

Q1
2020
WORLDWIDE

What's At Stake

Q1 Numbers Reveal What Would Have Been A \$12.2 Billion 2020 Box Office
\$8.9 Billion On Table For Remainder of Year

STAFF REPORT



Pollstar's quarterly numbers are in and the preliminary gross revenue for the Q1 Top 100 Tours chart was up 10.9% over 2019's record-setting year to \$840 million for 2020 while ticket sales rose 4.5% to 9.4 million. Based on that growth, we can project the year's box office would have been \$12.2 billion had Q1's percentage growth remained constant. *Pollstar* can also forecast the live industry would lose up to \$8.9 billion of revenue if the rest of 2020 were to remain dark – a worst-case scenario and certainly not what is expected.

This comes as our inboxes are full of unthinkable emails from banks, travel companies, government offices, local eateries and grocery stores – all of whom cross our paths on a regular basis, assuring us they're working hard to figure out how best to deal with the COVID-19 pandemic that has turned the world upside down. While buses are parked, venues are dark and seats are empty, live industry professionals are working just as hard, if not exceedingly harder, to figure out today's challenges, which are unparalleled by and of a greater magnitude than anything that's ever occurred.

The live entertainment business has, in many regards, felt the blunt force of the coronavirus acutely. At *Pollstar*, the live business is *our* business, and box office data *is* our life blood. Tracking the ebbs and flows of the live entertainment by the numbers is what we do every day, year-round. And, in recapping concert box office activity from the first quarter of the year, we may very well be experiencing the one chance in 2020 to report anything similar to "business as usual." The data also allows us to forecast, to the best of our ability, what the industry would have earned.

The pandemic arrived at a time when box office success from global concert touring had been steadily on the rise, a "Live Golden Age" if you will, with grosses and attendance figures reported to *Pollstar* showing unprecedented growth. Even if quarterly figures showed a slight bump here or a minor dip there, the overall trajectory has pointed upward for the past decade when counting dollars earned and butts in seats at concert venues.

That trend was continuing full steam as we entered 2020, based both on anecdotal evidence – agents, promoters and managers we spoke with were bullish on 2020 and forecasted a record-setting year – and the analysis

of our latest box office numbers. While \$12.2 billion for the year is a massive number, if one were to add the multiplier effect of each ticket sold across the entirety of the live music industry economy, it wouldn't take too much calculus to arrive at a full economic impact as high as an estimated \$20 billion. Instead, live is enduring the most brutal body blow in its history.

Data reported from live performances during the Q1 chart eligibility period, which spanned Nov. 21 through Feb. 19, was largely unaffected by the pandemic, and in fact grew significantly year-over-year. The Top 100 Worldwide Tours chart, based on global ticket sales, saw increases in both the number of sold tickets and total gross. At the end of Q1 2020, the gross figure amassed by the top 100 totaled \$839,653,875, a significant rise of 10.92% compared to what was tracked for 2019 Q1. Ticket sales also saw a rise this year, with 9,438,879 sold tickets reported at concerts during the first quarter – a 4.55% bump

WHAT IT WAS: Based on *Pollstar*'s Q1 data there's \$8.9 billion in box office revenues at stake for the rest of 2020 chart year. Pictured here festivalgoers lose their minds to DJ Snake at the Las Vegas' Life Is Beautiful Festival on Sept. 23, 2018.



ELTON JOHN with his 3-year “Farewell Yellow Brick Road” tour was an early contender for top tour of the year coming in at No. 2 on the Q1 charts and a whopping 93 shows ahead of him. Seen here performing at Melbourne’s Rod Laver Arena on Dec. 10, 2019.

Mackenzie Sweetnam / WireImage

over the same three-month span last year.

Our methodology to extrapolate a “what-might-have-been” number is to use those same growth percentages to provide insight into potential 2020 box office receipts. *Pollstar’s* calculations show that by the end of the second quarter, ticket sales from the Top 100 Worldwide Tours, at the same percentage increase, would have reached 23 million, with gross closing in on \$2.2 billion.

And, stretching further into the fall, after figuring in potential activity from a summer season that would have likely been record setting, third quarter analysis suggests that total tickets sold would have reached the 45 million point, with more than \$4 billion grossed. Thus, estimating potential box office results from a robust year of touring in a longstanding era of growth, 2020 could have seen gross sales among the Top 100 Worldwide Tours reach \$5.97 billion from over 62 million tickets sold.

Some of the biggest tours slated for summer included the Rolling Stones “No Filter Tour,” which was to hit fifteen North American stadiums including Atlanta’s Mercedes-Benz Stadium, Minneapolis’ U.S. Bank Stadium and Nashville’s Nissan Stadium. With a rough average gross of \$10 million a show, that would’ve been \$150 million off the top. Another big tour was Eagles’ “Hotel California Tour,” with twelve arena dates, moved to fall. The group’s three shows at MGM Grand Garden in September grossed a massive \$18.6 million, or roughly \$6.2 million a show. At that rate, the band stood to gross nearly \$75 million.

Another massive tour was the double stadium bill of Def Leppard and the returning Mötley Crüe which, along with supporting acts

Poison and Joan Jett & The Blackhearts, had 22 stadium dates lined up, including Inglewood’s new SoFi Stadium. And Elton John, who is amidst his three-year “Farewell Yellow Brick Road Tour,” was Q1’s No. 2 artist with 31 shows totaling a whopping \$67.6 million. He had 93(!) shows slated for the rest of the year which, when averaged out, would have brought in about \$225 million – which very possibly could have been the year’s biggest haul.

Keep in mind these are only the top 100 tours, which make up the majority of live’s revenue and account for about half of the overall grosses reported in Q1 – 50.85% to be exact. If grosses for the entire year may have reached \$6 billion, adding the many tours below the top 100 would have put the year’s estimated revenue at roughly \$12.2 billion.

Estimating what might have been lost obviously depends on when the business rebounds, but if the rest of the year is dark – which is a worst-case scenario and certainly not expected – the potential \$12.2 billion yearly estimate minus the grosses from all the shows completed before cancellations and postponements places potential losses for the remainder of the year right at \$8.9 billion. Much less, about \$2.3 billion, if touring is possible as early as late-May. And if quarantines continue through the summer, say, late-August, industry losses could total about \$5.2 billion in just missed ticket sales alone.

To get at how this impacts the greater economy, one must look at the multiplier effect of a single ticket. This includes per capita spending on merch and food, which is at least \$10 a head, as well as transportation, parking, gas (another \$25 -\$50), restaurants and

lodging (festivals, residencies, etc). Additionally, each tour pays or helps pay the salaries of tens, if not hundreds of thousands who work in venues, production, marketing, concessions, security, box offices, sponsorships and more. Consider: each parked bus that would have been carrying crew not only includes other passengers who would be earning a living, but every night in every city on the route, hundreds of people would have been involved in making the magic happen at venues that now sit empty. Another significant sector not tracked by *Pollstar* is the massive amount of live music that takes place outside the radar of *Pollstar* reporting. Tens of millions of dollars per year are generated from live music in the form of small venues shows, casino and gaming resort entertainment, private shows, and countless fairs, festivals, rodeos, and sporting events that employ – and pay – live entertainers and those that make the shows happen. The \$10 million Sweet 16 birthday party for the daughter of the CEO of MegaCorp featuring Star X? Not happening.

When the industry does return in 2020, fortune will favor the nimble. The complexity of a global megatour employing scores of personnel and a fleet of rolling stock makes uncertainty the enemy in a wildly divergent global economy and state of recovery. Some of these tours will sit out 2020. But tours with 10 or less crew, playing venues with capacities of 5,000 or less, with the ability to pivot to whatever market is available and price tickets at \$50 or less will be positioned to take maximum advantage of fans pining for live music and eager to resume the shared experience that makes live the greatest industry in the world. **S**