LIVE MUSIC SPONSORSHIP

REPUCOM

THE SPONSOR PEOPLE GMBH

LIVE MUSIC 2016

Music offers a multitude of opportunities for brands to engage with fans but selecting the right property, ensuring the right fit, and the right activation strategy is not a quick decision. It is a complex marketplace, full of moving parts. Opportunities for sponsors can range from a major global three-day festival, at the top level, down to a small gig in a local pub, club or arena. And that's before you consider the many genres of music, each with its own values, culture and fan groups.

Repucom's first global live music sponsorship report has been designed to examine the current landscape, from festivals to venues, tours to artist endorsements; this report concentrates on the young (14–34 year olds) music audience in the five major global music markets: the USA, UK, France, Germany and Japan.

Like all entertainment, the music industry is being impacted by new technologies – in fact music bore the brunt in terms of its traditional commercial model well over a decade ago but has adapted and streaming services in particular are creating new opportunities, while new media platforms and distribution methods are providing additional scope for brands to align themselves and interact with the world's top artists. Promoters and sponsors of live music events, meanwhile, are able to amplify their message well beyond those fans who are on-site at a festival or major show. Technology is drawing promoters, brands, artists and fans closer together than ever before.

Paul Smith
Founder and CEO,
Repucom

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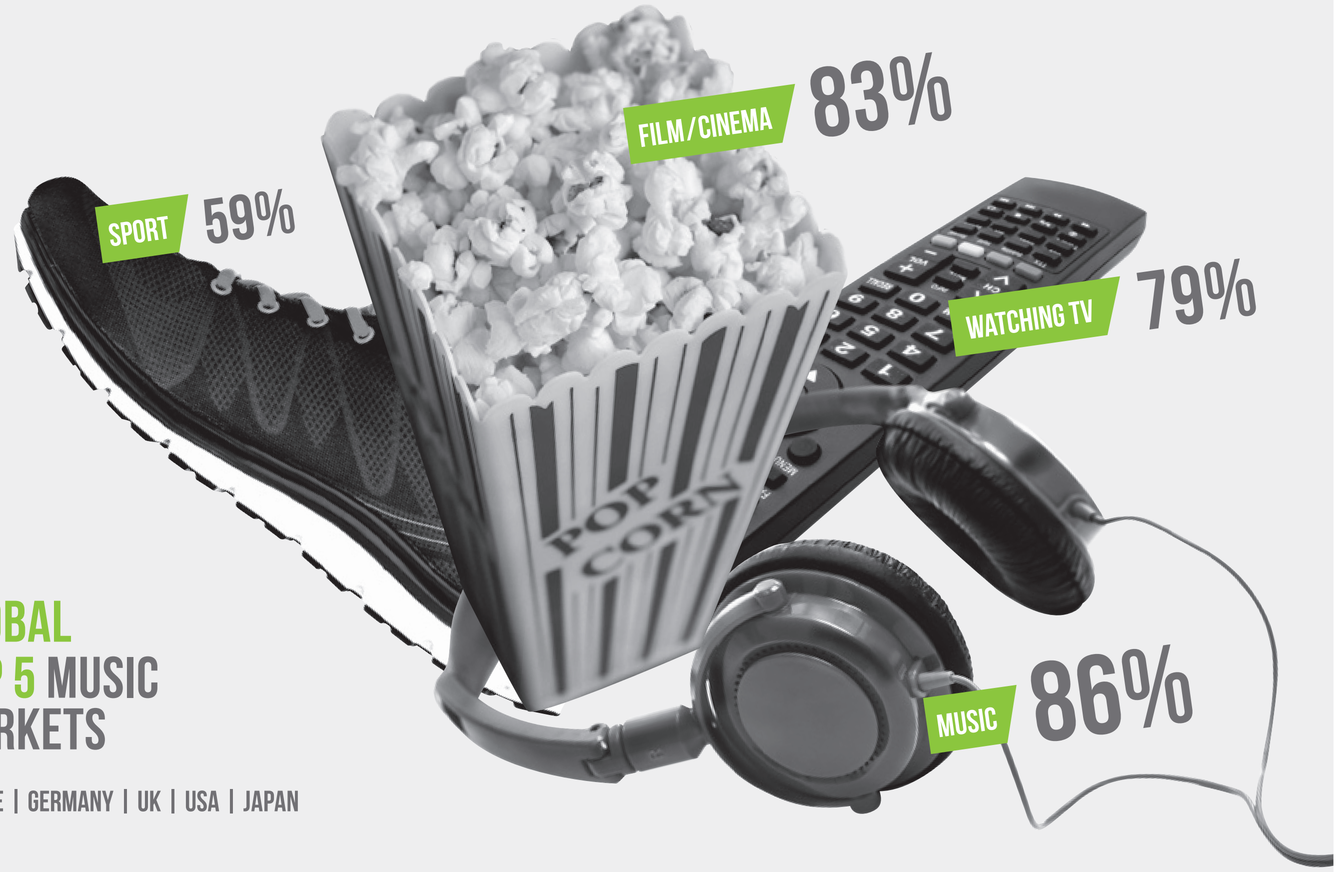
MUSIC IS ALL AROUND US

We listen to it, stream it, buy it, download it, share it, play it, consume it live and react to it in all sorts of different ways. It stirs emotions and straddles territories; young or old, and across a multitude of genres, music provides a passion point for millions of people all over the world – and presents a valuable opportunity for brands and promoters to align themselves with significant groups of concert attendees or festival-goers. In terms of interest, across the major markets of France, Germany, UK, USA and Japan, interest in music surpasses sport, watching television and film/cinema, underlining the power and potential of live music sponsorship. Furthermore, half of the 86 per cent interested in music profess to be 'very interested', highlighting music's emotional pull. By way of comparison, only 41 per cent of people are 'very interested' in watching TV, 32 per cent 'very interested' in sport, and 45 per cent 'very interested' in films and cinema. In such a vibrant marketplace, the opportunity for brands is clear.

Interest in music versus other leisure activities

MUSIC TRANSCENDS ALL DEMOGRAPHICS FAR MORE THAN ANY OTHER LEISURE ACTIVITY, WHICH IS REFLECTED IN THE HIGH INTEREST LEVELS – REGARDLESS OF NATIONALITY, THERE ARE VERY FEW PEOPLE IN THE WORLD WHO DO NOT LIKE MUSIC OF SOME KIND.



GLOBAL TOP 5 MUSIC MARKETS

FRANCE | GERMANY | UK | USA | JAPAN

	FRANCE	GERMANY	UK	USA	JAPAN
MUSIC	88%	▶85%	84%	▶89%	▶81%
SPORT	60%	64%	53%	62%	57%
WATCHING TV	77%	74%	87%	83%	76%
FILM/CINEMA	▶89%	83%	▶86%	82%	73%

Base: 14–34 year olds. Source: Repucom Market Research

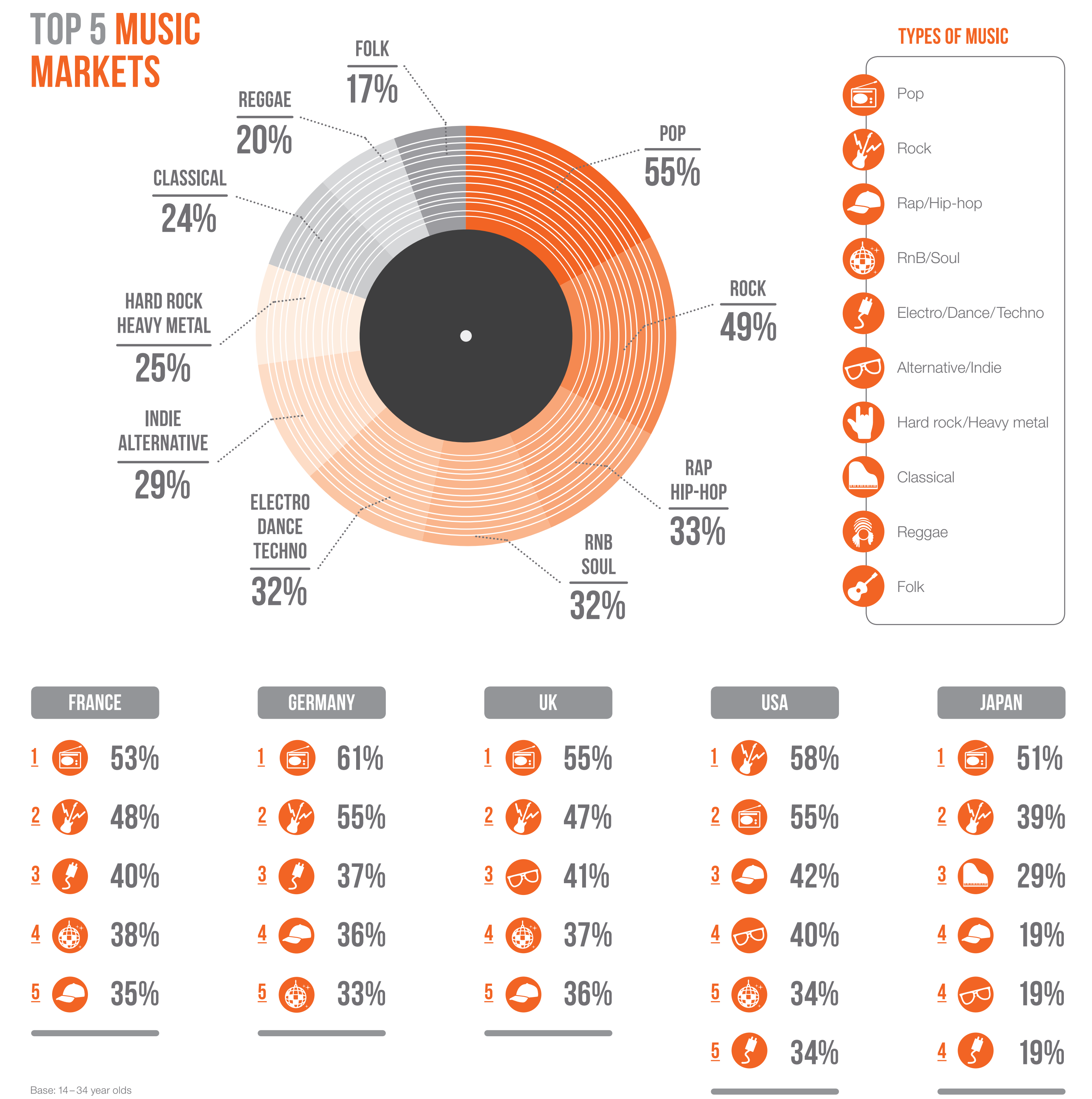
AUDIENCE

Whether attending a concert, travelling to a music festival or simply watching an artist perform at a club or pub, understanding the music audience is a fundamental for potential sponsors.

WHAT TYPES OF MUSIC ARE PEOPLE LISTENING TO AND INTERESTED IN?

While pop and rock music dominate the top five markets – and only in the USA do more people like rock than pop – further down the list market specific preferences become clearer. Rap and hip-hop, for example, is more popular in the United States than other markets, while 29 per cent of people in Japan, far more than any other market, like classical music. Electro and dance is most popular in France. Over two-thirds of people in the UK and USA enjoy alternative or indie music, although the definition of the genre is likely to mean different things to different people – artists and bands might initially describe themselves, or be described, as 'alternative' before gaining popularity and becoming more mainstream rock acts. Heavy rock and heavy metal, meanwhile, are the most polarising of the main music styles: 26 per cent globally 'don't like it at all' compared to 4 per cent for pop and 7 per cent for rock.

Interest in different types of music



Base: 14–34 year olds

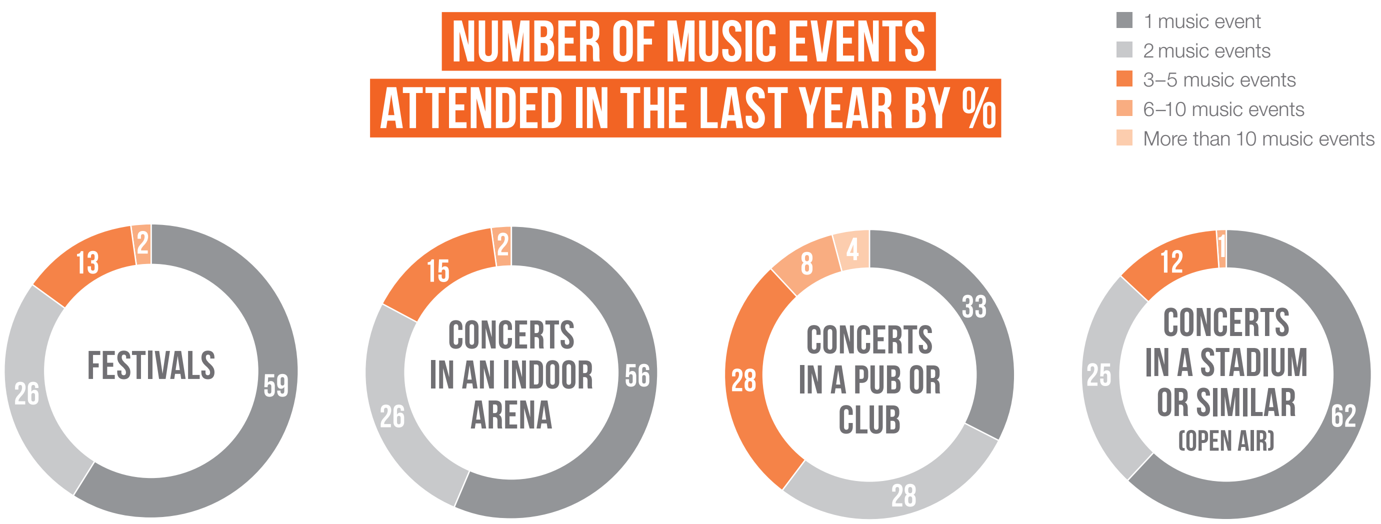
EVENT ATTENDANCE

More people across France, Germany, the UK, USA and Japan have attended a music festival than a major arena gig or pub or club show over the past 12 months. But as expected, given the costs of attending a festival or big stadium show, the majority of people attend only one major event per year. People are more likely to attend multiple concerts in a pub or club, in all likelihood because there are many more events of this type and ticket prices tend to be far cheaper. The proportion attending more than ten, though, remains small.

Number of festivals attended

VISITED A LIVE MUSIC EVENT IN THE LAST 12 MONTHS?

NUMBER OF MUSIC EVENTS ATTENDED IN THE LAST YEAR BY %



Base: 14–34 year olds

FESTIVAL CASE STUDY

WACKEN OPEN AIR: THE WIDER ECONOMIC PICTURE

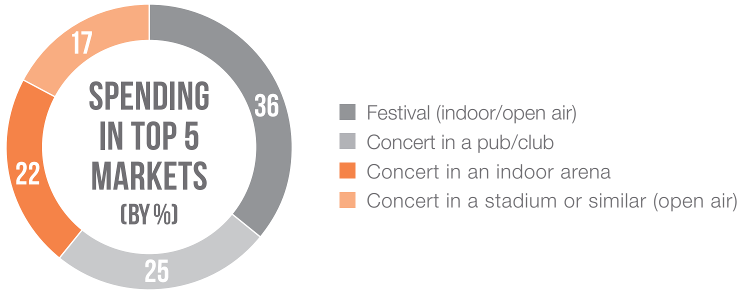
Wacken Open Air is an annual heavy metal festival held in northern Germany. The attendance each year is around 85,000, just under 20 per cent of which are international visitors, and the festival delivers an economic impact to the Schleswig-Holstein region of around €25 million. On average, visitors stay for over four nights. Around €1.31 million is spent on food and drink in the region at festival-time, while accommodation outside the festival campsites generated over €500,000. In the venue over €5.5 million is generated from food and drink, while over €1.5 million is spent on merchandise. Admission fees make up over €11 million each summer.

SPENDING AT MUSIC EVENTS

While the average ticket price per festival according to the five major markets is €75.5, significant differences emerge across the individual markets. Of the big five, France has the lowest average festival ticket price at €43, while the UK average is just over €112. British festival fans also spend the most on food and drink and travel and accommodation. Attendees of events such as Glastonbury and V Festival spend an average of just over €58 on food and drink whilst at a festival, and over €76 to travel to and from a venue and stay there.

Spending of live music events visitors (%)

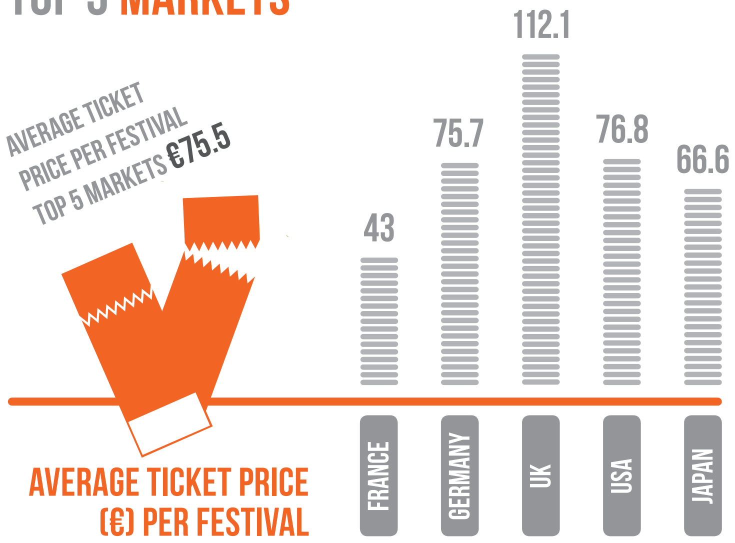
IN TOTAL, MUSIC FANS AGED 14 TO 34 PAY €17.2 BILLION EVERY YEAR TO EXPERIENCE LIVE MUSIC EVENTS IN THE TOP 5 MARKETS.



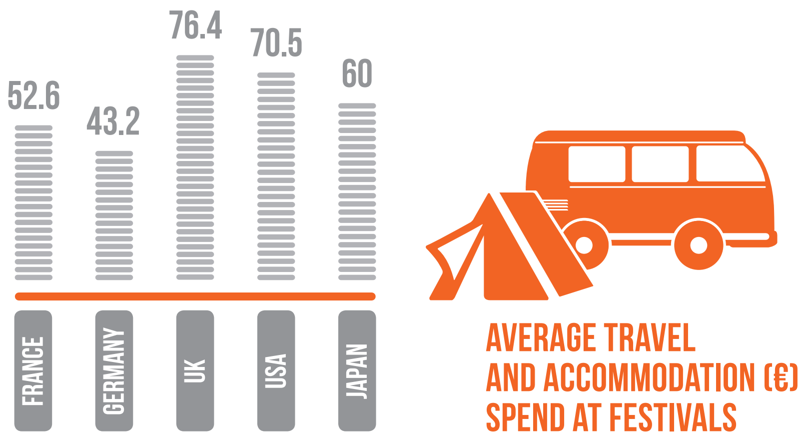
Based on 14 – 34 year old event visitors and including tickets, food and drink, travelling and accommodation.

Ticket prices/Consumer spend (€)

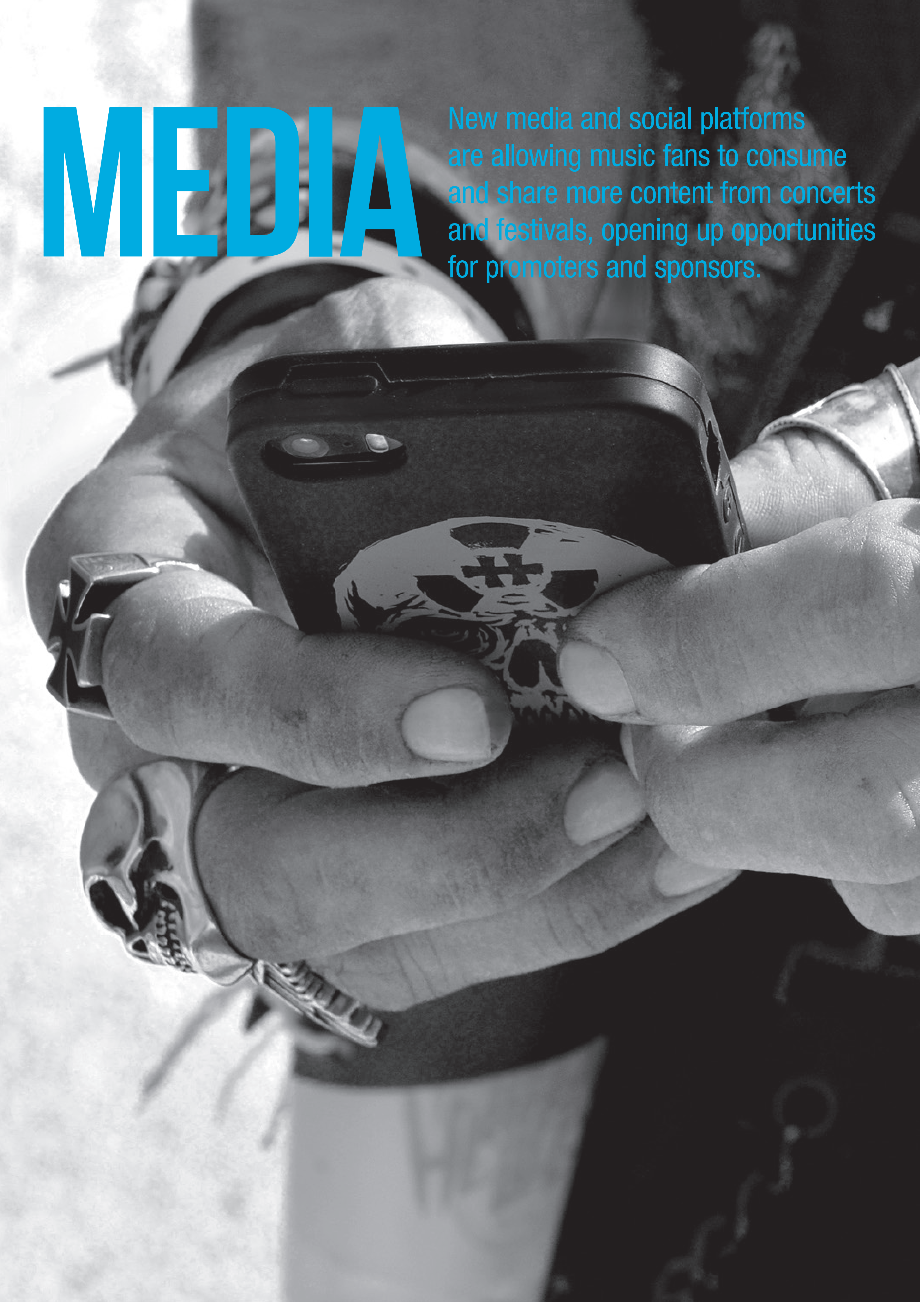
TOP 5 MARKETS



ACROSS THE FIVE BIGGEST MUSIC MARKETS, THE AVERAGE TICKET PRICE FOR A MUSIC EVENT IS JUST UNDER €54, WHILE THE AVERAGE SPEND FOR FOOD AND DRINK IS €24.6 AND THE AVERAGE TRAVEL AND ACCOMMODATION SPEND IS JUST OVER €49.



Base: 14–34 year olds



MEDIA

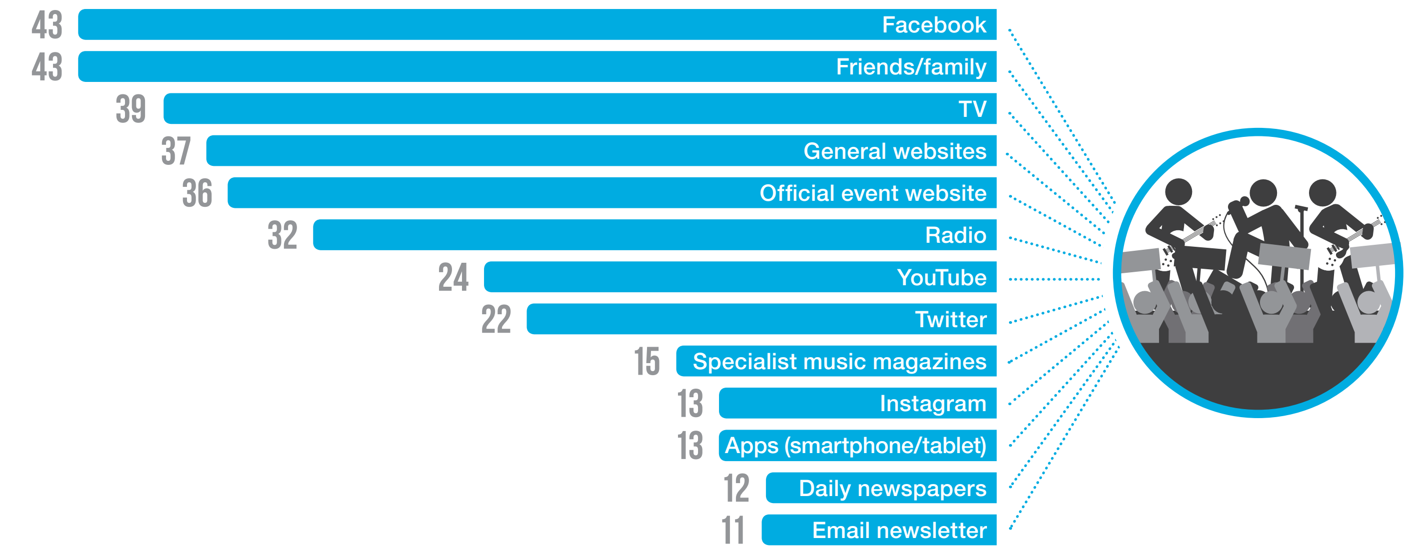
New media and social platforms are allowing music fans to consume and share more content from concerts and festivals, opening up opportunities for promoters and sponsors.

WHERE ARE FANS FINDING INFORMATION ABOUT MUSIC EVENTS?

The distribution power of the internet is clear when examining how music fans receive and digest information about live music events. General music websites and official event websites, where tickets can be purchased and line-ups are generally announced, are both popular sources, while over 40 per cent of fans across the five major markets also look to Facebook and friends and family for information: it is an indication that fans tend to inform themselves about an event, through websites or traditional media such as television, before sharing that information with friends, family and social communities. By market, television's continuing significance is underlined while radio remains particularly relevant as an information source in the United States and France.

How do people get information about live music events? (%)

TOP 5 MARKETS



MARKET BY MARKET

	FRANCE	GERMANY	UK	USA	JAPAN
TV	41	33	35	42	46
Radio	41	36	28	44	11
Daily newspapers	10	15	12	11	11
Specialist music magazines	14	14	14	16	17
Friends/family	45	52	48	58	11
Official event website	31	47	33	36	34
General websites	47	35	34	29	38
Facebook	48	49	51	56	12
Twitter	14	9	28	34	28
Instagram	9	7	17	30	3
YouTube	36	34	35	42	23
Apps (smartphone/tablet)	13	10	15	19	6
Email newsletter	7	11	12	15	8

Base: 14–34 year olds

THE IMPORTANCE – AND LONGEVITY – OF VOD

Unlike sport, which has traditionally benefited from major live coverage – and the attendant rights fees – major music events, especially festivals, are far more reliant on other forms of media distribution, such as VOD and social sharing to secure major audiences. Indeed VOD platforms are vital for festivals, as places where live performances can live on many weeks after an event, whereas sport tends to be more influenced by results and news and is therefore always producing new images. Across the top five markets, over 40 per cent of music fans say they sometimes watch music video clips on video sharing websites like YouTube, the same proportion as watch live broadcasts or recordings on TV. 39 per cent regularly watch live broadcasts or recordings via online streaming.

TV versus Live stream versus video on demand clips

TOP 5 MARKETS

REGULARLY WATCHING
LIVE BROADCASTS OR RECORDINGS ON TV
18%
42% SOMETIMES

VS.

REGULARLY WATCHING
LIVE BROADCASTS OR RECORDINGS USING INTERNET STREAMING
15%
39% SOMETIMES

VS.

WATCHING VIDEO CLIPS ON
SHARING WEBSITES
SUCH AS YOUTUBE
35%
42% SOMETIMES

Base: 14 – 34 year olds

CASE STUDY

TODD PALMERTON – NATIONAL DIRECTOR OF LIVE MUSIC, RED BULL NORTH AMERICA

"There are 80 million consumers between the ages of 18 and 35 in the US that deeply connect with music on a daily basis, making it the most relevant category to target. Brands are focusing more on millennials and Hispanics in this age range. Excluding country music, hip hop and electronic indie pop are the two most relevant genres at the moment.

"I don't believe that marketers are thinking long-term and I have not seen any event concepts that I think are moving the needle outside of what we are doing at Red Bull. Staying creative, relevant and credible are the biggest challenges – people are on their smartphones more than ever taking pictures, filming shows and sharing.

"As record sales continue to decline, labels lose more and more money which drives up the performance fees for brands. This in turn increases the cost of touring and festival sponsorship fees year over year.

"People go to festivals and concerts to see music and let loose with their friends. They do not go to shows to be sold a car. It's about creating content that can reach consumers beyond the four walls of the venue and providing shareable social media moments on-site."

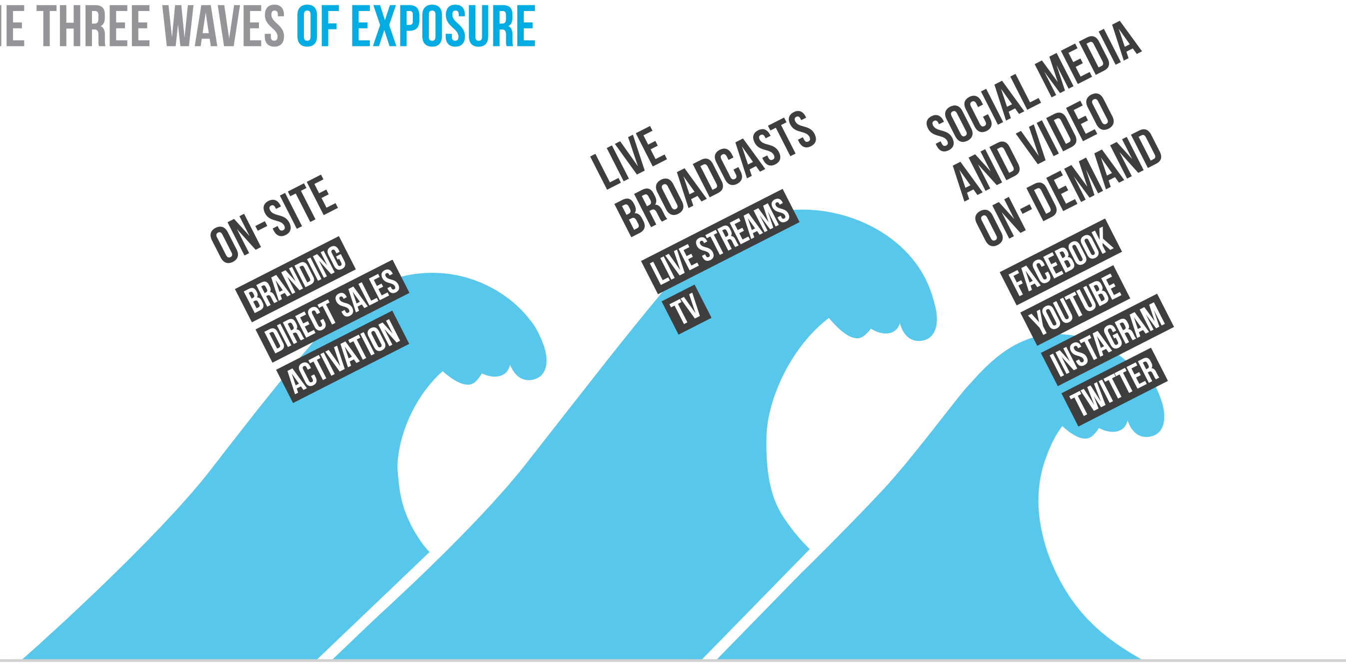
EXPOSURE, TOUCHPOINTS AND ACTIVATION

Opportunities for brand integration into a major festival can begin almost as soon as the previous year's edition has concluded, starting with the opening ticket sales promotions and announcements of the line-up – these tend to be the first media touchpoints, resulting in coverage, discussion and sharing amongst fans. Various communications channels can be utilised in advance of the event. Often, sponsors rely on web-focused activation concepts which enable brand positioning and audience communication long before the actual event, followed later by on-site activities. Philipp Schmoll of Jägermeister confirms this, and adds: "Digital channels are by no means detached from the overall communication, but are strongly coupled with the analogue world". A joined-up activation strategy will pay dividends.

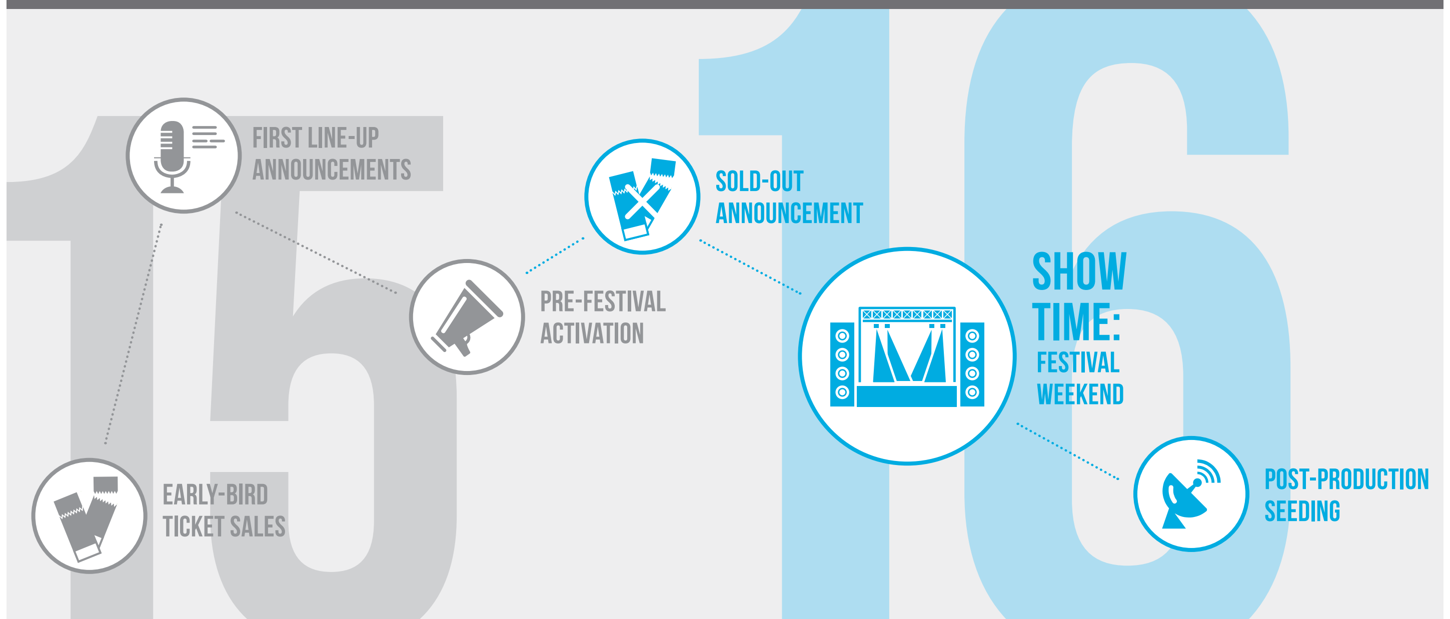
With an average of eight hours per day of shows at a multi-day festival, sponsors have sufficient time to create exceptional brand experiences for fans. The on-site activities remain vital. As Lars-Oliver Vogt, CEO from The Sponsor People says: "High quality and direct contact with the event viewer remains the crown jewel on-site and has a special significance for music sponsors".

A festival's media footprint

THE THREE WAVES OF EXPOSURE



The touchpoints



SPONSORSHIP

At festivals, concerts, venues or during tours sponsors are finding effective ways to activate, either on-site or by reaching a wider audience via media channels.

VENUE SPONSORSHIP

Major venues worldwide can attract anything between 500,000 and two million attendees per year, while the number of music events per year can range from 50 to 150. The flexibility built into major indoor and outdoor venues ensures they can switch from hosting a variety of sports events to a concert in a very short space of time. As well as the major indoor venues, several major open-air sports stadiums also host concerts on a semi-regular basis – prime examples are Wembley Stadium and the Emirates Stadium in London, MetLife Stadium in New Jersey and the recently-opened Levi's Stadium in San Francisco. Major cities like London also boast parks which host major concerts, thanks to tie-ups with major promoters – AEG, for instance, has the contract for music events in London's Hyde Park, while the Queen Elizabeth II Park, created for the London Olympics, features concerts promoted by Live Nation.

The world's major music venues

MARKET BY MARKET

USA	**Philips Arena**	Atlanta	Atlanta Hawks
	Radio City Music Hall	New York	no Team
	Staples Center	Los Angeles	LA Lakers, LA Clippers, LA Kings
	Barclays Center	Brooklyn	Brooklyn Nets, New York Islanders
	Madison Square Garden Arena	New York	New York Knicks, New York Rangers
	Red Rocks Amphitheatre	Morrison	no Team
UK	**The O2 – London**	London	no Team
	Manchester Arena	Manchester	no Team
	The SSE Hydro	Glasgow	no Team
	Genting Arena	Birmingham	no Team
NETHERLANDS	**Ziggo Dome**	Amsterdam	no Team
	Amsterdam Arena	Amsterdam	AFC Ajax
MEXICO	**Auditorio Nacional**	Mexico City	no Team
	Foro Sol	Mexico City	no Team
GERMANY	**Barclaycard Arena**	Hamburg	HSV Hamburg, Hamburg Freezers
	Lanxess Arena	Cologne	Kölner Haie
	Mercedes-Benz Arena	Berlin	Alba Berlin, Eisbären Berlin
FRANCE	**AccorHotels Arena**	Paris	no Team
	Stade de France	Paris	no Team
CANADA	**Air Canada Centre**	Toronto	Toronto Raptors, Toronto Maple Leafs
AUSTRALIA	**Rod Laver Arena**	Melbourne	no Team
	Allphones Arena	Sydney	no Team

MAJOR VENUES WORLDWIDE CAN ATTRACT ANYTHING BETWEEN **500,000** AND **TWO MILLION ATTENDEES PER YEAR,** WHILE THE NUMBER OF MUSIC EVENTS PER YEAR CAN RANGE FROM 50 TO 150.

Source: Repucom Market Intelligence

■ Venues with a strong focus on music events and without a sports team as anchor tenant are shown in purple.

Biggest festivals by attendance (est. visitors per day in 2015)

Three of the biggest free music festivals

DONAUINSELFEST
AUSTRIA
APPROX. 1.1 M
VISITORS PER DAY
3.3 MILLION IN TOTAL OVER THREE DAYS

MAWAZINE FESTIVAAL
MOROCCO
APPROX. 300,000
VISITORS PER DAY AND
2.65 MILLION IN TOTAL OVER NINE DAYS
(FREE ACCESS TO 90 PER CENT OF THE SHOWS).

PRZYSTANEK WOODSTOCK
POLAND
APPROX. 250,000
VISITORS PER DAY
750,000 IN TOTAL OVER THREE DAYS.

THE GLOBAL FESTIVAL LINE-UP

Every music festival has its own character which develops over time, shaped by the genre, those who attend, the venue itself and the artists who perform. Some have international recognition, while many have a distinctly domestic audience. The level of media coverage can also differ significantly. In some cases festivals are twinned on the same weekend and share a bill, largely for promotional and organisational reasons – Reading and Leeds in the UK are prime examples. A shared commercial structure at these events offers brands double the opportunity for on-site activation and higher media exposure.

Awareness of music festivals (%)

TOP 5 BY MARKETS

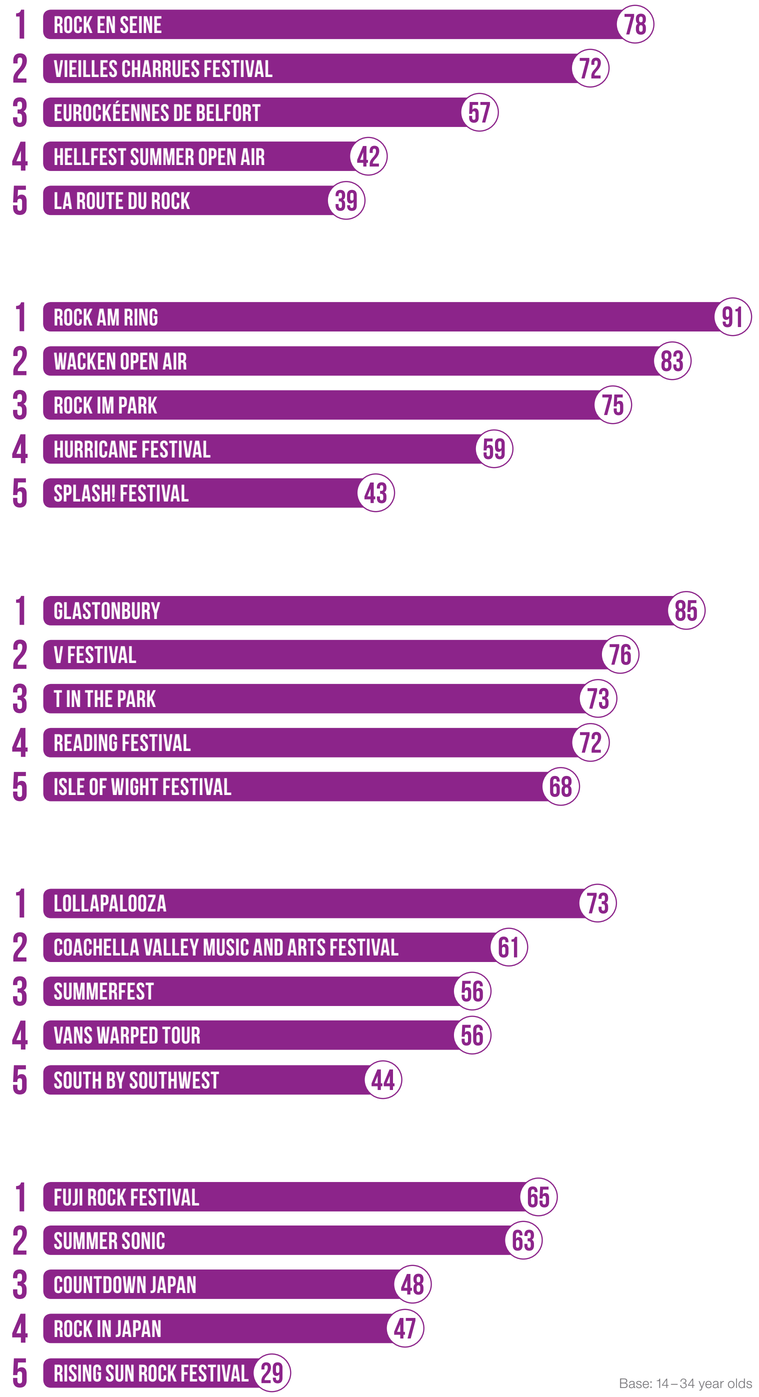
FRANCE — Rock en Seine is a three-day rock festival which has taken place each year in Paris since 2003 – Kasabian, The Libertines and The Chemical Brothers headlined in 2015. Vieilles Charrues, in Brittany, is France's largest festival.

GERMANY — Rock am Ring and Rock im Park take place simultaneously and share line-ups over the same weekend. Hip hop and Reggae festival Splash! is not amongst Germany's largest festivals, but benefits from a strong media footprint.

UK — Glastonbury receives significant media coverage across BBC platforms in the UK each year, while August's V Festival has been a fixture since 1996. Also in August, the Reading Festival is twinned with Leeds Festival, sharing a bill.

USA — Lollapalooza is currently staged in Chicago, while Coachella is the highest grossing music festival in the world. The Vans Warped Tour is a travelling punk and alternative festival, while South by Southwest (SXSW) has grown from a music conference into a major film, music and technology showcase.

JAPAN — The Fuji Rock Festival is Japan's largest festival and has taken place at Naeba Ski Resort in Niigata since 1999. Summer Sonic is staged simultaneously in Osaka and Chiba. Countdown Japan is a four-day festival staged in the run-up to New Year's Eve.



Base: 14–34 year olds

THE MOST RECOGNISABLE MUSIC BRANDS AND HOW FANS REACT TO LIVE MUSIC SPONSORSHIP

Coca-Cola is the most recognised music sponsor in the world. Over the years its portfolio has included venues, festivals, tours, artists, broadcast sponsorship of music entertainment shows like American Idol and a tie-up with Apple's iTunes service. Like rival Pepsi, it is a longstanding investor in music. While the 1990s saw mobile phone operators invest heavily, particularly in live music event sponsorship, more recently the sector has been the domain of energy drink brand like Red Bull and Monster. Live music fans recognise and remember brands who advertise with artists and have major exposure at concerts or festivals.

CASE STUDY

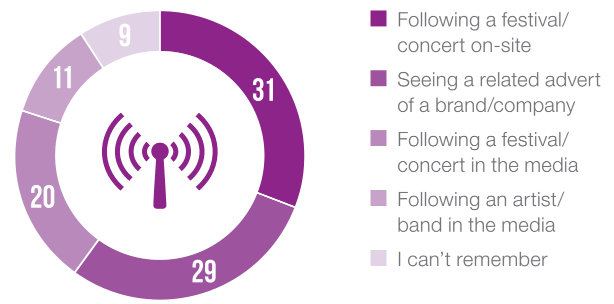
LIDL'S ROCKSHOP

At this year's Rock Am Ring festival, held at the former air force base in Mendig after many years at the Nurburgring, supermarket chain Lidl was present and activating through its Lidl RockShop. The RockShop is a pop-up supermarket, covering around 2,000m², and selling over 160 food, drink and hygiene products to festival-goers.

The size of the temporary facility means it has the potential to cater for the 90,000 festival attendees, with employees working in three shifts and products re-stocked throughout a festival weekend. In short, the RockShop means festival-goers no longer need to carry food and drink with them as they travel to a festival site.

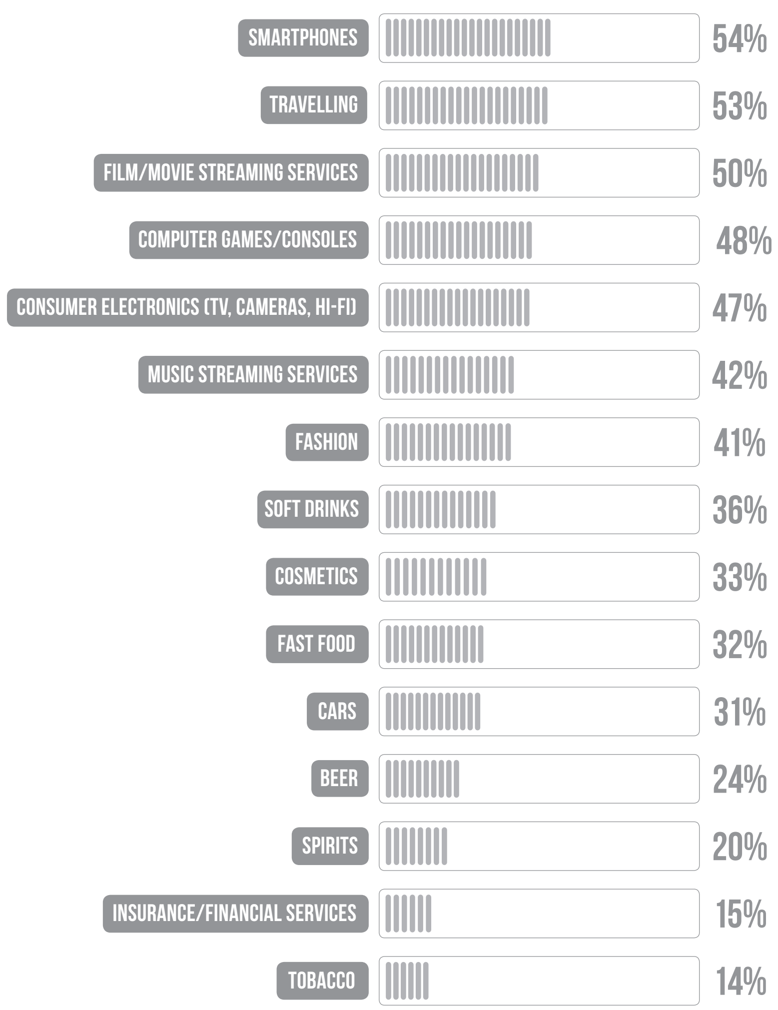
A joint collaboration between Lidl and The Sponsor People, the activation seems to have struck a chord. The announcement of the Lidl RockShop at Rock Am Ring resulted in over 3,000 Facebook 'likes', while post-event research showed that that nearly 60 per cent of attendees shopped in the facility. 96 per cent of attendees, meanwhile, said they loved the concept, with nearly 86 per cent stating they would be doing their whole shop at the Lidl Rock Shop at the following year's event.

Where do music fans notice sponsors? (%)



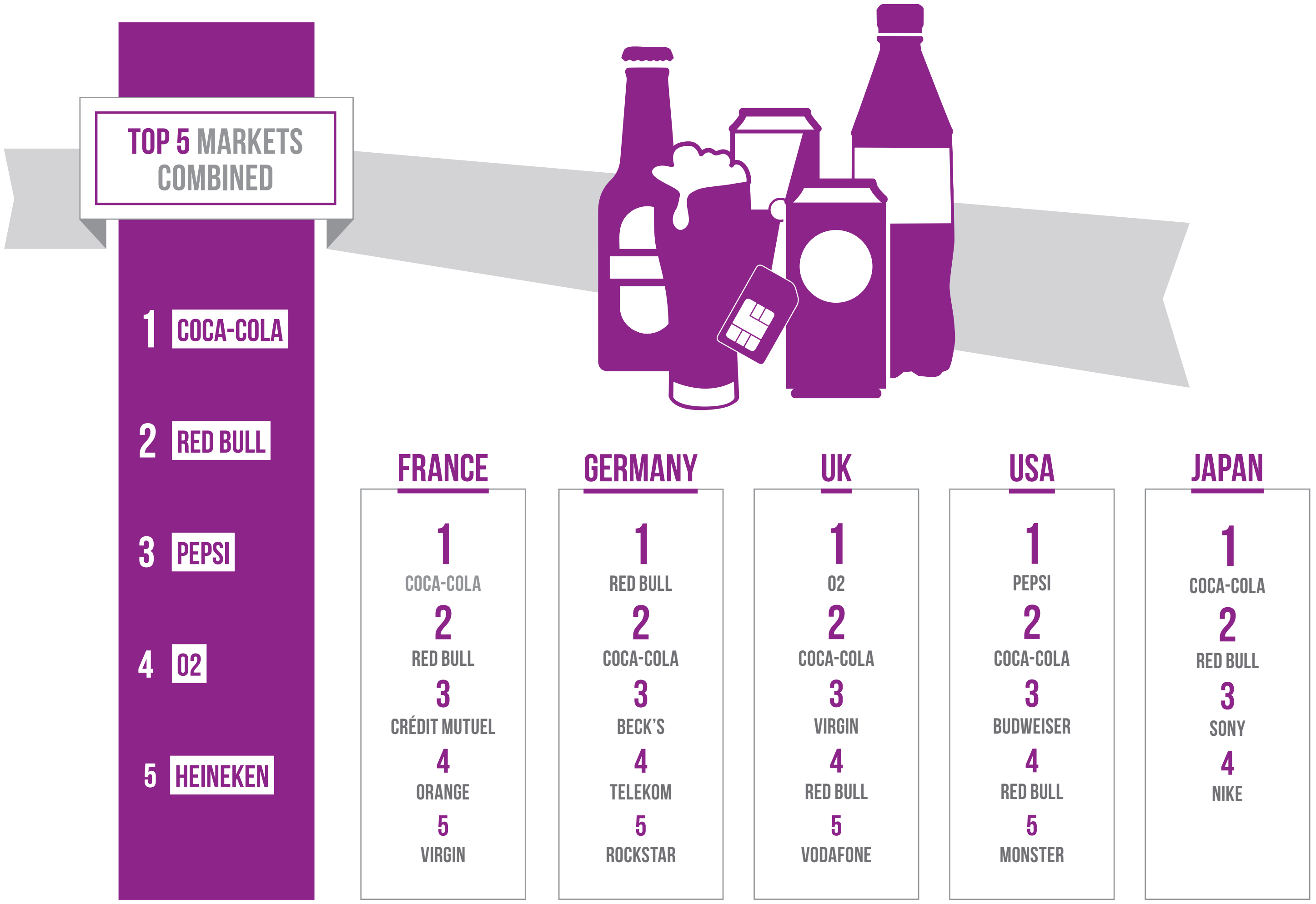
Base: 14–34 year olds

What are music fans interested in? (%)



Base: 14–34 year olds

Awareness of sponsors



Base: 14–34 year olds

CASE STUDY

BECK'S: HENNER HÖPER, MARKETING DIRECTOR, ANHEUSER-BUSCH INBEV GERMANY

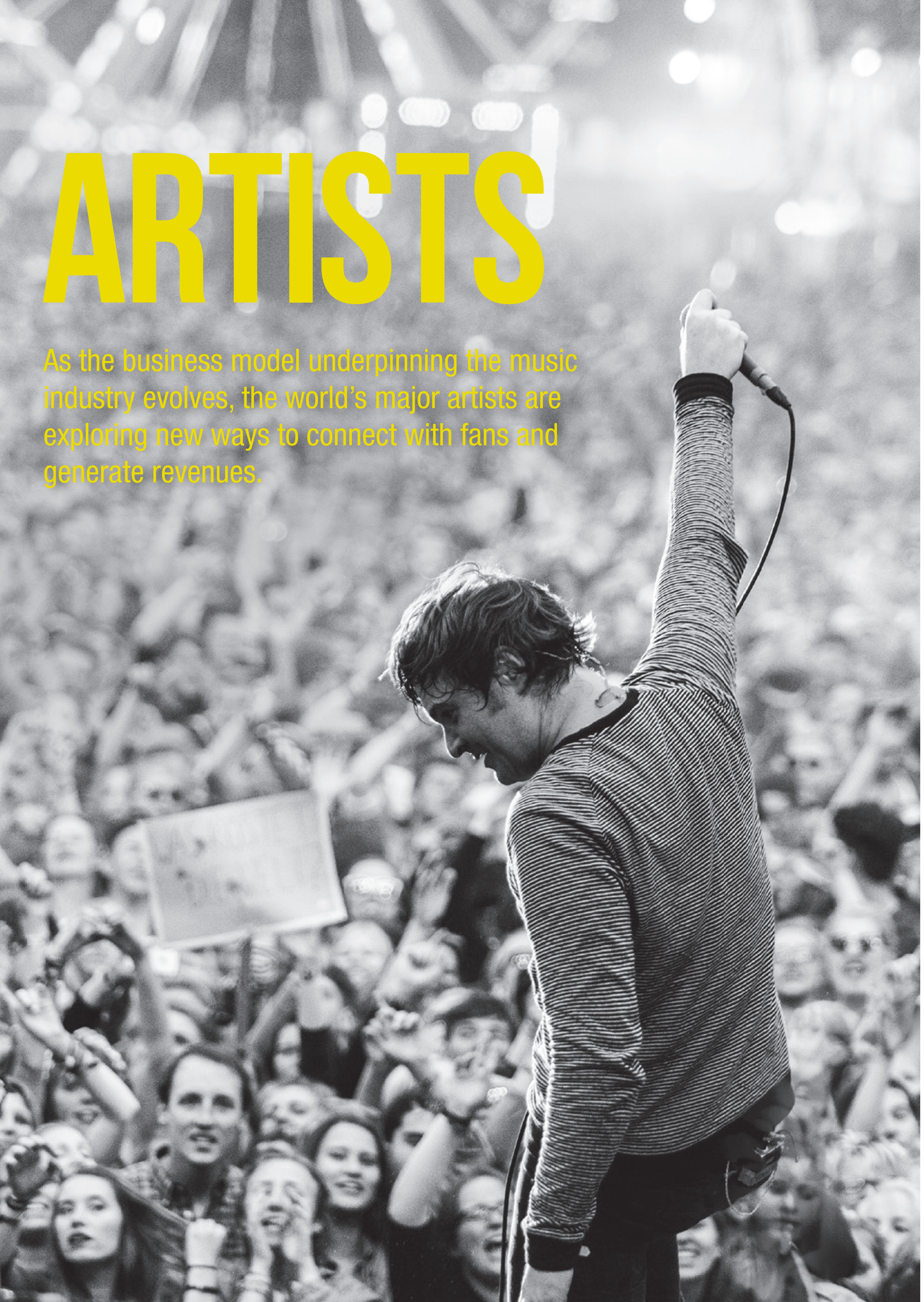
"The key element of all our communications is for consumers to get a live experience of our brand. A festival is the best possible place to experience this. Sponsorship is an integral component of our communications strategy and we are proud that we have partnerships in many different genres. In terms of awareness, Beck's is one of the leading companies in the field of music sponsorship.

"Sponsorship isn't only defined by the transfer of goods and financial support in exchange for advertising space. We link our sponsorships to our current communications every time. If we are to support an event we should understand who the key target group is and accordingly shape our imaging. We load up the brand with values like freedom and internationality – and it also stands for discovering new things. We also try to offer interaction. As a general rule concerts offer interaction, but we are also searching for additional value – for example, by organising a special 'meet and greet' with an artist.

"On a festival weekend we achieve some two million direct contacts, but it isn't enough to hang up banner advertising on a stage. We organise activations like the Beck's Truck, a beer pre-order service and other accompanying activations. That gives us presence and additional value; a TV spot is unlikely to provide this intensity (of exposure). To cut a long story short, you can watch a TV spot a hundred times but it will not have the same effect as a complete weekend with your brand in a personal surrounding. Every brand has their own strategy and positioning and out of this arise individual concepts and marketing approaches. Going forward it is our intention to work with powerful partners and we want our consumers to have contact with our brand. Sponsorship is not an asset in itself, but rather an integrated part of overall communications."

ARTISTS

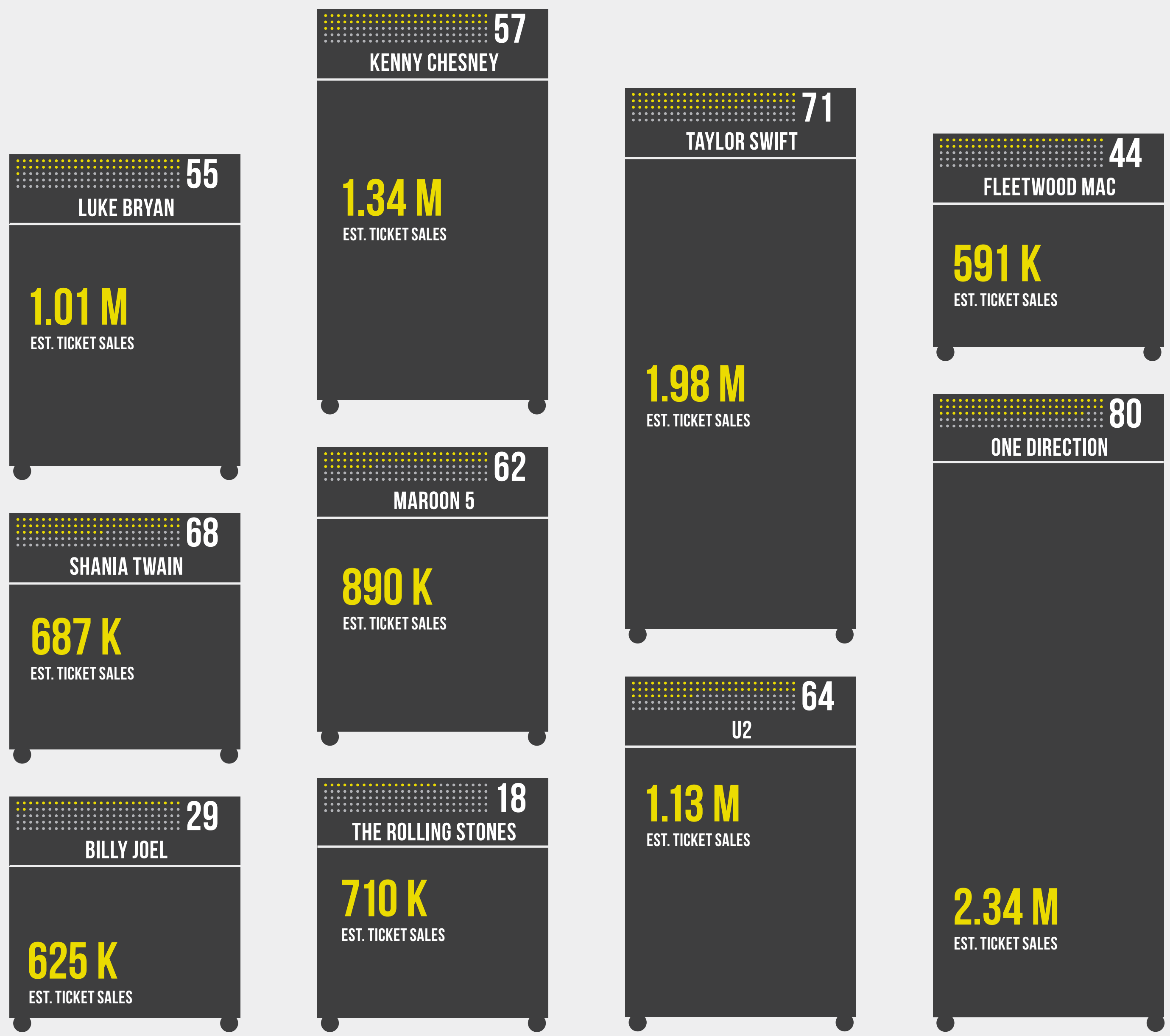
As the business model underpinning the music industry evolves, the world's major artists are exploring new ways to connect with fans and generate revenues.



PLAYING TO THE CROWDS

Successful music acts come and go – popularity is generally measured in sales, number of downloads and tour revenues, but credibility can be harder to gain and quantify – virtually by the month, but for a select few breakout chart success can turn into a lucrative and lengthy career; indeed, there are world-renowned performers – amongst them Sir Elton John, Stevie Wonder, U2 and the Rolling Stones – who continue to sell out shows around the world many years after their last number one chart hit. For the major global acts of 2015, tour sponsorships and brand endorsements are not uncommon – artist reluctance to partner with corporate brands seems to be waning, with the changing dynamics of the music industry prompting a search for new revenue streams and ways to connect with a fan base. Partnerships with the right brands can be a valuable way to achieve both. Several of the world's major artists are now effectively the CEOs of their own corporations, with their own product ranges. As Adele, who eschews brand endorsements, proved in late 2015, though, there is more than one way for an artist to be successful.

The biggest grossing tours of 2015 by ticket sales and number of shows



Source: Billboard/Boxscore (Nov 2014 – Nov 2015)

THE MOST MARKETABLE ARTISTS

The world's major international music acts are global brands in their own right, using a variety of platforms and touchpoints to connect with fans and ultimately generate revenue – everything from tours to merchandise to major brand collaborations. The age of Twitter, Facebook and Instagram has allowed for the most astute artists to generate a closer, more personal, authentic and interactive relationship with fans. **Celebrity Davie Brown Index (DBI)** is a tool which can measure the public's perceptions of over 8,000 personalities across 15 markets around the world, representing the views of over 1.5 billion people. It can look at specific demographics – in this case, the most marketable solo artists of 2015 amongst Americans aged between 13 and 24 – to give a clear identification of how audiences consider a personality, and how personalities compare to one another. Here, then, are the most marketable artists of 2015.

Celebrity DBI scores

THE TOP TEN COUNTDOWN

10 DBI 81.6
BRUNO MARS

9 DBI 81.8
NICKI MINAJ

8 DBI 81.8
BRITNEY SPEARS

7 DBI 82.1
NICK JONAS

SNOOP DOGG 6
DBI 82.9

Controversial but undoubtedly a major breakout star, Snoop Dogg has released 13 studio albums and a further eight collaborations since his debut, Doggystyle, in 1993, in addition to his work as an actor in film and television. He has also developed a diverse business and commercial portfolio, appearing as an ambassador for a long list of brands as his gangster image has softened. In an extension of the traditional brand ambassador role, Adidas named the rapper Director of Football Development midway through 2015, launching an accompanying range of Snoop-branded cleats.

BEYONCE KNOWLES 5
DBI 84.6

One half of music's premier power couple, Beyonce has become a major global brand in her own right since Destiny's Child disbanded in 2001. Multi-million dollar revenues from tours and albums have followed, as have a string of major endorsement deals: her 2012 brand ambassador partnership with Pepsi is worth a reputed $50 million. Her other partners over the past decade have included American Express and L'Oreal. More recently she has embarked on a joint venture with Topshop and become a co-owner, alongside husband Jay-Z, of music streaming service Tidal.

KATY PERRY 4
DBI 85.1

Katy Perry's breakthrough hit, I Kissed A Girl, was released in 2008, propelling her to global stardom which has been burnished through a series of record-breaking album releases and a documentary movie, Katy Perry: Part of Me. Her mass-market appeal was underlined by the diverse sponsor roster for the North American leg (one of six global legs) of her AEG Live-promoted Prismatic World Tour in 2014: partner brands included Citi, as official credit card, cosmetics firm Covergirl and presenting partner Staples, the office supplies retailer.

LADY GAGA 3
DBI 85.1

Lady Gaga's first album was released in 2008 and was an immediate global hit. Four more albums have followed, most recently 2014's Cheek to Cheek, as well as a series of tours and a lucrative 2014 residency in New York. Her corporate partnerships have included a deal with Doritos, Virgin Mobile. Absolut and Hewlett-Packard, while Diet Coke cans appeared prominently as hair rollers in the video to her song Telephone. Her fan base, dubbed the Little Monsters, has its own offshoot official online community, where people are encouraged to 'gather, create, share and inspire'.

JUSTIN TIMBERLAKE 2
DBI 86.4

Timberlake's career began two decades ago as a member of boyband NSYNC but it is as a solo act, and actor, that he has found major stardom. He also has a keen business brain, creating the William Rast fashion label in 2005 and forging partnerships with a variety of major corporate brands, notably a two-year deal with Mastercard for the company's Priceless campaign in 2013. Signed to IMG, he also has interests in restaurants, golf clubs and a small shareholding in the NBA's Memphis Grizzlies many of which he publicises on his personal Twitter feed to around 50 million followers.

TAYLOR SWIFT 1
DBI 88.5

Since 2009, Swift has had endorsement and collaboration deals in place with the likes of Elizabeth Arden, Diet Coke, CoverGirl, Sony, L.e.i jeans and Keds, but her popularity and appeal has taken another leap in more recent times as she has moved from her country music roots to a fully-fledged pop artist – according to Forbes, she made some $80 million between June 2014 and June 2015, as her album 1989 was released. She also demonstrated her industry influence in 2015 by refusing Apple permission to stream the album, prompting a change of policy by the company – it reversed a decision not to pay artists for music streamed during a three-month trial period. She remains signed to Tennessee-based Big Machine Records, which specialises in country music artists. As of mid-November 2015, her official Twitter handle was followed by no fewer than 66.2 million people.

CASE STUDY

EVAN GREENE – CHIEF MARKETING OFFICER, THE RECORDING ACADEMY

"We are a not-for-profit trade organisation designed to improve the cultural condition of music and its makers. We serve the music industry in various ways and we have become globally famous based on the single television event we produce once a year, the GRAMMY Awards.

"The dynamics of the music industry as a whole is changing radically. I think what you're seeing is in a lot of ways the revenue model is different today than it's been before, and artists realise that in order to get paid they're generally a lot more amenable to marketing partnerships, whereas in the past it was a little bit taboo. You have brands that have become a lot more innovative. I believe you have artists that have become a lot more open to working with brands, and there's so much money that's been put on the line by promoters that they need a way to recoup a lot of that. Partnership marketing has become a really good revenue line item and artists realise that they've got to do things in a little bit of a different way – it's not about just getting a cheque, it's about who can help bring incremental visibility and who can help provide greater exposure. Brands have become an interesting way to do that. Music has a different type of connection with people. I think brands that do it right really are able to create a deeper connection with fans. That's something that I think lasts.

"There's always been a real intersection between music and technology. I believe that's absolute, and I see that continuing. I see artists continually using technology in new ways to create music, and technology allowing new ways for fans to consume music. I think technology empowers artists, and will continue to bring fans and artists closer together. Brands can really take advantage of that. There's new ways to distribute music, there's new ways to engage and interact with fans. The smarter brands have become more sophisticated and authentic in the way they try to reach fans and it's not just about couponing, discounting and trying to get someone to buy. It is about creating relationships and I think technology is allowing that in unprecedented ways."

WHAT NEXT IN LIVE MUSIC SPONSORSHIP?

While technological advances have opened up a raft of exciting possibilities, in terms of connections with fans and distribution of content, on-site activation remains at the heart of many sponsors' commitment to music, and is often driven by passion and innovation.

Before that, however, there are a multitude of touchpoints in anticipation of the event, where promoters and brands can help to stoke interest and discussion. "As we talk with potential partners, we attach great importance to the understanding that advertising services should be activated long before the actual event," notes Folkert Koopmans, Managing Director of FKP Scorpio, currently the promoter of 16 festivals. "We connect with our visitors for the whole year and at the different peak times that can be accompanied by communications from our partners."

Especially at multi-day festivals, activations including visitor amenities, such as clean showers, charging stations for smartphones and parking, are looked upon particularly favourably. "For newcomers especially, it is recommended to make the subject of the activation the basic needs of event visitors, to ensure that an on-site activation doesn't lack clarity or sense," confirms Philipp Schmoll, the Director of Marketing at Jägermeister.

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>
> FOLKERT KOOPMANS, FKP SCORPIO

> "IT IS THE POSTS OF STARS THAT WILL ALWAYS BE REGARDED WITH ENVY BACK HOME."
>
> LARS-OLIVER VOGT, THE SPONSOR PEOPLE

As many visitors to music events indicate that the most important reason for their visit is to spend a day or weekend with friends, sponsors should look to provide unique opportunities and shared experiences: a secret backstage concert can, for example, provide an unforgettable moment.

Further enhancements to smartphone battery life, or more charging stations at venues, plus better Wi-Fi connectivity across festival sites will have significant implications for festival-goers, event organisers and sponsors. "Understanding the basic needs of music fans is key to a successful activation," says Lars-Oliver Vogt, CEO at The Sponsor People. "Music sponsorship has never only been about billboards and business seats; we have always tried to ensure that our sponsors provide additional value to fans. Originally, bringing brands into rock'n'roll felt like a commercial sell-out, but in recent years we have learnt that our platforms – i.e. music festivals – provide truly unique opportunities for brands to reach out to millennials first hand. A good campaign might reach millions, but a great story at the right moment might change a fan's perception of a brand forever."

Delivering effective live music sponsorship campaigns

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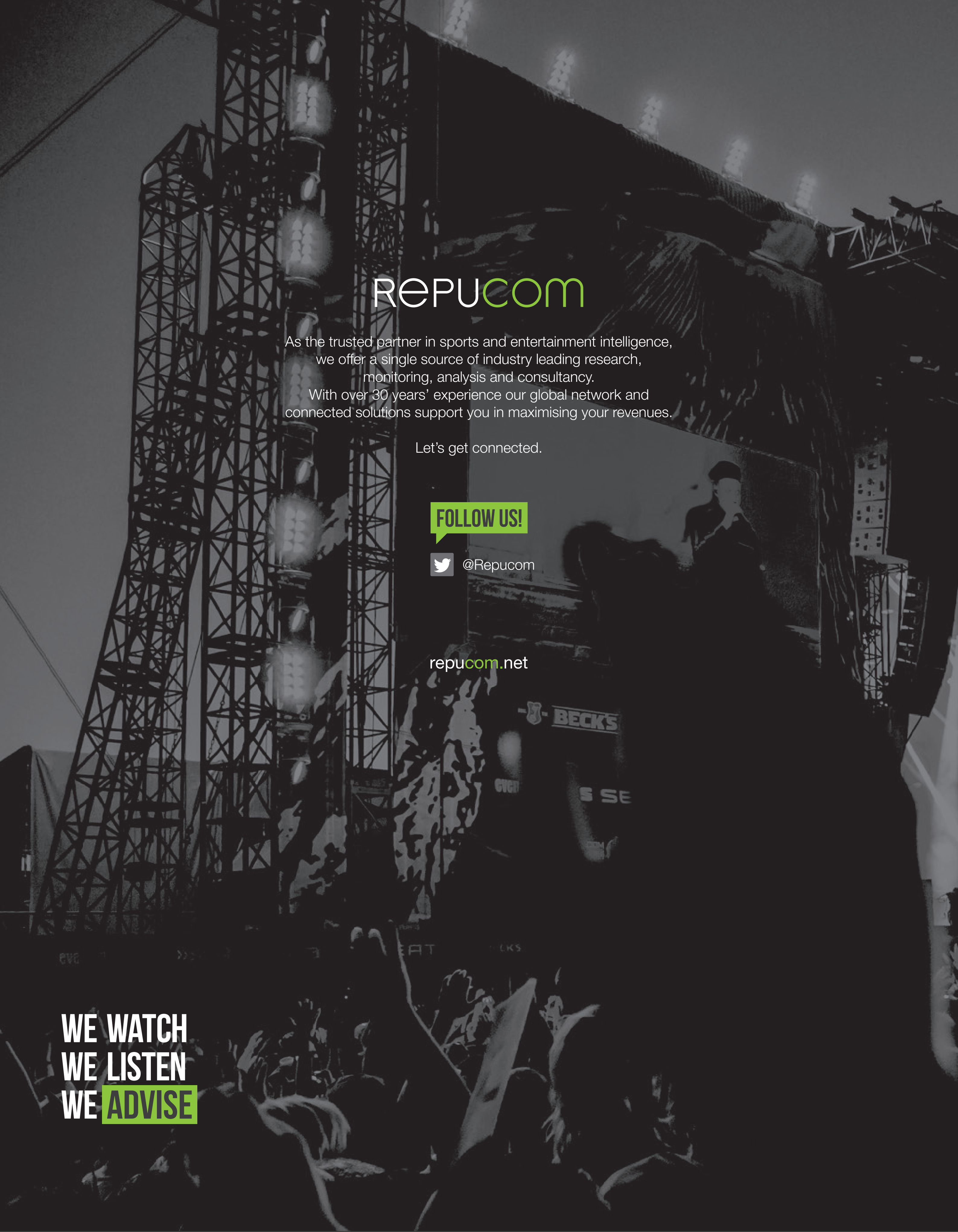

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