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Quote of the Week

"The band has never believed that someone who has more money should get backstage."

— Steve Bursky, Foundations Artist Management, on Dispatch's ticketing philosophy.

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Greetings,

Welcome to VT Pulse, your weekly news behind the headlines. We hope to see you next week at INTIX in San Francisco and Western Fairs Association in Reno, Nev.



Short Takes

HELP WANTED

CONTACT VT PULSE

SHORT TAKES

>> FLOODS DOWN UNDER —

Word from venues in Queensland, Australia, where flood waters have reached Brisbane, is still spotty and evolving, but to date: Brisbane Convention and Exhibition Centre and Suncorp Stadium, Brisbane, both AEG Ogden venues, were flooded, while the Brisbane Entertainment Centre, also AEG Ogden, was not impacted; clubs in Brisbane's central business district and entertainment district were threatened. Venues Today account exec John Benett said waters were rising on streets around his top floor apartment and evacuation was possible. Venues in Australia are not used as emergency shelters, Benett said. People are encouraged to bunk with friends and family.

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VT NEWS

TICKETING

SPEC TICKETS CAUSE BCS DISASTER FOR STUBHUB



Coach Gene Chizik of Auburn University hoists the BCS championship trophy near player Nick Fairley after the school beat Oregon on Monday during a showdown at the University of Phoenix Stadium in Glendale, Ariz.

Does this scenario sound familiar? Speculation and aggressive sales volume push prices to new highs, but when the bubble finally bursts and the actual value is disclosed, the market bottoms out. Panic grips investors until a centralized influx of capital brings bailouts to buyers and eventually restores confidence in the market.

Much like how financial markets were brought to the brink in 2008, a recent speculation boom surrounding Monday night's Bowl Championship Series game temporarily shut down ticket sales on

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resale site StubHub.

The matchup between Oregon and Auburn University at the University of Phoenix Stadium in Glendale, Ariz., was one of the most highly anticipated games of the year and brokers were listing tickets for as much as \$4,000 per seat, according to StubHub spokesperson Joellen Ferrer.

The problem was that many brokers didn't actually have the tickets they were listing on StubHub. The commonly accepted theory for what occurred last week went like this: as ticket prices rose, more brokers attempted to either buy or speculatively list tickets they had yet to acquire. Many brokers had the same tickets listed across multiple sites, or promised to multiple scalpers looking to flip the tickets. When the dust finally settled, StubHub officials realized they had a serious problem on their hands – they had sold more tickets than their brokers actually had access to.

With no way to procure the number of tickets the company actually sold, StubHub officials resorted to contacting buyers and offering “a full refund, plus double the ticket price, so essentially three times what they originally paid,” Ferrer said.

StubHub was able to buy back enough tickets to satisfy the remaining customers, and it shut down the BCS marketplace for several days while the whole situation got resolved. By Monday, StubHub had the BCS sales portal back online and were selling additional BCS tickets, none of which were part of the original bubble and bust, Ferrer said. With about eight hours to go, StubHub still had about 100 tickets available to the game with an average asking price of \$1,100.

In the end, there were relatively few problems with scalpers, said Peter Sullivan, general manager for the University of Phoenix Stadium.

“There were a lot of buyer beware warnings put out in the media about fake tickets, and like most events, a few people did show up to the gates with counterfeit tickets,” he said. “It wasn't an inordinate number, and when we discovered they did have phony tickets, we sent them over to the box office where some last minute holds were made available.”

The incident comes as StubHub is making serious inroads into the college market with a number of deals with ticketing provider Paciolan and some big conference schools. While StubHub does exert stricter controls over ticket sales at affiliated campuses, for the most part, there's little to stop scalpers from listing tickets they don't actually own.

Jeff Kline, president at digital ticketing company Veritix, said his company is looking closely at the incident. The company's marquee product, Flash Seats, provides a digital verification of all ticketing inventory, making it more or less impossible to resell a ticket more than once.

Veritix recently signed a deal to provide ticketing services for the National Collegiate Athletic Association, which includes the prestigious Final Four basketball tournament. The resale rights for that game, and other college championships, like the Frozen Four and College World Series, are expected to go to bid in the next few years. Both StubHub and Veritix are likely bidders for the deal.

Either way, many brokers say the recent incident is political fodder for

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HELP WANTED

VIEW THE FULL LISTINGS

Wroclaw Stadium, Poland -
Director of Operations

United Wireless Arena,
Dodge City, KS - Box Office
Manager

AEG (Los Angeles) - Director
of Marketing

Sprint Center, Kansas City,
Mo. - Marketing/
Communications Manager

VIEW THE FULL LISTINGS

New Jersey Democratic Representative Bill Pascrell, who is planning to reintroduce the Better Oversight of Secondary Sales and Accountability in Concert Ticketing, or the BOSS Act, named after singer Bruce Springsteen, who has criticized ticket resale in the past.

“This gives teeth to federal legislation – the industry can’t police itself and that’s a problem,” said Jonathan Radler, a longtime New York broker and influential member of the National Association of Ticket Brokers. “If the bylaws of the NATB were followed by everyone, this wouldn’t happen.”

Radler said NATB members are only allowed to sell tickets they have in their possession and fulfill orders they guarantee. But he still sees plenty of problems in the market beyond speculative listing – everything from misleading ads on Google to blatant fraud and fly-by-night ticket operations.

Radler’s assessment of the BCS debacle is simple. “Any time you have an unregulated open marketplace you’re going to have shenanigans,” Radler said. – Dave Brooks

Interviewed for this article: Joellen Ferrer, (415) 222-8412; Jeff Kline, (216) 466-8055; Jonathan Radler, (212) 581-6660



BOOKINGS

DISPATCH CONTINUES COMEBACK SERIES WITH 2011 ARENA TOUR

Dispatch



It's very likely that the Vermont-bred band Dispatch is not on your radar. But the group, which formed at Middlebury College in 1996 and officially retired in 2002, is once again rewriting the book on concert promotion and booking with yet another reunion tour, with six arena and stadium shows announced so far, that promises to be one of the bright spots in a regrouping year for the live music industry.

And they're doing it in their offbeat, fan-friendly fashion by keeping tickets at a remarkably low \$40, fighting against secondary market resellers they say are gouging their followers and spending next to nothing on marketing or advertising.

"They've consistently been called the 'biggest band you've never heard of,'" said Manager Steve Bursky of Foundations Artist Management.

After disbanding amicably in 2002, Dispatch reunited in 2004, 2007 and 2009, each time surprising the industry with the strength of their live draw despite a history that includes no hit albums or significant radio play and music that was mostly disseminated for free on then-illegal download service Napster in the late 1990s.

Helped by the illegal trading of their music, they gained significant word-of-mouth popularity on campuses across the nation while mostly working the Eastern seaboard playing in clubs.

Creative differences caused a split in 2002 just as their national profile was growing.

They reunited in 2007 for a benefit show called "Dispatch: Zimbabwe," which, despite their three-year layoff, sold out Madison Square Garden, New York, within a half hour of the presale; a second show sold out within 24 hours and a third sell-out was added for a total of 60,000 tickets sold.

"Their growth between 2002-2004 was amazing, thanks to a continued viral explosion," said Bursky.

On Nov. 15, 2010, the band's website began a countdown to "Dispatch 2011," leading fans to speculate that more shows were coming. A week later a reference to Morrison, Colo., home to famed Red Rocks Amphitheater provided another tease, followed by further clues via the QR Codes (a two-dimensional bar code that can be encoded with text

or URLs) for five other cities (Chicago, Berkeley, Boston, Atlanta and Harrison, N.J.) over the next five weeks.

The jig was finally up on New Year's Day, when the band officially announced that a reunion tour would launch in June with stops in each of the cities. As they've done in the past, the band promised to give a portion of ticket proceeds to a charitable cause.

After launching the splash page countdown to the New Year's Eve announcement, they unveiled Dispatch It!, a portal where fans are encouraged to share photos, videos and artwork as another effort to keep the focus on their followers. "Dispatch concerts are always such a big deal because fans feel we keep ticket prices super low, with no VIP experience," Bursky said. "The band has never believed that someone who has more money should get backstage."

In fact, they're thinking of incentivizing those who want more access by offering some meet-and-greet type opportunities for fans who put in four or more hours of volunteer work before their concerts. The low ticket price means it will not be a lucrative summer of touring for Dispatch, Bursky said, but they won't lose money and that's "fine."

In addition, a portion of ticket sales will go to Amplifying Education, which will identify local education programs in each market for donations. Fans are also being asked to bring educational materials to each show for the "stuff the bus" campaign, where yellow school buses will be filled with pencils and such and driven to local schools.

"The beauty of the Dispatch fan base is that it's about mutual respect. You respect the fans and they respect you," said Bursky.

He said they also fought "very hard" with venues, promoters and Ticketmaster to drive ticket fees down. An all-in scheme was pondered, but Bursky found that the fees ended up being 35 percent of the all-in ticket price, which would have lost them money. Dispatch worked hard in markets where they had flexibility and reduced the fees to as low as \$8 for the show at the new 25,000-seat Red Bull Arena in Harrison, the biggest gig on their roster.

Bursky said Dispatch is particularly excited to be the first band to play Red Bull Arena, which they chose because they both love soccer and were blown away by the new facility.

Though designed for MLS soccer, Red Bull planners always expected to do 1-2 shows a year, according to the facility's managing director, Erik Stover. Like the band, Stover said, Red Bull will make "a little" money on the show, but he sees the real profit in exposing the venue to a whole new audience of receptive fans who've likely never been there before.

Due to sightline issues, 10,000 or so seats will be lost, but an additional 10,000 on the floor will still give the Dispatch concert a total capacity of 25,000. "Our acoustics make it a very energetic and exciting place to be," he said.

The tour will also hit Chicago's scenic Millennium Park and the historic Greek Theatre in Berkeley, Calif.

Bursky is also fighting against scalpers, angry that three days before the midnight announcement on New Year's Eve some secondary ticketing sites were already listing and selling tickets for the June 21 show at the 8,000-capacity Chastain Park in Atlanta, even though those tickets don't go on sale until Jan. 21. "We're considering going paperless in a few

markets, but we've issued an alert to fans that these are fraudulent tickets and that we can only guarantee tickets sold through Ticketmaster."

Like the MSG shows, on which Foundations did not spend a penny on marketing thanks to barter deals with Facebook and MySpace, Bursky said the plan this time for the six summer shows announced so far is to use free media to get the word out. "Every show has auto Tweet and auto Facebook posts where fans can help us go viral by clicking a button next to Red Rocks or next to TD Garden on Facebook and tell all their Facebook friends about the show," he said.

In another effort to have fans spread the word for them, anyone who tells five friends on Facebook or Twitter about the gigs will get free downloads of all four of the band's studio albums. While there is an advertising budget in place should the presale not be as strong as expected, Bursky said he's confident fans will help sell the shows.

There's also a partnership with American Express, which will help get the word out and alert cardmembers about the Jan. 21 presale. "We're spending a bit of money on Facebook and Twitter to get the word out, as for traditional media, it's nothing," Bursky boasted. — Gil Kaufman

Contacted for this story: Steve Bursky, (212) 366-4576; Erik Stover, (973) 268-8421



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MEETINGS

MEETING GROWTH PREDICTED FOR 2011, SAYS MPI REPORT



DeVos Place

Positive changes appear to be on the



horizon for the convention industry. Though the numbers of meetings are expected to increase, these will be smaller and more efficient due to

greater use of the latest technology.

The FutureWatch 2011 study, issued by Dallas-based Meeting Professionals International (MPI) and conducted by Atlanta research firm Association Insights, projects an eight percent increase in the number of meetings planned for 2011 and a five percent increase in the average spend.

"I would agree with the study's predictions," said Eddie Tadlock, assistant general manager at DeVos Place in Grand Rapids, Mich. "In terms of our sales and marketing efforts, we are on the rebound, and future numbers are looking really good."

Tadlock estimates that his meeting business is up between eight and 10 percent compared with this time last year.

That is a big change from the past two to three years, when DeVos Place's multi-year commitments and early bookings were virtually nonexistent.

"Within the past two months, in particular, we've had more groups commit for multiple years," Tadlock said. "We're seeing more two- and three-year commitments, which is a very positive sign."

He estimates that between 15 and 20 percent of DeVos Place's contracts are now multi-year agreements. These include sporting and hobby events, religious conferences and fraternity/sorority meetings.

The venue also has booked a number of groups with multi-year contracts during its slow months of June, July and August. In addition, quarterly corporate meeting business is back.

"We're ahead of our projections, and we had aggressive goals," Tadlock said.

Although the Washington State Convention & Trade Center, Seattle, is looking at three percent growth in terms of event numbers, this is an improvement from three years of losses that totaled two percent per year.

"We're getting back half of what we lost over the last three years, so that's not a bad return," said John Christison, venue president/CEO.

A majority of the convention center's meeting business is with associations.

"We continued to cover all operating costs through earned revenue, so we didn't need subsidies," Christison said.

Looking ahead, FutureWatch respondents anticipate that meetings and events will become smaller and smarter.

"Multiple meetings are becoming consolidated as a way to be more efficient and effective," said Bill Voegeli, Association Insights' president and lead researcher for the study. "As they become more

compartmentalized, meetings will be geared more toward the specific needs of delegates and attendees, which increases their value.”

The study also predicts that the industry will begin embracing new technology at a faster rate.

“In the past, the industry has kept technology at arm’s length because many felt it interfered with the face-to-face value of meetings and events,” Voegeli said.

Recently, new technology is being used as a tactical tool to lower meeting costs, while still delivering content.

“The study shows that meeting professionals who combine technology to expand their footprint and content delivery area will have a strategic advantage,” Voegeli said.

According to FutureWatch, virtual and hybrid meetings are becoming more common, and meeting professionals are experimenting with virtual audiences at a growing rate.

Mobile application use with hand-held devices is expected to become more widespread in the industry over the next few years, according to Voegeli. These will be utilized for a variety of tasks, including event scheduling, registration, security alerts, schedule changes, networking and interacting with meeting speakers.

“Though this technology currently exists in less sophisticated forms, attendees and meeting professionals are envisioning meeting apps that take over what used to be paper-laden or personnel-heavy responsibilities,” Voegeli said.

Newer technology will also integrate RFP tools with web- or computer-based apps, speeding up the proposal and planning process. In the future, ROI monitoring tools are expected to be unveiled, providing meeting planners with information on return objectives and spending.

FutureWatch respondents also reported a stronger level of cooperation between planners and suppliers due to the financial crisis.

Suppliers have also been co-creating meetings with planners in an effort to stay within budget, while still meeting expectations.

“As a result, suppliers who have had to increase prices are not alienating buyers,” Voegeli said. “People are cooperating more so than in the past while doing business, which we’ve never seen [to this extent] before.”

FutureWatch is an annual report that was first released in 2002. It includes insight from approximately 450 industry professionals in 20 different countries. — Lisa White

Interviewed for this article: John Christison, (206) 694-5010; Eddie Tadlock, (616) 742-6503; Bill Voegeli, (866) 733-6460

HOTTickets

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 Dec. 22.

SUPPORT FLOODS IN FOR GARTH BROOKS

15,001 or More Seats	10,001-15,000 Seats	5,001-10,000 Seats	5,000 or Less Seats
<p>1) Garth Brooks Gross Sales: \$4,057,020; Venue: Bridgestone Arena, Nashville, Tenn.; Attendance: 147,528; Ticket Range: \$27.50; Promoter: Community Foundation of Middle Tenn.; Dates: Dec. 16-22, 2010; No. of Shows: 9</p> <p>2) Justin Bieber Gross Sales: \$823,881; Venue: Philips Arena, Atlanta; Attendance: 14,045; Ticket Range: \$66-\$39.50; Promoter: AEG Live; Dates: Dec. 23, 2010; No. of Shows: 1</p> <p>3) Winterfest 2010 Gross Sales: \$662,795; Venue: BOK Center, Tulsa, Okla.; Attendance: 132,552; Ticket Range: \$8-\$5; Promoter: In-house; Dates: Nov. 26-Dec. 31, 2010; No. of Shows: 36</p> <p>4) Carrie Underwood Gross Sales: \$485,723; Venue: The Palace of Auburn Hills (Mich.); Attendance: 10,533; Ticket Range: \$55.50-\$35.50; Promoter: AEG Live; Dates: Dec. 22, 2010; No. of Shows: 1</p> <p>5) WWE Smackdown Gross Sales: \$349,009; Venue: CONSOL Energy Center, Pittsburgh; Attendance: 8,288; Ticket Range: \$78.75-\$21; Promoter: World Wrestling Entertainment; Dates: Dec. 27, 2010; No. of Shows: 1</p>	<p>1) Monster Truck Winter Nationals Gross Sales: \$142,457; Venue: Maverik Center, Salt Lake City; Attendance: 9,628; Ticket Range: \$22-\$5; Promoter: Checkered Flag Productions; Dates: Jan. 7-8; No. of Shows: 3</p> <p>2) Harlem Globetrotters Gross Sales: \$135,190; Venue: Ervin J. Nutter Center, Dayton, Ohio; Attendance: 4,687; Ticket Range: \$106-\$13; Promoter: Harlem Globetrotters; Dates: Dec. 31, 2010; No. of Shows: 1</p>	<p>1) Cirque du Soleil "Dralion" Gross Sales: \$1,738,291; Venue: Agganis Arena, Boston; Attendance: 23,263; Ticket Range: \$95-\$45; Promoter: Cirque du Soleil; Dates: Jan 5-9; No. of Shows: 8</p> <p>2) N.E.R.D. Gross Sales: \$318,508; Venue: Hordern Pavilion, Sydney; Attendance: 3,413; Ticket Range: \$101.52-\$74.58; Promoter: Future Tours; Dates: Jan. 7; No. of Shows: 1</p> <p>3) Straight No Chaser Gross Sales: \$140,695; Venue: Sovereign Center, Reading, Pa.; Attendance: 2,598; Ticket Range: \$150-\$39.50; Promoter: BRE Presents; Dates: Dec. 31, 2010; No. of Shows: 1</p> <p>4) Harlem Globetrotters Gross Sales: \$47,921; Venue: Sovereign Center, Reading, Pa.; Attendance: 2,287; Ticket Range: \$110-\$12; Promoter: Harlem Globetrotters; Dates: Dec. 27, 2010; No. of Shows: 1</p>	<p>1) The Black Keys Gross Sales: \$544,463; Venue: Aragon Ballroom, Chicago; Attendance: 14,617; Ticket Range: \$47.25-\$32.25; Promoter: Jam Productions; Dates: Dec. 30, 2010-Jan. 1; No. of Shows: 3</p> <p>2) Weezer Gross Sales: \$409,234; Venue: Aragon Ballroom, Chicago; Attendance: 9,686; Ticket Range: \$42.25; Promoter: Jam Productions; Dates: Jan. 7-8; No. of Shows: 2</p> <p>3) Umphey's McGee Gross Sales: \$336,328; Venue: Riviera Theatre, Chicago; Attendance: 7,300; Ticket Range: \$74-\$31.50; Promoter: Jam Productions; Dates: Dec. 29-31, 2010; No. of Shows: 3</p> <p>4) Sesame Street Live "Elmo's Green Thumb" Gross Sales: \$71,220; Venue: Morris Performing Arts Center, South Bend, Ind.; Attendance: 5,164; Ticket Range: \$22.75-\$14; Promoter: VEE Corporation; Dates: Dec. 29, 2010-Jan. 2; No. of Shows: 6</p> <p>5) Last Comic Standing Gross Sales: \$58,043; Venue: Cobb Energy Performing Arts Centre, Atlanta; Attendance: 1,525; Ticket Range: \$47-\$25; Promoter: In-house; Dates: Dec. 31, 2010; No. of Shows: 1</p>

THE BEAT

FACES & PLACES

MURPHY MOVES TO AEG; FRIEDMAN LEAVES NEDERLANDER; SCHLABACH EXITS NICA

Brian Murphy, co-founder of Avalon Attractions and most recently head of business development for Live Nation, has assumed the new position of West Coast president of AEG Live. His first client under the new banner will be Katy Perry, for whom AEG Live is promoting several dates.

Murphy brings a concert promotion philosophy honed over several decades of doing business in the Los Angeles marketplace. It boils down to setting the right ticket price to assure sellouts. Perry will be priced in the \$45-\$50 range, he said.

Since the early days, Murphy's approach to promoting concerts has been to first discuss the goals with management and act, which usually is something like his discussion with Muse, i.e. "We want to sell out two Staples Centers, one Honda Center and one San Diego," Murphy said. "So then I say, 'Let's talk about ticket prices.'"

Once a price is set that looks like a sellout, it's a matter of simple math, Murphy said. If the conversation starts with "I'm looking for a \$350,000 guarantee," the discussion is over. Murphy likens concert promotion in 2011 to the environment seen during the recession in the early 90s. First, people find money for concerts and bars, then they begin to budget and regroup. That's why reaching music lovers today means "establish the ticket price first."

Murphy is excited about working with AEG Live and his good and longtime friends there. He is particularly interested in the Los Angeles market, which is where he started in this business. He noted that he left some great staff at Live Nation, two of whom had been with him for 15 years – Brad Locker, marketing manager, and Nick Masters, talent buyer. He and Bob Geddes and Irving Azoff sold Avalon Attractions to SFX/Clear Channel (before it became Live Nation) in 1998.

"It's like changing high schools in the middle of the year," he said of leaving Live Nation for AEG Live, both L.A. powerhouses. There is no animosity, he said. His contract was due to expire Dec. 31, so he explored his options. Murphy said he left money on the table to take the job at AEG Live because "no one could offer me what AEG offered me," namely a chance to promote concerts in Los Angeles the way he wants to do it. "It's all about profitability," he said. And loyalty.



Adam Friedman

Adam Friedman is leaving his post as CEO of indie promoter firm Nederlander Concerts after five years at the helm. While his future plans remain up in the air, his reasons for leaving are very clear. The concert industry is badly broken and, God willing, he wants to help fix it.

That doesn't mean Nederlander is part of the problem – quite the contrary, he argued. Since he's taken over, the company has divested non-core assets and built a robust California routing machine that stretches from San Jose to San Diego. He and COO Alex Hodges retooled the company, becoming a "boutique" promoter of sorts.

"It was the right model for an industry headed in the wrong direction," he said, but "we as a company, regardless of how good we are, we are ultimately going to suffer if the foundation of the business doesn't change."

And Friedman believes artist development is virtually non-existent, tickets are oversold and underpriced, and more importantly, huge artist guarantees have made it impossible for anyone to do business.

"Overbidding for artists was originally intended as a way to control costs," by eliminating competition and

creating a monopoly in the market, he said. Instead, the monopoly never materialized “and now there are very few artists and a lot of competition from venues, so we’re all out-bidding each other.”

Friedman hasn’t finalized his future plans. Careers in talent management or representation are a possibility. Working for a technology company could be a good move, too, he said. Friedman began his career as a lawyer, before moving over to MCA Concerts in the 1990s, and later House of Blues Concerts. His last day with Nederlander is Jan. 21.

Dave Schlabach has stepped down as president/CEO of the National Independent Concessionaires Association effective Dec. 31, 2010, due to personal reasons and management issues, according to Richard Busse, chairman of the NICA board and a concessionaire with his Dr. Vegetable stands. Three staffers at the NICA headquarters in Brandon, Fla., outside Tampa, and the NICA board will move forward with the NICA food show at the Western Fairs Association convention in Reno, Nev., Jan. 16-19, and NICA’s Business Expo and Fare Foods Food Show in Tampa Feb. 7-10.

Busse said the NICA board is selecting an executive search committee this week. The ideal candidate would most likely come from the fair industry, with knowledge of the concessions business, he said.

NICA was founded in 1993. Schlabach was their fourth executive director. Busse said the salary is based on experience, but is generally in the \$60,000-\$70,000 range. The NICA board hopes to have a new president/CEO by May or June, he said. Russ Harrison, Rudy’s Pizza, succeeds Busse as board chairman during NICA’s February convention. — Linda Deckard and Dave Brooks

Interviewed for this article: Adam Friedman, (323) 468-1745; Brian Murphy, (323) 930-5700; Richard Busse, (219) 531-1723

NAMING RIGHTS REPORT



MasterCard Center (Wanshida Zhongxin), Beijing

Date Announced: Jan. 5

Buyer: MasterCard

Owner: Bloomage International Investment Group, AEG

Terms: 5 years, financial terms not disclosed

Comments: Visa may have been the exclusive card and official payment system of the 2008 Olympics in Beijing, but MasterCard Worldwide now owns the naming rights for one of its most prominent venues.

MasterCard has purchased naming rights for the Wukesong Arena, home of the 2008 Olympic basketball games. It is the first such deal for one of the event’s venues, and the first sports and entertainment venue naming rights deal in Beijing. It is the second such deal in China; AEG also brokered the deal for the new Mercedes Benz Arena in Shanghai last year.

“We needed to educate the market on these very unique opportunities,” said Sam Piccione, general manager, sales, for AEG China. “We had the venues, the experience of management, the content and the opportunity, but we had to create the market from scratch.”

Piccione said three additional venues have already started the naming rights sales process.

This venue will be known as MasterCard Center, or Wanshida Zhongxin, in Chinese.

The deal offers MasterCard brand awareness opportunities in and around Beijing, an emerging market with

extensive growth potential. It will also give them access for their cardholders, and a way to offer them “priceless experiences,” Piccione said. They will also use the venue to showcase their POS technology.

“The deal is heavy on hospitality,” he said. “They have two luxury suites, with 51 total seats, and are branding a VIP lounge for MasterCard card holders. There will be dominant signs on the interior and exterior and branding at the POS terminals. MasterCard will be the official card of the center, and will have special dedicated lines for the speed of their cardholders.”

MasterCard also plans to be a content sponsor for top international acts and top regional Asian artists, Piccione said. The deal will run five years, with a window for extension, he said.

While media accounts have placed the price at \$4 million a year, neither Piccione nor AEG spokesman Michael Roth would confirm or deny that figure.

The state-owned China UnionPay Co. has a monopoly on local-currency credit cards, but they allow companies like MasterCard to co-brand with them to offer dual-currency cards for Chinese consumers who buy and sell overseas. But opportunities in this market could increase exponentially in coming years.

AEG and the NBA provide consultancy support for the 18,000-seat venue, which is owned by Bloomage International Investment Group.

Cantonese pop singer Jacky Cheung will perform at the center on Jan. 21 to officially launch the rebranding. The venue will also host the Eagles and Hong Kong singer Aaron Kwok in 2011, as well as NBA basketball, table tennis, badminton and other sports events.

Contact: Michael Roth, Sam Piccione, (213) 742-7155

Webster Bank Arena at Harbor Yard, Bridgeport, Conn.

Date Announced: Jan. 6

Buyer: Webster Bank

Owner/Manager: City of Bridgeport/Centerplate

Terms: \$3.5 million over the course of 10 years. Webster Bank will also buy and install a new outdoor marquee. The bank receives signage outdoors and indoors, a 19-seat executive suite with tickets to all events, ATM placement and an exclusive financial services partner designation.

Brokered: In-house

Comments: The 10,000-seat, 33-suite arena opened in 2001 with high hopes of securing a title sponsor. The economy, local politics and other priorities stalled the effort, but now, a decade later, arena management is thrilled with the deal, which takes them through the second decade of operation.

“It’s a great market and a great building,” said Lynn Carlotto, general manager there for Centerplate, adding that this confirms it.

The outdoor signage will be particularly useful to Webster Bank and the upgrade will help market the venue’s events, she said. The front door sign faces I-95 North and the back door sign the Port Jefferson Ferry and the railroad. “There’s an awful lot of traffic that comes by here,” said Carlotto, citing Connecticut Department of Transportation and venue data.

The CDOT’s highway survey states that 138,700 vehicles pass the arena every day and there are 103,824 rail commuters daily. The Port Jefferson Ferry has 1 million passengers a year. Media impressions for advertising arena shows are estimated at 120 million, so Carlotto is citing a total of 209 million impressions a year. “We can all debate on how much any one consumer is spending, but we’re giving you the opportunity to reach them,” she said.

The sponsorship commitment will go into the operating revenue pot, from which the city gets a split. Nothing is earmarked for any one particular effort. The arena averages 127 events a year.

Interviewed for this story: Lynn Carlotto, (203) 345-2301

– Liz Boardman and Linda Deckard
