

AUDIENCE

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A photograph of a man, likely a member of the band Pet Shop Dore, wearing a black bucket hat, large black sunglasses, and a blue and white striped scarf. He is holding a microphone and appears to be performing on stage. The background is a dark, textured surface.

Pet Shop Pandemonium

Electro duo loose in South America

Arena Management 'owes \$10m'

New SEC team promises business as usual

Fans say no to country music

Soft sales force festival to move into the city

*Vera Borina of Planet
Plus in Russia*



“

We're trying our best to talk to agents, so that the fee and conditions for artistes are not crazy

”

Russia



Times have been as hard in Russia as they have been globally, but the country's live music industry appears to have weathered the poor economic climate well and it looks like country's leading promoters of international artistes will emerge stronger from the downturn. Mike Gartside reports



Dmitri Zaretsky

Although it is the largest single country on earth, with one of the largest populations, Russia's live music sector is still young and has certainly been through some growing pains in 2008-2009.

The hub of the concert and entertainment industry remains firmly focused on the capital, Moscow, and the country's cultural focus, St Petersburg on the Baltic coast, historic seat of the Tsars.

The provincial cities offer a steady market for particular types of act, although top level international touring to these areas is still hampered by logistical issues.

The Russian market enjoyed a period of rapid growth after the end of the Cold War, as new infrastructure sprung up during in the 1990s.

While the current economic downturn has inevitably dampened the willingness of audiences to buy tickets, the burgeoning number of artistes visiting Russia means that there is still a strong diversity of acts performing in the main population centres.

Perhaps the larger shows have suffered most dramatically, with certain top level concerts demonstrating disappointing sales. But many smaller and mid-size concerts have performed well.

Russia's longest-established promoter, Dmitri Zaretsky of SAV Entertainment in Moscow feels that, "While the economy is not improving, it's more stable now. Our most successful shows were Lord of the Dance and Vanessa Mae, but

other shows lost money."

The falling value of the rouble is a repeated complaint among promoters, many of whose costs are in US dollars, UK sterling or euros.

"The rouble has lost about 30 per cent of its value since last September. Until then, the market was good, but for the first half of this year - mainly because of the currency issue - it was difficult," says Zaretsky.

"In the last six or eight months it's the smaller shows that have done well. The Moscow venue B1 Maximum [cap 2,700] has done very well with Keane, Faith No More, Morrissey and Mötley Crüe."

Corporate shows, a traditionally strong market for promoters, may also be recovering - a sign that the worst of the economic crisis is over, perhaps?

"Let's say I'm feeling less pessimistic," he says, guardedly.

Zaretsky airs another common complaint. "There are a lot of wannabe promoters making unrealistic offers [to artistes] and killing the market," he says.

"They overpay the acts, fail to price the tickets right and lose money. While that may look good for established promoters, for every person going bankrupt there are three more behind them."

Yet SAV is continuing to find success, with family and dance shows plus familiar stars proving particularly popular. "We are preparing for Depeche Mode in February. They have always been very special band in Russia and always sell well."

Cosmic activity

Vera Borina, head of international projects for St Petersburg-based Planet Plus - part of leading Russian media group PMI Corporation - puts the current economic situation into perspective.

"There were huge changes in the live music market up to 2008 - it's as if we've moved from the period of the dinosaurs to a high-tech society. There has been no growth in the last year, but there is no less activity than in previous years."

The company organises 60 to 70 shows per year, mostly in St Petersburg.

"In the first years, agents were afraid the Russian market could not deliver, and we've been working hard for the last 12 years to change that," she says.

"Agents have had their own perestroika [restructuring, in English] and now we work





Russia stats

Population (millions): 140
Per capita GDP: 16,100
Internet Penetration: 27.1

Per capita album sales (US\$): 2.8
Per capita album sales

(units): 0.6
Economic growth (%): -7.9
Currency: Rouble

“We are trying our best to talk to agents, so that the fee and conditions of engagement are not crazy.”

Vera Borina

work at the highest level of show business: Madonna, the Rolling Stones, Paul McCartney and Roger Waters. People also have more choice now and can choose R&B, dance, hip hop or hard rock.”

Planet Plus works with artistes as diverse as 50 Cent, Elton John, Britney Spears and Joe Cocker. It also promotes dance music, like the Big Love show and Bob Sinclair while exploring the family market with productions such as Nutcracker on Ice and Walking with Dinosaurs.

Like SAV's Zaretsky, Borina is very aware of trying to control the promoter's single biggest cost, the artiste's fee.

“We trying our best to talk to agents, so that the fee and conditions for artistes are not crazy,” she says.

“In Russia more than 25 per cent of the population have lost their jobs. Some will buy bread rather than going to concerts, but at the same time, maybe people don't have money for a vacation but can afford to spend two hours at a concert.”

Ticket prices range from 800 roubles (\$26) to about 7,000 (\$125) for VIPs. “This year has been very hard but I believe better times are coming. October and November will tell us whether the market has changed or not.”

Monster success

Another key name in Russian promoting is Ed Ratnikov, whose booking and promotion agency, Talent

Concert International (TCI) was founded in 1995.

Ratnikov was instrumental in setting up one of Russia's first major international rock events, Monsters of Rock, which took place in 1991 at Tushino Airfield, Moscow, and pioneered Russian tours by international artistes.

Proving particularly successful were heavy and progressive rock acts from the 1970s which had something of an underground following before the fall of Communism. These included bands such as Nazareth and Uriah Heep, who regularly tour Russia outside the two main centres.

Like Zaretsky, Ratnikov has suffered from the fall of the rouble. He estimates demand has halved and ticket prices have had to be cut by about 40 per cent in the last year.

However, he is enthusiastic about the provincial touring circuit, whose major cities (listed with typical venues and approximate capacities) include Rostov (Sports Palace, 4,000), Samara (MTL Arena, 3,000), Ekaterinburg (DIVS, 5,000), Novosibirsk (DS Siberia, 6,600), Vladivostok, (Fesko Hall, 1,200), Komsomolsk Na Amure (DS Metallurgist, 3,000) and Kazan (Tatol Arena, 9,000).

He regularly promotes acts like the Scorpions, Chris Norman and Glenn Hughes to these cities, as well as

Moscow and St Petersburg. “TCI is interested in the Russian Far East,” he asserts, having created the first touring Monsters of Rock package for Russian cities, this year.

The fact that it almost sold out the Platinum Arena (8,000) in Khabarovsk and was highly successful at the Avangard Stadium (10,000) in Vladivostok proves there is a market for this sort of initiative in wider Russia.

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Alexander Strizhak

Tatyana Dalskaya four years ago and have an ambitious approach to live music promotion.

Over the past couple of years, they have promoted shows by the likes of Iron Maiden, Queen + Roger Waters, Muse, Prodigy, Shakira and Placebo.

David Birdwood-Hedger, her spokesman, explains that as well as the concert ticket, the company can organise packages around Russia and abroad for music fans, including hotels, restaurants and travel, in what he describes as a 360-degree contract with audiences.

The company has recently promoted Muse, Prodigy, Queen with Roger Waters, Iron Maiden, Shakira and Placebo.

"The average Russian salary is about 13,900 roubles [\$450] a month," he says. "But if someone is a follower of a particular group, they will find the money. It's common for young people here to have two jobs.

"Russia also has a certain sector of the audience who like to be treated as VIPs. They have a high disposable income and are happy to pay \$1,000 per ticket for, say, Madonna.

"The promotion business as a whole has a number of side industries and it is important to take these opportunities. One area within promotion is to offer travel packages to people coming to Moscow."

Rocking the Volga

The rock and pop festivals market is still relatively untapped in Russia.

Perhaps the best established event is Nashestvie, a 98,000-capacity festival held in the village of Emmaus in the region of Tver, between Moscow and St Petersburg.

The festival, established in 1999, is organised by rock station Nashe Radio. Its closest rival is the Krylia (Wings) Festival, also held in the environs of Moscow, while the city of Kazan in the south-west of the country hosts the internationally-oriented Creation of Peace festival. This year it featured Manu Chao, Fun-Da-Mental and Russian stars DDT.

Meanwhile, the established promoter Nord Concerts has launched a new outdoor festival in the south, Rock on the Volga.

Michael Shurygin, president of Nord Concerts, estimates he has promoted about 1,000 shows in the last 10 years, from St Petersburg and Moscow to the Russian regions.

He is particularly proud of Rock on the Volga, which he says is Russia's biggest rock festival, sited in the southern-central city of Samara, which.

"It is a one-day, free event which attracted 167,000 people," he says. "It was headlined by a Western artiste, Apocalyptica, with the rest of the bill made up of major Russian rock acts. Next year we are considering an entrance charge and have approached some major artistes."

Shurygin also has his own ticketing agency and is active in promoting to the Russian Far East, where sponsorship has been particularly important in bringing acts to audiences.

"We have done a lot of sponsored events in



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the regions," he says. "We've been working with beer brand Baltika, owned by Carlsberg, while Tuborg sponsored Linkin Park at the Green Festival in St Petersburg, which had a 15,000 capacity, with tickets at 12,500 roubles [\$40].

"It's very rare to introduce new names without sponsorship. You can't bring the Kings of Leon or Kaiser Chiefs here with the fees they command in Europe and be successful," he says.

"Even though we've had a good summer, we lost money on some shows. We're watching the world crisis very carefully and concentrating on safe acts. Marilyn Manson is our biggest artiste this autumn - in St Petersburg only - but we have the Electric Light Orchestra, Candy Dulfer and Ian Gillan with the St Petersburg Capella Symphony Orchestra coming up."

The ticketing market is still some way behind the West, explains Shurygin. "People in Russia buy at the last minute and prefer buying in the old fashioned way, through outlets. Although many people have a home computer these days, they still don't buy online.

"Disposable income is an issue: people cannot plan their spending well in advance so they save money to go to the show and make their decisions in the last week, knowing that nothing sells out in advance."

Demand economy

Igor Grishin, chairman of SPConcert also paints a picture of more events chasing fewer customers.

"Many concerts by foreign artistes were planned before the crisis, at an opportune time," he explains. "But as they increased, the number of solvent concert-goers unfortunately

declined. Combined with this, Russian people have become more demanding of quality concerts."

SPConcert's recent shows include Buena Vista Social Club with Omara Portuondo in St Petersburg's Grand Concert Hall Octyabrsky (GCHO, 3,500) and at the Moscow International House of Music (MHIM, 1,600); Glenn Hughes at the Palace of Culture Lensovet in St Petersburg (2,000); the Turkish dance show Fire of Anatolia at GCHO; The Michael Nyman Band at Lensovet and St Petersburg's Philharmonic Hall (1,400), MIHM and Moscow's Tchaikovsky Concert Hall (1500); and Zappa Plays Zappa at GCHO.

Meanwhile, the state-owned enterprise GUP Kremlin is responsible for large scale social and cultural events, such as the International Youth Music Festival in August 2008.

Its international projects director Sergei Bunin has seen an upside to the poor economic climate. "The shows cost less to produce," he says wryly, "but the [live music] situation has changed dramatically. There are more live shows of really popular artistes and almost no shows of heavy-money-promoted new stars."

Bunin complains about the standard of venues in Russia, "There are almost no good venues, especially in Moscow."

Although the situation is changing, many of the venues are still state-owned, sometimes operated privately, but many are sports halls or theatres dating back to the Communist era, often with the nomenclature Sports Palace or Palace of Culture, and not designed for contemporary live music.



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Michael Shurygin

Poor venues is also a concern for Sergey Sorkin director of RusFil, which focuses on corporate and private shows.

"We are lucky because the world recession has not affected our business much," he says. "Russians are now spending less on entertainment and as a result, it's mainly the better-off people attending concerts."

"Unfortunately the Russian market beyond the cultural centers of Moscow and St Petersburg is not so active. This is mainly caused by the lack of good advertising and the absence of good-quality venues." RusFil works in all areas of entertainment from opera to DJs, rock and sport.

Staging stars

Russia's leading production company JSA was established in 1996 and has first hand experience of the diversity of concerts promoted in Russia over the last 12 months.

Among the events for which JSA provided staging and/or production are the Eurovision Song Contest, Fatboy Slim and Metallica all in Moscow, KISS and Roger Waters (St Petersburg), Elton John (Sochi), Deep Purple (Khanty-Mansiysk), Manu Chao (Kazan), as well as official events such Victory Day and Russia Day in Moscow's Red Square.

JSA president Alexander Strizhak believes the size of the concert-going public has remained stable, in spite of the recession, pointing out,



Vera Borina

"Today people have more options and a greater variety of music" and admits to making some "corrections" to his business, to take account of the economic situation.

Arguably, it's the freighting companies who have the best overview of the true level of international artiste activity in the market and a leading Russian operation in this sector is Showtime Logistics.

"It's a paradox," says Showtime general director Andrei Nedvetsky. "This year, when most other sectors of the economy are in crisis, the entertainment and live music industry seems to show a bit of growth."

"We've never had so many big shows as in 2009 - Madonna with 53 trucks, Britney Spears (31 trucks), Cirque du Soleil (57) and Walking with Dinosaurs comes with 26. The Eurovision Song Contest was the largest musical event we've ever done, with 46 companies involved, 64 trucks and 15 air freight shipments. And it all had to leave the venue in 72 hours."

Overly strict regulations are still a bugbear for anyone involved in concert touring in the region.

Fastidious Russian Customs can take two days per border crossing, while each city has its own internal Customs checkpoint. Often there's little anyone can do but wait.

"At one event organised by the governor of St Petersburg, [then-] President Putin was making a speech," says Nedvetsky. "One of our trucks was held up at Customs because of an incorrect axle loading. We put lots of calls through to the governor for help, but nothing happened. In the end five drivers spent many hours moving 150 tons of equipment to redistribute the weight."

Steve Botting, CEO of global event freight management company EFM, which has recently worked on Guns N'Roses, Linkin Park, Santana and Razorlight in Russia, is well placed to compare Russian practices to those in the West.

"Russia has just introduced new legislation that means you have to be a Russian citizen to work behind the bonded area at airports," he says. "We actually have to direct Russian workers loading our pallets from behind a glass panel which can be problematic."

However, he feels some of the fears in the West are exaggerated. "It's a lot safer than people think," he says. "We put security on our trucks from Moscow to St Petersburg for peace-of-mind but we've never had an issue there and we have had acts do it without security."

The Russian market appears to have weathered some tough times and is moving in the right direction. Since *Audience's* last Market Focus in 2007, it has a new President, Dmitry Medvedev, who, although widely seen as former president Putin's man in the Kremlin, may yet prove to be a force to be reckoned with, particularly in the cultural landscape.

According to David Birdwood-Hedger, "It's well known that Medvedev is great music follower and his influence will surely be felt."



Roger Waters' concert in St Petersburg



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