# THE VALUE OF LIVE MUSIC

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From April 2008 until April 2011 I directed a research project on live music in Britain.[1] We are now writing up our findings,[2] and since February 2012 we have had funding for a follow-up project, designed to establish ongoing links between academic researchers, the live music industry and the wider public.[3]

The original research project was organized around an investigation of the business of live music promotion and a crucial part of our method was interviewing. We talked to more than 100 promoters, from the MD of Live Nation in the UK and such big names as Harvey Goldsmith to local club owners and enthusiasts. We covered all types of music (including classical) — which is one reason why our findings will fill three books.

One of my roles in the research team is to present our work to the live music industry itself, whether by attending their trade events and writing for their trade papers or by inviting them to seminars we organise. Such »knowledge exchange« (to use current academic jargon) is not without its problems and two kinds of miscommunication between university-based researchers and live music industry players particular interest me (and have informed the design of our follow up project).

First, we apparently have quite different interpretations of a shared phrase, »the value of live music«. Their take is, it seems, straightforwardly economic: the value of live music can be measured by how much money people are prepared to pay for it. Our approach, by contrast, is more philosophical (or up our own backsides, as the industry would say): what is it that people think they are paying for? What exactly do they value? I'm not

1 See http://www.gla.ac.uk/departments/livemusicproject. The project, ›The promotion of live music in the UK — a historical, cultural and institutional analysis‹, was funded by the AHRC (AH/F009437/1).
2 The first of a three volume history of live music in Britain, *From Dance Hall to the 100 Club*, covering 1950-1967, will be published by Ashgate in 2013.
3 ›Developing knowledge exchange in the live music sector‹ (AH/J00474X1/1), for details see www.livemusicexchange.org.

sure the differences here are quite what they seem and I will come back to this, just noting here that it is only in the record business that you hear executives bemoaning the fact that »people don't value music any more« (meaning that they won't pay sufficiently for CDs or downloads). Promoters have, on the whole, a subtler understanding of the value of music in people's everyday lives and how this effects their spending decisions.

Second, it was soon apparent to us that current promoters are not much interested in the past of their business (though they do enjoy reminiscing about the old days). They are, understandably, far more concerned about the future. A couple of years ago I was therefore asked to write my own account of what the music world would look like in 2025, and to present this for discussion at MaMA, the annual Paris-based European music business event. I will come back to my predictions at the end of this paper. I need to begin, though, by saying something about how I reached them.

My starting points were that all predictions of the future are wrong and that the best way to look forwards is to look back or, more precisely, to look at the futures that were predicted in the past. Two such scenarios are relevant here.

The first scenario was that live music had no future. As Glenn Gould famously wrote in *High Fidelity* in 1966:

»In an unguarded moment some months ago, I predicted that the public concert as we know it today would no longer exist a century hence, that its functions would have been entirely taken over by the electronic media. It had not occurred to me that this statement represented a particularly radical pronouncement. Indeed, I regarded it almost as self-evident truth« (Gould 1966: 47).

This was the future that was assumed when I started researching the music industry in the 1970s. Evidence for this prognosis was provided by both economists and sociologists. In 1966, the same year that Glenn Gould predicted the end of the public concert, William J. Baumol and William G. Bowen published *Performing Arts: The Economic Dilemma*. Baumol and Bowen's analysis of »the cost-disease« that afflicted the performing arts was highly influential on subsequent cultural economists (indeed, their book was in effect the founding statement for the field).[4] Its argument can be summarized (for non economists) quite simply. A performing art like live music faces necessary limits to both its economies of scale and its labour productivity. On the one hand, live concerts can only take place in a specific place

4 See, for example, the special issue of the *Journal of Cultural Economics* (20/3, 1996) on the book's 30th anniversary.

at a specific time to a finite audience (which has to be in hearing distance); on the other hand, musical works have a fixed labour input: a quartet cannot be played by a trio. The result is that the performing arts cannot compete for leisure spending with the mass mediated arts in terms of price. Concerts either have to be priced at levels which limit audiences to a declining number of the wealthy, or they have to be subsidized in some way. (Baumol and Bowman were primarily concerned with concert music and opera although their arguments are generally valid.)

Meanwhile, sociologists (and social historians) were documenting the effects of the rise of recording on public and private listening habits. They documented, for example, how live musicians were progressively replaced by recorded musicians in cinemas[5], hotels, dance halls, on radio and television and, most recently, even in the »live« performance of musicals and ballet. In 1947 the Musicians' Union's assistant general secretary, Hardie Ratcliffe, told readers of *Melody Maker*, the paper for dance band musicians, that »We Must Beat the Record!«

> »A show-down will come before long. Musicians throughout the world — particularly those providing dance music — will be forced to fight broadcasting and recording interests. The issue will be whether musicians are to control the recorded music they make or leave control to those with the money-bags. Musicians must beat the record — or go out of business!« (Ratcliffe 1947: 4).

Unfortunately for Ratcliffe the record won. From the mid-1950s an increasing percentage of consumer spending on music was devoted to recording; a decreasing percentage to live performances. By 1966 in the popular music world, at least, »music consumption« meant »record consumption«. When I began researching *The Sociology of Rock* in the mid-1970s I took for granted that the music industry was organised around the record industry, which was by then clearly central to the economics of live music too: rock gigs were primarily organised and financed to promote record sales. It was common sense, in short, to assume that the future of live music was dependent either on high cultural policy and the provision of state support to preserve Europe's classical music heritage and elite musical art scene or else on the promotional policies of the record industry.

Move on 25 years to the early 2000s, when we first got interested in researching the live music sector. There was by now, in the digital age, a quite different future scenario: live music was now the future; it was the

5 In the early 1920s two thirds of Britain's professional musicians were employed in cinemas; within a decade there were none. See Davison 2012.

recording industry that was supposedly doomed. Various economic developments were cited to support this suggestion:

- From the mid-1990s ticket prices started rising more rapidly than inflation. Concerts became more expensive than CDs (previously promoters had tended to peg ticket prices to CD prices).
- In terms of consumers' »wallet share«, expenditure on records now began a steady decrease.
- The impact of downloading and file sharing on record pricing and sales meant that the ratio of musicians' earnings from live performance to their earnings from record sales began a steady rise.[6]
- By the turn of the century a new kind of international live music business had emerged. In the early 2000s, for example, all the major promotional/venue companies in Britain were taken over by such global players as Live Nation and AEG.

By the end of the 2000s annual expenditure in Britain on live music was greater than expenditure on all forms of recorded music and the live music business had become the biggest employer in the British music economy.[7] Globally (following its merger with Ticketmaster), Live Nation can now plausibly be described as the world's biggest music company (only the Universal Music Group has a comparable turnover). The common sense suggestion has become that the music industry means the live music industry. Live music industry decisions are certainly central now to the economics of recording: if bands once toured to promote album sales, they now release albums to promote their concerts.

In twenty years time the assumptions here will probably seem as misplaced as the assumptions about the future of live music in the 1970s seem to us today, but I'm less interested in the inevitability of false predictions than in thinking about what we can learn from them. It could be suggested, for example, that the problem of the doom scenario was that by focusing so rigorously on the economics of live music it neglected the effects of music's ideological value. After all, »the concert hall« experience has always been the ideal of the classical recording industry (which it sought to make available in the living room) and the rock world, like the folk and jazz

6 One effect was record company exploration of so-called 360° degree deals in which they took their share of live concert revenue. Another was that HMV (a record retailer) took over the Mama group (a venue chain).

7 See, for example, »UK live revenues surpass record Sales.« In: *Music Week*, 17th March 2009. http://www.musicweek.com/news/read/uk-live-revenues-surpass-record-sales/039558 (accessed 19th September 2012).

worlds, has always treated the live show as the most authentic setting for musical expression.

One could argue, in short, that the cultural meaning of music remained rooted in live performance even at the height of record company domination of the music industry and, more generally, I now believe that my working assumption in *The Sociology of Rock* that music was a rights industry was wrong or, at least, misleading. Rather, it is better understood as a service industry. Most musicians make a living selling services rather than exploiting rights, and live performance is the service they mostly sell — to a wide range of clients, not just to concert promoters and club owners, but also to record, film, television, advertising, videogame, and other media companies, to cruise ships and casinos, to a variety of private customers for music at weddings, funerals, bar mitzvahs and other such events. And such music making goes on despite the cost disease.

That said, it could equally well be argued that present day optimists about the future of the live music sector are ignoring the economic symptoms that the cost disease describes (and there is increasing evidence that the live music »boom« anyway peaked in 2010).[8] Our research project was designed in part to examine how British promoters have addressed these cost problems historically and it's worth indicating here some of their solutions:

The most significant is probably the music festival. In the European classical music world, festivals can be dated back to the eighteenth century and by the early nineteenth century many British cities had annual »musical festivals«. The first Edinburgh Musical Festival, for example, held between 30th October and 5th November 1815, featured seven concerts in two venues with 150 performers. It brought in visitors — »the concourse of strangers towards Edinburgh was unexampled«, as a report of the time put it, adding that »all the lodgings round the city were occupied« (McLarty 2010: 8). (There was already, it seems, an association being made between a music festival, the attraction of visitors, and the local economy.) But the explosion of classical music festivals was a post-1945 phenomenon. Bruno Frey (1994) cites figures suggesting that there were at least 1000 and possibly as many as 2000 such annual festivals in Europe by the end of the 1970s (numbers vary according to what is defined as a festival); in Britain regular classical, folk, jazz and blues festivals were well established by the end of the 1950s, and rock festivals have been a familiar part of the calendar since

8 The best source of UK music industry data is PRS for Music, which publishes annual economic reports. Copyright Societies in other countries also provide relevant data. US ticket sales are monitored by Pollstar.

the 1960s, although the huge increase in the number and variety of popular music festivals has been a twenty first century phenomenon.

Festivals offer various solutions to the cost disease. In terms of economies of scale outdoor festivals at least can reach much larger audiences than is possible in an indoor venue (especially as audience members can be mobile between different stages). In terms of productivity, the investment in staging infrastructure — sound and lights, security, promotion and publicity, ticketing, etc. — is sufficient for a much larger number of performers and performances than is possible for a show in a theatre and, as Frey points out, festivals also tend to use contracted freelance workers (rather than concert halls' salaried permanent staff) which cuts labour costs.

Festivals also have a value that is qualitatively different from that of routine concerts and which cannot simply be measured as a quantitative accumulation of performances. Many festivals, that is to say (Glastonbury is a good example), have established themselves as »leisure experiences« involving something more than music. A rock festival like Scotland's T in the Park thus routinely sells out before it has announced its line-up; classical musical festivals, as Frey (1994: 37) documents, are sold as part of all-in luxury holidays. A festival ticket may well offer the consumer good value for money (in terms of the number of acts seen) but festival goers are also willing to invest much more into time, travel and subsistence costs than they would be willing to pay as an add-on to a workaday gig. For a promoter a festival is thus an essential part of their portfolio — it has a much higher profit margin than a tour and, even more importantly, offers a sure return on the investment.

A second way of achieving both economies of scale and an increase in productivity is by putting on a succession of performances in the same venue, as »a run«. Instead of an act touring from town to town, audiences are encouraged to take a trip to a single venue where the act will play for many nights. This was the entertainment model developed in Las Vegas by Frank Sinatra, Elvis Presley and, more recently, Celine Dion, who from 2002 played five nights a week at The Colosseum at Caesars Palace, for an astonishing five years. Promoters can invest sufficiently in a single space to stage a spectacular show that can command higher ticket prices as well as reaching a much bigger audience who, like festival-goers, may well treat the musical act as just part of a broader leisure experience (involving a night in an up-market hotel, fine dining, and a flutter on the roulette wheel). This is also, of course, the way in which musicals work (and UK promoters have developed a strategy of moving such shows as the *Sound of Music* to provincial cities for extended runs after their London dates have come to an end). In recent years the promotion of concert runs has moved beyond traditional showbiz and variety to rock. AEG, for example, booked Prince for 21 nights into its O2 venue in London, and it's worth noting here that unlike the tour, neither the festival nor the extended single venue run lend themselves easily to the established timetable of record promotion. Their rise is both an effect of and a solution to the decline of record industry power.

Other promoter strategies have a much longer history. The advantage of owning venues and developing venue chains (like Live Nation) was understood by music hall promoters in the mid-nineteenth century and led to Britain's first large entertainment corporations. The creation of centrally owned performance networks both increased promoters' bargaining power in their dealings with artists and their agents and added to their ways of making money out of live shows. Music hall owners took their profits from their sales of food and drink and cloakroom services.[9] Since the 1960s British club owners have also maximized returns from their space by combining bands and deejays, live shows and club nights.

Music promoters have understood the economic significance of ticketing for an equally long time — certainly since the end of the eighteenth century — and the point to stress here is that the history of ticketing is tied up with the history of technology (for ticket buyers and sellers the most significant twentieth century invention was undoubtedly the credit card). In the live music sector the most important effect of digital technology has therefore been the rise of Ticketmaster. (Compare the way we now buy tickets instantly, at home, at the click of a computer key, with the time and trouble of physical queuing, preparing and sending off a stamped addressed envelope, or waiting on hold for hours for a phone line to be free.) But ticketing matters economically not for its convenience for customers but as an additional source of income for promoters. The provision of ticketing services (for around 30% of the ticket price) brings in profits whether or not a particular gig sells enough tickets to cover other costs.

Finally (as various critics of Baumol and Bowman have pointed out) in an era of mass media the physical restriction on live audience size is less absolute than it might seem. From early in the BBC's history, for example, the Proms season was a live music promotion that was simultaneously designed for a mass wireless audience, and broadcasters have been important for the economics of the live music business ever since. Digital technology currently allows live performances to be streamed (to mobile

9 Parking services can now be added to this list.

phones, for instance) while the New York Metropolitan Opera House has developed an influential model of global simulcasts, live shows as available to cinema audiences round the world as to the people actually sitting in the limited number of seats in the Met itself.

What I've been describing here is music promoters' enterprise in using technological, industrial and cultural change as an opportunity to increase their returns. It remains the case, however, that these are restricted solutions to live music's cost problems. Most events continue to happen without these income streams, and for these shows production costs continue to exceed the returns from ticket sales at the prices most consumers are willing to pay. The percentage of live shows that result in the multimillion dollar earnings reported each year by Pollstar is probably even smaller than the percentage of record releases that went platinum in the heyday of the record industry. And this situation has only been exacerbated by the decline of record company tour support. The fact also remains that the economic loss on most live shows is borne to a disproportionate extent by the performers, whose fees may or may not cover their costs for a particular show but certainly don't repay their investment over time in their careers.

Live music promoters and performers, in short, continue to depend on some kind of subsidy or alternative revenue stream to supplement their returns from the box office, and the state (at both national and local level) remains an important source of subsidy and not just for classical and art music events (though most of these wouldn't happen without public funding). The cost of building and maintaining municipal stadiums, an essential resource for rock and pop promoters, is mostly borne by local authorities, for example, and most music festivals depend on public resources (space, infrastructure) provided at no or low prices.

Over the last fifty years state support has come to be matched by commercial sponsorship of various kinds. Brewers, in particular, have been key players in the live music scene — if Tennents were to change its branding policy, for example, many promoters in Scotland would find it difficult to survive. For musicians (particularly those in specialist markets, though this is beginning to be true for rock performers too) gig sales of records and other merchandise make a significant addition to box office income. The decline of record retail has meant the development of the live concert as a kind of mobile music stall, live and recorded sounds equally available.

I've been trying to provide here a summary account of the dynamics of change in the promotional business, by examining the ways in which promoters respond to the economic problems they face by using new technologies and meeting new consumer demands as well as by drawing on established business strategies and connections. In order to offer a credible account of the future we need a clear understanding of how change works. And there is a final descriptive point to be made from this perspective. The problems that have emerged from the most recent period of change are the problems that the music industry will be addressing in moving to the next period. Our research identifies three in particular.

## The problem of investment and career development

The economics of the record industry are organised around the mass production, reproduction and distribution of things. As in other publishing industries, the huge profits on best sellers support investment in any number of poor sellers (the conventional wisdom in the rock era was that record companies issued 1 hit to 10 misses). Between the mid-1960s and late 1990s musicians' careers depended on this kind of cross-subsidy. It is not a model that promoters can adopt. The large profits made on big name tours go primarily to the artists (and their managers); they are not invested in new or as yet »unpopular« acts.[10] It is not clear, in current economic conditions, what will replace record company investment. (Those acts that have been successful in putting together sufficient funds from fan investment via the Web have all so far been established acts, names that were known to fans because of earlier label deals.) Given that the most successful live bands nowadays are »heritage acts«, whose audiences are drawn from a long nurtured fan base, the question becomes how will new acts develop such support without any traditional record company investment. A model in which large acts drive the profitability of the live sector thus allowing promoters to lose money on lesser known acts is not sustainable unless the latter can be supported for long enough to become the former.[11]

From this perspective live music promotion has to be seen as a long not a short term business. Promoters need to build audiences, to look after performers at all stages of their career and, to this end, the live music sector has its own necessary eco-system. It depends on flourishing local live scenes as well large global players. When the sector rationalises in organisational

10 Some promoters do now subsidise tours of new acts in return for long term contracts, but they don't have the resources to invest in such acts' recording, promotion or other development costs.

11 Major promoters aim to cover the costs of 25% of their shows, though the actual figure is probably closer to two-thirds.

terms (and at the top end moves to oligopoly), as it has done over the last decade, the economic challenge is to maintain a balance of large and small promotional enterprise. The live music industry may now be dominated by a small number of global corporations, but its health depends on a continuing variety of local spaces (various in terms of size, atmosphere and booking policy) and there is increasing evidence that such venues are, in fact, becoming less sustainable.[12]

One effect of a chain-owned venue opening in a medium-sized city, for example, is that it becomes the venue at which all medium-sized acts will appear. It makes better sense for their agents to do a single deal for a number of performances across the country than to do different deals, venue by venue. Local promoters who could previously use such acts as to offset losses on local or upcoming bands, can no longer do so and their business thus becomes much more precarious. In Sheffield, for example, the University Students Union, long the meeting place for local independent rock fans and performers, has not been able to compete for hit acts with the newly opened Sheffield Academy; it has had to switch its booking attention to comedy. Historically one can see a recurring cycle of venue organisation: consolidation and centralisation is followed eventually by bankruptcy, as new local venues (quicker to adapt to changes in musical tastes and practices) begin to flourish before, in turn consolidating and centralising.

## The problem of regulation

Unlike the record business, the live music business is subject to a complex variety of regulation — the health, safety and potential nuisance of public gatherings has long been a matter of public interest. Live music thus involves politics on a daily basis, as is clear in the history of the UK's licensing laws. Two issues are currently of particular significance. First, governments' increasing concern about alcohol misuse (particularly among young people) is clearly a threat to the continuing interdependence of the live music and the drinks industries. Second, promoters face increasing public concern about noise pollution, whether in terms of the health and safety of the live music work force or the peace of mind of a venue's residential neighbours. It seems reasonable to predict that over the next decade live music promoters will have to wean themselves from their dependence on alcohol. (This is not impossible, by the way. The development of a new kind of youth

12 See, for example, http://www.guardian.co.uk/music/2012/may/26/rock-music-venues-bust-britain?INTCMP=SRCH (accessed 12th September 2012).

music in Britain in the 1950s and 1960s, the so-called British beat boom, took place largely in venues that were not licensed to sell alcohol.) Noise anxieties will be harder to resolve, however. They are likely to become a matter for planning laws and the organisation of urban space, for policy decisions that are not under promoters' control. The underlying issue here, though, is that the more musical spaces are regulated — made orderly and »quiet« — the less appealing they become for audiences who want, precisely, a noisy night out.

## The problem of value, a return to the starting point

In the present economic situation, people have less money to spend on anything. It is arguable that live music becomes more valuable to people in a recession, a source of good times amidst the bad, and our research does suggests that live music is valued as an experience that is somehow untouched by market forces. But this way of enjoying music is threatened if concerts become over-commoditised, venues too standardised, the exploitation of the consumer too obvious. People »illegally« download not just because they want music for free but because in the 1990s CDs prices came to be seen as a »rip off«. Promoters will have problems if ticket prices are seen similarly. The value of live music involves experiences and beliefs on which people may not be interested in putting a price. In our research we were particularly interested by the central role of the enthusiast in British music history, the promoter who is not concerned with profit but simply wants to share music, to build a new audience/market (that commercial promoters can then exploit). There is a clear danger that as the live sector becomes more economically rational it will destroy the irrationality on which its cultural value to some extent depends. Interestingly even the most commercial promoters we spoke to were aware of this. A »good« gig for them (as for audiences and performers) is not the gig that makes the most (or even any) profit but the gig that delivers on the promise of live music, that makes everyone present feel that presence so intensely that nothing else seems to matter.

To conclude, then. Given our understanding of the dynamics of change in the live music sector and the problems it presently faces, what can we predict for the future of music?

Some things we can be sure of:

- People will still express and understand themselves through music.
- People will still make and listen to music together.
- People will still dance to music.
- People will still try to make money out of music.
- Music will still be necessary for public and private entertainment.
- Music that gave pleasure in the past will still give pleasure in the future.
- There will be new technological ways of storing, sharing and hearing music that we can't yet imagine.

And some things we can sensibly guess:

By 2025 there will be no stadium gigs. Economically and aesthetically they will long have been thought pointless. The Rolling Stones and U2 will hang on to the model but even they will finally have to give up and stadium rock won't be the object of nostalgia. Uncomfortable, poor sight and sound lines, tedious travel and car park queues — who would go back to that? As people's willingness to pay high prices (and all the add-ons) for such gigs declines (and state funding cuts means a lack of resources for stadium maintenance) the stadium show will no longer be an economic proposition. Live Nation and Ticketmaster will inevitably go bust (one can't run a successful live music business from a corporate headquarters indefinitely) while continuing developments in mobile phone and payment technology will make ticketing an entirely personal act/audience transaction, with no need of third person ticketing (or secondary ticketing) services. The large venues that will be flourishing in 2025 will be organised on the model of the London Dome — smaller, flexible, comfortable spaces, in which bands can settle for a live season and in which music will be only one of many kinds of entertainment. There will still be festivals.

By 2025, though, there will be no record shops, but then there will be no record companies either. There will be tracks and albums but they won't be funded, published, promoted or distributed in physical form by companies on the model of EMI, Universal, etc. Music will no longer be treated as an asset. It will be, rather (as it has always been) a service, for which musicians will be paid at the point of delivery. A new kind of large music company will emerge, based not on the ownership of rights but the packaging of services, whether musicians for weddings or the provision of ever more sophisticated »apps« for the various new sorts of personal computer/ communications devices. Such companies will bring together in one place the old roles of artist management, music agency and concert promotion with a new expertise in music placement and will function as brokers between musical supply and demand. A music economy built round services rather than assets does not need musicians to sign long-term contracts and will shift the way consumers think about music, not as an object (record, song) to be possessed but as an experience (of which music might be only one part) to be enjoyed. This will be worth paying for but not as a single sort of transaction (buying a record or a ticket) but as a whole series of different transactions and the result will be a fragmented rather than a mass market. The era of the global superstar will die with the Rolling Stones. A musical career will be more localised, more erratic, more humble.

In the 2025 economy of commercial musical services the model for what, in the era of the musical product, were called distribution and promotion will be radio and, more specifically, BBC Radio. The BBC has established radio services through which a great variety of music (live and recorded) is permanently available on a great variety of digital outlets and devices over which the listener has a great deal of control in terms of how and when they listen. These services are paid for by a license fee, which enables the musicians involved to be directly rewarded according to how much and often their work is used, and are crucial for the construction of musical communities, audiences sharing tastes determined by musical rather than commercial judgements. Inspired by the BBC model, a number of successful music providing companies will follow the pioneering if short-lived on-line service, Spotify (which became over-dependent on record company support).

By 2025 there will be three distinctive musical worlds, which, in business terms, will be organised by different kinds of company and entrepreneur: the dance music world, organised around the provision of sounds and spaces for dancers; the talent music world, organised around the provision of performers for visual media entertainment shows and songs for adverts, soundtracks, private pa systems and shopping malls; and the art music world, organised around the ideology of music as art, something uplifting and transcendent, a source of national pride and an activity requiring state educational and financial investment. Such ideology will be not only be applied to classical or »academic« music. »Art« music will include folk, jazz, and rock music; and the album, on the one hand, and the concert, on the other, will still be seen as the forms most appropriate to music as art. State subsidies will be directed accordingly, to acts, venues and music service companies alike (a necessary substitute for the now banned alcohol company support).

By 2025 IASPM will be devoted entirely to such art music and will have changed its name. »Popular« music as we know it will no longer exist.

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## Abstract

This paper suggests that ›the value of live music‹ may be defined in two ways: economically, live music treated as a source of income and profit, or culturally, live music experienced as something that is valuable because it can't be monetised. Most analyses of the live music sector focus on its economic value. The orthodox view from the 1950s was that the live music industry was suffering from an incurable ›cost disease‹ and live music promotion thus became entirely subordinate to and financially dependent on the recorded music sector. Since the 1990s, however, the economics of the record industry has been undermined by digital technology while the live sector has apparently flourished. Both these accounts of the live music business are flawed. They take too little account of live music's cultural value and underestimate promoters' entrepreneurial ingenuity.