Strategic Analysis of Live Nation Entertainment

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Executive Summary

The following is an in-depth analysis of Live Nation Entertainment's strategy, competitive position and business execution practices based on concepts from the book *Crafting and executing strategy* by Arthur A. Thompson Jr., Dr. A.J. (Lonnie) Strickland, John E. Gamble and Margaret A. Peteraf. Data for this study were gathered from the organization's internal documents including Live Nation's 2013 Annual Report and the Investor Relations section of their website as well as third-party research, news clippings and industry analysis. The report also calls upon the author's experience in the music promotion market as a booking agent and marketing specialist.

The research revealed an organization executing a well-crafted strategy to vertically integrate the unique value chain elements of their main concert business. As a result, Live Nation has catapulted past their competition in the U.S. concert and event promotion market as well as the global online ticketing industry where they hold commanding market shares in each. Despite this success, there is still opportunity for the publically traded company to grow and improve. For example, management has stated that they will continue to expand globally and advance their mobile ticketing platform. In addition, the author offers recommendations in a number of key areas to help propel the business even further. These are found at the end of each section along with a full recommendation to conclude the paper.

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About Live Nation Entertainment

Live Nation Entertainment, Inc. is a publically traded company that operates under the ticker symbol LYV. The business was incorporated in 2005 to take over the assets and liabilities of Clear Channel Communication's live entertainment business unit that was being spun off in a three-part split of the, now defunct, media conglomerate. From this point forward, Live Nation would remain dedicated to their core value of *maximizing the live concert experience*. This has led to a company comprised of three divisions with individual business strategies that directly align with the corporate vision to continually enhance their core concert/live events business.

Ticketing

In 2010, Live Nation merged with ticketing service giant Ticketmaster giving birth to the largest player in the online ticketing industry. Live Nation currently controls 29.9% of this $3.8 billion market (IBISWorld, 2014). Ticketing is an integral component to the live concert experience as it is the main income driver for nearly all performance venues; is a primary customer touch point; and acts as the record of purchase for both the buyer and seller. Controlling a venue's ticketing system makes it easier for Live Nation to upsell the customer on their core, and much more profitable, concert promotion business.

Artist Management

Live Nation's *Artist Nation* is the planet's leading artist management company with 50 plus managers representing over 200 of the world's biggest entertainers including Jason Aldean, Jay-Z, Maroon 5, P!nk, Bruce Springsteen, Deadmau5 and Beyonce. Owning the management and booking duties of these artists allows Live Nation to strategically craft tours and events to increase overall income profitability. For example, they could ensure that all of the dates in Beyonce's next tour are done at their most profitable venues.

Sponsorship and Advertising

Live Nation's budding sponsorship and advertising segment was responsible for 4.4% of the company's total revenues in 2013. It is both an income source from live concerts and an income driver for the medium (Live Nation Entertainment, Inc., 2013). Tour and venue sponsorships and co-op advertising are just a few of the live entertainment income streams routed from this business division. At the same time, product endorsements and advertisements featuring Live Nation artists can be timed to increase marketing opportunities around a scheduled tour, which boosts both ticket sales and ancillary income such as merchandise, music and fan club sales.

Live Nation's Main Concert Business

All of these divisions have been structured to ultimately feed Live Nation's primary business in the concert and event promotion industry where they are the dominant player. The company boasts 400 million fans across 33 countries where they provide entertainment solutions to more than 240,000 events. This has led to an impressive 16.5% market share of the $24.9 billion U.S. segment. This number becomes more impressive when you add in the fact that AEG, their nearest competitor, controls just 4.8% and the third place contender, The Shubert Organization, commands just 1.3%. The primary reason for Live Nation's success in this industry is their control of the live music segment, which contributes 58.1% of overall market revenues. Live Nation's strong market position will provide favorable income in an industry with an anticipated annual growth rate of 2.9% through 2019 (Edwards, 2014). The organization's strategy and mission statement show a leadership team in command of their destiny.

Strategy and Mission Statement

Stated strategy. Live Nation's strategy is a winner according to Thompson, Strickland, Gamble and Peteraf's (2008) three-part test of fitness, advantage and performance.

> Our strategy is to leverage our leadership position in live entertainment and our relationships with fans, venues, artists and advertisers to sell more tickets and grow our revenue, earnings and cash flow. We pay artists, venues and teams to secure content and tickets; we invest in technology to advance our ticketing, advertising and mobile platforms; and we are paid by sponsors and advertisers that want to connect their brands with our passionate fan base. (Live Nation Entertainment, Inc., 2013, p.10)

The fit test. Live Nation's strategy fits their current situation very well. It is in synch with current market conditions, the organization's business model and their competitive advantage in the live entertainment industry.

The competitive advantage test. Live Nation clearly states they will leverage their leadership position and relationships with fans, venues, artists and advertisers to achieve their objectives. Their commanding global market share and vast fan base indicate they possess the resources to enact this competitive advantage thus constituting a good fit.

The performance test. Live Nation's commanding U.S. concert and event promotion industry share, their control of the global online ticketing industry, vast network of venues and fans and a growing roster of mega-status talent indicate that the organization's mission, values and business strategy are singing in harmony.

Mission statement. Live Nation's mission is "To maximize the live concert experience. Our core business is producing, marketing and selling live concerts for artists via our global concert pipe" ("EX-99.1," 2009). This statement is brief compared to that of their largest competitor, Anschutz Entertainment Group (AEG), which reads:

- To successfully create and operate the best live entertainment and live entertainment facilities company in the world.
- To own and/or operate the best world class arenas, stadiums, theatres and clubs in the top markets of the world.
- To create and control the content that drives the economies of our facilities.
- To develop the world's best entertainment districts in and around our facilities and our content in the top entertainment markets in the world.
- To create, control, and maximize any and all revenue streams associated with our facilities, our content and our real estate (*AEG Mission Statement*, n.d.).

This does not mean that Live Nation's statement is inferior to AEG's. In fact, it is better. For one, it clearly defines the company's primary product, which is its live concert segment. Second, it aligns with the organization's strategic objectives to continually build this segment in the global marketplace. Finally, its short length creates a focused mantra that is more easily conveyed to all employees throughout the brand.

Conclusion

Live Nation stated that they believed the best way to maximize shareholder value would be by propping up their live event business segment through the advancement of their ticketing, sponsorship and advertising, and artist management divisions in their 2013 Annual Report. Leadership went on to outline six strategies designed to achieve this task. They were (1) Expand the Concert Platform; (2) Drive Conversion of Ticket Sales through Social and Mobile Channels; (3) Grow Sponsorship and Advertising; (4) Sell more Tickets and Drive Reductions in the Cost to Sell a ticket; (5) Build Secondary Ticket Volume; and (6) Align Artist Management with Other Core Businesses. All of these strategies align with the organization's values rooted in live entertainment; their mission statement aimed to maximize the concert experience; and the strategy they have put in place to achieve maximum profitability. This finely tuned plan suggests that Live Nation's leadership thoroughly understands all of the markets in which their firm operates and knows which ones show the most promise and potential for profit and how to get it.

External Environment and Competitive Position

According to Thompson, Strickland, Gamble and Peteraf (2008), competitive pressures on companies come from five sources. They are (1) competition from rival sellers; (2) competition from potential new entrants to the industry; (3) competition from producers of substitute products; (4) supplier bargaining power; and (5) customer bargaining power. All of these forces influence players in the concert and event promotion industry.

Competition from Rival Sellers

There are nearly 50,000 event promoters throughout the United States alone. This fragmented market is made up of very small organizations, many of which without employees, operating in select geographic areas throughout the country. These organizations prosper, because the promoter business model can be accomplished with little capital investment. For one, many of these smaller companies do not own the venues they book. They simply rent the hall and hedge the risk associated with buying and advertising the talent in hopes that the show will sell out thus maximizing their profits. The proliferation of the Internet and social media as a main marketing medium in the trade has made it easier for these companies to promote their events, which has led to an increase in non-asset holding agencies (Edwards, 2014).

Competition from Potential New Entrants

Barriers to entry in the concert and event promotion industry differ depending on the business model of a potential new agency. Non-asset holding promoters require little financial capital to launch their brand. In the past, these entities faced difficulties promoting their events through costly advertising channels such as print, radio and television. This reduced the potential for new applicants in the market. However, the rise of the Internet and social media as a main marketing medium has acted as a change agent in the way events are marketed, which has reduced barriers to entry for new agencies. On the other side of the coin, asset-holding companies such as Live Nation and Anschutz Entertainment Group (AEG) face much higher barriers of entry. A new venue can cost upwards of $250 million to develop and there has been increasing demand for more expensive, premium facilities, which raises the buy-in costs. On top of that, technology expenses such as sound and lights, staffing, taxes and insurance further increase the cost to own or manage a venue (Edwards, 2014).

Competition from Producers of Substitute Products

The live events industry thrived between the early 60's and mid-90's primarily due to the lack of substitute entertainment offerings. Today, music consumers face fierce competition for their entertainment dollars in the way of professional sporting events, television, video games, theme parks and the Internet among others (Edwards, 2014). Many of these alternative offerings win the consumer-wallet battle when the ticket prices of live events rise due to escalating artist and venue costs.

Supplier Bargaining Power

There are three basic supplier groups in the concert and event promotion industry: (1) musicians and entertainers; (2) venues; (3) artist and venue support such as sound and light technicians, riggers, roadies, seat ushers, security personnel, concession employees, managers, booking agents, marketing and promotion teams. Of the three, entertainers and venues hold the greatest bargaining power because they are scarce resources with few substitutes.

Musicians and entertainers. The cost to secure an artist for an event is directly related to their star status. Relatively unknown artists such as Nelly's Echo and Anna Lunoe can be secured for around $1,000 plus their rider requirements. However, according to Pollstar, it is unlikely that these acts will sell more than 600 tickets. On the other side of the spectrum, iconic artists such as Taylor Swift, Bruce Springsteen and Madonna will cost the promoter over $1 million for a single 45-60 minute performance. Some of these acts also require the agency to secure multiple nights or meet unique deal points as well (Stern, 2013). In addition, they require more expensive staging, sound, lights and rider requirements, which can add thousands of dollars to the cost. However, the return for these artists is far superior. According to Pollstar, Taylor Swift sells an average of 27,502 tickets and grosses over $2.5 million per show. Bruce Springsteen brings in over 33,000 fans and grosses over $3.3 million while Madonna earns her promoters nearly $4.6 million on the same attendance ("PollstarPro," 2014).

Venues. If the promoter does not own the venue, they must negotiate a rental deal with its controlling parties. These agreements vary considerably across the board and can include long-term contracts, such as Live Nation's 31-year lease that expires in 2025 on Susquehanna Bank Center in Philadelphia to short one-offs where the promoter rents the space per event (Live Nation Entertainment, Inc., 2013). In addition to rental fees, the venue may demand that the promoter supply support personnel such as security, parking and concession attendants. It is not uncommon for them to negotiate a split of the touring artists' merchandise sales as well. This places a huge amount of bargaining power in the hands of venue ownership that is only mitigated as the artist's star status and ability to draw increases.

Customer Bargaining Power

Customers have little bargaining power in the concert and event promotion industries. Ticket prices follow a top-down approach, where artist management agrees to specific scaling requirements. This dictates how many tickets will be sold in various price categories. Scaling can vary considerably from special fan club seating packages to all tickets having to impose a $1 fee for a charity of the artist's choice. Price points relative to the view of the stage subdivide general admission seating with closer tickets costing much more. Deals become more complex as the popularity of the artist increases, but all ticket pricing is approved by either the artist's management, record company or booking agent. Normally, this includes the venue's additional fees. This leaves demand pricing in the hands of the artists and their representation and why superstar acts can fetch higher amounts.

Standing of Live Nation Versus AEG

The fragmented nature of the concert and events industry leaves four companies controlling 23.1% of the market. Live Nation accounts for 16.2% while AEG holds just 4.8% and the remaining two promoters split the difference. Both Live Nation and AEG's success can be found in their focus on live concerts, which is the major segment of the industry at 58.1% (Edwards, 2014). Both companies have also enacted strategies specifically designed to address areas that influence the five forces. For example, each has adopted a new management style called the 360 record deal. This agency/artist contract gives the managing party control and a percentage of all of the artist's revenue streams including record sales, touring, merchandising, film, television and product endorsement deals. In return, the agency provides the artist with the financial resources and industry connections to help skyrocket his or her career. This style of deal was adopted due to the downward spiral of record companies largest profit driver, physical music sales, and can only be facilitated by organizations with strong financial standing and deep industry connections. Both of which, AEG and Live Nation possess.

Having the ability to manage a superstar's career allows Live Nation to mitigate the impact of their largest five forces influencer, the supplier bargaining power of the artist. It also prevents competing firms from controlling that entertainer and thus reduces opposition from rivals and new entrants. Finally, it gives them increased bargaining power with venues, which lessens an additional supplier force. This is why there is fierce competition for the management of top grossing acts with their main competitor. AEG controls Taylor Swift's concert routing while Live Nation drives Jason Aldean's bus. AEG manages Kanye while Live Nation puts on all Jay-Z shows ("PollstarPro," 2014). Since the market has shifted from album-orientated artists to single superstars, it becomes increasingly important that Live Nation aggressively seek out and secure top grossing icons from the 60's through the 90's. The second focus for Live Nation should be the continued prospecting of profitable venues. Just like artist securement, this diminishes the risk from external forces such as competitors and new entrants. It also offers cyclical benefits by bettering Live Nation's pitch for top talent.

Internal Environment and Competitive Position

In the concert and event promotion industry, the artists and acts are the raw materials. The performances are the operations and the distribution network of lounges, theaters, casinos, halls, amphitheaters, stadiums, festivals, bowls, parks and arenas are where they take place. Live Nation has done an exceptional job at finding ways to control these aspects of their value chain and in doing so have addressed many of the threats and weaknesses they face. Below are some of the key areas of interest uncovered from a SWOT analysis of the organization.

SWOT Analysis of Live Nation Entertainment

Strengths. Live Nation's primary strength can be found in their continued long-term strategy to control key aspects of their value chain such as their talent (supply) and venues (distribution). In addition, the organization's ownership of the Ticketmaster platform places them in control of an integral marketing component that is a brand parity element for the entire concert and event promotion industry.

Top talent acquisition. The continued procurement of top talent for the Artist Nation management business unit provides Live Nation with a variety of benefits. For one, it gives the organization control of a contracted artist's tour schedule and venue selection. This allows the company to route that artist through locations and stages that equate to the greatest overall profitability for the firm. Second, because product substitution is nearly impossible in the high-end live concert industry (there can only be one Jay Z) controlling an Artist has the added benefit of reducing the already limited pool of top-grossing talent. This greatly affects a competitor's long-term profitability as it makes it more difficult for them to establish the financial resources needed to obtain more venues, artists and top talent to advance their business objectives. This strategy is becoming more imperative for Live Nation as the value of their top competitor, the privately controlled AEG, has escalated to between $9 and $11 billion compared to the LYV market cap of just over $5.1 billion (Ozanian, 2014; "Live Nation Entertainment Market Cap:," n.d.). It is apparent that Live Nation understands the importance of this strategy. In their 2013 Annual Report, they stated they had boosted their in-house artist shows by more than 50%, delivering an increased value of approximately $20 million to their concert and ticketing business. They have also stepped up efforts to both secure and promote this top talent. For example, in 2013, Nation was the lead or exclusive promoter on 21 of the 25 top grossing tours in North America (Live Nation Entertainment, Inc., 2013).

Venue procurement. Just like artist acquisition, venue procurement allows Live Nation to squeeze the most profitability out of their operations by routing top grossing acts to the sweet spots in their collection of performance spaces. As of 2013, the company owned, operated, had exclusive booking rights or equity interest in 148 venues, including the House of Blues® music venues and prestigious locations such as The Fillmore in San Francisco, the Hollywood

Palladium and the Ziggo Dome in Amsterdam. When combined with their vast promotion network of venue connections, these distribution assets become a collection of resources that craft a huge competitive advantage for the company (Live Nation Entertainment, Inc., 2013).

Both Live Nation's talent and venue assets meet the VRIN test for a sustainable competitive advantage. Both are directly relevant to the organization's core strategy and are therefore valuable. Once a long-term artist deal or venue lease is signed they become rare. Both iconic artists such as Jimmy Buffett and venues such as The Fillmore are inimitable. Finally, though there are substitutes, many will argue that there is only one Justin Timberlake and one Paramount Theater in New York thus pushing certain assets into the non-substitutable category.

Ticketmaster system. Live Nation's purchase of Ticketmaster in 2010 positioned them to become the dominant player in the online event ticketing industry where their 29.9% share controls the $3.8 billion market (IBISWorld, 2014). The acquisition also brought in-house a key marketing component of their value chain, which greatly impacts their main concert and event promotion business. The service provides Live Nation with a key customer-touch point and an online ecommerce platform that is arguably the largest in the world with nearly 400 million tickets issued and managed in 2013 generating over $17 billion in gross transaction value (Live Nation Entertainment, Inc., 2013). The marketing muscle of Ticketmaster forces many outside venues and promoters to utilize the service or face their promotions being buried in the brand's huge online presence. This leaves Live Nation controlling both the market and a key component of their opponents' value chains.

Weaknesses.

Obsolete Ticketmaster system. Live Nation's 2013 Annual Report boasts that 500 engineers are working behind the scenes to update and maintain the Ticketmaster interface.

However, many box-office managers are still stuck working in an antiquated system that resembles an early 1990's DOS program. It requires a very specialized knowledge of the software, a skill that cannot be gained quickly. There are much better options in the marketplace. Newer, sleeker models such as TicketFly, TicketForce and Flavorus that run on a cloud architecture that is as easy to navigate as a webpage and requires very few skills above those needed for typical browsing. This weakness is feeding threats by AEG to establish their own program as well as those from newcomers with lower barriers to entry.

Negative connotations of the brand. In June of 2013, Ticketmaster agreed to a $400 million suit that would credit ticket buyers who were charged order-processing fees that were nothing more than hidden profit centers for the company (Trakin, 2014). The trial lasted over a decade and was preceded by the widely publicized 1994 antitrust battle that placed the company up against grunge rockers Pearl Jam and the youth movement. This has created a negative association with the Ticketmaster brand that has been mitigated by the organization's advertising muscle and market dominance. Technology advancements and shifts in marketing channel behavior have eroded that mask, which ups the importance of maintaining positive brand associations for the company.

Declining financial position. Various red flags pop-up when analyzing Live Nation's income statements and balance sheets through Yahoo finance. The organization's gross profit margin has slipped from 29% in 2011 to 28% in 2013. Even more troubling signs appear in regards to the firm's use of debt. Their current ratio, which should be higher than one and ideally above two, has sunk from just 1.06 in 2011 to .96 in 2013. The scariest sign is found in Live Nation's debt-to-equity ratio, which has risen from an already high 2.5 in 2011 to 2.98 in 2013. According to Thompson, Strickland, Gamble and Peteraf (2008), a debt-to-equity ratio above two indicates a weak balance sheet, puts creditors at greater risk and will often result in lower credit ratings, higher interest rates and poorer return for new stockholders. These paltry numbers will ward off would-be investors and suggest the company is already struggling financially. This is a huge problem for Live Nation, because their long-term strategy requires large amounts of capital to secure extensive artist deals and venue leases. The organization must address this financial burden immediately or face negative long-term repercussions.

Opportunities.

Customer base. Over 900 million consumers have visited the Ticketmaster portal, which has enabled the company to establish a user data on over 250 million event goers. Live Nation continued to build on this valuable asset in 2013 by adding a million more fans through their budding festival portfolio and another million through concerts in emerging markets. To date, Live Nation reaches event goers in 33 countries and boasts a 106% net renew rate, which indicates these fans are sticking with the brand (Live Nation Entertainment, Inc., 2013). This vast fan pool of dedicated users is an enormous asset for Live Nation as it provides a solid foundation for long-term sustainability and wards off threats from new entrants into the marketplace.

Expanding global footprint. Live Nation has a growing global network that has not reached its fullest potential. To date, they have offices in 65 cities in North America and 26 countries worldwide. In addition, they own, operate, have exclusive booking rights or have an equity interest in 148 venues across six countries. They also run one of the largest networks of music festivals on the planet with more than 60 events globally. Finally, their ticketing distribution network is one of the largest in the world with the top ecommerce site, 6,800 sales outlets and 15 call centers serving more than 12,500 clients (Live Nation Entertainment, Inc., 2013).

Threats.

Emerging competition. In most industries, there will always be challengers to a company's market share. However, for Ticketmaster there have been relatively few. For one, pre-social marketing was costly, which was a benefit to the publicly traded Live Nation. Second, Ticketmaster controls most of the box offices in the United States thanks to their pre-Internet dominant share of the market. Finally, the Ticketmaster brand has established a distinctive competence in event ticketing and promotion through a resource bundle that includes their marketing muscle, ticketing R&D, brand name and financial strength. Founded in 1976, the company has been at the forefront of every new technology including the development of barcoded tickets in 1991 and online mass ticket sales in 1995 ("Ticketmaster Company History," n.d.). However, the organization has rested on its laurels and since let the program fall behind changing user demands. Smaller services such as TicketFly, TicketForce and Flavorus offer a much sleeker and easier to manage back-end system than Ticketmaster's antiquated design. This ease-of-use is a huge competitive advantage for these new entrants, but it has been mitigated by Ticketmaster's control of the majority of box offices, their strong brand name and established user base. This resource bundle is now being challenged by looming disruptive technology thanks to the predominance of social media and the Internet as a primary form of marketing to concert fans, which is better exploited through these forward-thinking newbies. Since Live Nation's entire value chain is designed to feed their key concert promotion business, disruption in this vital marketing segment could have a negative rippling effect throughout the company.

Aging entertainers. The live concert industry makes up the bulk of Live Nation's income. Unfortunately, the top grossing acts in this area are aging and not being replaced by equivalent substitutes. This is because evolving consumer preferences and technology disruptions have caused change in the type of acts being developed. In the mid 60’s through mid 80’s the market was made up of Album Orientated Artists (AOR) who offered a collection of up to sixteen tunes in one release, of which, the “A” (hit) side equated to roughly half. This generated a strong collection of multiple hit artists such as The Rolling Stones, Aerosmith, Elvis Costello, Lionel Richie, Fleetwood Mac and the Eagles. Technology disruptions have changed the way customers consume music. They have shifted from buying full albums to single tracks, which has forced the recording industry to readjust their business model towards the aptly named one hit wonders. This creates a negative consequence in live entertainment because many newer artists lack the material, skills and exposure to handle the demands of a live show, which reduces the potential for long tours and maximum profitability for organizations such as Live Nation. Evidence of this phenomenon can be found in the rising average age of the top touring acts, which were approaching 60 in 2013 (Lindvall, 2013).

Competitive Strategy

A differentiation strategy calls for a customer proposition that is unique, which plays nicely into Live Nation’s focused segment of the concert and events promotion industry (Thompson, Strickland, Gamble, & Peteraf, 2008). Everything about this market relies on a proposition of uniqueness. Artists that break through and become superstars, or better yet cultural icons, all possess a uniqueness in their sound, persona and/or style that separates them from the noise. The more successful venues find uniqueness through multiple ways. They can be cultural icons themselves such as the Greek Theater in L.A.; leverage their size like the O2 Arena in London at 20,000 plus seats; or associate themselves with a strong brand such as the House of Blues ("Billboard Touring Awards Finalists Announced," 2014). It is only fitting that Live Nation has found success in this market by following a focused differentiation strategy.

Live Nation appears to be focused on utilizing their financial leverage, assets and intellectual capital on developing the concert and event promotion segment of their business. In their words, “Our core businesses surrounding the promotion of live events include ticketing, sponsorship and advertising, and artist management. We believe our focus on growing these businesses will increase shareholder value as we continue to build all our revenue streams and achieve economies of scale with our global platforms” (Live Nation Entertainment, Inc., 2013, p.11). This statement is backed-up by the organization’s history of finding ways to vertically integrate key components of their value chain. In 2010, they purchased Ticketmaster, which placed them in control of a key marketing component of the concert and event promotion industry. The move also opened up opportunities for the company to expand their venue footprint through Ticketmaster’s involvement in a vast collection of performance spaces. Tracing backwards, in 2008, the organization launched their own artist management program called Artist Nation, which sought to place them in control of the supply side of their business model, touring superstar and iconic artists such as Madonna, Jason Aldean and Jay-Z. And in 2006, Live Nation acquired The House of Blues Brand in the first official move indicative of their focused long-term strategy (Live Nation Entertainment, Inc., 2013).

This is an excellent plan to follow in this particular environment because it is an exceptional way to craft a sustainable competitive advantage. As outlined in the Five Forces Model and SWOT analysis of the company and its operating environment, both supply and distribution are scarce. There are only a limited number of entertainers at a maximum profitability level and only a narrow list of venues that can support those acts. Both Live Nation and AEG have done an excellent job at securing these key uniqueness drivers and value chain components through long-term deals and leases. This has the added benefit of removing those opportunities from their competitors for years on end, which can turn a normal asset into a much more scarce and sustainable competitive advantage.

Live Nation should continue to follow this differentiation strategy because the buyers' demands in this market are diverse. The concert and event promotion industry encompasses every live entertainment offering from sporting events to rock concerts, theatrical performances, festivals, comedy shows and specialty events. This leaves a fragmented group of vendors seeking out various niches and few other firms following the same approach. Nation's nearest competitor, AEG, controls just 4.8% of the concert and event promotion market. Analysis of the competitor reveals a company focused on the sporting events area of the overall market and possibly chasing their own differentiation strategy. Last year AEG landed a $250 million broadcast deal with Fox after their Los Angeles Kings took home a second Stanley Cup in three years. They also own stakes in the hugely popular Los Angeles Lakers, Los Angeles Galaxy and Houston Dynamo's (Ozanian, 2014).

As their nearest rival moves more and more into major league sporting events, Live Nation will find increased success through continued differentiation into the concert and event promotion industry. They should continue to leverage each successful component of their value chain to prop-up other areas. For example, they can utilize their control of the industry's primary marketing tool and point of sale interface, Ticketmaster, to assist in the procurement of more venue spaces that meet their needs. They can then use this compounded leverage to negotiate better long-term deals with iconic artists thus hedging external forces risk and threats while developing their own continued long-term competitive advantage. Ultimately this will allow them to reduce costs while charging a premium for tickets. Resulting in a windfall of profitability.

Strengthening Competitive Position

Live Nation follows a broad differentiation strategy because it aligns perfectly with their business environment and model. As Thompson, Strickland, Gamble and Peteraf (2008) point out, “this tactic achieves its aim when an attractively large number of buyers find the customer value proposition appealing and become strongly attached to the company’s differentiated attributes” (p.129). This plays well into the promoter business model where the primary goal is to sell a variety of artists to large collections of fans in a live setting. Live Nation has expounded on this prototype by taking control of key components of their value chain through repeated vertical integration strategies that rely heavily on mergers and acquisitions.

Live Nation Vertical Integration Strategies

Thompson, Strickland, Gamble and Peteraf (2008) remind us “a vertically integrated firm is one that participates in multiple segments or stages of an industry’s value chain system” (p.162). In the concert and events promotion industry, the value chain boils down to three primary categories: (1) supply/entertainers; (2) distribution/venues; and (3) marketing. Live Nation’s history reveals a company positioning itself in each of these value chain segments, which is strengthening the firm’s offensive position and defensive stance at the same time.

Supply. In 2008, Live Nation launched their own artist management business unit called Artist Nation, which sought to place them in control of the supply side of their business model, touring superstar and iconic artists such as Madonna, Jason Aldean and Jay-Z (Live Nation Entertainment, Inc., 2013). These resources are already scarce in the live event and concert industry. By signing them to long-term management agreements, Live Nation is able to take control of their concert and touring schedules. This plays directly into a differentiation strategy that seeks to align large numbers of buyers around highly valued products, which ultimately results in premium prices and a dedicated following willing to pay those fees.

Supply integration defensive strategy. A secondary benefit to this backward integration of Live Nation's supply chain is the defensive strategy it provides for the company. Since iconic artists such as Adam Levine are a very scarce resource, when the company signs a superstar to their roster they are given a variety of defensive tools to use. For example, they can prevent an act from gracing a competitor's stage. This can have devastating consequences to larger venue holders, such as their main competitor AEG, who needs the draw of, already scarce, superstars to survive. This competitive advantage is compounded with each artist signed to the Artist Nation roster. The firm is already dominating the North American market where they were responsible for 21 of the 25 top grossing tours in the region. This is a business model that Live Nation needs to replicate globally. They already manage 200 of the top artists in the world and should pair that advantage with their financial resources, intellectual capital and marketing muscle to claim a larger piece of the global market (Live Nation Entertainment, Inc., 2013).

Distribution. Complementing Live Nation's control of the supply side is a similar strategy regarding the distribution of their product through various performance spaces. Appendix A is a list of the numerous venues in which Live Nation has a controlling stake along with the length of that interest. The agreements vary from booking arrangements where the firm acts as a third-party promoter to multiple-year leases and outright ownership. Analysis of the list reveals a strategy at play by the company to control the primary distribution channels that compliment their blossoming management roster of iconic stars with a large draw. Live Nation has entered into lengthy leases with all of the larger capacity venues in their portfolio including a 25 year lease of the 65,000 seat San Manuel Amphitheater in LA, ownership of the 24,400

Klipsch Music Center in Indianapolis and a relatively new 10 year operating agreement at the 29,700 capacity First Merit Bank Pavilion in Chicago among others (Live Nation Entertainment, Inc., 2013). These long-term controlling interests mitigate the impact of supplier bargaining power placed in the hands of third-party venue owners. This reduces overall costs considerably, which compounds the return on already premium priced Live Nation managed artists.

Distribution integration defensive strategy. Much like the control of their supply side in iconic artists, this strategy offers a defensive position for Live Nation as well. Since venues themselves are unique in their own regards relative to size, brand association and legacy they too are scarce. By entering into long-term agreements with these performance spaces, Live Nation is able to prevent their competitors from controlling both key performance venues and entire markets such as L.A., Atlanta and Las Vegas. Taken together with their long-term artist deals this creates a VRIN approved sustainable competitive advantage for the company.

Marketing. Live Nation holds both a huge revenue driver for the company in Ticketmaster with its own defensive powers and an underachiever in their sponsorship and advertising business.

Ticketmaster. A parity among brands in the concert and events promotion industry has been the use of Ticketmaster as a primary sales channel. Live Nation's purchase of the ticketing company in 2010 placed them in control of what would become a $3.8 billion market by 2014 (IBISWorld, 2014). From an internal perspective, the purchase expanded Live Nation's vertical scope, affording them the opportunity to control every major value chain activity relative to their business model and differentiation strategy. Much like their artist and venue procurement practices, this move helps them lower costs and increase profits on their tightly controlled offerings. In addition, the acquisition helped erect an additional defensive strategy for the brand.

Ticketmaster Defensive Strategy. Ticketmaster is arguably the largest ticketing agency in the world with nearly 400 million tickets issued and managed in 2013, generating over $17 billion in gross transaction value. In addition, it is one of the largest ecommerce sites on the World-Wide-Web with an astonishing net user return rate of 106% (Live Nation Entertainment, Inc., 2013). This market penetration, industry cornerstone status, and powerful brand name creates huge noise, especially in the online market, which forces many outside venues and promoters to utilize the service directly or as a reseller or face being buried in its advertising and keyword wake. This is a unique defensive strategy, because it forces competitors to join the brand, which results in increased profits for Live Nation as well.

Sponsorship and advertising. Live Nation witnessed great returns in their sponsorship and advertising business unit with ad sales jumping 26% and festival sponsorships up 29% in 2013. The results were so good that management declared they had finally reached the scale needed at $300 million to attract a broad advertising base (Live Nation Entertainment, Inc., 2013). They went on to point out their intentions to combine this business segment with their powerful Ticketmaster assets. “We have established one of the few ecommerce sites that has a substantial and growing online advertising platform. We will continue to look for new innovative products and offerings that give our sponsors and advertisers a unique ability to reach consumers through the power of live music” (Live Nation Entertainment, Inc., 2013, p.11). The organization should actively seek out ways like this to further integrate this business unit into their full value chain. Sponsorship and advertising is a revenue driver for their artists, tours and venues. It is also a marketing tool that helps increase demand for those events. Finally, it is a powerful signal of Live Nation’s strength to would-be competitors, which can raise barriers to entry. This can be a vital key that ties the entire value chain together and thus skyrockets overall profitability for the brand.

The Global Marketplace

According to their 2013 Annual Report, Live Nation believes they are one of the largest global networks of live entertainment businesses in the world, the second largest operator of music venues across the globe and one of the largest networks of music festivals on the planet. However, there is much more opportunity in the global marketplace for the company considering that they currently have offices in 65 cities in North America and only an additional 26 supporting the rest of the planet (Live Nation Entertainment, Inc., 2013).

One of the reasons Live Nation can boast such global success is due to the fragmented nature of the industry. There are reports that over 50,000 promoters exist in the United States (Edwards, 2014). However, no quantifiable data exists on the amount of promoters around the world, which suggests the global market is made up of a variety of smaller independent entities that operate in very small service areas. This makes sense considering that music tastes are a shared cultural trait that can be region-specific and best served by promoters who understand those markets. For this reason, Live Nation should follow a multidomestic strategy. This global plan aims to adjust product offerings and the competitive approach from country to country in an effort to be responsive to differing buyer preferences and market conditions (Thompson, Strickland, Gamble, & Peteraf, 2008, p.193). This is a perfect tactic that compliments the regionality of musical tastes.

It appears that Live Nation's management team understands the need for this strategy as well. In their 2013 Annual Report, they made a bold statement of how they would facilitate their business strategies to come. "Our future growth rate depends in part on our selective acquisition of additional businesses" (p.29). They have since, followed suit with this agenda in regards to their global business development. In 2012, they acquired Australian promoter Michael Coppel Presents along with Electronic Dance Music (EDM) promoters Cream and Hard Events. In 2013, they brought on EDM promoter Insomniac Events, launched Live Nation Taiwan and took complete control of Live Nation Japan (Peoples, 2014). Most recently, they acquired a controlling stake in the global festival juggernaut C3 Presents who is the promoter behind major international events such as *Lollapalooza*, *Counterpoint*, *Wanderlust* and the *Big Day Out Tour* (Brandle, 2014).

The fragmented and undeveloped global concert and event market provides Live Nation with a prime opportunity to capture large amounts of market share quickly. The company is one of less than a handful of organizations with the intellectual and financial capital to support a global rollout. In addition, they currently control the $3.8 billion global concert and event online ticketing industry through Ticketmaster (IBISWorld, 2014). This global distribution and marketing network of 6,800 sales outlets and 15 call centers serving 12,500 clients worldwide already places the Live Nation and Ticketmaster brand in key markets around the planet. It has also produced a database of demographic data and buying behaviors of more than 129 million customers worldwide (Live Nation Entertainment, Inc., 2013). Live Nation should use this network as a way to seek out and partner with major promoters in the anticipated high growth, large-scale markets of Canada, China, Russia, Norway and Sweden ("Global Music Market, Segmented by Forecast Rate of Growth and Scale, 2013–2018," n.d.). This will help expand the brand while also opening up additional sales pipelines by providing Live Nation with valuable customer data that can help pinpoint potential opportunities to acquire new venues, contract new artists, seek new licensing deals and sell more concert tickets.

Diversification Strategy

According to Thompson, Strickland, Gamble and Peteraf (2008), "diversification cannot be considered a success unless it results in added long-term economic value for shareholders" (p. 217). Live Nation's acquisition history reveals an organization aimed at accomplishing this goal. In 2006, they embarked on a related diversification strategy aimed at bringing key value chain components under their control. Their main goal is simple: to acquire outside organizations that possess a strategic fit with Live Nation's main concert and event promotion business. To date, they have achieved this task through the purchases of key value chain gears, established brands that expand Live Nation's offerings and talent onboarding, which drives overall costs down while also providing a unique defensive strategy.

Key Value Chain Acquisitions

In 2009, Live Nation announced their plans to purchase Ticketmaster Entertainment Inc. for about $400 million in stock. "The companies called the deal a merger of equals and said it would create a firm with an enterprise value of $2.5 billion including debt" (Adegoke, 2009, p.1). The deal would eventually place Live Nation in control of the $3.8 billion online ticketing industry where they held a 29.9% share in 2014 (IBISWorld, 2014). However, the true success of the venture can be found in its strategic fit with Live Nation's primary concert and event promotion business.

A key component of the promoter value chain model is ticketing. It is a primary marketing tool, a main consumer touch point and the only way a host can keep track of sales. Ticketmaster is arguably the largest and most successful ticketing service on the planet. Since the organization's founding in 1976 they have developed a number of specialized resources and capabilities that enhance these promoter-specific demands. For example, they launched barcoded tickets, which reduced fraud, assisted with direct marketing efforts and provided organizers with more accurate sales data. A year later, they were first movers in the online ticketing industry where they have remained in dominant control since. In 1998, they launched the first mobile ticket scanners, which streamlined the concert experience for thousands of fans and helped venue owners and promoters establish better control of their operations ("Ticketmaster Company History," n.d.). In addition, Ticketmaster has become its own global brand with an established network of 6,800 sales outlets and 15 call centers serving 12,500 clients worldwide (Live Nation Entertainment, Inc., 2013).

The merger with Live Nation provided Ticketmaster with resources to expand their business as well, definite signals of a winning diversification venture. For one, it gave Ticketmaster the capital necessary to enter into new global markets through their own related diversification acquisitions. To date, they have merged with or acquired companies including Latin America's Billettservice, which services Chile, Argentina and Brazil; BILLETnet and their operations in the Netherlands; BiljettDirekt Ticnet AB and Lippupalvelu Oy, in Sweden and Finland; and Emma Entertainment in China ("Ticketmaster Company History," n.d.). From there, the cycle continues. Ticketmaster's success now becomes Live Nation's opportunity for increased long-term profitability.

This global diversification of the Ticketmaster brand is a cost efficient way for Live Nation to enter into new markets. It also provides the company with a database of demographic data and buying behaviors of more than 129 million customers worldwide (Live Nation Entertainment, Inc., 2013). Ultimately, this provides the parent with key data to support future global expansion of their core promoter business model, which is a key component to long-term growth for shareholders. This might be why Live Nation continues to expand upon this acquisition model. Most recently, the company purchased specialty-ticketing service Eventjoy in 2014. During the announcement of the sale, CEO Michael Rapino stated that Live Nation would continue to gobble up these smaller ticketing companies. “There's no AOL-Time Warner deals here. We don't need to do anything outside of our core lane to grow our business” (Bond, 2014).

Acquisitions of Established Brands

The entertainment industry as a whole is a very difficult business climate for any entity. Success or failure is directly related to the organization’s ability to align itself with constantly evolving consumer trends, cultural and regional tastes and the impact of pop culture. In their 2013 Annual Report, Live Nation’s management stated that this is the number one risk for their company.

> Our business is highly sensitive to public tastes and is dependent on our ability to secure popular artists and other live music events, and we and our ticketing clients may be unable to anticipate or respond to changes in consumer preferences, which may result in decreased demand for our services. (Live Nation Entertainment, Inc., 2013, p.29)

Live Nation successfully mitigates this impact through the acquisition of related brands that both expand the scope of their operations and aim to align the company with the most profitable segments, demographics and locations of the global live music market.

They ushered in this strategy in 2006 with their move to acquire the United States’ third largest promoter at the time, HOB Entertainment, the holding company of the House of Blues Clubs for $350 million (Leeds, 2006). The smaller privately-held promoter had just stumbled at their own initial public offering, which opened the door for Live Nation to acquire the brand at a reduced premium and circumvent the costly and time consuming process of trying to enter this segment of the concert market through internal development. Leadership hoped the deal would “broaden its presence in the midsize concert category and fill geographical gaps in its network of large amphitheaters” (Leeds, 2006). The success of the HOB acquisition led Live Nation to follow similar diversification strategies in other live performance segments. They acquired Australian promoter Michael Coppel Presents along with Electronic Dance Music (EDM) promoters Cream and Hard Events in 2012. A year later they acquired EDM promoter Insomniac Events. Most recently, Live Nation obtained a controlling stake in the global festival juggernaut, and mega U.S. promoter, C3 Presents (Brandle, 2014).

Acquisition of Talent

In the concert and events promotion industry only certain artists and entertainers possess the brand recognition and consumer base necessary to fill venues with capacities in excess of 1,000 seats. As the capacity rises, the available pool of talent that can fill that venue diminishes. Ultimately leaving a very limited supply of entertainers that can facilitate seats in excess of the 15,000 mark. Ironically, these larger arenas possess the necessary scale of operations that maximize profitability for the promoter.

Live Nation’s development of their Artist Nation business unit in 2008 provides an opportunity for them to control this key supply element. This business unit creates individual joint ventures with major artists in the concert industry. While this brand is not a cash cow for Live Nation, it was only responsible for 5.4% of their overall revenues in 2013, it does possess a strategic fit that strengthens their much more profitable concert and event industry (Live Nation Entertainment, Inc., 2013, p.14). According to the company’s 2013 Annual Report “We believe that effective artist management provides a supply pipeline into our concert platform, supporting its growth” (p.5). This is certainly true as these joint ventures (360 Record Deals) place Live Nation in control of the artist’s touring schedules, which allow the organization to route these acts through their most profitable venues. In addition, Live Nation has been beefing up their budding sponsorship and endorsement business unit, which further compliments this closed ecosystem by aligning advertising and endorsement deals around key tours to increase demand and thus profitability through Ticketmaster's third-party channels selling tickets at a premium.

Future Proposal for Business Diversification

Live Nation has done an exceptional job thus far at diversifying their business. Their major acquisitions of Ticketmaster and House of Blues passed all three diversification tests. Since the attainments were in relative business opportunities, they easily passed the industry attractiveness test. Ticketmaster's industry dominance, parity among brands in the industry and financial success along with the lower premium price paid for the House of Blues helped both pass the cost of entry test. Finally, both acquisitions create synergy in the business environment, which equates to greater profitability for shareholders.

Live Nation should continue to vertically integrate key marketing channels into their value chain through similar merger and acquisition practices. For example, many in the promotions industry rely on either TourDesign (www.tourdesign.com) or Bill Young Productions (www.byp.com) to provide complete marketing assets for the industry's top acts. When a promoter secures an artist, they are normally directed to one of these two companies to order their marketing assets. These third-party advertising partners use approved boilerplate designs and then add the venue's contact information, branding and personalized message placed on various print, radio, broadcast and web mediums and charge a nominal fee. Acquiring one of these industry staples will increase the vertical scope of the Live Nation brand, further reduce costs to their promoters, strengthen their defensive walls, and increase profitability through a stronger competitive advantage.

It is also time for Live Nation to advance their global acquisition practices. For one, they have nearly saturated the North American market. Second, they possess the financial resources and experience to support such endeavors. Finally, the universal proliferation of the Ticketmaster brand provides the organization with the quantitative data needed to pinpoint global markets with the highest potential for success. Taken together, this equates to a huge competitive advantage that could make Live Nation first mover in the global promotion market, which would speed up their market penetration, expand the brand, entrench the company and increase overall long-term profitability for shareholders.

Ethics, Social Responsibility and Environmental Sustainability

Live Nation faces more ethical scrutiny than other participants in the concert and event promotion industry for three key reasons. For one, they are a publically traded company, which brings with it the responsibility of protecting shareholder value through actions that are both legal and ethical. Second, social responsibility is lax in the overall entertainment industry. Third, the company's history, especially in regards to their merger and acquisitions, has tarnished their social responsibility practices.

Ethical Challenges of a Publically Traded Company

There are multiple laws that govern publically traded companies such as Live Nation. The Securities Act of 1933 "requires that investors receive financial and other significant information concerning securities being offered for public sale; and prohibit deceit, misrepresentations, and other fraud in the sale of securities." The Securities Exchange Act of 1934 established the Securities and Exchange Commission (SEC), giving them broad power over the securities industry including the authority to require companies such as Live Nation to regularly report their business practices and financial results. This power was expanded with the passage of the Sarbanes-Oxley Act of 2002, which "mandated a number of reforms to enhance corporate responsibility, enhance financial disclosures and combat corporate and accounting fraud" ("Federal Securities Laws," n.d.). This makes it imperative that firms such as Live Nation adhere to the most ethically sound business practices.

It is apparent the organization understands the importance of meeting these demands. The following passage has been taken from their *Code of Business Conduct and Ethics*, a document given to all Live Nation employees and available through the company's website.

> Because we are a public company, we are subject to a number of laws concerning the purchase and sale of our stock and other publicly traded securities. Regardless of your position with us, if you are aware of what is known as "material inside information" regarding our company, business, affairs or prospects, you may not disclose that information to anyone outside our company, and you are not allowed to buy or sell our stock or other publicly-traded securities until the material inside information is known not only by other individuals within our company, but also by the general public. The improper use of material inside information is known as insider trading. Insider trading is a criminal offense and is strictly prohibited. ("Code of Business Conduct and Ethics," 2013, p.9)

While it is great that Live Nation has this document in place, it is really just window dressing. There is no dictated company strategy or mission that backs up this file, which leaves the assumption that this is just legality for the firm and nothing more.

Social Responsibility and Environmental Sustainability Practices of Live Nation

Social responsibility. While Live Nation has an extensive written code of business conduct and ethics, the company lacks any type of social responsibility statement, vision or strategy. However, this is quite normal in the entertainment industry. A 2009 report by Claremont McKenna College's Roberts Environmental Center concluded that the entertainment sector lags behind most others in corporate environmental and sustainability reporting. They go on to cite that is somewhat acceptable considering the industry as a whole can better advance social responsibility through other means.

> [Entertainment's] largest potential influence on public and corporate sustainability behavior could be through its commercial products. Addressing issues such as climate change and ecological damage in TV and radio programming, in movies, or in Web sites

> (such as Viacom's MTV Switch) is likely to be far more influential than publicizing anything done in the course of company operations. (Morsella, 2009, p.1)

Live Nation's lack of a dictated strategy does not mean the company neglects their social responsibilities. They make numerous charitable contributions to a number of social organizations including RED, The American Cancer Society and the United Way. Most recently, the firm began to overhaul the food offerings at 38 of their US-based venues, replacing ingredients with more locally farmed produce, meat products that are certified under Humane Society-recognized animal welfare programs and increasing their vegetarian offerings (Cooke, 2013).

Environmental sustainability. Live Nation's business endeavors carry very little environmental impact. Venue deals require promoters to clean up after their mess and the majority of the organization's value chain gears produce a minimal impact on the planet. However, there are still problems that can be addressed. For example, touring requires multiple modes of transportation including busses, planes, cargo trucks, tractor-trailers and vehicles of fans attending events. This increases the amount of carbon dioxide and other gases released into the atmosphere. To help mitigate this impact, Live Nation has entered into a deal with logistics specialist UPS where they purchased C02 offsets from the shipper, "which provides carbon neutral shipping to deliver tickets and merchandise to fans." In addition the two have teamed up to move various concert touring equipment more sustainably as well ("UPS Corporate: Sponsorships," n.d.). While these efforts may seem miniscule, they do signal that Live Nation is more than willing to accept the role as a sustainable corporate citizen.

Tarnished Social Responsibility Brand

Mergers and acquisitions by a business increase its size and with it its stakeholder pool. For this reason, more scrutiny is placed on the organization by certain groups such as government agencies and non-government organizations (NGOs). In the last decade, Live Nation has undergone two huge acquisitions that brought with it these consequences. In 2006, they announced plans to purchase HOB Entertainment, the operator of the House of Blues clubs, and the number three promoter in the U.S. market. The impact of the deal was massive and required regulatory approval as it intended to reduce the number of promoters with a national presence from three to just two. Critics argued the deal would provide the company “excessive power in determining how much performers are paid and where they play” (Leeds, 2006). Despite public opposition, the merger eventually went through and in 2009, Live Nation returned to the public forum to announce their intentions to acquire Ticketmaster.

The Ticketmaster deal brought with it increased scrutiny of the Live Nation brand. The HOB transaction left the public wary of Live Nation’s power. To make matters worse, the general opinion of Ticketmaster was even shoddier thanks to a decade long antitrust battle that pitted the ticketing giant against the artists they represented televised on the floor of Congress. This fueled spirited debate across the nation regarding the merger. Senator Charles Schumer argued “Live Nation has a lock on its side of the market. Think of what this merger would mean if they put both these companies under the same roof. It would combine the largest ticket seller in the world with the largest event producer” ("Knowledge Ecology International," 2009). The deal also forced NGOs to speak up against the merger including Knowledge Ecology International who stated publically. “We believe greater concentration of ownership in the ticketing and promotion area will harm both the public and the performers” ("Knowledge Ecology International," 2009). These hi-profile deals have alienated some important stakeholder groups, which increase the difficulty Live Nation will face in implementing any social responsibility plan in the future. If left unaddressed this negative mark on their history could impact long-term profitability for shareholders.

Future Recommendations

There are a number of reasons that Live Nation should implement a proper Corporate Social Responsibility (CSR) and sustainability plan company wide. For one, their history of high-impact mergers and acquisitions has increased their stakeholder pool, which has opened up more scrutiny and distrust for the brand. A CSR plan will allow the company to properly map these stakeholder demands and hopefully address their needs, which would result in far reaching positive impacts for the entire organization. Community partners may be more welcoming to Live Nation doing business in their borders, consumers and fans would feel more comfortable supporting the corporate brand, and political organizations may reduce barriers to entry. Second, the initiative would signal to shareholders that the company is focused on long-term success, which would positively impact share prices. Finally, the adoption of a proper CSR plan would force the firm to create synergy between their CSR practices and overall business goals and strategies. Currently, Live Nation has some sustainability practices in place, but they are not aligned with their marketing and PR departments to make their stakeholders aware. Spending is done freely and without repercussion and none of the initiatives are aligned in a way to build long-term value for the entire organization. A top-down CSR mandate would increase public awareness, reduce costs and actively contribute to the long-term success of Live Nation.

Strategy Execution: Building the Capability to Execute Strategy

Staffing a Winning Team

At the helm of Live Nation Entertainment is Michael Rapino the company President, Chief Executive Officer and Director. According to Ray Waddell (2013), “Rapino is largely credited with the Live Nation business model" (p.1). His leadership is just as old as the brand, taking command when the organization spun off from its Clear Channel roots. Since then, he has helped the company grow through a bold merger and acquisition strategy aimed to vertically integrate the firm's value chain. However, he cannot receive full credit for the live concert super promoter the company has become.

According to Thompson, Strickland, Gamble and Peteraf (2008), "No company can hope to perform the activities required for successful strategy execution without attracting and retaining talented managers and employees with suitable skills and intellectual capital" (p.292). Analyzing Rapino's core team, how long they have remained with the company and the parity of their unique skillsets with Live Nation's strategies reveals a key component of the brand's success.

Live Nation brought Michael Rowles on board as Executive Vice President and General Counsel the same year they underwent their merger with HOB Entertainment. Before joining the world of rock and roll, Rowles served as a Partner at the law firm of Zevnik Horton Guibord McGovern Palmer & Fognani, L.L.P. where he represented purchasers and sellers in all aspects of asset, stock and merger acquisitions as well as companies in both public and private securities transactions. Just before the momentous Ticketmaster deal, the company appointed John Hopmans as Executive Vice President of Mergers and Acquisitions and Strategic Finance. Hopmans brought to the table 20 years of experience in high-end banking and finance. A skillset that included mergers and acquisitions as well as large and medium sized leveraged buyouts. After the Ticketmaster deal they hired Harvard MBA Graduate, former President of Technicolor Creative Services and McKinsey and Company partner Joe Berchtold to lead the more complex business structure ("Leadership: Live Nation Entertainment," n.d.). In addition, Live Nation's acquisitions have brought key employees into their talent pool. For example, the current President of HOB Entertainment, Ron Bension, came over with Ticketmaster. As did industry legend Irving Azoff, whose leadership was instrumental in the development of the Artist Nation management division.

While Azoff would not stick around, many of Live Nation's top-level and key employees remain loyal to the company. In 2014, the firm re-signed COO Joe Berchtold and CFO Kathy Willard to extended three-year deals. Both received hefty raises and incentives to remain with the firm. Berchtold's pay jumped from a 2011 base salary of $650,000 to $1.1 million along with an additional 750,000 company stock options and 150,000 shares of company restricted stock. Willard jumped to $850,000 per year along with 300,000 company stock options and 25,000 shares of restricted stock (Live Nation Entertainment, Inc., 2013; "Employment Agreement," 2011). These generous incentive packages suggest that Live Nation understands these key executives are vital to the full development of the brand's organizational structure.

Organizational Structure

According to the company's website, Live Nation is "Comprised of four market leading divisions — Ticketmaster, Live Nation Concerts, Live Nation Media & Sponsorship and Artist Nation Management ("Leadership: Live Nation Entertainment," n.d.). This gives the impression that the firm follows a multidivisional structure, a decentralized scheme consisting of a set of operating divisions organized along business, product, consumer group or geographic lines (Thompson, Strickland, Gamble, & Peteraf, 2008, p.305). This assumption does hold some merit. However, wading through the organization's hierarchy uncovers further subdivisions that align with various segmentation and strategy-based criteria for the promoter. For example, there are geographical segmentations such as North American Concerts Regions North, North American

Concerts Regions South, Ticketmaster North America and Ticketmaster International. There is also segmentation according to the company's unique business needs such as International and Emerging Markets along with their Mergers, Acquisitions and Strategic Finance division (Live Nation Entertainment, Inc., 2013). This reveals that Live Nation's design is more of a matrix structure, which combines two or more organizational forms, with multiple reporting and relationships. This is the best fit for the concert promoter because it props up the organization to meet their overall corporate strategy, which is to vertically integrate key business units that possess capabilities that are a strategic fit for Live Nation's core concert promotion business.

The matrix structure best achieves this task, because it allows top-level leadership to divide and sub-divide business units based on their unique needs. For instance, geographic segmentation is a top priority in the live concert industry because music tastes are impacted by local culture and regional norms. On the other end of the spectrum, the company requires segmentation by unique job function to meet the demands of their complex mergers and acquisitions strategies. In addition, a strong team is needed to manage the technology that supports their Ticketmaster cash cow. For Live Nation to achieve their long-term goals, these divisions cannot operate individually. They must be allowed to share information, financial resources and intellectual capital freely, so the company as a whole can respond quicker to the rapid changes brought about by an industry built on fads and trends.

Moving Forward

As Live Nation continues to expand globally, it is extremely likely that the company will attempt to follow the same mergers and acquisitions practices to achieve market share. Luckily, the five entities that make up their executive team have cut their teeth on groundbreaking mergers with HOB Entertainment, Ticketmaster and C3. It is apparent that they understand the macro-level corporate strategy at play and it is imperative that Live Nation retain their services so they may pass this knowledge on to new global partners, managers and downstream employees. In addition, Live Nation should begin to sub-divide and expand both their Media & Sponsorship and Artist Nation management businesses. Both provide positive revenues for the company, but more importantly a strategic vertical integration fit to their main concert and event promotion business. If the firm intends to advance this main segment on a global scale, propping up these divisions will allow it to penetrate markets faster, increase overall profitability quicker and establish that important vertical synergy early on in their new ventures.

Strategy Execution: Managing Internal Operations

Live Nation's strategies create both troubles and opportunities for the brand. For instance, a major challenge brought about by their vertical integration strategy is the disparity it creates between front-line employees and senior executives whose unique skillsets require higher valued compensation packages. At the other end of the spectrum, the promoter's acquisition of Ticketmaster has infused the organization with a technology initiative that promises to help prop-up the firm's internal operations and competitive advantage.

Strategy Needs Create Employee Disparity

Live Nation's main industry is the concert and events promotion business. This is a very labor-intensive trade. Numerous workers are needed to staff large events. Many of these boots on the ground are in hourly jobs such as concessions, security, ticketing, seat ushers and janitorial services. These jobs require basic skillsets and thus are in high supply, which results in lower paid positions with few perks. Helping fill those venues are Live Nation's marketing and tour management teams. The company appears to staff a core unit of specialists in these divisions and then supplements them with non-paid interns. Many of these individuals arrive at the firm through one of its core benefits and perks – free concert tickets and the glamour of working in rock and roll. This results in mixed-feelings of the corporate culture from these employees. Numerous reviews from these hourly and entry-level positions on the online career community Glassdoor show mixed-feelings of their employ. Many are divided by the pros of the job such as “get to see live shows for free” and “Live Nation is an interesting company in a fun and sexy industry” versus cons that include “develop more full time positions to keep people dedicated to the company and to make them feel like part of the family” and “consider more promotions and compensation strategies because it is difficult for many employees to stay motivated for long periods of time” ("Live Nation Entertainment Reviews," n.d.).

On the other end of the spectrum, Live Nation’s corporate strategy to grow the company vertically and expand globally through mergers and acquisitions requires a hefty investment in key personnel with proven results and unique skillsets in these areas. Luckily, unlike any of their direct competitors, Live Nation is a publically traded company, which affords them the ability to offer stock as an incentive to attract these individuals. For example, CEO Michael Rapino’s 2013 annual compensation included a base salary of $2.3 million along with $1.74 million in restricted stock options, $3.64 million in exercisable options, nearly $4 million in unexercisable options and $52,119 in other compensation for a total salary package of $8,935,619 ("Live Nation Entertainment Inc.: CEO & Executives," n.d.).

In 2014, these stock and incentive benefits helped keep Rapino’s number two and three with the company. COO Joe Berchtold received a hefty pay increase of $450,000 over his 2011 salary of $650,000. In addition, he was offered 750,000 company stock options and 150,000 shares of company-restricted stock (Live Nation Entertainment, Inc., 2013; "Employment Agreement," 2011). CFO Kathy Willard earned an additional $218,147 over her 2011 pay. In addition, she received 300,000 company stock options and 25,000 shares of restricted stock as well ("Kathy Willard | 2011 Compensation | Executive Pay," 2011; Live Nation Entertainment, Inc., 2013).

Live Nation’s public status gives the company a huge competitive advantage in attracting and acquiring the industry’s top talent. The only competitor with enough capital to compete is the privately held AEG. While there is no adequate data available of what they pay their top-level officers, information from Glassdoor reveals directors receiving nearly $50,000 less than Live Nation. AEG does offer heftier cash bonuses, but their lack of stock options negates those gains ("Live Nation Entertainment Director Salary," n.d.; "AEG Director Salary," n.d.). This difference carries forward on all leadership positions. However, compensations between the two companies even out for hourly and lower-tier workers.

In addition to increased salary and bonuses, higher-level employees at Live Nation earn more freedom in their positions. Ron Bension, President of the company’s HOB Entertainment division is currently “focused on consolidating the 34 venues that he directly manages into a national platform, creating new touring products and improved consumer experiences,” an initiative he has put in place that will help advance the organization’s main live concert promotion goals ("Leadership: Live Nation Entertainment," n.d.). According to Thompson, Strickland, Gamble and Peteraf (2008), “Allowing company personnel [such as Bension] to act with some degree of freedom is especially appropriate when individual creativity and initiative are more essential to good strategy execution than standardization and strict conformity” (p.321). This leadership policy is key to Live Nation’s success, considering that the live concert industry is built on a model that relies on individuality and creativity as core competitive drivers.

Future talent acquisition. Live Nation's best business practices have been in attracting and retaining vital personnel to lead their core vertical integration strategies. These individuals have led the acquisitions of key value chain components for the brand. However, at some point Live Nation will need to shift their focus from aggressive market penetration to maintaining the business model. This will change the type of leadership needed while also placing more responsibility in the hands of mid and lower level managers. It would benefit Live Nation to strengthen their internal recruitment and training practices now to avoid the increased cost of having to bring on outside talent and then train them in the future.

The company should cloak this strategy in an employee development program that is intended to identify, champion and promote key talent through the ranks of the firm. Employees who make the grade would join special teams, be assigned to important projects and, through continued success, move up through the ranks. The result would be future leaders who better understand the industry, the company and its culture. The program should be actively marketed internally and employees who rise to the occasion celebrated. This would help mitigate a main employee concern regarding the lack of opportunity at the firm, which would boost overall morale and efficiency.

Information Systems and Live Nation's Core Strategies

Information systems need to cover five broad areas: (1) customer data; (2) operations data; (3) employee data; (4) supplier/strategic partner data; and (5) financial data (Thompson, Strickland, Gamble, & Peteraf, 2008, p.329). Live Nation's purchase of Ticketmaster in 2010 provided the organization with numerous benefits including the ability to better address a number of these areas. For example, in the live concert and events industry ticket sales are a primary metric to gauge ROI. Up until Ticketmaster introduced barcoded tickets in 1991, analyzing this important data was difficult as collecting, organizing and comparing sales relied on human interaction, which increased the probability of errors and the time it took to get that valuable information up the chain of command. Taking control of the ticketing giant provides Live Nation with quantitative insights into the success of their venues, promotion efforts, artists and overall business while also opening up a wealth of information that will allow the organization to pinpoint the best opportunities for future acquisitions and global expansion. As of 2013, the Ticketmaster database consisted of the demographic data and buying behaviors of more than 129 million customers worldwide (Live Nation Entertainment, Inc., 2013).

In addition to the data mining made available, the advancement of Ticketmaster technology can be carried over into upgrades of Live Nation's information systems. In their 2013 annual report management boasted:

> Our team of over 500 engineers continues to work on new mobile products, improving the online experience, and building a new ticketing platform to enable Ticketmaster to substantially upgrade its commerce suite of features for both fans and its B2B clients over the next two years. (Live Nation Entertainment, Inc., 2013, p.5)

Intellectual investment of this caliber will certainly cause positive change in the way Live Nation collects, organizes and utilizes their data in the future. For example, the same technology used to advance mobile ticket sales could be tweaked to create a mobile friendly infrastructure that could support the "office-on-the-go" environment that is inherent in the touring industry. This could help venues, promoters and managers to analyze and share their information in real-time, which would increase the entire organization's ability to respond to rapid market changes, reduce costs and become more profitable. Live Nation should continue to embrace technology advancements that involve any of their value chain components. As we have witnessed with Ticketmaster, once these technologies are rolled into the firm through vertical integration their value compounds into more profitability and increased market share.

Strategy Execution: Recommendations to Leadership

It has been mentioned numerous times in this document, because it bears repeating. Live Nation controls 29.9% of the $3.8 billion global online ticketing market and leads the U.S. concert and events industry with a 16.5% share of that $24.9 billion market as well. A feat that is even more impressive considering their nearest competitor, AEG, controls just 4.8% of the segment (IBISWorld, 2014; Edwards, 2014). These accomplishments do not magically happen. They are the results of well-executed strategies with an emphasis on long-term growth over nearsighted goals.

If this analysis has revealed one thing it is that the corporate-level leadership at Live Nation has developed and put in place an impeccable strategy to foster long-term growth for their shareholders. This is a welcome sign for the company considering there is plenty of room for future opportunities based on the following: (1) the global concert industry is extremely fragmented; (2.) they are one of very few select companies with the financial and intellectual capital to support a rollout around the planet; and (3) the worldwide reach of Ticketmaster and the resulting consumer data from their expanded operations provides valuable quantitative records to support the advancement of their unique merger and acquisition strategies to foster their competitive advantage around the globe. Internally, there are opportunities for Live Nation's shareholders as well. For one, continued vertical integration will reduce costs for the company, which could increase profitability. However, more importantly there is the opportunity to craft a closed ecosystem that increases revenue dramatically while also creating barriers of entry that could be unmatched.

The organization is divided into four divisions: Ticketmaster, Live Nation Concerts, Live Nation Media & Sponsorship and Artist Nation Management ("Leadership: Live Nation

Entertainment," n.d.). Continued advancement in each area results in greater offensive and defensive positions for the firm. For instance and as noted throughout this analysis, more artists signed to exclusive contracts through the Artist Management division allow Live Nation to route tours in ways that create the most profitability for the promoter. In addition, these deals can be structured to prevent those artists from performing at other venues or within a radius of a Live Nation backed facility. As an added benefit, Live Nation artists can be tied into the Media & Sponsorship division of the company. These deals can be structured in ways to increase awareness and demand around a specific tour, which again increases profitability for the firm.

Live Nation's Media & Sponsorship division can create additional revenue by aligning with the company's other value chain elements as well. For instance, as Live Nation continues to build their concert and event promotions business, they will attract more people to their venues and the Ticketmaster website. The Media & Sponsorship division can create revenue from this audience by selling those valuable opportunities to see (web banners on the Ticketmaster site, display ads at concerts and venues) to ad agencies, businesses and corporate brands. Over the next three to five years, Live Nation should maintain their current strategies to expand globally through continued mergers and acquisitions of select value chain partners around the globe. In addition, the firm should also increase investment in both their Artist Management and Media & Sponsorship divisions to strengthen their tie-in to core strategies and expand their footprint around the planet. This will reduce the development time needed for Live Nation to take full advantage of the huge profitability made available through their highly synergetic value chain when they touch down in new markets. It will also compound their market penetration and defensive stance, which will result in long-term gains and exceptional shareholder value.

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Appendix A

List of Live Nation Venue Deals from their 2013 Annual Report

Venues

At December 31, 2013, we owned, leased, operated, had exclusive booking rights for or had an equity interest in the following domestic and international venues primarily used for music events:

Market and Venue	DMA® Region Rank (1)	Type of Venue	Live Nation's Interest	Estimated Seating Capacity
NEW YORK, NY	**1**			
PNC Bank Arts Center Presented by Cadillac Tri-State Concert Series		Amphitheater	22-year lease that expires December 31, 2017	17,500
Nikon at Jones Beach Theater		Amphitheater	20-year license agreement that expires December 31, 2019	14,400
The Stone Pony Summer Stage		Amphitheater	Booking agreement	4,000
Convention Hall		Theater	Booking agreement	3,600
NYCB Theatre at Westbury		Theater	43-year lease that expires December 31, 2034	2,800
Wellmont Theater		Theater	Booking agreement	2,600
Historic Paramount		Theater	Booking agreement	1,500
The Paramount		Theater	Booking agreement	1,500
Union County Performing Arts Center		Theater	Booking agreement	1,300
Roseland Ballroom		Club	Booking agreement	3,700
Irving Plaza Powered by Klipsch		Club	10-year lease that expires October 31, 2016	1,100
Gramercy Theatre		Club	10-year lease that expires December 31, 2016	600
The Stone Pony		Club	Booking agreement	600
Wonder Bar		Club	Booking agreement	300
LOS ANGELES, CA	**2**			
San Manuel Amphitheater		Amphitheater	25-year lease that expires June 30, 2018	65,000
Verizon Wireless Amphitheater		Amphitheater	20-year lease that expires February 28, 2017	15,000
Hollywood Palladium		Theater	20-year lease that expires January 31, 2027	3,500
The Wiltern		Theater	15-year lease that expires June 30, 2020	2,300
FOX Performing Arts Center		Theater	3-year management agreement that expires November 30, 2016	1,600
House of Blues—Sunset Strip		House of Blues	13-year lease that expires May 10, 2025	1,000
House of Blues—Anaheim		House of Blues	5-year lease that expires January 31, 2016	1,000
CHICAGO, IL	**3**			
First Midwest Bank Amphitheatre		Amphitheater	Owned	28,600
FirstMerit Bank Pavilion at Northerly Island		Amphitheater	10-year operating agreement that expires December 31, 2022	29,700
House of Blues—Chicago		House of Blues	Owned	1,300
Bottom Lounge		Club	Booking agreement	300

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Market and Venue	DMA® Region Rank (1)	Type of Venue	Live Nation's Interest	Estimated Seating Capacity
PHILADELPHIA, PA	**4**			
Susquehanna Bank Center		Amphitheater	31-year lease that expires September 29, 2025	25,000
Festival Pier (at Penn's Landing)		Amphitheater	3-year license agreement that expired September 30, 2013 (currently negotiating new terms)	6,500
River Stage at Great Plaza—Penn's Landing		Amphitheater	2-year license agreement that expired September 30, 2013 (currently negotiating new terms)	3,500
Tower Theater		Theater	Owned	3,100
Chestnut Street Theatre		Theater	Owned (currently not in operation)	2,400
The Fillmore		Theater	15-year lease (currently under construction)	2,600
Theatre of the Living Arts		Club	Owned	800
DALLAS—FORT WORTH, TX	**5**			
Gexa Energy Pavilion		Amphitheater	30-year lease that expires December 31, 2018	20,100
South Side Ballroom		Theater	Booking agreement	3,000
House of Blues—Dallas		House of Blues	15-year lease that expires May 31, 2027	1,600
SAN FRANCISCO—OAKLAND—SAN JOSE, CA	**6**			
Shoreline Amphitheatre at Mountain View		Amphitheater	15-year lease that expires December 31, 2020	22,000
Concord Pavilion		Amphitheater	10-year management agreement that expires December 31, 2023	12,500
The Fillmore		Theater	10-year lease that expires August 31, 2022	1,200
Nob Hill Masonic Center		Theater	18-year lease that expires March 31, 2028	3,300
Punch Line Comedy Club—San Francisco		Club	5-year lease that expires September 15, 2016	500
Cobb's Comedy Club		Club	10-year lease that expires October 31, 2015	200
BOSTON, MA	**7**			
Xfinity Center		Amphitheater	Owned	19,900
Blue Hills Bank Pavilion		Amphitheater	Indefinite license agreement that expires 18 months after notification that pier is to be occupied for water dependent use	4,900
Orpheum Theatre—Boston		Theater	15-year operating agreement that expires December 31, 2020	2,700
Paradise Rock Club		Club	10-year lease that expires May 31, 2018	800
Brighton Music Hall		Club	10-year lease that expires January 1, 2021	300
House of Blues—Boston		House of Blues	20-year lease that expires February 28, 2029	2,400

Market and Venue	DMA® Region Rank (1)	Type of Venue	Live Nation's Interest	Estimated Seating Capacity
WASHINGTON, DC	**8**			
Jiffy Lube Live		Amphitheater	Owned	22,500
The Fillmore Silver Spring		Theater	20-year lease that expires August 30, 2031	2,000
Warner Theatre		Theater	10-year lease that expires December 31, 2023	1,900
sixth&i		Club	Booking agreement	800
ATLANTA, GA	**9**			
Aaron's Amphitheatre at Lakewood		Amphitheater	35-year lease that expires December 31, 2034	19,000
Chastain Park Amphitheatre		Amphitheater	5-year lease that expires December 31, 2015	6,400
The Tabernacle		Theater	20-year lease that expires January 31, 2018	2,500
HOUSTON, TX	**10**			
Cynthia Woods Mitchell Pavilion		Amphitheater	Booking agreement	16,500
Bayou Music Center		Theater	10-year lease that expires December 31, 2022	2,900
House of Blues—Houston		House of Blues	10-year lease that expires December 31, 2022	1,500
DETROIT, MI	**11**			
The Fillmore Detroit		Theater	15-year lease that expires January 31, 2018	2,900
Saint Andrew's Hall		Club	Owned	800
PHOENIX, AZ	**12**			
AK—Chin Pavilion		Amphitheater	60-year lease that expires June 30, 2049	20,000
Comerica Theatre		Theater	10-year lease that expires December 31, 2016	5,500
SEATTLE—TACOMA, WA	**13**			
White River Amphitheatre		Amphitheater	25-year management agreement that expires October 31, 2027	20,000
TAMPA—ST PETERSBURG—SARASOTA, FL	**14**			
MidFlorida Credit Union Amphitheatre at the Florida State Fairgrounds		Amphitheater	15-year lease that expires December 31, 2018	20,000
MINNEAPOLIS—ST PAUL, MN	**15**			
Varsity Theater		Club	Booking agreement	900
MIAMI—FT LAUDERDALE, FL	**16**			
Klipsch Amphitheatre at Bayfront Park		Amphitheater	10-year management agreement that expires December 31, 2018	5,000
The Fillmore Miami Beach at the Jackie Gleason Theater		Theater	10-year management agreement that expires August 31, 2017	2,700
Revolution Live		Club	Booking agreement	1,300
DENVER, CO	**17**			
Fillmore Auditorium		Theater	Owned	3,600
ORLANDO—DAYTON BEACH—MELBOURNE, FL	**18**			
House of Blues—Orlando		House of Blues	6-year lease that expires September 30, 2019	2,100

Market and Venue	DMA® Region Rank (1)	Type of Venue	Live Nation's Interest	Estimated Seating Capacity
CLEVELAND—AKRON, OH	**19**			
Blossom Music Center		Amphitheater	15-year lease that expires October 31, 2014	19,600
Jacobs Pavilion at Nautica		Amphitheater	Booking agreement	4,500
Hard Rock Rocksino Northfield Park		Theater	Booking agreement	2,600
House of Blues—Cleveland		House of Blues	20-year lease that expires October 31, 2024	1,200
SACRAMENTO—STOCKTON—MODESTO, CA	**20**			
Sleep Train Amphitheatre—Wheatland		Amphitheater	Owned	18,500
Punch Line Comedy Club—Sacramento		Club	5-year lease that expires December 31, 2017	100
ST. LOUIS, MO	**21**			
Verizon Wireless Amphitheater—St. Louis		Amphitheater	Owned	21,000
The Pageant		Theater	50% equity interest	2,300
PITTSBURGH, PA	**23**			
First Niagara Pavilion		Amphitheater	45-year lease that expires December 31, 2035	23,100
RALEIGH—DURHAM, NC	**24**			
Walnut Creek Amphitheatre		Amphitheater	40-year lease that expires October 31, 2030	20,000
Red Hat Amphitheater		Amphitheater	Booking agreement	5,400
CHARLOTTE, NC	**25**			
PNC Music Pavilion Charlotte		Amphitheater	Owned	18,800
Uptown Amphitheatre at NC Music Factory		Amphitheater	10-year lease that expires June 12, 2019	5,000
The Fillmore Charlotte		Theater	10-year lease that expires June 12, 2019	2,000
INDIANAPOLIS, IN	**26**			
Klipsch Music Center		Amphitheater	Owned	24,400
Farm Bureau Insurance Lawn at White River State Park		Amphitheater	Booking agreement	6,000
Murat Theatre at Old National Centre		Theater	50-year lease that expires September 4, 2045	2,500
Vogue		Club	Booking agreement	1,000
BALTIMORE, MD	**27**			
Baltimore Soundstage		Club	Booking agreement	700
SAN DIEGO, CA	**28**			
Sleep Train Amphitheatre—Chula Vista		Amphitheater	20-year lease that expires October 31, 2023	19,500
SDSU Open Air Theatre		Amphitheater	Booking agreement	4,800
Viejas Arena		Arena	Booking agreement	12,500
Pechanga Theater		Theater	Booking agreement	1,200
House of Blues San—Diego		House of Blues	15-year lease that expires May 31, 2020	1,100

Market and Venue	DMA® Region Rank (1)	Type of Venue	Live Nation's Interest	Estimated Seating Capacity
HARTFORD—NEW HAVEN, CT	**30**			
Comcast Theatre		Amphitheater	40-year lease that expires September 13, 2034	24,200
Mohegan Sun Arena		Arena	Booking agreement	9,000
Toyota Presents Oakdale Theatre		Theater	Owned	4,600
KANSAS CITY, MO	**31**			
Starlight Theatre		Theater	Booking agreement	8,100
MILWAUKEE, WI	**34**			
Alpine Valley Music Theatre		Amphitheater	21-year management agreement that expires December 31, 2019	35,300
CINCINNATI, OH	**35**			
Riverbend Music Center		Amphitheater	Booking agreement	20,500
PNC Pavilion		Amphitheater	Booking agreement	4,000
Bogart's		Club	10-year lease that expires January 31, 2023	1,500
WEST PALM BEACH—FORT PIERCE, FL	**38**			
Cruzan Amphitheatre		Amphitheater	10-year lease that expires December 31, 2015	19,300
AUSTIN, TX	**40**			
Austin360 Amphitheater		Amphitheater	Booking agreement	15,000
LAS VEGAS, NV	**42**			
House of Blues—Las Vegas		House of Blues	5-year lease that expires January 1, 2019	1,800
HARRISBURG—LANCASTER—LEBANON—YORK, PA	**43**			
HERSHEYPARK Stadium		Stadium	Booking agreement	30,000
Sands Bethlehem Event Center		Theater	Booking agreement	3,500
BIRMINGHAM, AL	**44**			
Oak Mountain Amphitheatre		Amphitheater	Owned	10,600
NORFOLK—PORTSMOUTH—NEWPORT NEWS, VA	**45**			
Farm Bureau Live at Virginia Beach		Amphitheater	30-year lease that expires December 31, 2025	20,000
ALBUQUERQUE—SANTA FE, NM	**47**			
Isleta Amphitheater		Amphitheater	20-year lease that expires April 16, 2021	12,000
Sandia Casino Amphitheater		Theater	Booking agreement	4,200
LOUISVILLE, KY	**49**			
The Louisville Palace		Theater	Owned	2,700
Mercury Ballroom		Club	10-year lease (currently under construction)	1,000
NEW ORLEANS, LA	**51**			
House of Blues —New Orleans		House of Blues	One building owned and one building under 35-year lease that expires October 31, 2027	1,000

Market and Venue	DMA® Region Rank (1)	Type of Venue	Live Nation's Interest	Estimated Seating Capacity
BUFFALO, NY	**52**			
Darien Lake Performing Arts Center Concert Series Presented by Tops		Amphitheater	25-year lease that expires October 15, 2020	21,800
WILKES BARRE—SCRANTON, PA	**54**			
Toyota Pavilion at Montage Mountain		Amphitheater	10-year lease that expires December 31, 2021	17,800
ALBANY—SCHENECTADY—TROY, NY	**58**			
Saratoga Performing Arts Center		Amphitheater	5-year lease that expires September 2, 2019	25,200
FLORENCE—MYRTLE BEACH, SC	**102**			
House of Blues—Myrtle Beach		House of Blues	27-year lease that expires May 31, 2025	2,000
YAKIMA—PASCO—RICHLAND—KENNEWICK, WA	**124**			
The Gorge Amphitheatre		Amphitheater	20-year lease that expires October 31, 2023	20,000
WHEELING, WV—STEUBENVILLE, OH	**157**			
Jamboree in the Hills Festival Site		Festival Site	Owned	N/A
LAKE CHARLES, LA	**175**			
L'Auberge Resort Lake Charles Liquid Society		Amphitheater	Booking agreement	5,000
TORONTO, CANADA	**N/A**			
Molson Canadian Amphitheatre		Amphitheater	10-year lease that expires December 31, 2020	16,000
VANCOUVER, CANADA	**N/A**			
Rogers Arena		Arena	Booking agreement	13,000
Commodore Ballroom		Club	20-year lease that expires July 31, 2019	1,100
BIRMINGHAM, ENGLAND	**N/A**			
O_2 Academy Birmingham		Theater	27-year lease that expires September 25, 2034	3,000
BOURNEMOUTH, ENGLAND	**N/A**			
O_2 Academy Bournemouth		Theater	35-year lease that expires July 17, 2034	1,800
BRIGHTON, ENGLAND	**N/A**			
O_2 Academy Brighton		Theater	30-year lease that expires February 15, 2037 (currently not in operation)	2,500
BRISTOL, ENGLAND	**N/A**			
O_2 Academy Bristol		Theater	25-year lease that expires December 25, 2023	1,900
LEEDS, ENGLAND	**N/A**			
O_2 Academy Leeds		Theater	25-year lease that expires June 23, 2026	2,300
Leeds Festival Site		Festival Site	Owned	N/A

Market and Venue	DMA® Region Rank (1)	Type of Venue	Live Nation's Interest	Estimated Seating Capacity
LIVERPOOL, ENGLAND	**N/A**			
O2 Academy Liverpool		Theater	34-year lease that expires January 22, 2037	1,200
Nation		Club	3-year lease that expires March 6, 2016	2,900
LONDON, ENGLAND	**N/A**			
O_2 Academy Brixton		Theater	98-year lease that expires December 24, 2024	4,900
O_2 Academy Shepherds Bush Empire		Theater	Owned	2,000
O_2 Academy Islington		Theater	25-year lease that expires June 20, 2028	800
MANCHESTER, ENGLAND	**N/A**			
O_2 Apollo Manchester		Theater	Owned	3,500
NEWCASTLE, ENGLAND	**N/A**			
O_2 Academy Newcastle		Theater	99-year lease that expires March 24, 2021	2,000
NOTTINGHAM, ENGLAND	**N/A**			
Media		Club	25-year lease agreement that expires on September 30, 2023 (currently not in operation)	1,400
OXFORD, ENGLAND	**N/A**			
O_2 Academy Oxford		Theater	25-year lease that expires October 30, 2031	1,000
READING, ENGLAND	**N/A**			
Little John's Farm		Festival Site	Owned	N/A
SHEFFIELD, ENGLAND	**N/A**			
Motorpoint Arena		Arena	5-year management agreement that expires March 31, 2016	11,300
O_2 Academy Sheffield		Theater	35-year lease that expires January 9, 2043	2,400
SOUTHAMPTON, ENGLAND	**N/A**			
O_2 Guildhall Southampton		Theater	10-year management agreement that expires February 10, 2023	1,800
AMSTERDAM, THE NETHERLANDS	**N/A**			
Heineken Music Hall		Arena	20-year lease that expires December 31, 2027	5,500
Ziggo Dome		Arena	20-year lease that expires June 1, 2032	15,700
GLASGOW, SCOTLAND	**N/A**			
O_2 Academy Glasgow		Theater	Owned	2,500
O_2 ABC Glasgow		Theater	40-year lease that expires August 24, 2039	1,600
King Tuts Wah Wah Hut		Club	Owned	300
Universe		Club	25-year lease agreement that expires on July 29, 2017 (currently not in operation)	200
Balado Airfield *(T in the Park)*		Festival Site	One parcel owned/one parcel under a 1-year lease that expires August 1, 2014	N/A