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MUS349 Music Business
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Concert Venues

1. What are some challenges presented by secondary market ticket sales? Why might some artists and promoters encourage these?

According to the reading, secondary ticket sales are driven by basic supply and demand and the artist and promoter do not receive any profits made from this medium for their own concerts. This is a direct challenge because both parties are losing while the third party is generating profits for themselves. Additionally, years ago scalpers operated behind the scenes, but now the resale sector has gained a respectable name: secondary market. I think that this is encouraged by both parties (artists and promoters) because this is a faster way of making sure that the tickets are sold, without the marketing team investing money to ensure sales are going well.

2. Describe how the split of sales of licensed merchandise at concerts is particularly beneficial to the performing artist and this concert promoter.

The licensed merchandise for artists is a great form of marketing for the performer and concert promoter. Artists merchandise at concerts are sold and royalty rates are boosted about 20-40%. At the event, we can consider die-hard fans and will certainly want to represent their favorite artists. The line-up for the night has major artists and the foot traffic to vendors will be a sizable amount to say the least because the venue is sold out hypothetically speaking. Additionally, the venues themselves negotiate a 25-40% cut of merchandise revenue from concert dates and boost prices for items which is sometimes called a hall fee and is included in the calculation of royalties to the artist.