

**April Armbrust (Parnell)**

**From:** venuestoday [venuestoday@mail.vresp.com]  
**Sent:** Wednesday, November 12, 2008 6:54 PM  
**To:** april@venuestoday.com  
**Subject:** VT Pulse, Nov. 12, 2008

# VT PULSE

A WEEKLY PUBLICATION FROM VENUES TODAY

Nov. 12, 2008 • VOL. VII, Number 35 • ISSN 1547-4143

## Quote of the Week

*"We will go through this period of time where we see lower pricing, stabilization and no growth, but we will continue to be a viable industry. People love their sports teams."*

— Doug Thornton of the Louisiana Superdome during his keynote presentation at SEVT.

## In this Issue

### THE NEWS

[Venues Face Major Adjustment Going Into New Year](#)

[Ticketing Pros Look For Dynamic Solution To Sagging Economy](#)

[Service Charges Set Free As TM's Stock Free Falls](#)

### HOT TICKETS

[Coldplay Heats Up The Garden State](#)

### THE BEAT

[Quarterlies](#)

[LoCash Brings Mo' Cash to Arkansas State Fair; Rain Brings Big Drop to South Carolina State Fair](#)

### DEPARTMENTS

[Short Takes](#)

[HELP WANTED](#)

[CONTACT VT PULSE](#)

## SHORT

## Greetings April,

Welcome to VT Pulse, your weekly guide to the "News Behind the Headlines." Our staff is back from a wonderful week at our first annual Sport, Entertainment and Venues Tomorrow conference in association with the University of South Carolina, Columbia. If you missed this year's event, check out our December issue. It will feature plenty of photos and stories from the conference, along with our annual Hall of Headline winners and Year-End Top Stops reports.



## Measurable, Reportable, Provable

#1 in Intercept Surveys  
& Event Attendee Research



Turnkey Intelligence is a division of Turnkey Sports & Entertainment  
856.685.1450 [www.TurnkeySE.com](http://www.TurnkeySE.com)

## VT NEWS

### ECONOMY VENUES FACE MAJOR ADJUSTMENT GOING INTO NEW YEAR

(Left) John Rhamstine, Norfolk (Va.) Scope; Doug Thornton, SMG regional VP, Louisiana Superdome, New Orleans; and Joe Tsao, Hampton (Va.) Coliseum, after Thornton's keynote address; Ronald Crosby, a student at Liberty University, Lynchburg, Va., talks about job opportunities with Peter O'Donnell, Live Nation, during the career fair.



(Left) Dr. Matt Brown, University of South Carolina, catches up with Frank Russo, Global Spectrum; Peter Luukko, Comcast-

## TAKES

**>> LEGEND EXTENDS NORTH AMERICAN TOUR** — The second leg of John Legend's North American tour will run from Jan. 12-Feb. 7. Estelle, a London-based singer/rapper/songwriter, will be his special guest. The first leg opens Nov. 19 in Minneapolis at the Northrop Auditorium. Dates in 2009 kick off at the Paramount Theatre, Oakland, Calif., and continue through the Borgata Events Center, Atlantic City, N.J.  
**Contact:** Yvette Noel-Schure, (212) 833-4483



## SUBSCRIBE

Do you find VT Pulse interesting and can't wait for more?

Subscribe today and get three great resources!

Each monthly issue of Venues Today will bring you information, news, photos, trends, features and more for the public assembly facility management industry.

The weekly e-newsletter is also full of all original reporting delivered to you in a timely fashion. Keep up with who's who and what's going on as it happens!

Subscribers have online access to our archive database. This feature allows you to view articles OR charts published

*Spectacor, Frank Roach, USC, and student Lauren Parker, USC, discuss the event of the future. (All photos by VT).*



COLUMBIA, S.C. — Sports and entertainment are leading the recovery of New Orleans post-Hurricane Katrina and sports and entertainment will also weather the storm on Wall Street, said Doug Thornton, regional VP, SMG, who was the keynote speaker at Sport, Entertainment & Venues Tomorrow here Nov. 5-8.

Thornton expressed his view of the current economic crisis, saying the building boom is certainly over for now and the corporate sponsor income is in jeopardy given current events. But the economic crisis can have some good effect, probably helping stabilize ticket prices for one. He called himself "cautiously optimistic" about the future for sports and entertainment before the 342 attendees, speakers and sponsors at SEVT, a collaboration between the University of South Carolina and Venues Today.

In addition to sessions on ticketing, the economy, sports districts and greening, SEVT took time to honor industry luminaries. Claire Rothman, retired, formerly with the Great Western Forum, Inglewood, Calif., received the Lifetime Achievement Award, and Humpy Wheeler, retired, president, Speedway Motorsports and Lowe's Motor Speedway, received the Pioneer in Sport & Entertainment Award. Mike McGee, executive VP, Ticketmaster, accepted the Outstanding Corporate Partner in Sport & Entertainment Award for Ticketmaster Entertainment.

Thornton set the tone overall for the gathering Thursday morning. "Revenue opportunities for cities and teams will have to be reevaluated," he said. "In New Orleans, we saw an opportunity to buy an office tower next door, 1.1 million square feet; a 488,000 sq. ft. commercial office tower connected to an abandoned 600,000 square foot retail mall and a 2,100-space parking garage. We want to redevelop that and turn it into a sports-themed district to generate revenue that would flow back to the sports district and to our teams."

He foresees that people in a down economy will spend less when they come into the building, they may attend one game instead of three or five. "It will trickle down to our level and I think eventually, it will lead to stabilization of ticket prices," Thornton said. "We cannot continue to see the rise in ticket prices we've seen over the years."

In Thornton's opinion, the industry has been through recessions before and will survive and flourish, but "we will go through this period of time where we see lower pricing, stabilization and no growth, but we will continue to be a viable industry. People love their sports teams."

New Orleans is still in recovery mode, which has certainly jump-started the economy and held recession at bay, he said. "Earlier this year, we had a stretch when we hosted the Sugar Bowl on Jan. 1, BCS Championship on Jan. 7, and an NBA All-Star Game four weeks later. Here's a city that, in 2.5 years at that time after that devastation you saw and we thought would never be repaired, is now in the position to host a signature event, the NBA All-Star Game. Many said after Las Vegas that New Orleans couldn't do it, no infrastructure, no people. We had no problem."

If you no longer wish to receive these emails, please reply to this message with "Unsubscribe" in the subject line.

Venues Today  
P.O. Box 2540  
Huntington Beach, California 92647

[Read the VerticalResponse marketing policy.](#)

in either the magazine or the e-newsletter.

[CLICK TO SUBSCRIBE](#)



## CONTACT US

To submit news or information, contact:

Linda Deckard  
Publisher, Editor-in-chief  
(714) 378-5400, ext. 22  
[linda@venuestoday.com](mailto:linda@venuestoday.com)

Dave Brooks  
Senior Writer & Assignment Editor  
(714) 378-5400, ext. 24  
[dave@venuestoday.com](mailto:dave@venuestoday.com)

Rob Ocampo  
Hot Tickets/Top Stops Manager  
(714) 378-5400, ext. 21  
[rob@venuestoday.com](mailto:rob@venuestoday.com)

For advertising information, contact:

Sue Nichols  
Eastern U.S.  
(615) 662-0252  
[sue@venuestoday.com](mailto:sue@venuestoday.com)

Pauline Davis  
Texas  
(615) 243-7883  
[pauline@venuestoday.com](mailto:pauline@venuestoday.com)

Rich DiGiacomo  
Mid & Western U.S., International  
(310) 429-3678  
[rich@venuestoday.com](mailto:rich@venuestoday.com)

April Armbrust  
Director of Marketing & Sales  
(714) 378-0056  
[april@venuestoday.com](mailto:april@venuestoday.com)

To update a Fair or Festival Listing for the VT Resource Guide, contact:

The Louisiana Stadium and Exposition District, SMG's client in New Orleans, provides financial inducements to keep the New Orleans Saints of the National Football League and the New Orleans Hornets of the National Basketball Association happy in such a small market with a limited corporate base. The Saint's lease ends in 2010 and the Hornet's in 2014, and renegotiating those leases are paramount and quite doable, he said, but in this economy, it will not involve building the team a new stadium.

"It's very important to us in New Orleans to keep these teams. It's a precious commodity. There aren't very many of them. It's important to get the deals done," Thornton said.

The massive de-leveraging of the economy, where financial institutions and businesses have borrowed on multiples of future earnings will have a trickle down effect through the economy. Credit is freezing up and bond deals can't get done, he said. Now unemployment is rising.

"We've seen a massive de-leveraging in our economy. In my opinion, it is going to impact us all. The question is how long, how deep and will sports be recession-proof?" Thornton said.

That's one reason these entertainment districts are so apropos to the times. "The trend in the industry has been to move outside the buildings. The buildings had become the place where teams generated all their money. Now they are trying to move outside that building and gain development rights to commercial real estate, condominiums, entertainment zones, to capture that spending. Get people there earlier and keep them there longer," he said. — Linda Deckard

*Interviewed for this story: Doug Thornton, (504) 587-3827*



## THANK YOU...

to all of our sponsors, speakers, panelists, supporters, volunteers and attendees. This was a fantastic inaugural collaboration and we couldn't have done it without all of your help.

### TICKETS TICKETING PROS LOOK FOR DYNAMIC SOLUTION TO SAGGING ECONOMY

*The ticket pricing panel at SEVT included Allen Corbert of AEG Live, Bill Powell of Feld Entertainment, Tom Paquette of the Colonial Life Arena and Global Spectrum in Columbia, S.C. and Sean Pate of StubHub.*

Nazarene Kahn  
Resource Guides  
Coordinator  
(714) 378-5400 ext. 25  
[resourceguides@venuestoday.com](mailto:resourceguides@venuestoday.com)

Nicole Sorenson  
Resource Guide Assistant  
(714) 378-5400 ext. 26

## HELP WANTED

[VIEW THE FULL LISTINGS](#)

**Greater Richmond (Va.) Convention Center** - Director of Event Services

**Ticketmaster, Adelaide, Australia** - Event Manager

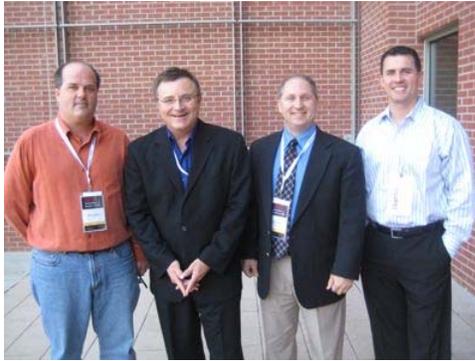
**International Ticketing Association, Inc. (INTIX), New York** - President

**A.C.T, Canberra, Australia** - Event Staff Coordinator

**Comcast Arena at Everett** - Chief Engineer

**Sydney (Australia) Showground** - Event Coordinator

[VIEW THE FULL LISTINGS](#)



COLUMBIA, S.C. – Three different entertainment entities – three very different ticketing models. Attendees at this year’s Sport, Entertainment and Venues Tomorrow conference Nov. 5-8 got a chance to go under the hood of the pricing models for AEG Live, Feld and StubHub to see how each company determined their ticket pricing.

Most interesting was the response given by Bill Powell, Feld’s regional V.P. of Event Marketing and Sales, who described a complex pricing model powered by Prism software that divides demographics into 66 clusters based on various lifestyle categories.

“We use a variety of different combinations to price our tickets for individual shows. The philosophy is that birds of a feather flock together,” he said. “We combine this demographic data with historical information, other variables within our database and our own understanding of where we think the economy is going. Using all this information, we then get an accurate picture of how to price our shows.”

The Feld model was markedly different from AEG, which essentially “backs into a ticket price after we’ve determined the artist’s guarantees and our own expenses,” said Allen Corbett, the company’s Sr. V.P. of marketing. Not surprisingly, Sean Pate of StubHub said his secondary ticket site was “completely market driven and all sellers maintain control of their tickets.”

Which model will perform the strongest through the economic downturn remains to be seen. “Right now the technology is out there to change ticket prices on the fly,” said Corbett. “That’s where we need to position ourselves as a value situation for consumers. It may mean decreasing prices, or simply adding value to our events.”

Corbett said the Celine Dion on sale – which went out nearly a year early for some shows – was an example of AEG adjusting ticket prices over a long period of time to see what the market would allow.

“There’s no magic potion,” said Powell. “You need to look for a value proposition that will be responsive. Universally, people will always be looking to do something with their family.”

And many value propositions aren’t without limitations. Corbett said he’s heard a lot of talk from artists about lowering ticket prices, but as a whole, guarantees haven’t dropped off significantly.

“In some instances, we’re encouraging artists to scale back their productions to save on costs,” he said. “There are legacy artists like Bruce Springsteen and Elton John who really don’t have high production demands, and they put on amazing concerts. I tell artists that additional bells and whistles won’t cover up a lack of talent.”

Many on the panel agreed that it will be the mediocre

acts, emerging bands and midlevel performers who struggle most in a down economy as live music fans become more selective about which concerts they plan to attend.

"It doesn't seem like artists have the staying power that they used to have," Corbett said. "Label and radio support these days is pretty non-existent, so AEG is doing a lot in the reality TV space to market our shows."

As for the secondary market, Pate said his firm usually does well in a down economy because of an increase in availability.

"There's a critical mass for events," he said. "Season ticket holders aren't going to be able to attend all the games and will need to sell some of their tickets to recover some of their investment."

Powell said that Feld often monitors the secondary market for his events, "but it's not something we get obsessed about," he said.

"The biggest thing we're worried about is what is known as the bath tub ring," said Powell. "That's where we look at the lower bowl and see it's half empty. The last thing we want to do is ignore the fact that the consumer is in a particularly difficult position." — Dave Brooks

*Interviewed for this article: Allen Corbett, (803) 699-8181; Bill Powell, (813) 623-6773; Sean Pate, (415) 222-8442*



#### TICKETS SERVICE CHARGES SET FREE AS TM'S STOCK FREE FALLS

As Ticketmaster's stock takes a dive, the company has announced plans to eliminate service fees for upcoming Eagles concerts.

"Ticketmaster is testing this program and is consulting with all our clients in the hope of rolling out the 'all-in ticketing' program for events nationwide," said Ticketmaster CEO Sean Moriarty during a conference call with investors on Monday. "We are honored that the Eagles are the first to kick off this unprecedented fan-friendly Ticketmaster program."

Moriarty hinted that the company's new CEO for the recently renamed Ticketmaster Entertainment was behind the move, telling investors "Our combination with Front Line, and Irving Azoff's approach to getting things done is already dramatically changing the live entertainment landscape."

Service fees will be dropped for the tour's mid-January stops at the Hampton (Va.) Coliseum, the Time Warner Cable Arena in Charlotte, N.C., the North Charleston (S.C.) Coliseum, Greensboro (N.C.) Coliseum, the Bi-Lo Center in Greenville, S.C., the New Orleans Arena and the BJCC Arena in Birmingham, Ala. The print-at-home TicketFast(r) option will also be free of additional fees. The news didn't do much to curb Ticketmaster's stock free fall, which dropped an additional 30 percent on Tuesday to close at \$5.36. That represents a nearly 80 percent drop since the company was spun off from IAC in late August.

While Ticketmaster's Oct. 31 acquisition of Front Line Management has brought some comfort to investors, many are worried about the conditions that preceded

that acquisition.

“Ticketmaster’s drop in stock value can be attributed to three causes,” said Scott Devitt, an analyst for Stifel Nicolaus. “Debt, Live Nation’s entry into the ticketing space, and the larger macro-economic conditions across all markets.”

None of those three items are particularly new announcements; and Devitt said he was surprised by the sharp sell-off Tuesday. He’s maintaining a “Hold” status on the stock, but said the details of Ticketmaster’s debt is likely what alarmed investors. According to SEC filings detailed during the Monday investor’s call, Ticketmaster has nearly \$850 million in debt. The bulk of that debt was bundled into Ticketmaster when it was spun off from IAC in late August, but the company also borrowed an additional \$100 million to finance the Front Line purchase.

“In this environment, anyone that has debt gets hammered,” Devitt explained.

And while Live Nation’s announcement that it is entering the ticket space has certainly hurt Ticketmaster’s stock value, concerns about the economy are seriously dogging the company.

“This recession is unique in that it’s very consumer and net-worth oriented,” said Devitt, adding that many investors have negative expectations for all media and entertainment companies.

“We’re entering a market where all entertainment sources will compete with each other,” Devitt said. “Consumer spending is very tight and we’re going to see ticketed events compete in spaces they aren’t used to. The \$60 ticket will now be competing with the \$5 movie rental — people still consume entertainment, but we’re likely to see a major shift.” — Dave Brooks

*Interviewed for this story: Sean Moriarty, (310) 360-2600; Scott Devitt, (703) 392-4844*

## **HOT**Tickets

HOT TICKETS is a weekly summary of the top acts and ticket sales as reported to VT PULSE. Following are the top 20 concerts and events, the top 5 in each seating capacity category, which took place since Oct. 21, 2008.

### **COLDPLAY HEATS UP THE GARDEN STATE**

15,001 or More Seats	10,001-15,000 Seats	5,001-10,000 Seats	5,000 or Less Seats
<p><b>1) Chris Brown, Rihanna</b> Gross Sales: \$3,531,451; Venue: <b>AcerArena, Sydney, Australia;</b> Attendance: 41,231; Ticket Range: \$95.59-\$82.84; Promoter: Michael Coppel Presents; Dates: Nov. 7-9; No. of Shows: 3</p>	<p><b>1) Neil Diamond</b> Gross Sales: \$867,500; Venue: <b>Resch Center, Green Bay, Wis.;</b> Attendance: 9,010; Ticket Range: \$120-\$55; Promoter: AEG Live, Concerts West; Dates: Nov. 4; No. of Shows: 1</p> <p><b>2) Neil Diamond Jacksonville (Fl.) Veterans Memorial Arena;</b> Attendance: 9,018; Ticket Range: \$120-\$55; Promoter: AEG Live, Concerts West; Dates: Oct.</p>	<p><b>1) Radio City Christmas Spectacular</b> Gross Sales: \$3,470,035; Venue: <b>Radio City Music Hall, New York;</b> Attendance: 66,245; Ticket Range: \$90-\$42; Promoter: In-house; Dates: Nov. 7-9; No. of Shows: 13</p> <p><b>2) Cirque de Soleil “Wintuk”</b> Gross Sales: \$2,657,776; Venue: <b>The WaMu Theater at Madison Square Garden, New York;</b></p>	<p><b>1) Robin Williams</b> Gross Sales: \$481,046; Venue: <b>Tower Theatre, Upper Darby, Pa.;</b> Attendance: 6,041; Ticket Range: \$102-\$57; Promoter: Live Nation, Venue 2; Dates: Oct. 30-31; No. of Shows: 2</p> <p><b>2) Truc Tiep Thu Hinh V-60</b> Gross Sales: \$386,890; Venue: <b>Long Beach (Calif.) Terrace Theater;</b> Attendance: 4,850; Ticket Range: \$250-\$50; Promoter: Asia</p>

32,460; Ticket Range: \$168.15-\$49.50; Promoter: Live Nation; Dates: Oct. 26-27; No. of Shows: 2

**3) Tina Turner**  
Gross Sales: \$2,585,971; Venue: **Philips Arena, Atlanta**; Attendance: 27,840; Ticket Range: \$152-\$59; Promoter: AEG Live; Dates: Nov. 9-10; No. of Shows: 2

**4) 22nd Annual Bridge School Benefit**  
Gross Sales: \$1,782,683; Venue: **Shoreline Amphitheatre, Mountain View, Calif.**; Attendance: 35,970; Ticket Range: \$21.75; Promoter: Live Nation; Dates: Oct. 25-26; No. of Shows: 2

**5) AC/DC**  
Gross Sales: \$1,396,750; Venue: **The Palace of Auburn Hills (Mich.)**; Attendance: 15,189; Ticket Range: \$92.50; Promoter: Live Nation, In-house; Dates: Nov. 5; No. of Shows: 1

30; No. of Shows: 1

**3) New Kids on the Block**  
Gross Sales: \$753,395; Venue: **Gwinnett Arena, Duluth, Ga.**; Attendance: 10,400; Ticket Range: \$77.50-\$37.50; Promoter: Live Nation; Dates: Oct. 29; No. of Shows: 1

**4) Metallica**  
Gross Sales: \$645,166; Venue: **i wireless Center, Moline, Ill.**; Attendance: 10,930; Ticket Range: \$79.70-\$55.50; Promoter: Jam Productions; Dates: Nov. 8; No. of Shows: 1

**5) Def Leppard**  
Gross Sales: \$592,776; Venue: **Brisbane (Australia) Entertainment Centre**; Attendance: 7,287; Ticket Range: \$92.69-\$48.23; Promoter: Andrew McManus Presents; Dates: Nov. 8; No. of Shows: 1

Attendance: 51,654; Ticket Range: \$75-\$30; Promoter: Base Entertainment, Cirque de Soleil, In-house; Dates: Oct. 29-Nov. 9; No. of Shows: 16

**3) The Who**  
Gross Sales: \$1,617,944; Venue: **Nokia Theatre L.A. Live**; Attendance: 13,756; Ticket Range: \$130-\$67.50; Promoter: AEG Live, Goldenvoice; Dates: Nov. 8-9; No. of Shows: 2

**4) Robin Williams**  
Gross Sales: \$587,025; Venue: **Mohegan Sun Arena, Uncasville, Conn.**; Attendance: 7,328; Ticket Range: \$135-\$85; Promoter: Live Nation, In-house; Dates: Oct. 26; No. of Shows: 1

**5) Neil Young**  
Gross Sales: \$475,437; Venue: **Reno (Nev.) Events Center**; Attendance: 5,330; Ticket Range: \$177.75-\$52.75; Promoter: Live Nation; Dates: Nov. 1; No. of Shows: 1

Entertainment; Dates: Nov. 8; No. of Shows: 2

**3) Maxwell**  
Gross Sales: \$365,766; Venue: **Paramount Theatre, Oakland, Calif.**; Attendance: 5,102; Ticket Range: \$125.50-\$39.50; Promoter: Bay Area Productions, Live Nation; Dates: Oct. 28-29; No. of Shows: 2

**4) Swan Lake**  
Gross Sales: \$335,241; Venue: **Cobb Energy Performing Arts Centre, Atlanta, Ga.**; Attendance: 6,915; Ticket Range: \$125-\$15; Promoter: Atlanta Ballet; Dates: Oct. 23-Nov. 2; No. of Shows: 8

**5) Bob Dylan & His Band**  
Gross Sales: \$319,996; Venue: **Northrop Auditorium, Minneapolis**; Attendance: 4,751; Ticket Range: \$76.50-\$56.60; Promoter: Jam Productions; Dates: Nov. 4; No. of Shows: 1

Compiled by Rob Ocampo and Nicole Sorenson. To submit reports, e-mail [HotTickets@venuestoday.com](mailto:HotTickets@venuestoday.com) or fax to (714) 378-0040.

## THE BEAT

### QUARTERLIES

At the conclusion of each fiscal quarter, Venues Today is tracking the financial filings of four publicly traded companies in the live entertainment sector. This month, we look at the third quarter reports filed with the Securities and Exchange Commission.

#### Live Nation (NYSE: LYV)

Stock (Tuesday close): \$8.05

History: Traded as high as \$17.48 on Aug. 15 and as low as \$7.51 on Oct. 27.

**Report:** Live Nation's stock is in the tank, trading at less than half of its closing price for Q2. Despite soaring profits for Q3, the company is likely the victim of the global economic crisis and concerns that the touring industry won't be able to weather the economic storm, although company officials remain optimistic about Live Nation's prospects.

"Factually over the last 20 years, when a recession has come around, ticket sales have not been affected," CEO Michael Rapino told his investors during a recent

conference call.

Live Nations' Q3 profits more than tripled to \$140 million, based on "strong conditions" across all platforms and the sale of its motor sports division. Earnings from continuing operations - which excludes the motor sports sale - totaled \$118 million. Revenue rose nine percent to \$1.59 billion, from \$1.45 billion a year ago. The number of concerts put on by Live Nation in Q3 rose 17 percent to 4,839 and total attendance rose 5.7 percent to 17.5 million.

**Analyst:** "Their ticketing strategy seems to be working," said David Joyce, media industry analyst at Miller Tabak, but "the more general economy having an affect on attendance or Live Nation's ancillary revenue" also came into play. In addition, he said, "their strategy of acquiring fan sites and (other properties) is working."

*Contact: David Joyce, (212) 370 - 0040*

### **Ticketmaster (NASDAQ: TKTM)**

**Stock (Tuesday close):** \$5.36

**History:** Traded as high as \$21.24 on Sept. 2 and as low as \$8.59 on Oct. 27.

**Report:** Ticketmaster's Aug. 22 IPO began with fanfare and a trading price of \$24.50, but in less than three months the stock has plummeted nearly 80 percent.

On Tuesday the stock was closing at its lowest yet at \$5.36, a 31 percent drop for the day.

Ticketmaster reported third quarter net income dropped 76 percent in part due to lower ticket sales, higher royalty payments and acquisition costs, which includes its deal to acquire Front Line Management. Revenues rose 16 percent to \$339 million, driven by a two percent increase in revenue through primary ticket and new business from its acquisitions of ticketing companies TicketsNow and Paciolan. Ticketmaster sold 33.7 million tickets during the quarter, 1.5 percent fewer than a year earlier.

**Analyst:** Citibank has issued a "hold" rating for Ticketmaster, with analyst Mark Mahaney writing "[Ticketmaster] has shown notable resistance to prior economic slowdowns, but Q3 results and management comments on how the current global slowdown is impacting live entertainment reinforces our view that the depth and breadth of this cyclical downturn continues to surprise. With [Ticketmaster] serving as a potential leading indicator for live entertainment (ticket sales precede event performances), we are incrementally more cautious on Q4 and 2009."

*Contact: Mark Mahaney, (415) 951-1744*

### **Centerplate (AMEX: CVP)**

**Stock (Tuesday close):** \$2.50

**History:** Traded as high as \$4.58 on Sept. 8 and as low as \$2.10 on Oct. 10

**Report:** The beleaguered concessions company's stock took another dive after its acquisition by private equity firm Kohlberg & Co. hit a snag. National City Bank had originally agreed to provide \$175 million in financing to take the company private, but withdrew from the agreement. Despite the setback, investors plan to move ahead with the deal.

"Kohlberg has advised us that it is committed to closing the transaction in the first quarter of 2009," Centerplate spokesman Gael Doar said.

Overall, Q3 was good to Centerplate. Net sales increased \$32.7 million, or 13.3 percent, to \$278.8 million. The increase was primarily driven by improved Major League Baseball sales of \$22.8 million and the opening of the Washington Nationals ballpark, and the 2008 All-Star game which took place at Yankee Stadium in July. Sales at convention centers increased \$5.1 million and National Football League sales increased \$2 million.

**Analyst:** Mark Churchill of Piper Jaffrey is maintaining a "hold" status on the stock, saying "financial markets are in a very difficult position right now, but there are several optimistic signs that credit will become available to pay for this deal." — Dave Brooks

*Contact: Mark Churchill, (612) 303-6000*

### **FAIRS AND FESTIVALS**

#### **LOCASH BRINGS MO' CASH TO ARKANSAS STATE FAIR**

*Scenes from the midway at the Arkansas State Fair*



Fair

Attendance at the Arkansas State Fair, Little Rock, was up 5.76 percent over last year's 441,535 to 467,007 at the Oct. 10-19 fair.

"The rain didn't affect us much. We had really good weather all week long," said GM Ralph Shoptaw.

The fair's success also might be attributed in part to a marketing stunt in which one of the booked musical acts, the LoCash Cowboys, recorded the fair's jingle, with the band on hand to introduce it to the media at a luncheon prior to the fair.

"We had a really creative advertising campaign this year," Shoptaw said. "And we have increased our entertainment budget every year for the past few years."

This year, fair officials spent \$250,000 on acts, compared to \$160,000 about three years ago. Performing on a free, outdoor stage near the food court were Rodney Atkins, Three Dog Night, Bo Bice, James Otto and the LoCash Cowboys, among others.

The set-up offers seating for about 1,000 and the rest of it is standing room only, Shoptaw said.

"For Three Dog Night, I would say we had 4,500 people there," he said. "It was a huge, big crowd, and they put on a really good show."

The LoCash Cowboys' management approached the fair about their role in marketing the event, and the fair paid the booking fee as well as the studio costs to record the jingle.

The Arkansas State Fair is on the upswing. In addition to increasing the entertainment options, the landlocked fair also has two cities fighting over it in a situation that could result in a re-location. The fair's hometown of Little Rock has been trying to come up with options to increase land and roads, while North Little Rock has been in touch with fair officials about possibly making a move.

"We're really kind of talking with both of them about improving what we have here or moving to North Little Rock," Shoptaw said.

Stuart, Fla.-based Deggeller Attractions placed 68 rides on the midway, and the carnival was up 4.5 percent, Shoptaw said. Popular rides included The Extreme, a Century Wheel, a Starship 400, a Zero Gravity, Wave Swinger, Cliff Hanger and Musik Express. "We had 25 rides that were major rides," Shoptaw said. Patrons could pay \$17 at Affiliated Foods supermarkets for a coupon that they could exchange at the fair for a pay-one-price wristband. Otherwise, the wristband cost \$20.

Gate admission remained the same as last year at \$8 for 13 and up and \$4 for 12 and under.

The "staycation" definitely was in effect in Arkansas - the state's tourism agency was running ads urging residents to stay in the state for their vacations. The fair benefited, Shoptaw said.

"I think that's what people did," he said. "I think they saved their money, and we had so many bargains here. Like on the first Friday, they could go to an Affiliated Foods for a token for 50 cents that got them admission to the fair. And we have some other days like dollar days, where they paid a dollar for parking, a dollar at the gate, a dollar for rides all day long."

Overall, spending for food was up 3 percent, Shoptaw said.

In addition to free concerts, the fair offered three days of PRCA Rodeo in the 7,000-seat Barton Coliseum. Tickets cost \$16 and \$13 for box seats, \$13 and \$10 for reserved and \$9 and \$6 for general admission.

"Rodeo is a tradition here," Shoptaw said. "It was probably down a little bit from last year, but not a lot."

The fair has a marketing budget of \$280,000.

Next year's dates will be Oct. 9-18. - Mary Wade Burnside

*Interviewed for this story: Ralph Shoptaw, (501) 372-8341*

## **RAIN BRINGS BIG DROP TO SOUTH CAROLINA STATE FAIR**

Bad weather prompted an 11.3 percent decline in attendance at the South Carolina State Fair, Columbia, to 425,854 from last year's 480,358.

"The first three days of the fair it rained, and at the end of the first four days, the weather was lousy," said GM Gary Goodman.

"At the end of four days we were down 80,000. We made up 30,000, but we didn't make up the original number."

However, per cap spending at the Oct. 8-19 fair was up and although overall spending will be down from last year, it will not be down as much as the attendance.

"Attendance was down about 11 percent, but the food gross and ride gross is only down 4 to 5 percent," Goodman said.

As for the economy's impact on the fair, Goodman said the weather made it difficult to differentiate the effect. However, grandstand tickets - which did go slightly up in price - were up in gross.

"I don't know if people decided to stay home and come to the fair, but I don't think the economy affected us in a negative aspect."

North American Midway Entertainment provided about 70 rides on the midway and Goodman expects the carnival to be down about 4 to 5 percent. Patrons could pay \$20 for an advance, pay-one-price wristband or \$23 on the grounds.

Gate admission went up \$1 to \$8 for ages 6 and up.

Advance tickets of \$5 remained the same. Goodman does not have gate revenue figures yet but expects it to be about 4 percent down from last year's \$2.18 million.

"We had to do something to offset the continuing price of doing business," Goodman said of the gate admission increase. "We also wanted to make sure there was still an option for patrons to get a good discount price if they did it early. It's a positive for us to have cash in hand early, so we left the advance price and pushed up the regular price."

Sugarland and a double bill of TobyMac and Jeremy Camp sold out in the 5,000-seat Pepsi Grandstand. Other acts that did well, Goodman said, were Rodney Atkins, Josh Turner and R&B singer Anthony Hamilton. Rounding out the line-up were George Jones and a double bill of Mitchel Musso and Jordan Pruitt.

The fair spent about \$500,000 on the musical acts.

"We spent about the same money as we did last year," Goodman said. "We were a little bit heavier on the country. I think that's where we saw a little bit of an economic pinch, because we had four major country concerts. I think that was too much for that particular group of fans."

Ticket prices were raised from a range of \$10 to \$20 to a low of \$15 and a high of \$25, Goodman said.

Fair officials utilized the Internet more for marketing this year. In addition to e-blasts that target certain groups, which have been done in the past, and they also expanded the quarterly e-newsletter.

Marketing officials, who worked with a \$175,000 budget, also gravitated back toward print advertising. "We had been dropping that and we felt like we needed to put more into print," Goodman said. "It paid dividends. What we targeted, we saw a significant increase as far as those things."

The fair also held a contest that allowed the public to submit videotaped commercials for the fair. While Goodman called the move "moderately successful," he noted that none of the entries were high-quality enough to actually put on the air.

The fair has an overall budget of \$6 million, and sponsorships rose from \$320,000 to \$465,000. While that figure is for both cash and trade, Goodman said, "only \$28,000 of that was trade."

Fair officials worked with a Baltimore consultant who negotiated sponsorships. "Even with the commission he took, we were still above what we did last year," Goodman said.

The fair's \$5 deal that allows fair patrons to visit the fair during lunchtime for a refundable admission price if they leave within an allotted time also was up. The deal is a boon for vendors and per cap spending.

"In the last five days of the fair, we broke records on each one of those of the previous high from last year," Goodman said.

Next year's dates will be Oct. 14-25. -Mary Wade Burnside

*Interviewed for this story: Gary Goodman, (803) 799-3387*