UK &amp; Ireland regional)³</td>
<td>2 venues = 4.39m people per venue</td>
</tr>
</tbody>
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¹ IHK Berlin (2015)
² IQ Magazine (2017)
³ Barclays (2017)
⁴ IQ Magazine (2017)
⁵ IQ Magazine (2017)
⁶ IQ Magazine (2017)
⁷ AEG (2017a)
⁸ Williams (2017)
⁹ IQ Magazine (2017)
PARIS
The AccorHotels Arena reopened after renovations in October 2015, selling 1.1m tickets in its first year back. It hosted 111 events, 61 of which were music events. The year after, this increased to 1.5m tickets for 178 events, although the sports events far outsold music events at 101 to 53. The Paris attacks had a short-term impact on ticket sales, but the industry picked up again in the second half of 2016, with sales now exceeding previous years. To date, it has seen over 30m spectators, averaging 130 events per season.

The venue has a capacity of 20,300 and offers 30 different layouts for events. It also has 8 smaller rooms, such as lounges, to act as convention spaces. The venue has recently installed security gates and scanners at all entrances.

AccorHotels is in the city centre, less than 900m from Paris Gare de Lyon, Paris-Austerlitz and Paris-Bercy, which offer access to Metro lines, bus services and RER express trains.

AccorHotels Arena says the key to maintaining a competitive edge against other venues is to provide as many amenities and experiences as possible for everyone from concert-goers to sponsors and the artists themselves. For customers, this includes a selection of bars and restaurants offering live entertainment to both ticket holders as well as 370 screens located throughout the grounds. The venue’s new app allows customers to reserve parking, pre-order and pay for meals during intermission and receive event notifications. Two VIP programmes are also available, ranging from €310 per event to €220,000 per season for dedicated seating, parking and gastronomy.

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<tr>
<td>PARIS</td>
<td>2.24m</td>
<td>€53,617</td>
<td>€46.44 general/€58.58 concerts (Western Europe regional)10</td>
<td>1 venue = 2.24m people per venue</td>
</tr>
<tr>
<td>LONDON</td>
<td>8.78m</td>
<td>€43,629</td>
<td>€50.30 general/€50.20 concerts (UK &amp; Ireland regional)13</td>
<td>2 venues = 4.39m people per venue</td>
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10 Paris Region (2016)
11 IQ Magazine (2017)
12 Barclays (2017)
13 IQ Magazine (2017)
14 IQ Magazine (2017)
15 IQ Magazine (2017)
16 AccorHotels Venue (2017)
17 IQ Magazine (2017)
MADRID

Madrid has three venues which regularly host events and concerts: Vistalegre (14,200 capacity), WiZink Center (15,000) and La Nueva Cubierta Espacio (soon to be 12,500).

VISTALEGRE hosts a broad mix from concerts to sports games and conventions. A €25m development, it opened in 2000 with three spaces: The Venue (14,000 capacity), The Centre (5,000) and Sala San Miguel. It has 20 VIP boxes, as well as a dedicated Presidential Box, 12 bars, 1,000 parking spaces and medical facilities onsite.

WIZINK CENTER (previously Palacio de Deportes de la Comunidad de Madrid) is a €124m venue used for sporting events and concerts. 2016 marked its most successful year, with 135 events held (56 of which were concerts), showing a year-on-year growth since 2014. There are 6 restaurants on site and several VIP experiences including bars and dedicated entrances and seats.

LA NEUVA CUBIERTA ESPACIO in Madrid was recently purchased by Grupofriends and is undergoing a series of renovations which will give the former bullfighting ring better acoustics and increase the capacity to over 12,000 sqm. There will also be a range of services including onsite production services and venue hire, as well as its own ticketing platform. It is currently licensed to operate until 6.30am and has a retractable roof, which allows it to host events in any weather, as well as five dressing rooms for performers (with direct access to both street and stage). As the economy recovers, there is rising interest in VIP packages and experiences, and Madrid’s La Nueva Cubierta Espacio is looking to develop their offer.

The Spanish heat affects venue attendance, because consumers don’t want to be indoors during the summer. However, the region appears to have the most passionate fans, with an average attendance of 9,434 per concert (the European average is 5,826). Venues hosted an average of 32 events per year, but attendance rates and sales ratios far exceeded those of the rest of Europe. Venue tours and festivals were particular market leaders in Spain in 2016.

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<tr>
<td>MADRID</td>
<td>3.16m</td>
<td>€32,81218</td>
<td>€33.43 general/€43.74 concerts (Latin Europe regional)19</td>
<td>3 venues = 1.05m people per venue</td>
</tr>
<tr>
<td>LONDON</td>
<td>8.78m</td>
<td>€43,62920</td>
<td>€50.30 general/€50.20 concerts (UK &amp; Ireland regional)21</td>
<td>2 venues = 4.39m people per venue</td>
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NEW YORK CITY

New York City (the 5 boroughs) has a similar (even slightly lower) population than London, but a lot more venues.

The city itself has three venues: Madison Square Garden, the Barclays Centre and Forest Hills Amphitheatre. But the New York market includes 7 venues. They are (with capacities):

- Madison Square Garden (19,420)
- Barclays Centre (19,000)
- PNC Bank Arts Centre Amphitheatre (17,500)
- Nikon at Jones Beach Theatre Amphitheatre (14,400)
- Prudential Center (17,500)
- Forest Hills Amphitheatre (13,500)
- Nassau Coliseum (17,000).

Madison Square Garden is New York’s multi-purpose venue, hosting sports, concerts and family events. Today’s site opened in 1968 and has since amassed a total building and refurbishment cost of almost $2bn, not adjusting for inflation.\(^{28}\) It has a capacity of up to 21,000, covering 76,000 sqm and was the second-busiest venue in the world in 2016 after The O2, with 1,053,675 tickets sold.\(^{29}\)

Located in midtown New York City, the venue sits directly above Penn Station, giving guests access to subway lines, buses and Amtrak services to cities along the East Coast (Boston to Washington D.C.). Parking is not directly provided onsite, but the venue does offer vouchers for local public parking garages.

In 2013, MSG’s sound system was renovated by Diversified to include new broadcast cabling, an IPTV system, wireless and satellite (RF) distribution, more television displays and sound systems from JBL, Yamaha, Renkus-Heinz and others.\(^{30}\) Further renovations during that same period introduced more retail and restaurant units, a broadcast studio, production offices, larger concourses, suspended pedestrian paths above the venue floor, LED video systems and improved dressing, locker and green rooms.\(^{31}\)

The venue is home to the New York Knicks (NBA), Rangers (NHL), and introduced its first resident musician in Billy Joel, who plays monthly shows there.

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<tbody>
<tr>
<td>NEW YORK CITY</td>
<td>8.5m</td>
<td>USD $69,074</td>
<td>USD $81</td>
<td>7 venues = 1.2m people per venue</td>
</tr>
<tr>
<td>LONDON</td>
<td>8.78m</td>
<td>€43,629</td>
<td>€50.30 general/€50.20 concerts (UK &amp; Ireland regional)</td>
<td>2 venues = 4.39m people per venue</td>
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\(24\) Open Data Network (2013)  
\(25\) Crypto Media (2018)  
\(26\) Barclays (2017)  
\(27\) IQ Magazine (2017)  
\(28\) Esteban (2014)  
\(29\) Pollstar (2016)  
\(30\) Daley (2013)  
\(31\) Cacciola (2010)
6.5 CASE STUDY: NEW YORK CITY’S SECOND VENUE SPURS MARKET GROWTH

New York is a good case study for the effect of a new venue entrance into a populous market. Barclays 2012 opening helped create significant market expansion and competition.

In 2012, Barclays Centre opened in Brooklyn. Barclays helped lead Brooklyn’s economic boom into an entertainment and hospitality hotspot,\(^{32}\) with the local income rate and job market growing faster than the city’s four other boroughs. While the local residential population only grew 7% between 2001 and 2015, nightlife industries (arts, entertainment, hospitality and gastronomy) almost tripled during the same period. The chart on the following page outlines growth in wages across four of New York’s boroughs, showing Brooklyn the clear leader. Note that the steepest incline coincides with the opening of the Barclays Centre.

\(^{32}\) Kopf (2017)\(^{33}\)
Data compiled from Pollstar Year-End Top Venues reports.

The chart above is a compilation of year-end ticket sales statistics from Pollstar in the years preceding the opening of Barclays to show its effect on the local venue market. Each venue’s share of their collective total is in parenthesis. The figures show that, despite a 2011/2012 dip in sales attributed to the gap in time between Madison Square Garden’s renovations and the opening of Barclays, total venue ticket sales in New York City have more than doubled what they were before Barclays opened, and Madison Square Garden’s annual sales continue to exceed 1 million tickets each year.

The two venues have carved their respective places in the market. Madison Square Garden attracts audiences from Manhattan and New Jersey, while Barclays appeals more to people from Long Island and Staten Island due to its transport connections. The two venues have not only been able to coexist but have grown the city’s ticketing market, as depicted in the graph (right).

Additionally, building a venue doesn’t just bring revenue into the live entertainment industry; it’s capable of transforming entire neighbourhoods and cities. Barclays Centre has had a significant impact on Brooklyn, causing a sharp rise in local jobs and, less directly, sparking further area regeneration to capitalise on the influx of visitors. This means even more jobs were created as ancillary businesses opened, and tourism grew to include day-trippers as well as concert-goers.

<table>
<thead>
<tr>
<th>YEAR</th>
<th>MADISON SQUARE GARDEN</th>
<th>BARCLAYS CENTER</th>
<th>TOTAL TICKETS SOLD</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>977,868 (100%)</td>
<td>n/a</td>
<td>977,868</td>
</tr>
<tr>
<td>2010</td>
<td>1,152,792 (100%)</td>
<td>n/a</td>
<td>1,152,792</td>
</tr>
<tr>
<td>2011</td>
<td>616,874* (100%)</td>
<td>n/a</td>
<td>616,874</td>
</tr>
<tr>
<td>2012</td>
<td>453,894* (56%)</td>
<td>356,512 (44%)</td>
<td>810,406</td>
</tr>
<tr>
<td>2013</td>
<td>475,380* (32%)</td>
<td>991,752 (68%)</td>
<td>1,467,132</td>
</tr>
<tr>
<td>2014</td>
<td>793,395 (52%)</td>
<td>723,616 (48%)</td>
<td>1,517,011</td>
</tr>
<tr>
<td>2015</td>
<td>1,013,453 (60%)</td>
<td>671,092 (40%)</td>
<td>1,684,545</td>
</tr>
<tr>
<td>2016</td>
<td>1,053,675 (58%)</td>
<td>757,141 (42%)</td>
<td>1,810,816</td>
</tr>
<tr>
<td>2017</td>
<td>1,167,544 (55%)</td>
<td>936,794 (45%)</td>
<td>2,104,338</td>
</tr>
</tbody>
</table>

*Madison Square Garden was closed for approximately five months per year for each of these years for renovation.

Chart from Pollstar

*Madison Square Garden was closed for approximately five months per year from 2010-2012 for renovation.
CASE STUDY: THE FORUM REASSERTS ITSELF AS L.A.’S CONCERT VENUE

The Forum opened in Inglewood in 1967 as the home of the Los Angeles Lakers (NBA) and the Los Angeles Kings (NHL), both of whom later moved to the Staples Centre upon its opening in 1998. After the Inglewood venue was purchased by Madison Square Garden, it underwent a USD $100m refurbishment.34

MSG’s entry to the LA market with the refurbishment of The Forum in 2014 saw a total market growth of 41% based on ticket sales.

The chart below, compiled from Pollstar’s Year-End Venue figures, shows how the two venues compare in terms of ticket sales since the Forum reopened.

In addition to ticket sales growth, external data shows significant growth in the number of Los Angeles market concerts. The average number of annual concerts in the Los Angeles market was 122 before the refurbished Forum was opened (2012 and 2013). Over the past two years, the Los Angeles market has averaged 201 annual concerts. This represents a growth of 65% in the number of Los Angeles market concerts.

The Forum led its marketing campaign with its ability to book long runs of shows and its updated amenities. The Forum is also scalable, with the ability to reduce its capacity to 7,500 and create a more intimate atmosphere for shows. The Staples Centre, regularly used by its home sports teams and events such as the Grammys, maintains a high level of booking. It also benefits from a downtown location close to restaurants and hotels.

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Data compiled from Pollstar Year-End Top Venues reports

*In 2017, the Staples Centre stopped reporting its figures to Pollstar

<table>
<thead>
<tr>
<th>YEAR</th>
<th>THE FORUM</th>
<th>THE STAPLES CENTER</th>
<th>TOTAL TICKETS SOLD</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>n/a (0%)</td>
<td>898,469 (100%)</td>
<td>898,469</td>
</tr>
<tr>
<td>2014</td>
<td>376,641 (42%)</td>
<td>519,621 (58%)</td>
<td>896,262</td>
</tr>
<tr>
<td>2015</td>
<td>627,613 (51%)</td>
<td>610,387 (49%)</td>
<td>1,238,000</td>
</tr>
<tr>
<td>2016*</td>
<td>701,601 (55%)</td>
<td>574,048 (45%)</td>
<td>1,275,649</td>
</tr>
</tbody>
</table>

34 The Hollywood Reporter (2014)
Like the example set in New York in the previous section, The Forum’s refurbishments have grown the total market. The underlying argument is that the two venues complement each other. The Staples Centre has carved its place as the home of Los Angeles’s sports, while also hosting concerts and other shows. It benefits from the growth of the surrounding downtown area and is better suited for shopping.

The Forum, meanwhile, boasts a strong concert atmosphere, as reported by its owners and fans. Its open programming means artists can book longer runs, the scalability allows it to host smaller, more intimate shows and its layout ensures even guests in the farthest seats are close to the stage.

CONCLUSIONS

By comparing the populations of these cities to how many venues they have, we identified the average population size per venue (ppv). London had the highest ratio, almost 1 million people-per-venue ahead of the next-most densely serviced city (Berlin). New York, the only city listed with a comparable population size, has almost four times as many venues, which means each venue has a quarter of the audience pressure of London’s venues.

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<thead>
<tr>
<th></th>
<th>LONDON</th>
<th>BERLIN</th>
<th>PARIS</th>
<th>NEW YORK</th>
<th>MADRID</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 venues =</td>
<td>4.39m ppv</td>
<td>3.47m ppv</td>
<td>2.24m ppv</td>
<td>1.2m ppv</td>
<td>1.05m ppv</td>
</tr>
<tr>
<td>1 venue =</td>
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In addition, New York’s 7 large venues hosted 299 concerts in 2017, whereas London’s 2 large venues hosted 183.

Using New York as an example of an equally-populated city with a thriving venue market, London could arguably support 7 venues. Even using the average of the other 3 cities studied, London could support around 4 large venues, reducing its people-per-venue pressure to just over 2 million. A new venue would also grow the market, as presented in the case studies of both the Barclays Centre and the Forum where the new venues have led total market growth by 115% and 41%, respectively.

In terms of individual venue offer, accessibility and on-site amenities are the key considerations for venues vying to attract audiences.