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# HONG KONG GOES GAGA

Four sold-out Lady Gaga shows in Hong Kong prove the Asian market has emerged

by LINDA DECKARD



The Cranberries rocked thousands of fans in Hong Kong Convention & Exhibition Center Hall 5B&C on April 8, 2012.

**T**he phenomenon that is Lady Gaga struck Hong Kong hard, selling out four shows set for May 2, 3, 5 and 7 at AsiaWorld Expo Arena in record time and mostly on the internet.

Luke Hede from Live Nation said the show was a partnership with Live Nation Japan, a joint venture with Creative Man in Japan, and Live Nation Korea. Live Nation also has offices in Beijing, Shanghai and Singapore.

“There’s been a phenomenal demand for Gaga, but in no other market have we done more than two shows. In Hong Kong, we did four in succession,” Hede said.

Hong Kong Ticketing, which is owned by

the developers of the Hong Kong Convention & Exhibition Centre, handled the onsale. In fact, HK Ticketing handles most of the concerts in town, said Cliff Wallace, managing director, HKCEC. This show was the first he’d seen sell out in timeframes like 20 minutes. Each show accommodated approximately 13,000 fans buying tickets priced \$100-\$200 and all sold out in less than 90 minutes, the last show selling the fastest.

By the fourth show, Hong Kong police were suggesting HK Ticketing look at options, Wallace said. Outlets are generally located in busy malls and public buildings, which cannot accommodate lines without disrupting business. But, to date, fans have been slower to

adopt online ticketing in Wallace’s opinion, though other promoters in Asia disagreed. “The Chinese like to feel what they buy; they go and buy tickets and have them in their hands, although that is changing quickly.”

Still, by the time the fourth show went on sale, Hong Kong Ticketing imposed an internet and callcenter-only policy for first day of sales and virtually all of them sold via internet, Wallace said. “In the future, on these major demand shows, we’ll probably handle it the same way, with first day sales being internet only and if they sell out that’s it. Even the police recommended this.”

They are also looking at upgrading Hong Kong Ticketing because Lady Gaga has opened their eyes to the fact this type of show in Asia will produce the same challenges it produces around the world in terms of demand, Wallace said. “It created terrible queues at outlets and the box office and, because of the space that exists, lines are not good.”

Overall, Wallace pegged average online ticket sales at 40-50 percent. “We still sell a lot of tickets through a call center here in the building,” in addition to the outlets, he added. “But we’re hopeful that will change real, real soon.”

## BOOMING BUSINESS

Colleen Ironside, Live Limited, listed a healthy concert climate in Asia. “Last year Live Limited promoted concerts by Janet Jackson, Bob Dylan (three shows including an historic show in Vietnam), Red Hot Chili Peppers and

two shows by Sir Elton John. All these concerts sold out and the audience was probably over 75 percent locals for all of them, whereas 10 years ago it would have been 75 percent Xpats," she wrote in an email. Live Limited also promoted Kylie Minogue regionally, including shows in Jakarta, Singapore, Bangkok, Hong Kong, Taiwan, and Manila.

In June, Live Limited is promoting concerts with Jason Mraz in Jakarta and Kuala Lumpur. "The rest of the second half of 2012 is shaping up to be a similar number of shows," she said.

Ironside believes Asia is no longer an "emerging market." It has emerged. Having paved the way for 18 years and seeing the international promoters arrive, she realizes agents and managers are much less paranoid about coming to the region than they had been in the past. In fact, she believes the challenge now is to avoid saturating the market.

Michael Roche and Maria Law of Lushington Entertainments, said that "2012 looks like the biggest year since Lushington was established in terms of number of acts promoted."

They see more and more internet ticketing, as high as 80 percent, and those buyers are looking at higher ticket prices because of the cost of long-haul flights and freight.

At HKCEC, concerts are not a priority, conventions and meetings are, but there is still growing demand. Counting the number of concerts and events over the last five years, the numbers go 52, 36, 38, 40, and 57, the last for 2011. The decreases were due to expansion, which forced capacity in the 8,000-seat hall down to 5,000, Wallace said.

The telling number though, is that for the first six months of this fiscal year, the number is already at 35. "It's going to be a great year," Wallace said. "There is more product and a growing interest and demand for entertainment." Last fiscal year, total concert and event attendance at HKCEC was 245,000, Wallace said. The first six months of this year, it has already hit 203,244.

"This is business that is fifth priority for us. We don't market it because it is fifth priority," he noted.

## IF YOU BUILD IT, THEY WILL COME

Because there's a lot of interest in doing new things in all of Asia, there is also a new emphasis on venues.

Law noted that has always been a concern for promoters in Hong Kong. "Access to available venues at various capacities and at accessible rentals have forever been the biggest issue for promoters in Hong Kong and many other parts of Asia," she said.

Wallace remembers the day when HKCEC was the main play in town other than the aging Hong Kong Coliseum, which was often tied up with community and government activity anyway. AsiaWorld Expo changed that, but it is outside town and not as desirable a location.

Wallace recalled that HKCEC built a clear-span hall on top of their building in 1997, with 5,000 floor seats and 3,200 telescopic seats to do major concerts during the second expansion. Early shows tended toward the Wolfman Jack variety. Air Supply sold out three times in four years, he noted.

In 2005, AsiaWorld Expo opened with their exhibit hall, AsiaWorld Expo Arena, which seats up to 13,500.

In 2000, HKCEC teamed with TickeTek in Australia and the Academy for Performing Arts and Hong Kong Arts Center to form Hong Kong Ticketing, then acquired 100 percent of the company in 2005.

## FRAGMENTED MARKETING

There are several other challenges to doing business in Hong Kong. Wallace noted there are 34 Chinese newspapers, the television stations are not a good medium for advertising, and "marketing is completely different here than any other place in the world."

Roche and Law use a little of everything, listing online, outdoor media, magazines and newspapers, flyers, posters, TV, radio and facebook, twitter and all forms of new media.

To determine what talent to buy, Roche and Law rely on gut instinct, since record sales are no longer a barometer.

"Due to the total overhaul in the way music fans seek out, receive and digest music they have become their own A&R man and

they make play lists and elevate artists," they noted. "Or artists take things into their own hands via YouTube, My Space, minitours and the like and self-promote and spread the word on their repertoire."

On the good side, that has opened up new genres and niche acts to a much bigger market, "but with the high costs to touring smaller acts and so much choice it's tougher for a promoter to maintain profitability," they said, sounding the universal promoter concern. "Hopefully, with new media reducing typical old-school, high-cost media placements in press and TV and internet sales as opposed to outlet sales, we should still have a chance to cover and promote both small, midsize and large scale acts."

Scalping is another issue at the top of the list. With major international acts playing Hong Kong, the laws now in place are inadequate and untested, Wallace said. "The fact is, it hasn't been a problem in the past, so laws haven't been written in a way they can be enforced."

He expects Hong Kong Ticketing will be following the U.K. model in requiring fans to present their Hong Kong ID card in conjunction with their ticket. "That can be cruel, because people may want to give the ticket to a friend or family member. But they've been doing that for certain shows in the U.K. Airlines do that, too. Your ticket has to match your passport."

Lady Gaga may have been the eye opener, but she is also just the beginning. There is a movement afoot to build a major cultural entertainment district in Hong Kong. Though it's years down the line still, there is an executive director on board and major theater owners and operators showing interest.

"That excitement here has been going on for the 17 years I've been here. It's entertainment this year, but the venue industry in general has been phenomenal," said Wallace, who was just back from overseeing construction of a venue in extreme northwest China, next to North Korea.

The market has emerged. 

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