

# AUDIENCE

For the International Live Music Industry

ISSUE 146 MARCH 2014

UK £5.95 EUROPE €7.95

ROW \$12.95

## Going his way?

Lenny Kravitz lets live rule

## Live Nation into Japan

Promoter opens fifth office in Asia

## Dynasty breakout

Lucy Dickins celebrates success in her own way



“Some agents are ready to trust come-and-go promoters who offer a fortune, but then go out of business and don’t actually pay the sum they were offering.”

Ed Ratnikov, Talent Concert International, Russia

# Russia

**Russia**  
 Population (million) **139.4**  
 Per capita GDP (US\$) **15,900**  
 Internet penetration (Per cent) **30**

Per capita album sales (US\$) **0.7**  
 Per capita album sales (units) **unknown**  
 Economic growth (Per cent) **3.8**  
 Currency **Russian ruble**



It's a vast country with huge potential, but it takes time to mature and emerge from decades of government when entrepreneurship was something to be kept hidden from public view. However, the country's promoters and principle venues for international acts are doing a fine job in opening the market, as **Johnny Black** reports

Things, thankfully, have changed for the better since 6 April 1962, when the Russian newspaper Pravda reported that, "Dozens of cases are known in which possessed dancers of rock 'n' roll and The Twist, obsessed and infuriated, have demolished the buildings where they were gathered, broken windows and chairs and, out in the streets, staged riots."

Despite this scathing critique of Western decadence, by 1965 Manfred Mann had become the first rock band to play behind the Iron Curtain and in the four decades since, things have gone remarkably well.



Tatiana Dalskaya

When Audience last conducted a Market Focus on Russia, in 2009, despite a general economic crisis, the live music sector was more than holding its own, and attracting ever-increasing numbers of major international acts.

"Within the last couple of years we have seen such megastars as Madonna, U2 and Metallica,"

confirms Vera Borina, international projects director at Planet Plus in St. Petersburg.

"Also, the audience is becoming more discerning, choosing which shows to go to, and looking for the best quality events."

Tatiana Dalskaya, general director of Moscow's Dalskaya Agency, is also seeing the upswing.

"The economic crisis did affect us greatly but, starting from the second half of last year, shows were selling out for both local and international artistes. More family-oriented entertainments, like Cirque du Soleil, are also doing quite well these days."

As well as those mentioned by Borina, last year also saw visits by acts such as Paul McCartney, Linkin Park and Roger Waters, not to mention a record-breaking festival crowd of 250,000 turning up at Rock On The Volga in Samara.

In the course of the coming months, Madonna, The Cure and Sting will perform in Moscow, St Petersburg and many points east.

Probable reasons for this happy state of affairs are not hard to find. Russia boasts

the world's ninth-biggest national economy and, with high oil prices stimulating growth in 2011, it's been able to reduce the budget deficit which accumulated in the lean years.

Unemployment and inflation figures are also down, so it's no surprise that conditions have improved not just for the indigenous promoters, agents and venues, but also for international players willing to embrace the challenges of taking artistes there.

Moscow-based SAV Entertainment is probably Russia's longest-established promoter, and the company's Dmitry Zaretsky is understandably happy with last year's results.

"In Moscow, we did 24,000 tickets with Paul McCartney at the Olimpiyskiy arena, and the same with Roger Waters. We also brought



Vera Borina



Michael Shurygin



remote areas of Russia where local acts can compete seat for seat with international acts." Nevertheless, he also expresses some reservations about "the impossibility of routing a tour with production through Russia, because of the distances", and he sees problems with "high ticket prices, unreasonably high offers [from other promoters] and artiste fees."

### Outcomes matter

Shurygin's concerns are echoed by other promoters, notably Ed Ratnikov, founder and president of Moscow-based Talent Concert International (TCI).

"Sometimes competition can push up artiste fees, which comes back to the audience with overpriced tickets," he warns. "Some agents are ready to trust come-and-go promoters, who offer a fortune but then go out of business and don't actually pay the sum they were offering."

"It's just greed. There are people in this business who chase only the best offer and don't care about the outcome."

Artem Gorny, founder of Attack Concerts, also in Moscow, explains how he believes this situation has been allowed to develop.

"There are too many non-professional people in the business. In the oil or the gas industry, you cannot just walk in and get a top management position. You have to be educated and have some experience. In show business, however, they can just walk in and try to put on major events."

Another hot topic is the internet. In 2009, internet penetration into Russian households was 32.3 per cent, but the most recent statistics show an increase to 42.8 per cent.

Inevitably, downloading has lately been having the same effect on the local recorded music business as it has elsewhere in the world, but Tatiana Dalskaya points out that, for live music, it is more of a two-edged sword.

"The internet has enabled us to considerably cut advertising budgets," she says, "but the audience still needs more education about things like internet payments by credit card."

Looking to the future, she reveals that her company has entered negotiations to bring Stevie Wonder to Russia for the first time, and is also looking at promoting concerts with emerging US artiste Selena Gomez.



Ed Ratnikov



Artem Gorny

### Essential support

But while promoters are generally optimistic, Alexander Strizhak, founder and owner of long-established production company JSA, which has built stages for Black Eyed Peas, Shakira, Elton John and many others, is more cautious about the outlook.

"The market is stable, but not growing," he says. "We have no great new live artistes who are ready to progress to stadiums or for touring outdoors. Even western rock and pop stars ▶"



Alexander 'Yuri' Strizhak

in Sade for two nights in Crocus City Hall [cap 6,100] and we're looking forward to the 30,000-capacity Maxidrom Festival on 11 June, headlined by The Cure."

Russia's other major centre of live music activity is St. Petersburg from where Michael Shurygin, owner and MD of Nord Concerts Alliance, can look back over recent highlights such as Muse in St. Petersburg and Moscow, Linkin Park at Vasilyevsky Spusk, just off Moscow's Red Square, and that record-breaking attendance of 250,000 fans at the Rock On The Volga festival in Samara, headlined by Finnish rock vocalist Tarja Turunen.

"The live market is definitely growing," reckons Shurygin, "and there are places in the more



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Palace of Sports Olimpiyskiy



Svetlana Voronova

have done their shows indoors recently.

"The only significant outdoor show was Linkin Park in Moscow which was tied to the worldwide launch of the movie Transformers 3. Because of this, the staging industry cannot move on to the next step."

There's little doubt that major international acts are keen to visit Russia, but are they really

exploring the full potential of the territory?

The Olimpiyskiy sports complex in Moscow has had about 32 concerts in the past year, including Muse, Shakira, Slipknot, Roger Waters, Paul McCartney and Britney Spears.

Looking ahead, they will soon have Sting, Madonna and Deep Purple, but barely any acts explore beyond the bounds of Moscow and St. Petersburg.

"Most of the popular artistes, the ones with a big show, travel only to Moscow,"

concedes Olimpiyskiy's director of production projects Svetlana Voronova. "Sometimes they combine this with one show at St Petersburg, but only a few artistes – The Scorpions is one example - have ever been able to make a tour within Russia."

Acknowledged as probably the best large venue in Russia, the Olimpiyskiy has just introduced changes which will also enable it to stage smaller scale events.

"We used to be positioned for events with

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capacities from 7,000 up to 35,000," says Voronova. "But starting this year, we are able to create new configurations which will allow a minimum capacity of 3,500, but then also 5,000 and 6,000, as well as the previous options. Even though we have a 24-metre-high ceiling, we still offer a great sound and, of course, plenty of space for rigging."

Voronova explains that all this can be achieved because the venue has a unique acoustic partition which divides it into two equal parts. "Then if we have a small event, like perhaps a chamber concert, we can adapt a quarter of the arena by surrounding it with soft partitions to create a small and cozy hall."

### Broader horizons

The question remains, however, what about Russia beyond the boundaries of the two major urban conurbations?

"Within Russia there are about 10-15 cities where foreign artistes perform," reckons Vera Borina. "The rest of our cities are too small for this, but club events and DJ performances are growing quickly across the whole country."

One man who has never been prepared to accept the duopoly of Moscow and St. Petersburg is Ed Ratnikov.

"When I founded TCI in 1995, SAV was the only significant promotions company in Russia," he recalls. "The others all came and went. I founded TCI to be a nationwide promoter, to develop and merge the entire market, not just Moscow and St Petersburg. ▶

## Size matters

"We have an ancient proverb which says, 'Russia has two troubles - roads and fools,'" relates Andrei Nedvetsky of Showtime Event Logistics. "Unfortunately, centuries later, very little has changed."

To take just one example, although classed as a Federal Highway, the Lena Highway which runs 1,235 km (767 miles) from Moscow to Yakutsk, is a dirt track, frozen in winter and frequently a mud-trap in summer.

"Because of the huge distances, bad roads and logistic infrastructure, we can't handle tours," says Dalskaya Agency's Tatiana Dalskaya.

Russia is the world's largest country, so its 933,000 km (583,000 miles) road network has to cover a country that is almost 6,000 miles from East to West and incorporates nine time zones and, from north to south, its 2,500 miles includes the frozen wastes of Siberia and the arid semi-desert around the Caspian Sea.

Fortunately, daunting though the prospects are, there are always people who like that extra challenge.

"In recent years we have assisted a lot of tours coming into Russia," asserts Nedvetsky, whose company delivers logistic solutions from two main bases, one in Moscow and one in Ukraine.

"The biggest was U2 in 2010, for which we customs cleared and escorted 116 trucks in total, but in 2004 I accompanied Deep Purple on a 24-day tour, supervising loading of trucks and cargo planes in 17 Russian and Ukrainian cities."

For those who consider the roads too hazardous, TCI's Ed Ratnikov points out that, on the touring circuit he has carved out over the years, "The market mostly lies along the route of the Trans-Siberian railway which has been a vital link across the country for over 100 years."

Like anyone planning an assault on the Russian hinterland, Ratnikov also makes judicious use of planes wherever practicable and Dmitry Zaretsky of SAV confirms that, "because of the distances involved, to play more than three to four shows, you need to charter a plane for the production."

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"Those two big, wealthy cities, could always afford expensive acts, but nowadays there is an ever-increasing number of other cities with football and ice hockey arenas."

Ratnikov established his niche by bringing in acts which, he admits, "in the West might have been considered dinosaurs, but Nazareth and Uriah Heep were regarded as on a par with Deep Purple, or even Led Zeppelin in Russia. Elsewhere they would play 1,000 capacity theatres, but in Russia they could sell out 5,000 or more capacity places."

His dream was to deliver touring shows with high production values in locations where Western rock had never previously been seen, and he had a strategy which he felt might make it possible.

"We have focussed on cities with over one million population, where local people have stable incomes, where there is strong local industry, and which have arenas."

Based on sales through Kassy, the ticketing arm of Attack Concerts, the major Russian cities for live music, excluding Moscow or St Petersburg, are now Yekaterinburg (pop 1.3m), Chelyabinsk (1.1m), Krasnoyarsk (1m), Perm (1m), Kazan (1.1m) and Ufa (1.1m) – each of which boasts a theatre with at least 1,000 seats and an arena of between 3,000 and 5,000 capacity.

Ratnikov's current flagship band is the Scorpions. "I've promoted them since 2006, touring almost every year, with up to 12 shows per tour. Because of the distances involved, we have to charter planes for the band and crew, cargo planes for backline, plus arrange local PA and lights.

"It can be done, but it takes time to make it a success. We need artistes to be a little more patient with this market, to understand how they can develop here, if they have a reliable promoter. They must not do it piecemeal, using a different promoter for every date."

### Exporting ambition

Dmitry Zaretsky at SAV still sees major drawbacks to attempting widespread touring in Russia.

"The biggest problems are the distances and high logistical costs - visas and customs



Talent Concert International - Scorpions

bills alone for major tours can be close to \$100,000 for one show." He says. "However, there are more cities opening up and some local artistes are filling arenas, which was impossible a few years ago."

Asked to name some of those local acts, Zaretsky says, "The biggest one in rock is Zemfira. She rarely tours, but when she does she can sell out arenas in a matter of hours. When she played in December, she did two shows in the Arena Moscow [4,500] – the first

show sold out in one hour, the second night in 12 minutes."

That Zemfira's appeal can spread outside of Russia is indicated by her imminent tour which will take her to London, Paris and Helsinki.

Zaretsky estimates that there are at least three other Russian artistes who can sell around 20,000 tickets in Moscow, at least once a year, and he is not alone in his conviction that Russia is beginning to develop ►

## Festival Challenge

The general consensus has been that staging festivals in Russia is a risk too far.

Even the usually optimistic Ed Ratnikov of TCI, when he pioneered the end of the Russian Monsters Of Rock festival in the early 1990s, concluded, "It should have been called the Mission Impossible Festival.

"Even though the bands gave us good deals, we needed a squadron of cargo planes, chartered passenger planes, plus local production and facilities. The idea was to make a great show with a cheap ticket price, but in the end it lost money."

Nevertheless, since 1999, there has been an annual open-air domestic-rock festival, Nashestviye, organised by Radio Nashe, at various locations around Moscow. "It is a two-three day ticketed event," says Ratnikov, "with 50,000-100,000 people attending."

The Maxidrom Festival, started in 2000, is another Moscow-based event, which has in

recent years been held at Toshino Airfield and at the Olimpiyskiy Arena, but features international rock acts. The Cure will headline this year for an audience expected to be around 30,000.

However, the real sign of a change in the festival scene has to be the two-year-old Rock On The Volga, promoted by MCA's Michael Shurygin. Despite being located in Samara, almost 700 miles from Moscow, and featuring no significantly international acts, last year's June event reportedly drew somewhere between 200,000 and 250,000 people, depending on whose figures are to be believed.

Among international artistes appearing in 2011 were Skunk Anansie and Tarja Turunen, along with Russian acts Aquarium, Kipelov and Peter Mamonov.

This year's line-up for the one-day event is yet to be announced.

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Showtime Event Logistics - Metallica

home-grown talent capable of working internationally. As well as Zemfira, Michael Shurygin throws in the names of rock band DDT, folk-rock vocalist Elena Vaenga and popular crooner Stas Mikhailov, who Ratnikov confirms as having been, "selling out arenas all across Russia for the past two years."

Many other promoters also name-checked melodic hard rock band Mumiy Troll, who already has established fanbases in Japan, China and parts of Europe.

"Growing is not the right word for the

Russian live music business," declares Andrei Nedvetsky, head of Showtime Event Logistics in Moscow, "It is blasting. It is hard to give precise figures but my feeling is that each year it grows by 15-20 per cent."

Vera Borina agrees, "Yes, our market is still growing, but I think we will need three to five years more, and then we will have the level of Europe."



Andrei Nedvetsky

It would seem that, although beset with problems and challenges, the live music industry in Russia is not only beginning to spread its wings beyond Moscow and St Petersburg, but its home-grown talent is also beginning to make a mark internationally. ■

In last month's Market Focus on Italy, we incorrectly attributed the comments of F & P Group MD Ferdinando Salzano to Vanna Sedda from the promotion office of the company. We apologise for any embarrassment caused.

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