

Rob Ocampo

Subject: FW: July 12, 2006 Venues Today



VENUES**today**

The news behind the headlines

Dear Rob,

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Welcome to your **Venues Today** weekly e-newsletter, full of the latest live entertainment industry news. Look for VT's IAAM/NAC Convention Preview in our upcoming August magazine. Our new recruit, Dave Brooks, staff writer, will be blogging at the convention in San Antonio, a first for *Venues Today*. For a full calendar listing, to view archives or to subscribe to *Venues Today*, visit our Web site at www.venuestoday.com.

QUOTE OF THE WEEK

"In the past agents would negotiate and play other venues off each other...Now, if they don't wake up and spread it around a little bit, they won't be able to sustain the industry." — *Jon Stoll, Fantasma Productions, on the shrinking field of promoters now that Live Nation has purchased House of Blues Entertainment.*

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VENUE NEWS

LIVE NATION/HOB DEAL GARNERS MIXED REACTION FROM THE INDUSTRY



As Live Nation pushes forward with its July 5 acquisition of House of Blues, promoters are cautiously watching the \$350 million deal and analyzing how the merger will affect their existing relationships with both companies.

Set to close by the end of 2006, the deal merges the world's largest promoter with the second leading ticket-seller in the nation. Both Live Nation and House of Blues are top promoters in the nation, working with hundreds of venues throughout the country.

Promoters like Adam Friedman at Nederlander Entertainment said he's not expecting the deal to bring a major industry shift in booking or promotions in the near future, especially in the way talent is booked or sold to promoters.

"From a short term perspective, I don't see a huge shift," he said. "How it will affect the long term having one major player in the business, we'll have to see."

There's certainly a lack of surprise, Friedman said, considering House of Blues has been on the selling block for some time. In 1999, House of Blues bought Universal Concerts from the Seagram Co. for \$190 million. Financiers behind the deal planned to recoup their investment by rolling the House of Blues brand out into an IPO — similar to Robert Sillerman's SFX public offering — but those plans were dashed in 2000 when the stock market bubble burst. Since then, all or part of House of Blues has been up for sale several times, including as recently as 2004, although talk of selling off the company's concert division had subsided.

"There have been dialogues for several years of potential acquisitions and sales,"

Friedman said. "Everybody in the industry was ready to see it sold."

How much money House of Blues investors were able to return on their original investment remains unclear. Actor Dan Aykroyd, one of the first investors in the House of Blues, said in a statement praising the deal that "my own capital investment will not quite be the bonanza which my advisors might have hoped for."

The merger makes Live Nation, already the world's largest concert promoter, even bigger, acquiring House of Blues 10 signature nightclubs in cities like Anaheim, West Hollywood and Chicago, as well as House of Blues' eight amphitheatres. Last year, House of Blues Entertainment reported \$259 million in ticket sales to *Venues Today*. Financial disclosures show Live Nation grossed \$2.9 billion in 2005.

While the merger creates an even larger behemoth for smaller promoters to compete against, that's business as usual in the concert promotion field these days. Live Nation is the result of a spate of acquisitions over the past decade that began with Bob Sillerman's SFX, which was purchased by Clear Channel Corp., a firm which continued acquiring promotion companies. The late 1990s consolidation of regional industry giants like Bill Graham Presents into then SFX, and House of Blues' \$190 million purchase of Universal's eight amphitheatres created a changing concert landscape that smaller promoters have had nearly half-a-decade to adjust to and learn to adapt, Friedman said.

"There's a lot of us who just see this as one more in a series of transactions," Friedman added.

Many large venue managers said they were unfazed by the deal. Peter Luukko, president of Comcast-Spectacor which runs the Wachovia Complex in Philadelphia, said his group, which includes all Global Spectrum-managed venues, only dealt with House of Blues on a handful of performances, while it relied on Live Nation to book bigger shows.

"I don't see it having any additional impact on the industry," he said. "From a touring standpoint there's one less entity, but otherwise, I don't see much change."

Most arenas won't be affected by the deal, said Lee Zeidman of the Staples Center, Los Angeles, because House of Blues had found its niche booking amphitheatres and clubs, but not large venues.

"When we book a show, we deal with Nederlander, Live Nation, an independent promoter or AEG," he said. "House of Blues, for us, was never really in the picture."

There's a lot of evidence that Live Nation will continue to need smaller venues to develop band fan bases, so that bands can later grow and develop the capability to fill large venues, said Harlan Schiffman, Fine Line Entertainment. Schiffman, who books the Casbah nightclub in San Diego, said Live Nation will have to co-exist with the other clubs, and in many cases, draft deals to share talent.

"They can't be in every place and do everything," he said. "You can't just sit out there and say there will be one big monolith. I just don't think that will be the case."

Friedman said Nederlander will likely continue to work with Live Nation and whatever incarnation House of Blues becomes to book shows in the L.A. market, including the recent II Divo and Bruce Springsteen performances.

One segment that showed concern is festival producers, who look to book artists away

from current tours for one-time performances at regional events. Darlene Chan of Festival Productions in Santa Monica, Calif., said the growth of Live Nation has made it more difficult for her to persuade artists away from tours for performances at Festival Production events, like the Playboy Jazz Festival, Los Angeles, and the Rose Bowl half-time show in Pasadena, Calif. Live Nation's large size gives it more sway over tour managers, and ultimately more influence over artists considering darting away for a one-off performance, she said.

Chan also wondered what would become of her firm's relationship with House of Blues, who has helped co-produce shows like The Neville Brothers and Dr. John. "We worked with House of Blues in New Orleans. If we both wanted someone, we would share costs to bring them to the area," she said. "It's not the most optimal situation to have an artist playing two shows in the same market, but we've always have a good relationship with House of Blues. I don't know how it's going to work now."

While the merger means less choices for artists, the group most hurt by the deal are booking agents, said Jon Stoll of Fantasma, a West Palm Beach, Fla., promoter who also books shows for the Las Vegas casinos like the MGM Grand and Mandalay Bay.

"In the past agents would negotiate and play other venues off each other," he said "Now, if they don't wake up and spread it around a little bit, they won't be able to sustain the industry."

Stoll said he expected to see more booking agents looking to alternative-promoters like AEG, the second-largest concert promoter in the U.S., as well as independents like himself and small clubs. Booking agents will have to be more proactive while shopping venues, not necessarily to get the best deal, but simply to let Live Nation executives know there are still other options out there. Otherwise, concert promoting will be a buyer's market, with few alternatives, he said.

"For acts that sell tickets, it's not that hard to spread it around," he said. "Acts like Tim McGraw and Faith Hill, Metallica and Eric Clapton have the clout to make those changes."

The merger broadens Live Nation's mid-sized venue holdings and helps it fill several geographical holes in its vast network of 150 amphitheatres and clubs. The House of Blues amphitheatres include: Smirnoff Music Center, Dallas; HiFi Buys Amphitheatre, Atlanta; the Molson Amphitheatre, Toronto; Universal Citywalk in Los Angeles; the Coors amphitheatres near San Diego and Denver; the Gorge in George, Wash.; and the Music Center in Cuyahoga Falls, Ohio. House of Blues is also finalizing four more clubs in Dallas, Houston, Seattle and Philadelphia, said Steve Macfadyen, House of Blues vice president.

Whether Live Nation will continue to maintain the House of Blues brand remains to be seen, but HOB chief executive Greg Trojan hinted in a press release issued by Live Nation that the popular rock and roll symbol might not lose its iconic name.

"This represents a compelling opportunity to grow our brand and accelerate the expansion of our club business," Trojan said in the statement.

Friedman said he would be surprised if Live Nation tried to roll House of Blues into a new product. Besides being an entertainment venue, House of Blues is becoming a popular destination for corporate retreats and events. Diminishing the brand could hurt business-to-business revenues.

"It's a wonderful brand and I would assume that they would carry it over," Friedman

said. — Dave Brooks

Interviewed for this story: Adam Friedman, (323) 468-1710; Peter Luukko, (215) 389-9530; Harlan Schiffman, (619) 286-6958; Lee Zeidman, (213) 742-7255; Darlene Chan, (310) 314-4484; Jon Stoll, (561) 832-6397; Steve Macfadyen, (323) 769-4723



The entrance to this year's San Diego County Fair, Del Mar, Calif., captures the "Ride the Tide of Fun" theme. At right, artist Robert Wyland with Fair General Manager Tim Fennell. (VT Photos)

SAN DIEGO COUNTY FAIR CLOSES WITH THIRD BEST YEAR

DEL MAR — The nation's sixth largest fair ended its 22-day run on July 4, bringing in over 1.2 million visitors for the event's third best year in the San Diego County Fair's history.

The fair's best day was on Sunday, July 2 when 86,262 attendees visited the Del Mar (Calif.) Fairgrounds, where the fair was being held. July 2 was the eighth best-attended day in the fair's history, said fair Public Information Officer Kina Paergert. Part of that success, she noted, was the fair's Sunday promotional series "Dia de la Familia" or the "Day of the Family" festival, catering to families living on the other side of the nearby Mexican border.

Mexican border towns like Tijuana are a major source not just for visitors, but employees of the fair, said Paergert, who estimates that over 20 percent of fair staff hails from south of the border. Paergert didn't have any figures on how many Mexican nationals made the short trip from the border to attend the annual event, although a fact sheet issued by the fair estimated that 25 percent of the attendees were Hispanic. Paergert said the San Diego County Fair has had a longstanding marketing campaign to lure in Mexican nationals, including a discount-ticket promotion with supermarket chain Gigante. This year the fair even hired Spanish-speaking public information officer Luis Valdiva to coordinate Spanish-language media coverage. Of the fair's four biggest ticketed concerts, Paergert said the best seller was the Viva El Mariachi festival, organized by the San Diego County Hispanic Chamber of Commerce.

The reliance on Hispanic visitors wasn't without controversy, especially considering the national debate over immigration reform. Since the 1990s, the San Diego County Fair

has flown the Mexican flag, alongside the American flag and the California flag, at the fairground's entrance. This year, about 50 protestors, including members of the vigilante border-patrol group "The Minutemen," held a demonstration in front of one of the fair's entrance gates at the urging of a local talk show radio host, asking that the Mexican flag be removed and replaced with the San Diego County flag.

Fair General Manager Tim Fennell said he had no plans to remove the flag, which had been used for years to greet visitors from Mexico. After a brief meeting with several of the protestors, he did agree to take the issue up with his fair board, he said.

"They were trying to make an issue out of a non-issue," he said. "The flag is something we've flown for years to welcome our visitors and employees from south of the border. It is a non-political issue."

Besides the border issue, this year's big story at the fair was its two new exhibit halls, an investment worth a combined total of \$15.5 million and rounding out a 15-year expansion at the fairgrounds. The largest of the two is the 40,828 square-foot Livestock Barn — dubbed Dickie's Livestock during the fair — used to house livestock, race horses, show horses and other animals. The new building is a pole barn — constructed with a pole skeleton embedded into the dirt floor to support the walls, roof and floor framing. The Livestock Barn utilizes open-air skylights and a 46-foot-high ceiling and will be used for barn dances and other agriculturally themed-assembly events during the remainder of the year.

The second addition to the fairgrounds is the new Multipurpose Exhibit Hall, dubbed the AgriFair during the 22-day fair. Roughly one-acre in size, the building is used to house livestock and agricultural education displays. During the remainder of the year, Fennell said the fair will use the facility to accommodate race horses, host antique shows and hold concerts.

Designed by architect Will Willis and built by the Jaynes Corporation, the new buildings stand out not only because the Multipurpose Hall sits 34-feet higher than the structures previously on the site, but also because it is adorned with a gigantic mural of a whale, by painter Robert Wyland. The new mural was also the precipice for this year's "Ride the Tide of Fun" theme. Fair officials said they plan to announce next year's fair theme around October or November.

This year's fair resulted in relatively few arrests or public safety issues, despite the protestors. "This year we utilized several additional security teams," Paergert said. "We had a bicycle unit, where officers could respond almost immediately to any incident on the fairground from any location. We also had two horse units patrolling the perimeter and parking lot during fair hours."

The fair caught a few local headlines on July 3 when deputies with the San Diego Sheriff's Department came onsite and arrested three carnival workers on outstanding warrants and parole violations. Paergert said the fair provided the names of all the fair's 350 temporary employees to the sheriff's department as part of a routine background check. Apparently 10 outstanding felony warrants popped up, although seven of the fugitives weren't onsite when police made the late-morning sweep.

"I'm not sure why they made the arrests when they did," Paergert said. "We provided them with the names before the fair had begun."

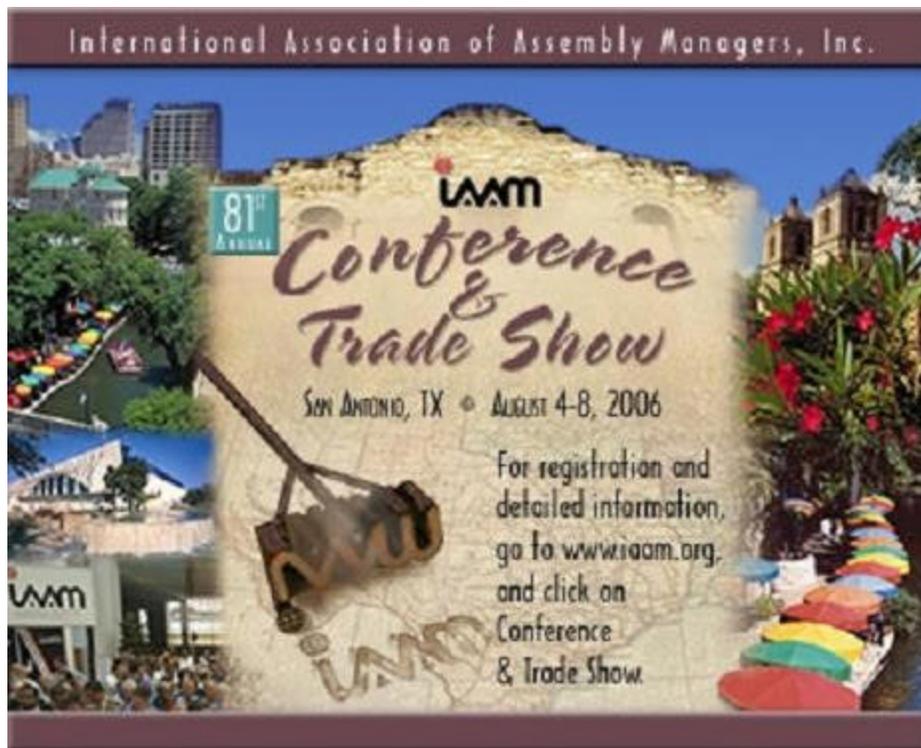
The fair also saw the settlement of a longstanding lawsuit between the 22nd District Agricultural Association, which manages the fairgrounds, and several law enforcement agencies over a ban on off-duty sheriff's deputies and retired police officers from

carrying concealed weapons on the fairgrounds. After losing two rulings in U.S. District Court, the fairgrounds tentatively agreed to follow a federal law allowing off-duty peace officers to carry concealed weapons in all public venues. The fair's board of directors is expected to finalize the deal during its Aug. 8 meeting.

This year's fair marked a number of sales milestones for the San Diego County Fair. Food and beverage sales reached a new high of \$8,691,430 — up nearly one percent from last year's concession records. This year's top sellers were the Wood Pit BBQ, Brett's Juicy, Chuckwagon, Chicken Charlie and the Fruit Caboose. Fair officials estimate that vendors sold 22,153 deep fried Oreo cookies, 16,500 Australian battered potatoes, 10,500 fried Twinkies and 5,400 fried avocados.

2006 also brought a surge in carnival rides, fair officials reported. More than 2 million riders paid on the midway, resulting in \$5.2 million in gross sales, a seven percent increase over last year's record. The top 10 rides in order of popularity were: Crazy Mouse, the Fast Trax slide, Hi Miler, Hydroslide, Grand Wheel, Tango, Sky Ride, Xtreme, Dodge'm and Megadrop. — Dave Brooks

Interviewed for this story: Tim Fennell, (858) 755-1661; Kina Paergert, (619) 925-8430.



BOOKINGS



HOT tickets

ICE SHOWS, HOOTENANEYS AND ANNIVERSARIES PROVE TO BE HOT

HOT TICKETS is a weekly summary of the top acts and ticket sales as reported to **Venues Today** e-newsletter. Following are the top 20 concerts and events, the top 5 in each seating capacity category, which took place since June 13, 2006. To submit reports, e-mail HotTickets@venuestoday.com or fax to (714) 378-0040.

The **Hot Tickets** this week as reported to **Venues Today**:

15,001 or More Seats

1) *Gross Sales:* \$2,906,910; *Event:* Kenny Chesney, Big & Rich, Carrie Underwood, Dierks Bentley, Gretchen Wilson; *Venue:* **Raymond James Stadium, Tampa, Fla.;** *Attendance:* 45,002; *Ticket Range:* \$79.50-\$34.50; *Promoter:* AEG Live, The Messina Group; *Dates:* July 1; *No. of Shows:* 1

2) *Gross Sales:* \$2,681,562; *Event:* Kenny Chesney, Big & Rich, Dierks Bentley, Gretchen Wilson, Little Big Town; *Venue:* **LP Field, Nashville, Tenn.;** *Attendance:* 46,926; *Ticket Range:* \$79.50-\$29.50; *Promoter:* AEG Live, The Messina Group; *Dates:* July 8; *No. of Shows:* 1

3) *Gross Sales:* \$2,177,941; *Event:* Delirium; *Venue:* **Bell Centre, Montreal, Quebec;** *Attendance:* 26,306; *Ticket Range:* \$125-\$69.50; *Promoter:* Live Nation; *Dates:* June 16-18; *No. of Shows:* 3

4) *Gross Sales:* \$2,156,006; *Event:* Dave Matthews Band; *Venue:* **Saratoga (N.Y.) Performing Arts Center;** *Attendance:* 48,982; *Ticket Range:* \$59.50-\$40.50; *Promoter:* Live Nation; *Dates:* June 16-17; *No. of Shows:* 2

5) *Gross Sales:* \$1,354,080; *Event:* Kenny Chesney, Carrie Underwood, Dierks Bentley; *Venue:* **Home Depot Center, Carson, Calif.;** *Attendance:* 20,745; *Ticket Range:* \$85-\$45; *Promoter:* AEG Live, Goldenvoice, The Messina Group; *Dates:* June 17; *No. of Shows:* 1

10,001 - 15,000 Seats

1) *Gross Sales:* \$1,440,364; *Event:* Disney On Ice; *Venue:* **Brisbane (Australia) Entertainment Centre;** *Attendance:* 58,902; *Ticket Range:* \$35.47-\$13.93; *Promoter:* Feld Entertainment; *Dates:* June 29-July 2; *No. of Shows:* 10

2) *Gross Sales:* \$719,551; *Event:* Kenny Chesney, Carrie Underwood, Dierks Bentley; *Venue:* **Bi-Lo Center, Greenville, S.C.;** *Attendance:* 11,929; *Ticket Range:* \$63.50-\$53.50; *Promoter:* AEG Live, The Messina Group, Varnell Enterprises; *Dates:* June 29; *No. of Shows:* 1

3) *Gross Sales:* \$578,011; *Event:* The Tragically Hip; *Venue:* **Historic Fort York, Toronto;** *Attendance:* 13,139; *Ticket Range:* \$44.45; *Promoter:* House of Blues Canada; *Dates:* June 23-24; *No. of Shows:* 2

4) *Gross Sales:* \$388,348; *Event:* Hootenanny; *Venue:* **Oak Canyon Ranch, Irvine, Calif.;** *Attendance:* 9,354; *Ticket Range:* \$102.50-\$37.50; *Promoter:* AEG Live, Goldenvoice; *Dates:* July 1; *No. of Shows:* 1

5) *Gross Sales:* \$342,689; *Event:* Michael Buble; *Venue:* **Van Andel Arena, Grand Rapids, Mich.;** *Attendance:* 5,556; *Ticket Range:* \$65-\$49.50; *Promoter:* Beaver Productions; *Dates:* June 27; *No. of Shows:* 1

5,001-10,000 Seats

- 1) *Gross Sales:* \$762,800; *Event:* Jay-Z 10th Anniversary; *Venue:* **Radio City Music Hall, New York**; *Attendance:* 5,765; *Ticket Range:* \$175-\$100; *Promoter:* The Big Production, LLC; *Dates:* June 25; *No. of Shows:* 1
- 2) *Gross Sales:* \$451,365; *Event:* Mark Knopfler and Emmylou Harris; *Venue:* **Radio City Music Hall, New York**; *Attendance:* 5,951; *Ticket Range:* \$96-\$45; *Promoter:* Live Nation, MSG Entertainment; *Dates:* June 22; *No. of Shows:* 1
- 3) *Gross Sales:* \$419,000; *Event:* II Divo; *Venue:* **Chastain Park Amphitheatre, Atlanta**; *Attendance:* 5,668; *Ticket Range:* \$78-\$38.50; *Promoter:* Live Nation; *Dates:* June 18; *No. of Shows:* 1
- 4) *Gross Sales:* \$298,769; *Event:* Bonnie Raitt; *Venue:* **Chastain Park Amphitheatre, Atlanta**; *Attendance:* 6,132; *Ticket Range:* 50.50-\$35; *Promoter:* Live Nation; *Dates:* June 20; *No. of Shows:* 1
- 5) *Gross Sales:* \$292,290; *Event:* Chicago; *Venue:* **Red Rocks Amphitheatre, Denver**; *Attendance:* 5,618; *Ticket Range:* \$65.50-\$45.50; *Promoter:* Kroenke Sport Enterprises, Live Nation; *Dates:* June 20; *No. of Shows:* 1

5,000 or Fewer Seats

- 1) *Gross Sales:* \$420,232; *Event:* Vicente Fernandez; *Venue:* **Dodge Theatre, Phoenix**; *Attendance:* 4,658 *Ticket Range:* \$127-\$62; *Promoter:* Elias Entertainment; *Dates:* July 2 *No. of Shows:* 1
- 2) *Gross Sales:* \$323,245; *Event:* Dave Chappelle; *Venue:* **Broward Center for the Performing Arts, Fort Lauderdale, Fla.**; *Attendance:* 5,386; *Ticket Range:* \$67.50-\$47.50; *Promoter:* In-house, Live Nation; *Dates:* June 23; *No. of Shows:* 2
- 3) *Gross Sales:* \$302,130; *Event:* Radiohead; *Venue:* **Auditorium Theatre, Chicago**; *Attendance:* 7,460; *Ticket Range:* \$40.50; *Promoter:* Jam Productions; *Dates:* June 19-20; *No. of Shows:* 2
- 4) *Gross Sales:* \$229,195; *Event:* John Edward; *Venue:* **Chevrolet Theatre, Wallingford, Conn.**; *Attendance:* 4,491; *Ticket Range:* \$65-\$31; *Promoter:* Live Nation; *Dates:* June 17; *No. of Shows:* 1
- 5) *Gross Sales:* \$227,271; *Event:* Ringo Starr & His All Starr Band; *Venue:* **Rosemont (Ill.) Theatre**; *Attendance:* 3,659; *Ticket Range:* \$75-\$39.50; *Promoter:* In-House, Live Nation; *Dates:* June 17; *No. of Shows:* 1

— Compiled by Rob Ocampo, HotTickets@venuestoday.com

The Blue Man Group



**CABLE VIDEO-ON-DEMAND KEY
TO MARKETING BLUE MAN GROUP
ARENA TOUR**

Blue Man Group launches its first full-fledged arena tour with a 42-venue leg beginning Sept. 26 at the Sovereign Center, Reading, Pa. Paul J. Emery III, Emery Entertainment, St. Louis, is the producer, in association with Pacific Arts Entertainment, and one of his first initiatives was to establish a marketing strategy that answers the question, What does Blue Man Group do?

With last year's exposure on the Intel Pentium commercials and three million fans who have seen the various theater and touring shows, the general public pretty much knows who Blue Man Group is, but not necessarily what they do in the show, Emery explained. Since it's a very visual show, not driven by the next hit single, and because Blue Man Group itself is willing to share video footage that makes marketing easier, Emery opted for a cable TV partnership.

"Sixty-seventy percent of the marketing budget is cable," Emery said. It's rounded out with less print, some radio, but the majority is television, 100 percent of that cable "because that's where we'll grow this property and educate the consumer about it."

Using footage from the Blue Man Group's DVD, which outsold their CD from the Complex tour in 2003, cable is offering a free exclusive to subscribers to access video-on-demand and see Blue Man Group. The program also allows them to qualify for a special ticket discount. Emery is spending advertising dollars with cable; cable is promoting the tour; and cable is educating the consumer on how easy it is to use video on demand, a niche those companies are trying to grow, Emery pointed out. It's also added value to the cable subscriber, something you can't find on network or satellite. "We designed it so cable could brag about delivering it," he added.

He tried a similar promotion in three markets with Blue Man Group's 2003 mixed-venue tour, which played amphitheaters, theaters and arenas. At the time, Emery was with Clear Channel Entertainment so the focus was amphitheaters. He tried the video-on-demand cable promotion in three markets "that sold out in the matter of a heartbeat. We knew we were on to something." Those markets were Austin, Texas, Champaign, Ill., and Grand Rapids, Mich. "At that time, video on demand wasn't what it is today. This time, it's nearly every market," he said. He particularly likes the flexibility of cable's video on demand. "You can download it in an instant and watch it 24-7."

Group sales will also play a big role in selling tickets for the Blue Man Group arena tour, themed How to be a Megastar Tour 2.0. Describing the tour, Emery said, "After downloading a tongue-in-cheek 'how-to-manual' on becoming a rock star, Blue Man Group is joined by an eight piece band and subsequently takes us through, step-by-step and song-by-song, every head-bobbing, fist-pumping moment of a real concert."

Emery is particularly complimentary of the growth of arena marketing in the group sales department. "My expertise is tours outside of the box," he said, boasting of a resume that includes David Copperfield, Arthur the Aardvark, Bill Gaither and Blue Man Group. "I like dealing with projects that deal with group sales and direct marketing. We're creating strategies that allow us to integrate a lot of what the arenas now are becoming very proficient in. They've become a great asset to the promoting system," he said, adding that it is in the last five to 10 years that arena's corporate and group sales expertise has been such a benefit to the promoter. "I produced the Young Messiah Christmas tour in arenas, and when I started that we didn't have near the assistance and tools the arenas provide today."

He cites U.S. Airways Arena, Phoenix, as "by far and away the best I've ever seen at group sales." That relationship is such that he's playing Dodge Theater in Phoenix, run by the same group, because the arena isn't available on the first leg, though he may go

back to that city in the fall. "I use them as a blueprint to tell other venues how to approach group sales. A lot of the tours I've done, group sales is a significant part."

The 2003 Blue Man Group's Complex Rock Tour involved 82 shows and drew over 400,000, grossing over \$11 million, Emery said. Three years later, between leg one and leg two, it will play no less than 60 total dates, "probably no more than 100 before we go into international territories," and it's designed to be an arena tour. It will play three theaters because of availability, Wallingford, Conn.; South Bend, Ind.; and Phoenix. He's hoping to see a 50 percent increase in the total gross.

Tickets will be priced \$39.50 on the low end. The average is around \$49.50. There will be a Gold Circle in every market, priced \$75-\$85. "This is truly an arena show; from an esthetics standpoint, the ambiance of an arena, it's a more electrifying show. In a theater, it shrinks what it really is." The arena is set up at 180, playing to 7,000-12,000 capacities.

Emery does have some co-promoters on the route, all long-standing relationships. Emery said the show costs \$150,000 and up a day to produce.

It's a five truck show, down from six trucks in 2003. There will be 22 crew and band on the road traveling in four buses. Set up will take four to six hours. The route has them playing five nights a week, in some cases six nights. "I don't leave any holes," Emery said.

Mike Richman, "a former Clear Channel buddy of mine," is working to secure a tour sponsor. Richman does business as Backstage Pass Entertainment, Dallas.

The announced tour runs through Nov. 19 at the Jacksonville (Fla.) Veterans Memorial Arena. Early dates include:

- Mohegan Sun Arena, Uncasville, Conn., Sept. 27
- Cumberland County Civic Center, Portland, Maine, Sept. 28
- Chevrolet Theatre, Wallingford, Conn., Sept. 29
- Mellon Arena, Pittsburgh, Pa., Sept. 30
- Conseco Fieldhouse, Indianapolis, Oct. 1
- Blue Cross Arena, Rochester, N.Y., Oct. 4
- Verizon Wireless Arena, Manchester, N.H., Oct. 5
- Pepsi Arena, Albany, N.Y., Oct. 6
- Quicken Loans Arena, Cleveland, Oct. 7
- U.S. Bank Arena, Cincinnati, Oct. 8
- AT&T Center, San Antonio, Texas, Oct. 11
- Toyota Center, Houston, Oct. 13
- American Airlines Center, Dallas, Oct. 14
- Frank Erwin Center, Austin, Texas, Oct. 15

A fan club member pre-sale runs July 18-24. Emery expects to sell 10 percent of tickets through the fan clubs, "based on what we did three years ago." — Linda Deckard
Interviewed for this story: Paul Emery, (314) 439-0300

MARKETING

Marshall Glickman helped revive the European NBA. (VT Photos)



MARKETING SUITES TO SMALL BUSINESSES A WAVE OF THE FUTURE

DETROIT — Marshall Glickman never thought he would have to travel to Moscow to discover the importance of bringing small businesses into luxury seats.

At the time, the former president of the Portland Trail Blazers of the National Basketball Association was on a mission — revive the slumping European National Basketball Association, whose teams were

annually posting \$8- to \$12-million losses, and ticket sales slumped to 25% of capacity.

There were plenty of problems in the beleaguered league to scare off even the most savvy doctor: teams had no formal system for distributing television income, poor production quality made for a terrible viewing experience, national basketball teams meant a nix on weekend exhibitions and there were no All-Star games or bracket-style tournaments.

Despite these setbacks, the most pronounced problems, Glickman said, were the significantly underperforming ticket sales. Nearly 50% of the tickets sold to the public went for some type of discount, while the other half were usually given away in an attempt to fill seats. Oddly, Glickman said, it was the top-tier premium seats that were most freely peddled off to the public, while the worst spots in the house were the only seats the leagues could get anyone to pay for.

“There was no actual correlation between ticket sales and winning,” Glickman said. “The whole thing was kind of chaotic.”

Nowhere was the problem more pronounced than with Moscow’s Lesca team, where government bureaucrats regularly were comped the top premium VIP hospitality suites.

“If you’re a big shot, you expect free tickets for the team to enjoy the honor of your presence,” he said, later adding that most had also come to expect free drinks and top quality foods as well. “Anyone who is connected and their cronies must be given the best seats at a moment’s notice.”

In fact, the only premium seating left to work with were courtside floor level seats that had traditionally been given away to members of the general public. Glickman said he and his team worked to reposition the seats into a premium package, and began asking top dollar for the up-close access.

“All the sudden, we found out that people would pay for that,” Glickman said of the courtside package, which had become a new-found status symbol in the former Soviet capital. “In fact the more we would charge, the more people wanted the seats.”

That freed up the luxury boxes for Glickman’s team to realign. His group began courting the traditional big businesses that usually would pay for an arena’s premium

seating, but found that many were already tied up in soccer deals for the continent's more popular sport. That left smaller businesses looking for their own sports market to entertain employees and clients.

"We found numerous businesses were shut out of soccer because of the costs," he said.

For Glickman, the opportunity seemed obvious. He and his sales teams began designing a number of packages targeted at small businesses. For the French team Adecco-Asuel in Leon, he created a special family area for patrons to bring their children and interact with others during the game. Other business people wanted open-viewing areas with other small business-owners, where everyone could mingle, and network.

Most importantly, Glickman noted, the majority of small business owners were only interested in leasing space for a handful of events — very few could book an entire season.

"The notion that busy people will dedicate so much time to one business development tool seems a bit naïve to me," he said.

The phenomenon doesn't solely rest in Europe. Throughout the U.S., premium seat agents have seen cooling sales since the 9/11 terrorist attacks, said Lee Eskilsen who runs Entertainment & Sports Consulting LLC in Providence, R.I. Many companies are avoiding getting locked into long-term leases, he said, while others are trying to avoid extravagant excesses after the bad publicity generated from the downfalls of companies like Enron and Worldcom.

Eskilsen said he's seeing a dramatic shift in how suite-staff sell seats. The Target Center in Minneapolis, Minn., allows suite-holders to purchase a portion of the annual events calendar and uses emails to remind guests when the venue is available for use. The Arrowhead Pond in Anaheim (Calif.) sells guests a fixed amount of events that can be redeemed over one season, or several years.

Eskilsen said he is also seeing more groups selling suites for one-time events and private parties. Venues like the Staples Center, Los Angeles, have found some success teaming up with other hosts, like yacht clubs and party promoters, looking for unique ways to service their clients.

As for keeping their small business clients and renewing leases, venues should focus on improving customer service and should develop ways to leave a lasting impression about the arena, Glickman said.

"Food is good, but rich people usually eat well every day and I don't think that's enough to keep business going," Glickman said. "Others focus on constantly adding new amenities, but the more you add, the more you will need to charge to keep your margins in place."

Glickman suggests developing packages as the strongest selling point for venues. Create products that simplify a guest's life, whether it's easier parking or full-service catering and beverages.

"Business people and the wealthy are willing to pay to alleviate hassles," he said. "Think about ways you can make things easier for your patrons. That's how I would invest my money." — Dave Brooks

Interviewed for this story: Marshall Glickman, (781) 772-1932; Lee Eskilsen, (401)

ALSD Keynote Speaker Ruby Newell-Legner (VT Photos)



ALSD KEYNOTE HELPS EMPOWER EMPLOYEES

DETROIT — In the premium seating business, high-paying customers expect more than fancy finger-foods and a well-stocked mini-fridge. With premium-seating licenses running in the hundreds of thousands of dollars, corporate customers are expecting a high level of service from venue employees who tend their luxury boxes, premium seats and clubhouses.

That can be a challenge for venue operators looking to find quality service employees, especially those who only

work on a part-time basis, said keynote speaker Ruby Newell-Legner, who gave an address on “How to Create a Legendary Guest Experience” during the final day of the Association of Luxury Suite Directors conference here June 25-28.

The motivational speaker from Littleton, Colo., told attendees that good customer service is rooted in corporate culture that values customer satisfaction. The core of quality service, Newell said, comes from companies who empower employees with the training and flexibility to provide a legendary customer experience. Here are nine ways she laid out that employers can help employees improve guest relations at their venues:

1. Create a service-oriented culture, inside and out. Good customer service starts with high expectations, said Newell-Legner, who pointed to the success of Enterprise rental car service. Enterprise employees maintain a strict dress code and are expected to greet all customers with a positive attitude and friendly smile.

Sustaining that type of service takes a corporate culture that empowers employees, Newell-Legner said. Employees have to buy into the company and receive feedback from managers. That means regular employee training and promoting from within.

“You should expect your employees to work hard, but you must also reward hard work,” she said.

2. Recruit and hire the right people. Too often, human resource managers are simply looking for anyone with a pulse to fill positions. Newell-Legner said managers should more carefully screen employees who are going to work with high-paying clients.

“Look for enthusiasm and a real positive attitude about coming to work,” she said. “It’s important to get the right people into the right job.”

3. Require attendance at frequent staff training. Ongoing training is a must in today’s busy corporate world, but the process doesn’t have to be painful for employees, Newell-Legner said. The secret is the way managers ask their employees to attend

training seminars.

Disney Co., for example, sends invitations to employees inviting them to training. Of course the sessions are mandatory, but the approach makes attendees feel more welcome and like equal stakeholders at the table. And don't forget the food. Free food goes a long way with employees, she said.

4. Set specific guest relations standards. It's very important to be clear about what is expected from each position, Newell-Legner said. If there is any message managers can reiterate to their employees, it's the importance of customer service, team-work and initiative.

"People aren't going to know what to do if no one tells them," Newell-Legner said. Besides the previous three traits, Newell-Legner also recommends helping employees understand "The Six A's of a Legendary Guest Experience"

- **Appearance** — Stress the importance of dressing appropriately and looking professional. No guest wants to see someone who looks like a slob.
- **Anticipate** — Encourage employees to be proactive and anticipate a guest's needs before they ask for help.
- **Acknowledge** — Always respectfully acknowledge a guest's concern, no matter how trivial.
- **Ask Questions** — Encourage employees to check in with guests and make sure they have everything they need.
- **Appreciate** — Teach your employees to show appreciation to visiting guests and affirm that the venue is grateful for their attendance. Don't forget to say thank you.
- **Affirm** — Congratulate employees when they perform well and reward quality customer service.

5. Create an experience for the guest. Customers are more than just a transaction, or a wallet to sell merchandise and concessions, she advised. More than ever, customers are looking for an experience and they're going to have fond memories of their visit if they have positive interactions with employees, she said.

6. Treat staff like you want them to treat your customers "Your employees will only treat your customers as well as you treat them," Newell-Legner said. That means greeting new hires like you would want them to greet your prized customers.

Other suggestions are to be fair and professional to all employees, and try to answer all their questions. If a manager can't immediately come up with an answer, give the employee a rain check and promise to find an answer at the next free moment. Finally, it's important to set a good example by acting and dressing professionally.

7. Provide information and tools so that everyone can do their jobs Employees need clear guidelines about scheduling, registration and comps to do their job properly. The worst thing one can do is under-resource an employee, Newell-Legner said. Remember to be clear about what employees can give to customers — tickets, food or merchandise — to smooth over conflicts or complaints, she added.

8. Empower employees. Give them the skills and the know-how to do the right thing, Newell-Legner said. That means teaching employees about available options and alternatives when trouble arrives.

Most importantly, train employees how to listen to customers, and in some instances, how to apologize when necessary. Also remind employees about the correct terms for guests. Words like "handicapped" are no longer politically correct in the guest relations world. Instead, use more sensitive phrases like "individual with a disability," she said.

9. **Reward Performance** When an employee does the right thing, make sure to let them know that you're watching — and approving. Verbal accolades are the easiest way to encourage employees, but rewards-systems administered by a manager are another positive way to reward employees for good work, she concluded. — Dave Brooks

Interviewed for this story: Ruby Newell-Legner, (303) 933-9291.

CONCESSIONS

Alltel Stadium, Jacksonville, Fla.



OVATIONS, XP EVENTS GRAB FIRST NFL CONTRACTS IN JACKSONVILLE

After 11 seasons, the Jacksonville (Fla.) Jaguars of the National Football League are shaking things up a little at Alltel Stadium, splitting catering, concessions and merchandise among three companies as they head into the new season beginning with an exhibition game Aug. 19.

Bill Prescott, senior VP of stadium operations and chief financial officer for the Jaguars, said the team

selected Oventions Food Services to manage concessions, and XP Events out of Denver, a new firm founded by Allen Fey and Jeff Newman, to handle merchandise. Both duties had been handled by Centerplate.

Levy Restaurants, which had the catering contract in the South End Zone, which includes the Terrace Suite and the Bud Zone, has now expanded its involvement to include the suites and club seats, Prescott said. "Levy has brought close to 200 non-game day events to our South End zone Terrace Suite. We felt they were the right ones to handle the rest of the stadium, to leverage their expertise on non-game days. That lead to the discussion with them about operating the suites and clubs," Prescott said.

The total package is a \$10 million deal, with per caps in the \$15 range for food, drink and merchandise, Prescott said. The Jaguars have been drawing an average of 60,000 per game, a number he hopes will increase to 65,000 this year. He is projecting per caps will increase "five to six percent on our top line per year" with the new operators. "In the NFL, that per cap is about the middle or a little above the middle. The market will constrain us and the weather will constrain us. For a small market team, if we can stay close to the middle, that's pretty good."

The timing this year was fortuitous. Centerplate had an option to renew and the Jaguars relationship with the city changed at about the same time. Bob Downey, who manages Jacksonville accounts for SMG, including Alltel Stadium, explained that the city, SMG's client, gave the football team management of the concessions year round. Prior to this year, the city had managed concessions on non-game days. The change, part of Amendment 8 which changed the city/team deal, was fashioned to help the team financially in a small market. The city still produces events at the stadium,

including the Gator Bowl, Monster Trucks and the Gateway Classic, but the Jaguars now oversee the concessions contract for those events as well. That change occurred Feb. 1, Downey said. The Jaguars then changed contractors effective June 1, when the Centerplate deal expired.

"It was the general feeling that with the success we had with the South End Zone, it made sense for us to take over as concessions managers for the whole stadium and also to derive revenue from the clubs on non-game days," Prescott said. "The relationship, as a result of the lease agreement, changed from being a three-party agreement, ourselves, the city and the concessionaire, to a two-party and we decided it was a good time to take a look at what was going on in the market and see if it made sense to make changes." He noted that Centerplate did a good job, but team management decided it was "time to bring new concepts and excitement into the stadium."

Prescott liked Ovation's approach to concessions. "They brought some fresh ideas to the table in terms of how they change rounds and go to much more of a fresh concept in terms of how food is served." They will also theme the stands. "This is their first NFL venue and they will bring the excitement and tension to take our fan experience to the next level," Prescott said.

All the contracts are for 10 years, through 2016. All operators are making an investment in the stadium. Ken Young, president of Ovation, said that firm is adding some portable carts and adding hoods and ventilation to four of the permanent stands so they can cook there. "We'll have the half-pound burgers, some other sausage items, some Mexican items." Some of the improvements and changes will be delayed until next season, with the 2006 opener so near, he added.

Prescott said the terms are management fee/P&L arrangements. "We're very involved in terms of the net income the concessions operations generate."

"We're somewhat unique because of the financing of our stadium through the city; we couldn't do a percentage contract," Prescott said. "We had to do a P&L and management fee because of the tax exempt status of it."

The management fee is based on combination of things, from a fixed fee to a percentage of increased per caps and increased bottom line, Young said. "It's a complicated formula. We need to maximize our return by performing, increasing per caps at good operating costs. We're making a significant investment in both capital and a grant to the team."

The decision to split the contracts among the three companies meant some shuffling of office and work space, particularly the kitchen. Centerplate had handled the suites and club seats as well as concessions, so they had the kitchen. Now, Levy has moved into the main kitchen fulltime and Ovation will use the commissary and concessions stands only.

"We'll have enough other cooking areas and it's not like we're prepping for the suites," Young said. "We will need to add some cooking and holding equipment, but we can accomplish that." Young added that cooking in the stands to this extent is not a trend; it's unusual, but this "happens to be a facility it works in" because stands were built with plenty of prep space.

"That was one of our concerns in operating with two or three companies in here," Prescott said. Mark Newell was consultant on the concessions contracts and he helped make it work, Prescott said. The result will be a much different food experience for the

fan, he added.

Thomas Anastasia, who was general manager on site for Centerplate, has now been hired by Ovations. Young said Ovations will have five fulltime year round employees on site. It's a nice extra for them that Jacksonville is only 165 miles from Ovations' Tampa headquarters.

This has been a good quarter for Ovations. "We've picked up 10 accounts in the last three months," Young said. Next week, he'll be announcing a new deal with HoHoKam Park in Mesa, Ariz., spring training site for the Chicago Cubs. Ovations is also moving into three accounts in Nashville and three in San Jose, Calif.

"With the Jaguars, I'm really excited because I think we can go in there and make changes and significantly still increase the per cap. We can show the Jaguars and hopefully the rest of the NFL what we can do," Young said. — Linda Deckard

Interviewed for this story: Bill Prescott, (904) 633-6509; Bob Downey, (904) 633-6100; Ken Young, (813) 948-6900 ext. 104

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SHORT TAKES

SOUTH LAKE TAHOE PLANS EXPANSION

The city of South Lake Tahoe, Nev., has approved preliminary plans for a \$410 million, 12-acre convention center near several casinos in Stateline, Nev. The proposal includes two condominium hotels and a special environmentally sensitive greenbelt zone, making it the largest project of its kind to be built on the lake's South Shore. The project will be developed by Lake Tahoe Development, a consortium of individuals from Falcon Capital and DGD Development. The convention center will be six stories with 97,000 square-feet of floor spaces. Developers hope to break ground by May 2007.
Contact for this story: Eugene Palazzo, (530) 542-6000

IAAM OPERATIONS DAY CAMP SET FOR PORTLAND, ORE.

On July 18, the Northwest Region (District IV) of the International Association of Assembly Manager will present a first-ever, one day operations seminar at the Oregon Convention Center in Portland. "The goal is to take away many new and innovative operational ideas that you can implement at your facility," said Karen Totaro, assistant executive director, Portland Convention Center. Topics will include: First Impressions – Let's talk Landscaping; Emergency Preparedness and Safety Practices...Are You Ready?; Rigging...the Certification Process and Safety Review; How to add 10 years to your

Equipment and Carpet; Why do the Sales and Event Teams Make the Decisions they Do?; Recycling and LEEDS Certification.....Going Green; Customer Service...what works, what's new. Strategies for the Future; and Town Hall Topics on operations and maintenance. Registration is \$25 per person.

Contacts for this story: Karen Totaro, (503) 731-7901; Lisa Brown, (503) 235-7573

NEDERLANDER LAUNCHES BROADWAY SERIES IN ARIZONA

Nederlander Entertainment has announced it will stage four plays at the Maricopa County Events Center in Sun City West, Ariz. — formerly called the Sundome. Nederlander landed the contract to manage the center in January, after Maricopa County took over management of the center from Arizona State University. Shows in Broadway on the Boulevard's inaugural season are "Cats," Sept. 15-17; "Riverdance," Nov. 2-5; "Love Letters" with Larry Hagman and Barbara Eden, Feb. 9-11, 2007; and "Stomp," March 29-April 1, 2007.

Contact for this story: Maricopa County Events Center, (623) 544-2888

KEN YOUNG POISED TO BUY THREE MORE BASEBALL TEAMS

Ken Young, who owns the Norfolk (Va.) Tides and the Albuquerque (N.M.) Isotopes said he now has "a strong interest in buying" the Bowie (Md.) Baysox, Frederick (Md.) Keys and probably Delmarva Shorebirds, Salisbury, Md., from Comcast Spectacor. Young is already partnered with Comcast Spectacor in his Ovations Food Services. A year and a half ago, Comcast Spectacor went 95 percent of the way in selling the teams before the deal fell through. "But it had been reported it looked like this guy was going to buy the team, so other people started approaching them. Then they thought maybe it was time," Young said. If the deal goes through, Young said the team general managers will stay the same.

Contact for this story: Ken Young, (813) 948-6900, Ext. 104

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