



WISH YOU WERE HERE

MUSIC TOURISM'S CONTRIBUTION
TO THE UK ECONOMY
OCTOBER 2013

CONTENTS

Forewords	
- Jo Dipple, Chief Executive, UK Music	6
- Ed Vaizey MP, Minister for Culture, Communication and Creative Industries	8
- Sandie Dawe, Chief Executive, VisitBritain	9
- Paul Latham, Chief Operating Officer, Live Nation International Music	10
Introduction	12
Music Tourism in Perspective	14
Music Tourism in the UK	35
Music Tourism in the Nations and Regions	50
UK Music Recommendation	64
Methodology	67
Annex: Tables	82

ACKNOWLEDGEMENTS

Throughout this project we have received support from a wide range of individuals and organisations that have provided datasets essential to this analysis. These include:

- AEG Live
- The Association of Independent Festivals (AIF)
- Symphony Hall, Birmingham
- Arts & Festivals Management, De Montfort University,
(with particular thanks to Richard Fletcher)
- Glasgow Concert Halls
- Live Nation
- The National Arenas Association (NAA)
- *PRS for Music* (*The Performing Rights Society*)
- Sage Gateshead
- See Tickets
- Ticket Factory
- Ticketmaster

We have also enjoyed fruitful discussions with members of UK Music's Live Music Group which have aided us in our analysis. UK Music's Live Music Group is comprised of representatives from the following organisations:

- The Association of Independent Festivals
- The Association of Festival Organisers
- Concert Promoters Association
- Agents Association
- International Live Music Conference
- The National Arenas Association
- Production Services Association
- Musicians Union
- The Music Managers Forum

The analysis was carried out by Oxford Economics.

In addition, we are hugely grateful for the support offered by Professor Martin Cloonan of the University of Glasgow and Professor Simon Frith of the University of Edinburgh who kindly acted as peer reviewers during the project. Their advice is reflected in the final methodological approach outlined in this report.

MUSIC TOURISM IN NUMBERS

Prime Minister
Rt. Hon.
David Cameron MP

[Music] is an industry that is an international success story and we should go on backing it. It's not just the exports that [it] provides for this country. It's not just the people [it] employs in this country. It's the massive and growing music tourism, people coming to Britain to listen to great acts.



£2.2 BILLION

Total direct and indirect spend generated by music tourism in 2012

£1.3 BILLION

Amount spent directly by music tourists

6.5 MILLION

Number of music tourists

41%

Proportion of live music audiences that are music tourists

£657

Average spend by overseas music tourists while in the UK

24,251

Number of full time jobs sustained by music tourism



FOREWORD

Earlier this year I was in the back of a taxi heading up to Abbey Road Studios. The cabbie and I got chatting about the Beatles, as you do, and just before he dropped me off he pointed to a dozen or so youngsters marching across the zebra crossing.

They crossed in front, with us patiently waiting in the idling cab, they were four at a time, taking pictures, laughing and joking.

People emulating The Beatles on their Abbey Road album sleeve cover has become another tick on the tourist list when people visit London, like going to the Tower of London or taking a trip on the Eye.

This country is full of similar destination spots for the musically inclined traveller.

Outside of London, in Liverpool, Manchester and Glasgow, the effects of music tourism are just as pronounced. Tourists still flock to the Salford Lads Club to pay homage to The Smiths; many take the trip down Manchester's Whitworth Street to marvel at where the Hacienda Club kick-started a whole global dance movement and the second summer of love.

In this research we're not even counting these people. This is something that we could look at in future reports, but I think it's important to think about these landmarks in this report to provide more context. These are all strands of the UK's musical landscape of which we should be incredibly proud. These landmarks are part of our rich cultural heritage which enhance our offering to visitors to the UK - musical heritage is part of their journey to the UK.

PRS for Music established the Heritage Award scheme in 2009 to recognise important live music venues where iconic bands and songwriters performed.

Earlier this year, a plaque was unveiled at Imperial College to commemorate where

Queen performed their first concert in London on 18 July 1970.

Previous awardees include Blur, Elton John, Soul II Soul, UB40, Snow Patrol, Faithless, James, Jethro Tull, Dire Straits and Supergrass.

Britain attracts thousands of tourists because of our music history. But we also attract thousands because we create some of the best music in the world today.

That means every year Britain is putting on some of the most exciting gigs, concerts and events in the world in a myriad of world class and renowned venues and festival sites.

Last year, I was at Heaton Park with 225,000 Stone Roses fans as they kicked off their resurrection in Manchester. In the mud and the rain, singing along to Ian Brown, it was clear that not all these fans were from Manchester - or even the UK. They were musical tourists.

Checkout brilliant venues and festivals like the Royal Albert Hall, the Roundhouse, Glastonbury and Hyde Park.

This Report details the specific contribution that live music events make to tourism.

However, we know that the impact of music on tourism can be broader, creating a direct economic contribution to cities and regions. Music has the capacity to create a mutually reinforcing relationship with other tourist related and cultural activities in an area.

A packed gig, concert and festival schedule feeding into a strong musical culture in an area can provide many valuable opportunities for local councils and businesses to brand their locale.

Jo Dipple
Chief Executive
UK Music



PRS for Music heritage award presented to Queen at Imperial College London, L-R Roger Taylor, PRS Chair, Guy Fletcher, Brian May. Photography by Warren King



Jo Dipple, Ghostpoet and Steve Lamacq at the AIM Awards 2013, presenting an award for Best Independent Festival. Photography by James Arnold

Britain attracts thousands of tourists because of our music history. But, we also attract thousands because we create some of the best music in the world today.



Abbey Road crossing: music tourism in action. Photograph by Andy Rain.

This has the obvious effect of generating wealth and maximising economic activity with the attendant regenerative and growth potential.

And with thousands of music tourists flocking into an area, it has the knock on effect of providing a vibrant culture - for both visitors and locals.

British live music's primary job is to put on great shows which attract thousands of music fans.

The by-product of that is to encourage more of them to travel around Britain and also for more tourists to visit this country and help VisitBritain achieve its goal of attracting another nine million more tourists to these shores by 2020.

UK Music and VisitBritain are committed to working with Government and their agencies to design a strategy to maintain and grow our advantage in music tourism.

FOREWORD

This year's Glastonbury reminded us yet again of just what a powerful force our music industry is. Easily the world's most famous music festival, Glastonbury draws in visitors from every corner of the globe, contributes more than £100 million to the economy annually and is a wonderful celebration of the strength and diversity of the UK's live music industry.

But Glastonbury is only one example of how the music industry's position as one of our most successful creative industries is unquestionable. Adele's "21" album released in 2011 was the best selling album globally for 2 years running.

Last year was the 5th time in 6 years that a British act claimed the world's top selling album title, and 2012 saw UK artists' share of global album sales reach the highest levels on record. 2011 saw the O2 arena sell more tickets than any other arena on earth, making it the most popular music venue in the world for 5 consecutive years.

Music is without question an essential element of Britain's tourism appeal, and it is this ability of the UK's music industry to attract tourists from near and far to our shores that is celebrated in this report. The huge financial contribution to the UK economy by the millions of music tourists to the UK annually makes it very clear that when combined, the music and tourism industries are powerful drivers for growth. The wonderful synergy that exists between these two sectors is something Government recognises, and the reason why music is one of the major themes of the current GREAT Britain campaign - the Government's most ambitious international marketing campaign ever.

And Government is committed to continuing its support for the growth of both the music and tourism industries. The introduction of the Government's Licensing Act has been credited with doubling the number of musical festivals over the last decade, we have extended the range of performances that no longer require a licence and through Arts Council England we will be investing over £70 million a year in music organisations up to 2015.

The Culture Secretary, myself and the Minister of State for Sport and Tourism are working with colleagues across government, as well as with committed private sector partners, to ensure that we provide the conditions in which both the music and tourism sectors can continue to thrive. Evidence, such as the research contained in this report, will be of the upmost assistance in helping us make the case for continued support. I thank all of those involved in putting together such a comprehensive and informative look at just what these two dynamic sectors are capable of delivering.

Ed Vaizey MP
Minister
for Culture,
Communication
and Creative
Industries



SANDIE DAWE

Sandie Dawe
Chief Executive
VisitBritain



This report should act as a catalyst to ramp up our activity and with the help of UK Music to forge partnerships with producers, festival organisers, venues and promoters to raise awareness of our amazing live music scene around the world and to encourage more visitors from overseas.

British music is a cultural asset that inspires people overseas. Our musical heritage is as much a part of our appeal as Buckingham Palace or fish and chips. Heritage doesn't stop at castles and stately homes: from the Roundhouse to The Cavern Club, historic music moments have been, and always will be, made in Britain. After all, we are the second largest exporter of music in the world.

Music is a global language and attracts people to visit our cities and countryside. Whether it's Elgar at The Proms, The Proclaimers at T in the Park or Manchester's club scene, music transcends all boundaries and you don't need to be fluent in English to enjoy it.

Britain's recent successes on the global stage - Adele, Jessie J, Mumford & Sons, Florence + The Machine - are all flying the British flag overseas and helping attract some of the 31 million tourists who come to Britain. Not to mention the iconic artists who put British music on the map - The Rolling Stones, Elton John and The Who. The Beatles are synonymous with our musical heritage and have been influencing musicians around the world for decades. The current David Bowie exhibition is proving to be one of the most popular attractions in the V&A's history.

In a VisitBritain survey, music was highlighted as an integral part of Britain's culture and heritage. 44% felt it was a cultural activity they would expect to be 'produced' in Britain. When asked about musical activities, visitors chose a Beatles tour in Liverpool, with those from Argentina, Mexico and Brazil the keenest participants. Meanwhile, South Africans, Poles and Chinese visitors favoured heading to Glastonbury.

Many overseas visitors have experienced the live music scene across the UK, with

Brazilians the most active - 15% taking in a performance, followed by Kiwis (12%) and Norwegians (11%).

This research points to the huge potential of music tourism to boost domestic and overseas visitor numbers throughout the country. Glastonbury is rightly world famous, but what about the rest? There is truly something for everyone. Fancy some rock whilst holidaying in Scotland? Head to RockNess in Inverness-shire. Love your surfing as much as your music? Then it's Boardmasters in Cornwall for you.

The 'Symphony of British music' that was the 2012 Olympic Games closing ceremony was the perfect showcase for our range of musical talent, and brought home to us just how much British music has influenced the world. We are centre stage in the world's live music industry. Now, we need to capitalise on this strength to welcome more overseas visitors to enjoy the wealth of music experiences here, immersing themselves in our cultural heritage at the same time.

Music is a key 'pillar' in our GREAT campaign alongside shopping, sport, food, heritage and countryside, and features in our global advertising. We recently partnered 'Rock in Rio', one of the biggest music festivals in the world, with a Britain-themed Rock Street and a Beatles tribute band re-enacting their famous roof-top gig.

I welcome this report. It should act as a catalyst to ramp up our activity and, with the help of UK Music to forge partnerships with producers, festival organisers, venues and promoters, raise awareness of our amazing live music scene. VisitBritain is committed to working alongside UK Music to ensure we maximise the benefits from this largely untapped tourism market.

FOREWORD

I didn't know what to expect from the headline figures in the *Wish You Were Here* report. We know how big the live sector is in this country. That's something quantifiable and measurable.

But, other areas of our industry, which greatly interest the policy makers in Westminster, are less well known. Music tourism is one of them. While promoters sweat over ticket sales, music tourists remain a relatively untapped - and potentially massive - market that the UK's music industry can and should begin to cultivate more seriously.

Getting some numbers in place is the starting point. It's something we haven't previously attempted on such a big scale. So when I saw £2.2 billion for total spend, I thought 'that's a pretty big number.'

You need to put that figure in context. That's not everyone just popping on the bus to catch a gig in their neighbourhood or crossing town to see a concert. That's only the people prepared to travel at least 33 miles - and mostly a lot more - to get to see the live music they love. That shows commitment.

Then, I started thinking about it a bit more. If UK tourism is worth around £115 billion then the music industry is already providing a sizeable chunk of that. Clearly not everyone in Britain is going to the Isle of Wight to build sandcastles or flying in from Germany and France to tour stately homes.

I also wear another hat as the Chairman of Creative and Cultural Skills. So when I saw 24,251 jobs were sustained in the UK last year alone through music tourism then that is excellent.

I know a lot of jobs in live music might only be temporary or short term, but some of them will be filled by young kids who

might be getting their first break in the music business.

They might get a taste for the business and approach one of our colleges to train up, possibly with an apprenticeship or training through the UK Music Skills Academy that was launched earlier this year.

The other figure that stood out for me was the £657 spent by foreign music tourists. And overseas travellers shelled out nearly a grand when they camped out at a festival as part of their stay.

That's a fair whack because you wouldn't expect our kind of tourist would have the highest spend - there's a lot of impoverished students there, sleeping in tents.

Many would think a slab of Tuborg lager would be one of the biggest expenditures, but with foreign visitors spending £910 at festivals and domestic travellers shelling out £396 that's significant cash being pumped into parts of the UK economy that are probably desperate for a boost right now.

And make no mistake, these are challenging times right now. When you look at live music, you can't ignore the state of the economy because our target audience is obviously impacted by factors such as youth unemployment and higher education fees.

It beggars belief that kids are coming out of university now with the equivalent of mortgages around their necks. Perhaps those who are cool about having an albatross over their heads will still spend money on festivals. But, will they spend it on more than one festival? If they go to something at the start of the season in May will they have enough for a ticket to Reading or Leeds at the end?

Paul Latham
Chief Operating
Officer
Live Nation
International Music



Many would think a slab of Tuborg lager would be one of the biggest expenditures, but with foreign visitors spending £910 at festivals and domestic travellers shelling out £396 that's significant cash being pumped into parts of the UK economy.

Focusing more on music tourism can only help. But, I'm not sure our festivals and concerts are necessarily benefitting from any general bounce in cultural tourism. If you want to go and see old buildings, they are there whether you are travelling in July or December.

Music is more of a specialist subject. It takes focus - and a lot of determined phone calls - to make sure your holiday in Devon will also take in three days of Glastonbury.

That might mean we have to think more about how we market events overseas or persuade someone in Taunton to travel all the way up to T-in-the Park.

What we do know is that we have the skills and imagination to put on the best shows on the planet to attract visitors. Just look at the Olympic Games opening ceremony. It was spectacular and reminded the World of not just the UK's heritage but also our indigenous creativity.

There is no shortage of that creativity in these shores. We build great events from

scratch. And something like Download Festival proves you can bring over the overseas visitors. Even though there are metal festivals in places like Germany, Download is like a visit to Stonehenge for metallers. Getting that mass of metal together doesn't happen easily, But it's not just the mega-festivals that have the creative flair, the Association of Independent Festivals team have some of the most imaginative themed events situated all over the UK.

People will travel further for the music they like presented in a way that they like. If we can persuade more people that is what the UK is doing right now, we have the building blocks for more specific music campaigns.

Wish You Were Here can hopefully persuade the powers that be that music is already a powerful tourism tool that is generating more than £2 bn in spending and boosting local economies all over this country.

Imagine what could be achieved with a little more backing and support from our friends in Westminster.



Marilyn Manson performing at the Download Festival, 2013. Photograph by Rune Hellestad / Corbis.

INTRODUCTION

The UK has a whole range of assets - beautiful beaches, the Royal Family, ancient castles, unrivalled museums and art galleries - working in its favour. They all sell Britain and boost the tourist industry.

That sector's economic impact on the UK economy is regularly researched and documented. The visitor economy is worth £115bn annually and employs 2.6 million people.¹

Earlier this year the Office for National Statistics revealed the UK tourism sector recorded the strongest levels of spend and visitor numbers since 2008.²

A year after Britain hosted the London 2012 Olympic and Paralympic Games, inbound tourism proved it is one of the UK's key growth markets: 15.2 million visitors flocked to the country in the first half of 2013 (an increase of 4% on the same period the previous year).

Tourism Minister Hugh Robertson said, "These record figures show that our tourism strategy is working. The tourism sector has a big role to play in delivering economic growth and we must keep up this momentum and continue to promote Britain as a great place to visit."

What is less well known, however, is the specific contribution music makes to the UK's tourism business.

There's no doubt that the UK's music festivals, such as Glastonbury, and the extensive touring programmes of international acts, such as the Rolling Stones and Beyonce, attract massive overseas interest and foreign visitors to these shores.

Cities steeped in musical tradition, such as Liverpool, have already made huge progress in creating a strong tourist trade around music.

Earlier this year the city launched its Beat In The Mersey tour to promote other bands and music genres that have kept Liverpool rocking over the years.³

Other towns in Britain can replicate Liverpool's ambition and push their own musical heritage.

Alongside inbound tourists, many music lovers in the UK also travel long distances to watch their favourite bands and artists perform.

This is international and domestic music tourism working. And working well. But, exactly how much music tourism adds to GDP, contributes to employment and can help boost - even revive - local economies has gone largely unexplored.

It is clear music tourism offers an opportunity for economic growth at the local, regional and national level.

If the music industry can demonstrate live music encourages more people to holiday in the UK, or travel around the UK to get to gigs, it can calculate how much money music tourists generate and also estimate the potential for future spend.

This provides ammunition to gather support from politicians representing regions where thousands, perhaps millions of pounds, will be spent by music fans.

New, music specific, tourist strategies could then be unleashed in these areas.

There's no doubt that the UK's music festivals, such as Glastonbury, and the extensive touring programmes of international acts, such as the Rolling Stones and Beyonce, attracts massive overseas interest and foreign visitor to these shores.

¹ The Economic Contribution of the Visitor Economy: Deloitte and Oxford Economics, June 2010 for VisitBritain

² Office for National Statistics (August 2013) retrieved from: <https://www.gov.uk/government/news/uk-tourism-sector-boosted-by-latest-spend-and-visitor-statistics>

³ Liverpool Echo (2013) Liverpool music tour to go beyond The Beatles <http://www.liverpoolecho.co.uk/whats-on/music/beat-mersey-music-tour-go-4065385>

The UK has an edge on many of its international competitors. It has a long list of music - and potential music tourism - strengths, including some of the best music festivals in the world.



Strawberry Fields is on the tourists' destination list of Liverpool. Photograph by Jim Dyson.

There are already precedents for such specialist music tourism campaigns. Earlier this year the Government of Ontario launched a \$45m programme, in tandem with various tourism and marketing partners, to boost concert attendance and visitor spending.⁴

Key strands of the strategy are to promote Ontario's music and position the province "as a premier global destination for live music and music tourism."

Music Canada has suggested the move could create 1300 jobs in the province and generate a further \$60m in economic activity.⁵

The potential for the UK to build a similar campaign, backed by the music industry, Government and promoters supported by all the marketing nous of tourism bodies, such as VisitBritain, is enormous.

Already, the UK has an edge on many of its international competitors. It has a long list of music - and potential music tourism - strengths, including some of the best and most famous music festivals in the world.

Obviously, well branded festivals and the larger venues hosting international stars, are well positioned to reach out to the overseas visitor: these live music shows can be harnessed as a major economic asset by developing a comprehensive music tourism strategy.

The live music industry - from festival operators to concert promoters and managers - has years of experience in marketing its gigs using a variety of social media tools coupled with more traditional advertising routes.

The sector also holds massive amounts of data on fans and their live music behaviour, which could be used as part of this music tourism strategy.

It's clear music can play a major role in boosting the UK tourist industry. But, how and by how much?

Up-to-date information and definitive data on how successful music tourism is right now can provide a baseline upon which future music tourism can be measured.

Using the data from *Wish You Were Here* agencies will be able to measure the effectiveness of any music-related tourism strategies and policies that are put in place over the coming years and decades to amplify music's part in Britain's tourism offer.

⁴ Ministry of Tourism, Culture and Sport (2013) Ontario A Leader in Live Music: McQuinty Government Developing Live Music Strategy to Showcase Industry Globally

⁵ Music Canada (2013) The Next Big Bang: A New Direction for Music in Canada

MUSIC TOURISM IN PERSPECTIVE

Britain's ambition is to attract 40 million visitors by 2020. Music tourism already contributes to this, but the music industry can play a much bigger role in helping VisitBritain and others achieve this target.

By 2020, the country targets earnings of £31.5bn from inbound tourism. That is an additional spend of £8.7bn. Music tourists already spend over £1bn and an increase in this sector could again help achieve the target set.

Overseas tourists are gold dust. They comprised just 6% of the total population of music tourists in 2012, but accounted for 20% of music tourist spending.

Support comes from across the political spectrum for the music industry to push strategies to help grow music tourism.

music tourism is already successful at drawing tourists into every corner of the UK.

An increase in music tourism has the potential to benefit every nation and region of the UK.

Tourism agencies and the music industry could work more to promote and spread the benefits of music tourism in areas outside of London and the south east.

Music tourism can help improve Britain's image overseas and also help promote new and young artists, who haven't yet found an audience outside of the country.

The Lord Bishop
of Derby

Music is not only important but a much underrated offer that we make to the rest of the world through tourism. When people come here for music tourism they engage in making a community and in being joined with others in a common culture through hearing a common language.

IN FOCUS: VENUE

Roundhouse
Head Of Music
David Gaydon



HOW DO YOU GO ABOUT PROMOTING?

We do a mixture of things. We promote ourselves and also work a lot with the big national promoters.

But, once a band is selling 3000 tickets in London they will generally have a long term relationship with one of the big promoters. So we tend to promote the more esoteric stuff. We work with artists for more creative reasons rather than just a London stop off on a UK tour.

food, screenings and exhibitions so it becomes so much more than a gig.

When we do something like a weekend or three day event, it will be the weekend ticket - the more expensive ticket - that always goes first. There is always an appetite for people who want to immerse themselves in the culture.

WHAT'S THE CAPACITY AND CONFIGURATIONS FOR MUSIC AND DO YOU PROGRAMME MUSIC ALL YEAR LONG?

We've got a capacity of 3118. We just upped it a bit in a new seating system upstairs to increase our seating capacity. So now fully seated is 1,200 and 1,800 all seated in the round. Sometimes we also do cabaret tables, but the standard rock'n' roll set up is 2500 standing and 600 upstairs.

YOU SEEM TO LIKE DOING FESTIVALS?

Yeah, we do Short Circuit and iTunes Festivals. Then we have the contemporary classical Reverb and Ja Ja Ja Festival launching this year, which we hope to make into an annual event. It is all about Nordic



Camden's Roundhouse, home to the iTunes Festival. Photograph by Will Pearson.

IN FOCUS: VENUE

We have invested heavily in infrastructure to allow us to flip back between events. Because of all the different art forms it does make it complex flipping from a circus show to a normal rock 'n' roll gig to a big corporate gig with sit down meal. Everyday brings us different challenges, but that makes it a good place to be and keeps us on our toes.

Certain times of the year, such as spring, autumn and winter, are definitely better for live music. March, April, May and the beginning of June are normally good. But, July, August and September are pretty terrible because bands are generally tied into exclusivity deals with the festivals.

Last year, we probably did around 80 shows plus another 30 iTunes shows. This year, including iTunes, we will have around 150 shows so we are pretty much back to back. This year, compared to last year, we have very few dark days.

WHAT ABOUT THE OLYMPICS LAST YEAR?

Last year the Olympics were really hard for us. We thought we would do a big hire and tried to hire to one of the competing countries as many venues did, but it all came to nothing.

I think the whole year was affected by the Olympics in terms of people putting things off or artists not wanting to play so I think we really suffered in terms of the amount of shows we did.

WHAT ABOUT THE KINDS OF BANDS YOU WANT FOR THE ROUNDHOUSE?

Everyone had a little bit of a dip last year so this year there's a lot more bands out

touring. Maybe there are less festivals so bands are not tied into exclusivity deals. In my remit I want to be really across every genre and demographic so we have a very diverse music policy. We don't want to be all dad rock. So much different music works in the space so we want to create a really diverse programme in there.

I work closely with promoters, agents, managers and I go after particular shows that I want to happen whether I promote it or it is externally promoted.

I don't think there is any particular genre that doesn't work and we can have a different crowd of people coming in every night.

I think both audiences and bands like it that the Roundhouse has this rich rock n roll heritage. It was this amazing eclectic venue through the 60s and 70s, with crazy happenings, the first Pink Floyd performance was here. The Ramones played here. So it has this rich cultural heritage.

But, I think the shape of the place also helps. If you are at the back at some venues then you are really right at the back. But, here there is no back because it is round.

For bands looking out, the shape makes it look intimate even with 3000 people in there and that works for bands and audiences alike. It creates more of a sense of occasion just because it feels different from the normal venue.

Because of all this The Roundhouse is often used for a statement show. Younger bands see it as a stepping stone and some more established acts might prefer to do a run of three or four shows here rather than playing one big venue.

I think both audiences and bands like it that the Roundhouse has this rich rock n roll heritage.



Lady Gaga leaves 2013
iTunes Festival at Roundhouse
© KP Pictures / Splash News / Corbis

MUSIC IS BIG BUSINESS

The UK is one of only three countries that exports more music than it imports.

The UK music industry is an incredibly important sector for the UK economy.

The UK is one of only three countries that exports more music than it imports because the global impact of music produced in the UK or by British musicians is massive.

The UK is the largest producer of recorded music in Europe and the third largest in the world.⁶ Incredibly, UK artists are responsible for around 12% of global album sales.⁷

The UK has always produced world class musical talent in every genre from dance to classical. Some of the biggest rock and pop stars on the planet, including The Beatles, The Rolling Stones, Pink Floyd, Led Zeppelin

and David Bowie, have launched from Britain's shores and their music is available and bought in countries from Australia to Zimbabwe.

Fortunately, that trend for producing world beating stars has not diminished in the last few years with artists such as Adele, Coldplay, Mumford & Sons, Jessie J and Florence & The Machine all producing global selling albums and ensuring that no fewer than five of the top 10 selling global albums in 2012 were by British acts.

This continual unearthing and development of new globe straddling talent provides Britain with a shop window and a reason for people all around the world to be interested in what is happening in the UK and to become potential music tourists.

GLOBAL TOP SELLING ALBUMS OF 2012			(SOURCE IFPI)
POSITION	ARTIST	TITLE	TOTAL SALES (M)
1	Adele	21	8.3
2	Taylor Swift	Red	5.2
3	One Direction	Up All Night	4.5
4	One Direction	Take Me Home	4.4
5	Lana Del Ray	Born To Die	3.4
6	Pink	The Truth About Love	2.6
7	Rod Stewart	Merry Christmas, Baby	2.6
8	Rihanna	Unapologetic	2.3
9	Mumford and Sons	Babel	2.3
10	Maroon 5	Overexposed	2.2

⁶ IFPI (2013) Recording Industry in Numbers: The Recorded Music Market in 2012
⁷ BPI 2013 BPI Yearbook



Britain hosts some of the world's best known festivals, such as Glastonbury and Isle of Wight.

The country also attracts the cream of global talent playing in a range of top class venues, including the O2 and Royal Albert Hall.

Last summer's Olympic Games also saw the best of British music take centre stage for the opening and closing ceremonies and at shows in Hyde Park and across London.

The Games brought obvious and significant gains to the capital and the nation as a whole. There have been a catalogue of reports that have made a study of the Games' economic impact and their legacy - including their potential to increase tourism.

One of these reports suggested that last year's Games would generate a massive net increase in tourist visits (10.8m between 2005 and 2017). The additional tourist expenditure was expected to generate another £2bn contribution to GDP.⁸

Obviously, music played a major part in the Games. However, its contribution - and its potential to increase tourism - has been less well researched.

Despite overseas media showering praise on Britain's musical offering during last year's Games the international interest in British music and its inherent linkage with the UK as a place to visit (for a holiday or a concert) hasn't been fully exploited.⁹



Arctic Monkeys performing at the 2012 Olympics opening ceremony. Photograph by Lars Baron.

⁸ Oxford Economics/Lloyds Banking Group July 2013 The Economic Impact of the London 2012 Olympic & Paralympic Games

⁹ Guardian (July 2012) World's media lavishes praise on Olympic opening ceremony retrieved from <http://www.guardian.co.uk/media/2012/jul/28/world-media-london-olympic-opening-ceremony>

TOURISM IS ALSO BIG BUSINESS

Tourism is a massively important sector of the UK economy. It is one of the UK's six biggest industries and the country's third largest export earner.¹⁰

The UK attracts 31 million people from across the globe and last year these overseas tourists spent £18.6bn in the UK.¹¹

Overseas and domestic tourism together contribute £115bn to the Gross Domestic Product and provide employment for 2.6m people. One in 12 jobs in the UK is either directly or indirectly supported by tourism and 44% of the employees in the sector are under 40.

Tourism is also a growth industry. Although the UK's GDP did not grow last year, the spend by overseas tourists increased by 4%.

However, there is still enormous potential to grow the sector, something recognised by the 2011 Government Tourism Policy document. This suggested the domestic tourist sector was ripe for expansion because Britain currently runs a large tourism deficit.

Only 21% of Britons holiday at home, compared to nearly 30% in the rest of Europe.¹²

This is where music tourism - travelling to concerts and festivals across Britain - offers significant scope to help boost domestic tourism and, consequently, economic growth

The growth potential of both domestic and overseas tourism has not been missed by politicians, eager to lift Britain's economy. In July 2012 Prime Minister David Cameron said there was no reason to stop "pushing the message that Britain is a GREAT place to visit, a great place to come and do business."

In April 2013 Culture Secretary Maria Miller echoed this view. She said that in the 21st century travel was something within the reach of more people. "This change offers Britain an incredible opportunity to grow our tourist industry, helping to create more jobs and bring in further investment and growth."

The UK attracts
31 million people
from across
the globe
and last year
theses overseas
tourists spent
£18.6 billion.

¹⁰ John Penrose MP Minister for Tourism and Heritage, DCMS (2011) Government Tourism Policy

¹¹ VisitBritain (2013) Delivering a Golden Legacy: A Growth Strategy for inbound tourism to Britain from 2012 to 2020

¹² Government Tourism Policy March 2011



MUSIC + TOURIST = MUSIC TOURISM

There are a lot of reasons why tourists visit the UK.

Some come to see the changing of the guard. Many Americans like playing our golf courses. Spanish surfers head off for Cornwall's beaches, Shakespeare lovers head for Stratford upon Avon and Berlin hipsters head out east to Hoxton.

But, there's another reason why all these people flock to the UK. They come for the music.

Britain is the music capital of Europe. The Beatles, The Rolling Stones, Led Zeppelin, David Bowie, Elton John, Rod Stewart, The Sex Pistols, The Clash, Elvis Costello, New Order, Coldplay, Adele, Mumford & Sons, Florence + The Machine, One Direction - they all made it big here before the world got to hear about them.

Spanish, German or Australian fans can see a gig any night of the week featuring an artist from the UK. But, there is something special about coming to the home of British music to see and hear British bands play live - or even where they sleep and buy their clothes.

A recent survey by the UK's national tourism agency found the country's musical success on the domestic and global stage was one of the reasons for attracting at least some of the 31 million tourists who travelled to the UK last year.¹³

VisitBritain found that 44% of incoming tourists to the UK believe music was one of Britain's key cultural activities.

Many tourists from countries, including Argentina, Mexico and Brazil, rated a musical experience highly. The Foresight Report found that 11% of all respondents would like to go on a Beatles Tour and some 8% were keen on a trip to Glastonbury: South Africans were the most likely (13%) to travel to Somerset to experience the festival.

Music is now one of seven pillars of VisitBritain's multimillion pound GREAT Britain image building campaign launched in 2011 and given an additional £12m of funding over the 2013-14 financial year.

This ambitious marketing campaign, featuring slogans such as Culture is GREAT and Music is GREAT, was delivered as a direct response to Penrose's 2011 Government Tourism Policy. In addition to this major advertising campaign, the policy document also highlighted two other objectives:

- to increase the number of UK residents holidaying in the UK
- to break into the world's top five visitor economies

A crowd shot at the Reading Festival features in the Music is GREAT campaign and helps remind potential holiday makers that Britain produces some of the best musicians and music on the planet.

VisitBritain found that 44% of incoming tourists to the UK believed music was one of Britain's key cultural activities.

¹³ VisitBritain (2012) Foresight: The Importance of music to inbound tourism



Music is one of the seven pillars of VisitBritain's multimillion pound GREAT Britain image building campaign

UK TOURISM'S ECONOMIC CONTRIBUTION

£115 BILLION ANNUALLY TO GDP

PROVIDES 2.6 MILLION JOBS

44% OF PEOPLE EMPLOYED IN TOURISM ARE UNDER 30 YEARS

OVERSEAS VISITORS SPEND £18.6 BILLION IN THIS COUNTRY

Source VisitBritain

Government recognises this and has clearly signposted that tourism is a cornerstone of its policy to grow the UK economy.

In August 2010 Prime Minister David Cameron set out his ambition for tourism; in a speech at the Serpentine Gallery in London, Cameron said he wanted more visitors from overseas and - also, importantly - to encourage more Britons to holiday at home.¹⁴

Cameron wanted tourism to focus on national parks, seaside towns, castles, country houses, museums, galleries, and - importantly - festivals and viewed tourism as a key factor in rebalancing the economy with both public and private sectors playing a part.

VisitBritain now suggests that with the right backing the UK could attract 40m overseas visitors a year by 2020, earning a massive £31.5bn.¹⁵

The UK is at the centre of the global live music industry. But, its role in generating - and potential to increase - tourism has not been adequately explored.

Music does clearly have a big part to play in the tourism story.

As a recent report about the music industry in Scotland suggested, "Music is a significant aspect of the cultural value that Scotland uses to drive tourism, both explicitly and implicitly."¹⁶

Successful music tourism is often the product of a complex, interlocking infrastructure where a region's musical assets, including festivals and concert venues, are the building blocks.

A vibrant music scene, such as that found in Manchester in the eighties around the Madchester movement, will have a major impact on a city or region's bottom line; creative workers and businesses will be attracted to an area with a thriving commercial music economy.

Major televised music events such as Glastonbury Festival and The Last Night of the Proms also help shine a light on the UK and can ramp up the travel plans of people watching in Berlin or Paris.

A vibrant music scene, such as that found in Manchester in the eighties around the Madchester movement, will have a major impact on a city or region's bottom line.

¹⁴ D. Cameron speech retrieved from <http://www.bbc.co.uk/news/uk-politics-10950167>.

¹⁵ VisitBritain (2013) Delivering a Golden Legacy: A Growth Strategy for inbound tourism to Britain from 2012 to 2020.

¹⁶ Behr A and Brennan M (2013) Scotland on Tour: Strategies for promoting the music industry within and outwith Scotland.

Austin branding itself the live music capital of the world – when actually the live music scenes are much bigger and broader in cities such as Los Angeles and London – and marketing its annual SXSW music festival has helped the Texan capital rake in around \$1.6bn.



Photograph by Adrees Latif.

Tourism also makes a positive contribution to many local and regional economies. It traditionally employs a higher percentage of young people, who are more likely to be interested in music.

Thus, music and tourism are excellent bed fellows. Separately, they are strong, established businesses. But, together they can become powerful drivers for growth, employment and enrich the cultural offering of a region.

Any music festival or the region it is based in can brand itself and then market that brand – and all the musical delights that make up the offering – overseas or domestically.

Teamed with promotional support from a local council, Government and tourist agencies the brand recognition could increase exponentially and the cultural, musical and economic gains can be added up annually.

The success of Austin in the US is a case in point. By branding itself the live music capital of the world – when actually the live music scenes are much bigger and broader in cities such as Los Angeles and London – and marketing its annual SXSW music festival has helped the Texan capital rake in around \$1.6bn in annual revenues from visitors. Music tourism has been estimated to account for around 50% of that.¹⁷

Similarly, New Orleans has branded itself the home of jazz and Nashville is the capital of country.

Birmingham has already considered a proposal to establish a Music Birmingham office to help push the city's musical heritage.

A '*Destination Birmingham: A Music City*' report published by Birmingham City Council in February 2012 suggested the city had not exploited its music history to attract more tourists. The report stated: 'we believe Birmingham could and should do more to celebrate its diverse musical heritage.'

The benefits, it suggested, would 'provide a focal point for visitors and celebrations and improve external perceptions of Birmingham.'

Some ideas mooted included establishing a music ambassador, a plaque scheme to celebrate musical achievement, a permanent hard rock exhibition and a music digital archive.

In 2010 the Association of Independent Festivals borrowed the twinning of towns concept to launch a cultural exchange programme that helped raise the profile of indie festivals in the UK around Europe.¹⁸

At the time AIF co-founder Rob Challice said he hoped the twinning initiative would lead to many creative partnerships.

Participating festivals have built local awareness of their twins through cross press and marketing promotions and talent discussions have helped to co-ordinate bookings of international artists and further reinforce the fundamental values that unite the festivals.

¹⁷ Music Canada (2013) *The Next Big Bang: A New Direction for Music in Canada*

¹⁸ Association of Independent Festivals *Twin Festivals: A Cultural Exchange* retrieved from http://www.aiforg.com/news.php?news_search=twinning

Twins have also been sharing not only artists and expertise but also audiences, as competition winners have been given the chance to experience the twin festival in action.

There have been a number of studies to investigate how music and tourism fit together and what its economic impact is. However, these have largely focused on individual festivals, such as Glastonbury¹⁹ and Reading, or a particular region.²⁰

There has also been quite a bit of work investigating how many people visit

Liverpool every year to visit the birthplace of The Beatles and how much they spend at the city's Matthew Street Music Festival.²¹

UK Music also contributed to the level of understanding with its Destination: Music report in 2011.²²

This was a very useful marker for *Wish You Were Here* and subsequent work in the area. Now there have been calls from the highest political levels to uncover comprehensive and up-to-date data on the value of live music and tourism.



Chvrches performing at SXSW 2013 in Austin Texas. Photograph by Tony Nelson.

¹⁹ Baker Associates/Mendip District Council (2007) Economic Impact of Glastonbury Festivals ²⁰ Baker Associates/University of Reading (2010) Economic Impact Assessment for the 2009 Reading Festival ²¹ itsliverpool.com We Can Work It Out retrieved from <http://www.itsliverpool.com/passions/we-cant-buy-their-love-but-can-we-put-a-price-on-the-beatles/> ²³ UK Music/School of Tourism Bournemouth University (2011) Destination: Music The Contribution of music festivals and major concerts to tourism in the UK

IN FOCUS: TICKETS

Festicket's
Head of
Marketing
Barri Coen



WHAT DO YOU DO?

Festicket aims to make booking music festival trips easy and very cost effective by creating packages that include tickets to the festival, accommodation in the local area, transfers for those coming from further afield and transport between the hotel and festival.

So far, we have worked with over 80 festivals worldwide, with around a dozen of those festivals located in the UK, including Bestival, Camp Bestival, Leeds, Latitude and Eastern Electrics.

Many of those festivals we continue to work with, and are also on our way to building relationships with many more new and exciting events.

Festicket works very closely with festivals, creating packages with festival-goers very much in mind and tailored to their specific needs.

We offer a wide range of packages for each festival, providing for those who want to camp up to five-star luxury, as well as for those who just want to find cost-effective local hotels and apartments. Our packages are very often available to purchase directly from the festival website through our white-label platform, so essentially the organisers are providing their clientele with an alternative and hassle-free range of ticket and travel options.

We also provide a level of customer support that you wouldn't get through the bulk of other routes to purchase festival tickets.

WHAT KIND OF THINGS DO PEOPLE GO FOR?

We try and offer the full spectrum, so everything from camping and glamping to apartments and five star luxury hotels. If you want to camp but don't want to or its not practical to go out and get a tent and equipment, we will get it for you.

We curate packages that are built around the needs of a festival goer, which means that we don't just pick the closest hotel to a festival or the cheapest, we'll pick the hotel that is right for the festival audience.

Some of our packages also include transfers and shuttles from the airport to the festival site or their accommodation, and there have also been packages where we can organise shuttles to take them and pick them from the festival. We've also done ferry packages for the Isle of Wight.

ARE YOU GETTING A LOT OF PEOPLE FROM ABROAD?

We have a lot of reach in Europe and people in Europe are used to travelling all over the continent to go to festivals. We are also quite lucky to have so many concerts and festivals here in the UK.

Different UK festivals face various challenges and vary in appeal. We found that at Latitude everyone who booked with us was from the UK, But interestingly for Leeds around 40% were from outside of this country.

Continued overleaf...

We had three from Australia, probably because Leeds has a higher international profile and also an international airport, and we have also been having conversations with customers in Japan.

WHO DO YOU AIM FESTICKET AT?

We are aiming at music fans and alternative holiday fans. The beauty of festivals is we don't have to look at it in the same way as a package tour holiday.

It is not someone's big holiday for the year; people might go to more than one festival so it is slightly more of an impulse purchase.

The typical conversion path in the tourist industry is something like 28 days from researching a holiday to booking it. We see that usually 80-90% of our purchases happen on the same day someone has been on our website.

ARE YOU IN FAVOUR OF A MUSIC TOURISM STRATEGY?

Going to gigs in Paris does seem to be fairly normal and transport links are very good. I don't know how much that happens in reverse, but we could be doing better to market our gigs there.

When it comes to festivals obviously everyone in the world has heard of Glastonbury, but have all the rest of the festivals done enough to promote themselves overseas?

If people come to a festival in this country then they are likely to stay for at least a few days spending more time in London or Britain.

It is about getting small and medium sized festivals to present themselves because some of them like Secret Garden Party you just don't get anything like that anywhere else in the world. There is a big opening for the way festivals present themselves and market themselves abroad.

If people come to a festival in this country then they are likely to stay for a few days. There is a big opening for the way festivals present themselves and market themselves abroad.



MUSIC TOURISM: THE POLITICAL CASE

The creative industries and tourism are among the sectors with the greatest potential to drive economic growth. The Glastonbury music festival is a great example of the strength and diversity of the UK's live music industry.

Creative Industries,
Minister
Ed Vaizey



The BPI, a trade body that represents the UK recorded music sector, held an event in June 2013 where the Prime Minister David Cameron made the point that the UK music industry was an "international success story". He also said the Government should back it partly because of the "massive and growing music tourism, people coming to Britain to listen to great acts."²⁴

The political interest in music tourism has increased since. Jim Cunningham MP tabled a two part question in the House of Commons on June 28 2013.

Cunningham asked the Culture Secretary Maria Miller to estimate the financial effects of the Glastonbury Festival on the local and national economy.²⁵

The Labour MP for Coventry South also asked Miller to "make an assessment of the benefits to the economy of the music festival industry."

Creative Industries Minister Ed Vaizey replied for Miller. Vaizey said that the creative industries and tourism are among the sectors with the greatest potential to drive economic growth.

Vaizey said, "The Glastonbury music festival is a great example of the strength and diversity of the UK's live music industry. While we produce economic estimates on the value of the creative industries to the UK economy, including the music industry, we do not do so for specific music festivals."

Vaizey's answer indicated there was - and still is - a significant gap in Government statistics covering tourism and music's role within it: *Wish You Were Here* and subsequent research from UK Music and the music industry will help enrich the statistics and understanding.

On July 11, 2013 Lord Storey tabled a debate in the House of Lords asking the Government about its plans to support and promote the impact of music upon tourism.²⁶

The Lib Dem peer was joined in the 90-minute debate by nine other peers, among them Conservative peer Lord Black, Labour's Baroness Liddell and the Government spokesperson on culture in the House of Lords Baroness Northover.

The cross party group of influential peers called on Government to develop a new strategy to support music-based tourism and help grow the UK economy.

Lord Storey said music festivals have been attracting unprecedented numbers of overseas visitors and have been pouring money into local economies. He argued that the world's "evident love" of the UK's musical heritage should now be harnessed and used to support music tourism.

He told the House: "I have seen first-hand the positive impact music can make on local tourist economies. But, we must also consider the impact music can have on the country as a whole. Great Britain simply has too much potential for musical tourism for the Government to stand idly by. I strongly urge the Government to consider how best to implement a well defined music strategy."

Storey suggested that to attract more overseas music tourists, Government should emphasise and engage with existing tourist bodies and authorities across Britain and help them market themselves as music tourist destinations.

²⁴ Paul Williams, Music Week (2013) We Have To Back The Music Industry

²⁵ Music: Festivals and Special Occasions House of Commons (2013) retrieved from <http://www.publications.parliament.uk/pa/cm201314/cmhansrd/cm130704/text/130704w0003.htm>

²⁶ Tourism: Music, Question for short debate (2013) House of Lords. Lord Storey to ask Her Majesty's Government what plans they have to support and promote the impact of music upon tourism.



‘We are not doing as well as we could for music tourism. We need to have more resource behind promoting our music tourism...’
Baroness Liddell of Coatdyke



House of Lords debated music tourism in the summer.
Photograph by Tim Graham.

Storey’s stance was supported by Baroness Liddell of Coatdyke, who is also a non-executive director of the national tourism agency VisitBritain. The Labour peer said music festivals and events were thriving and helping to attract domestic and overseas visitors, but that more could be done to support them.

“We are not doing as well as we could for music tourism. We need to have more resource behind promoting our music tourism...We have the talent, the determination and the worldwide focus. Let us make this a key pillar of our tourism strategy into the future.”

Lord Clement-Jones, the Lib Dem peer whose private members bill led to the removal of much red tape around gigs in small venues and pubs with last year’s Live Music Act, also called for a “properly joined-up strategy” for music tourism.

Lord Clement-Jones suggested that information from *Wish You Were Here* could prompt Government and relevant departments (he cited DCMS, BIS, DCLG, Defra, the Home Office and Treasury) to co-operate with the music and tourist and hospitality industries and agencies

including VisitBritain, VisitEngland, UKTI, the British Council, the Arts Council to identify the “real levers and barriers” to growing music tourism.

Baroness Northover, the Government’s culture spokesperson, accepted the debate was right to emphasise the importance of music and tourism and praised UK Music’s contribution to its understanding.

Further, the shadow minister for culture Dan Jarvis used a platform at the Musicians Union conference in Manchester in July 2013 to stress how music tourism can be a “huge economic force”.²⁷

The Barnsley MP told the conference that the music industry is constantly adapting to find new, innovative ways to grow and that music tourism is a key part of that.

Jarvis said: “Music tourism is a fairly recent phenomenon in the UK, but it is now an integral part of our national economy and local economies around the country.”

He referred to Glastonbury, T in the Park, Bestival and the BBC Proms as the kinds of events that have helped attract tourists and bring in millions of pounds to the economy and create thousands of jobs.

²⁷ Dan Jarvis MP speech at the MU Conference July 24 2013, retrieved at <http://www.danjarvismp.co.uk/news/speeches-articles/speech-to-the-musicians-union-manchester>.

Jarvis added his local Live in Barnsley indoor music festival had managed to attract around 3000 music fans. "It was a great boost to our music economy, with local bands performing and Barnsley's business engaging with and supporting the event.

"At a local level, music is just as vital to our communities - not just from a financial perspective."

The interest from Cameron, Cunningham, Jarvis and others has demonstrated an unprecedented interest in music tourism.

Never before has a sitting PM praised music tourism's contribution to the economy; nor has the subject been debated in such detail in Parliament.

Music tourism is a hot issue at the highest political levels. It is something Government had praised and shown a willingness to back and *Wish You Were Here* will, hopefully, provide them with a starting point.

An all encompassing music tourism strategy would need support from the Government with measures to ensure the night time economy in Britain thrives. Nothing turns off an overseas visitor more - especially one from late night cities such as Barcelona and Berlin - than a pub or music venue shutting down at midnight.

Public transport also needs to be part of the strategy. The last bus leaving before the gig ends is no good to anyone. The police need to be involved to keep a lid on anti-social hotspots so that tourists moving around the country feel safe and come back for more.

The issue of secondary ticketing could also impact the tourism industry. If tourists believe they are being ripped off or scammed online by companies selling over-priced tickets to concerts and festivals, they might think twice about revisiting.

The live music and tourism sectors also rely heavily on skilled people. To ensure that music tourists continue to enjoy brilliant and professionally managed concerts, the music industry needs to ensure its future workforce is highly trained.

UK Music has contributed to this with the launch of its Skills Academy earlier this year. This provides a specialist apprenticeship scheme and also myriad access routes - including via its network of rehearsal rooms - into the music industry for youngsters from a range of backgrounds.

The Government should examine the UK visa regime and how it impacts visiting musicians to this country. Encouraging more overseas artists and bands could inspire more of their fans to travel to the UK.

VAT in relation to how it is applied to music tourism could also be reviewed. The UK currently applies the full rate of VAT on admissions to cultural attractions, including music events, which puts it at a major disadvantage to competitor countries in Europe such as France and Germany.

Shadow Minister
for Culture,
Dan Jarvis



Music tourism
is a fairly recent
phenomenon in
the UK, but it
is now an
integral part
of our national
economy and
local economies
around the
country.

IN FOCUS: LIVE SOUND

Britannia Row
Productions
Managing Director
Bryan Grant



YOU'RE GOING TO BE HELPING
OUT WITH AUDIO AT THE OLYMPIC
PARK THIS YEAR, HOW WILL
THAT BE?

Well last year there was so much going on I rarely left the bunker. We started off last summer with the Diamond Jubilee, we did Buckingham Palace, The Mall, St James Park and Hyde Park.

So, yeah I'm excited about the Olympic site. It is a very different lay out to what we did in Hyde Park over the years - and there aren't the neighbour issues. So we are looking forward to being able to put the gas pedal down a bit.

HOW DO YOU SET UP FOR A SHOW?

Everything is bespoke, every event we do, every tour we do, it's all different. That's what makes live so exciting. Even on a tour where you are going to different venues around the planet each venue can have its own issues and you have to plan for them accordingly.

There might be acoustic issues, there might be access issues, there could even be political issues depending on which country you are in.

We prepare a dossier on each venue listing all the local issues. But bearing all of that in mind you can still go somewhere with Cliff Richard and you might be in a different situation than if you are with Kasabian because what they and their audience expect can be very different.

WHAT'S BEEN HAPPENING
WITH SOUND OVER THE LAST
DECADE OR SO?

In the last 15 years the line array configuration of speakers has taken over. The quality of the sound is becoming more and more refined. There haven't been any quantum leaps in audio in terms of speaker technology, but they have been refining the line array.

Digital consoles, which have been around for a while now, have made mixing easier because they are more compact and much more powerful. They also take up less real estate, which is very important especially in theatres where six seats each night are very expensive.

As you can imagine though, it is very capital intensive because we replace everything between five and ten years and that can be very expensive when you think the cost of a stadium system now is getting on for around £2m.

ARE ARTISTS
INTERESTED IN SOUND?

Some are, some aren't. Peter Gabriel is very interested and David Gilmour has got the most incredible pair of ears. Robert Smith is also very into the audio side.

But, audio is such a subjective medium. It's a given at a concert. It's like your toilet, you use it all the time, you don't think about it until something goes wrong, then you'll do anything to put it right.

Continued overleaf...

IN FOCUS: LIVE SOUND

Also, it has been said that people listen with their eyes at concerts. I'm not sure that is strictly true, but there is a lot of visual stuff that goes on at a concert so it is a very holistic experience.

I think if the sound isn't right a lot of people might say the band wasn't very good or maybe the concert wasn't very good. Sometimes they are not quite sure why they didn't like it. Maybe it was too loud or maybe not loud enough. You can sometimes get two people sitting next to each other, one thinks the concert was the most blissful experience of their life and the other thinks it is total crap. It's a very subjective medium.

WHAT SORTS OF SKILLS DO PEOPLE NEED TO WORK IN AUDIO?

When I started you had to have a clean driving licence, be able to lift heavy things and be able to plug stuff in.

But, nowadays the technology is such that crew and technicians going out with sound systems have to have a pretty high level of knowledge; basically they have to be computer literate.

They have to have a knowledge of mains, they have to have a knowledge of physics and they have to have a knowledge of weight because they might be hanging several tonnes of stuff in the air. You have to know you are doing the right thing and the weight loading in the roof of the building is sufficient. And you have to have people skills because you have to work in a team.

I'd liken it to being in a submarine; you have to have people cooped up on a tour bus for several months without them wanting to stab someone.



Symphony Hall Birmingham. Photograph by THSH / Adrian Burrows. Symphony Hall Birmingham is a blue print both architecturally and acoustically for concert halls around the world. It is currently ranked no. 1 of a 189 attractions in Birmingham on the travel website TripAdvisor.

MUSIC TOURISM IN THE UK

DEFINING A MUSIC TOURIST

This study set out to establish what proportion of audiences at concerts, gigs and festivals is comprised of music tourists, as distinct from the local population.

There is no hard and fast definition of what makes a person a tourist.

We classified music tourists into two groups: domestic tourists, who are resident in the UK; and overseas tourists.

To qualify as a domestic music tourist, we felt that the person should have to travel beyond their normal stomping ground.

Many people regularly travel a good distance for work, to go shopping, or for entertainment. To be a music tourist, we felt they need to travel further than they would for these routine activities.

So we looked at the average commuting distance for each region.

We decided that to qualify as a domestic tourist, the person had to travel at least 3 times the average commuting distance in order to attend the gig or festival.

In order to qualify as an overseas music tourist, the person must normally reside in a country outside the UK and had to book their ticket in advance, from their home address in a country outside the UK.

This suggests that the person was determined to get to that gig.

These definitions of a domestic and overseas music tourist run the risk of under-estimating the contribution that live music makes to tourism.

Estimated average commuting distance and associated distance threshold for categorisation of domestic music tourism.

GOVERNMENT OFFICE REGION	AVERAGE COMMUTING DISTANCE (MILES)	DOMESTIC MUSIC TOURISM THRESHOLD (MILES)
EAST MIDLANDS	12.4	37.2
EAST OF ENGLAND	13.8	41.5
LONDON	11.5	34.5
NORTH EAST	13.9	41.6
NORTH WEST	11.1	33.4
SCOTLAND	15.7	47.2
SOUTH EAST	12.9	38.8
SOUTH WEST	13.3	39.9
WALES	12.2	36.6
WEST MIDLANDS	12.7	38.1
YORKS & THE HUMBER	13.6	40.9
UK	11.8	35.5

However, by erring on the side of caution, we can be rock solid in our confidence that the figures in this report represent the minimum contribution that live music makes to tourism.

DEFINING A LIVE MUSIC EVENT

Our focus was squarely on live music events, where music was the main attraction. We included all genres of music.

We excluded events where live music was just one of several forms of entertainment, and not the primary draw.

We did not include opera, ballet, or music theatre.

We only counted ticketed events. And we only counted live music events held at venues with a capacity of at least 1500.

This definition of a live music event may result in an under-estimate of the true numbers of music tourists.

Again erring on the side of caution, we can be confident that the figures in this report represent the minimum contribution that live music makes to tourism.

COUNTING THE NUMBER OF MUSIC TOURISTS

Having defined who qualifies as a music tourist, and what event qualifies as a live music event, the report set out to determine what proportion of a typical live music audience is made up of music tourists, as opposed to the more local population.

To do this, we examined ticket transactions held by ticket agents and box offices.

We looked at the first part of the postcode of the ticket purchaser, and measured the distance from the purchaser's postcode to the venue's postcode.

Our sample size was huge, representing more than 25% of the total in-scope live music attendance population.

This gave us the most detailed and comprehensive picture ever of the live music-going population.

ASSESSING THE ECONOMIC CONTRIBUTION OF MUSIC TOURISM

Once we counted the number of music tourists, we wanted to ascertain how much they spent during the course of their visit, so we could calculate how that spending benefitted the regional and national economy.

We first looked at how much each person spent on the tickets themselves. We then looked at the retail sales receipts collected by live music venues for spending on food and drink and ancillary items like parking.

For spending at festivals and for off-site spending on accommodation and transport, we drew from 7,840 survey responses completed by music fans after they attended live music events.

This rich mix of data inputs provided the solid basis upon which to report on the fantastic contribution that live music makes to tourism in the UK.

By erring on the side of caution, we can be rock solid in our confidence that the figures in this report represent the minimum contribution that live music makes to tourism.

ATTENDANCE

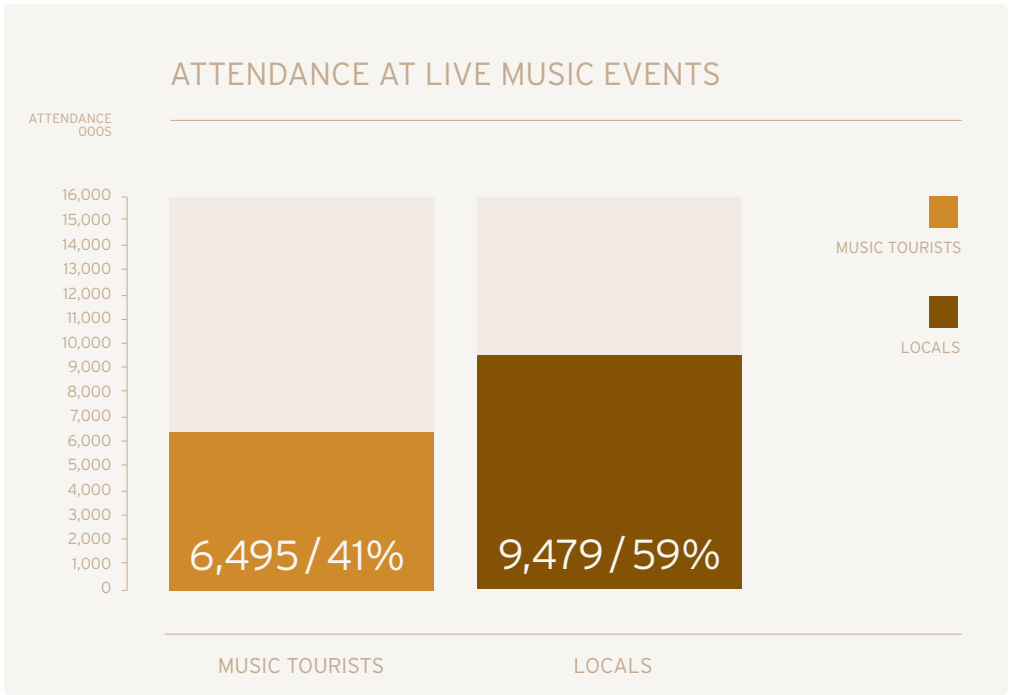
41% of the audiences at all live music events in 2012 were either domestic or foreign music tourists.

Last year - an Olympic year, when the eyes of the world were focused on athletes competing in East London - the music industry's rich and varied programme of concerts and festivals drew nearly 6.5 million domestic and overseas music tourists.

Despite the absence of the Glastonbury

Festival, which pulls in over 170,000 visitors (most of whom have travelled well outside their average commuting distances) and the continuing economic slump, live music continued to be a major draw for music tourists.

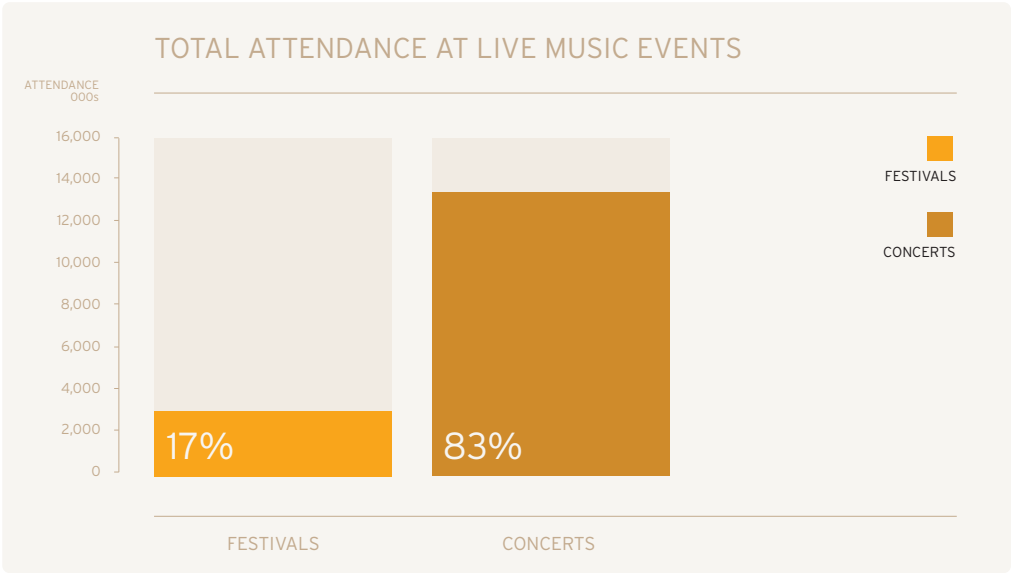
41% of the audiences at all live music events in 2012 were either domestic or foreign music tourists.



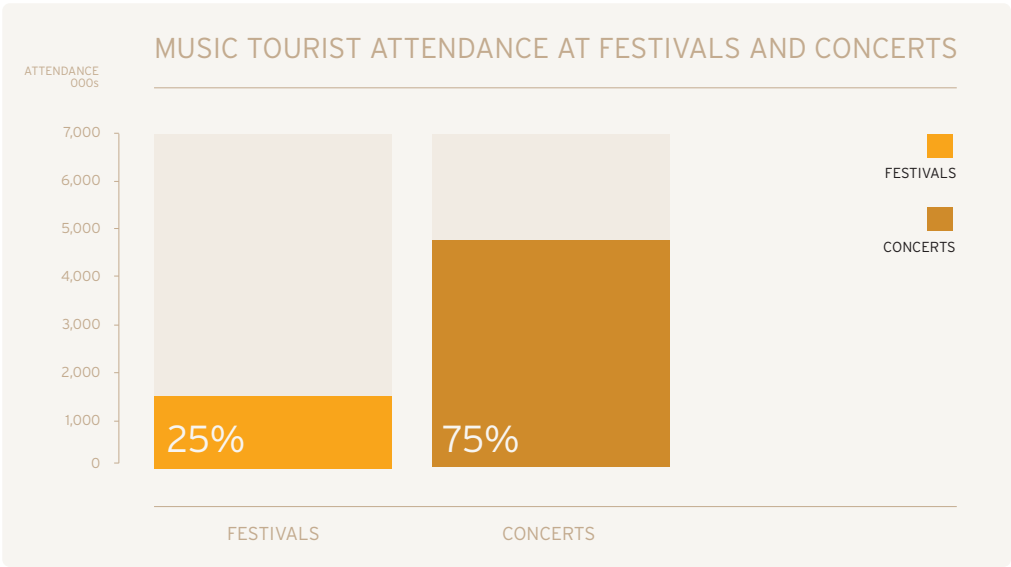
ATTENDANCE AT CONCERTS VERSUS FESTIVALS

There were far more concerts and gigs held throughout the year than music festivals. Concerts and gigs accounted for 83% of all live music attendances - locals and music tourists combined - while festivals accounted for 17% of all live music attendances.

Some 83% of all live music fans bought tickets for concerts; 17% of ticket purchases were for festivals.

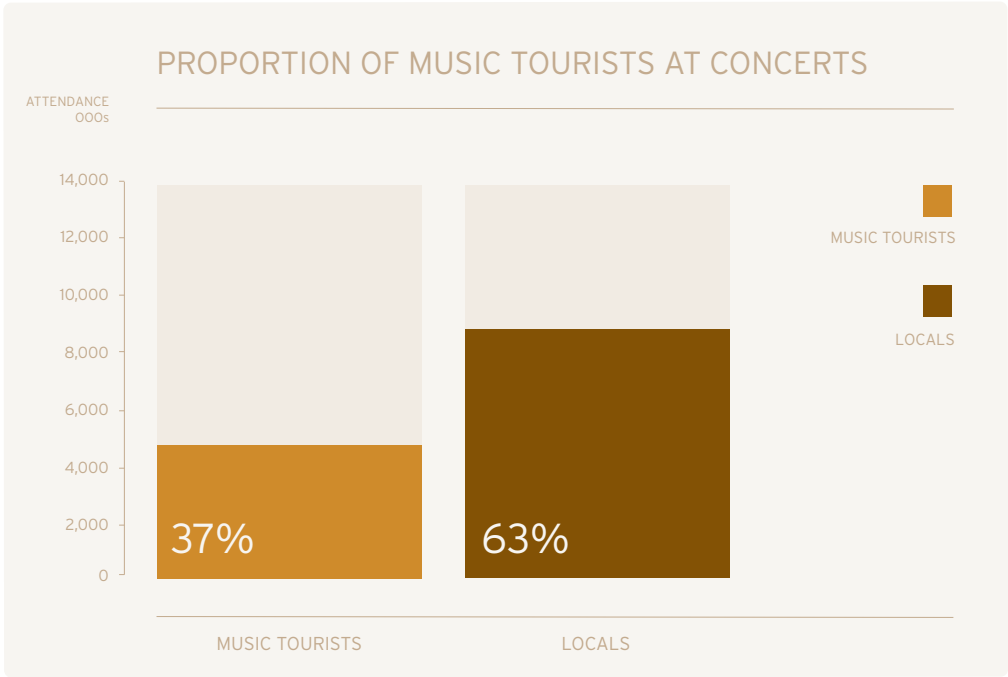


Leaving aside locals, and looking just at the music tourist population, three-quarters attended concerts while the other quarter attended festivals.

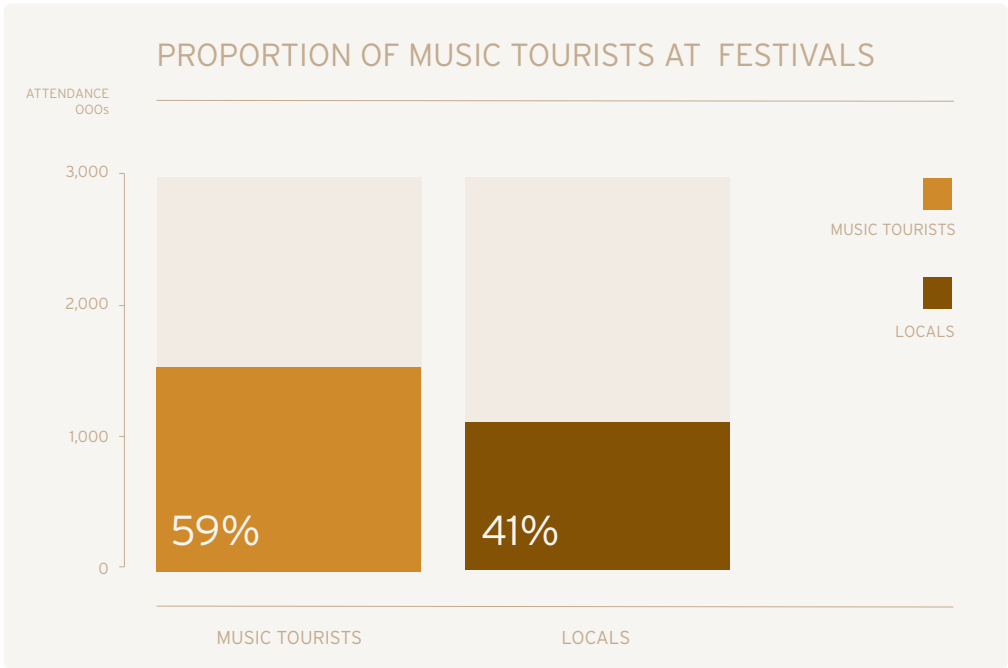


Music tourists comprised 37% of the concert population and 59% of the crowd at festivals.

Concerts take place on most evenings of the week and therefore present more of a challenge to music tourists - who have to travel at least three times the average commuting distance - to get there.



Music festivals generally take place at the end of the week and over the weekend, and often include onsite accommodation.



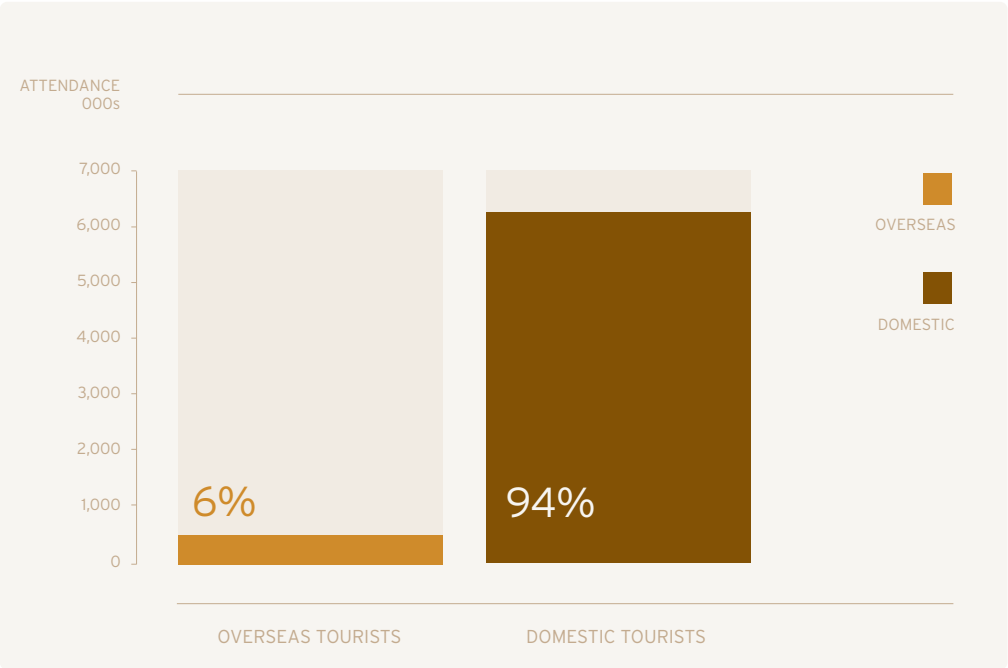


Photograph by Paul Bradbury.

DOMESTIC VERSUS OVERSEAS MUSIC TOURISTS

Domestic tourists accounted for 94% of the music tourist population; the remaining 6% were overseas tourists.

Overseas tourists were represented evenly (2.4%) at festivals and concerts.



Having established that music tourists made up 41% of all live music audiences last year, further analysis determined the proportion split between domestic (UK resident) tourists and overseas tourists.

Not surprisingly, domestic tourists accounted for 94% of the music tourist population. The remaining 6% were overseas tourists.

Focusing solely on overseas tourists, it was possible to calculate if they were more likely to attend festivals or concerts.

The result was that they were represented evenly at both - 2.4% of the proportion of attendees at festivals and concerts.

SPENDING

Live music is a stimulus for a huge number of people to travel significant distances and they generate huge spending.

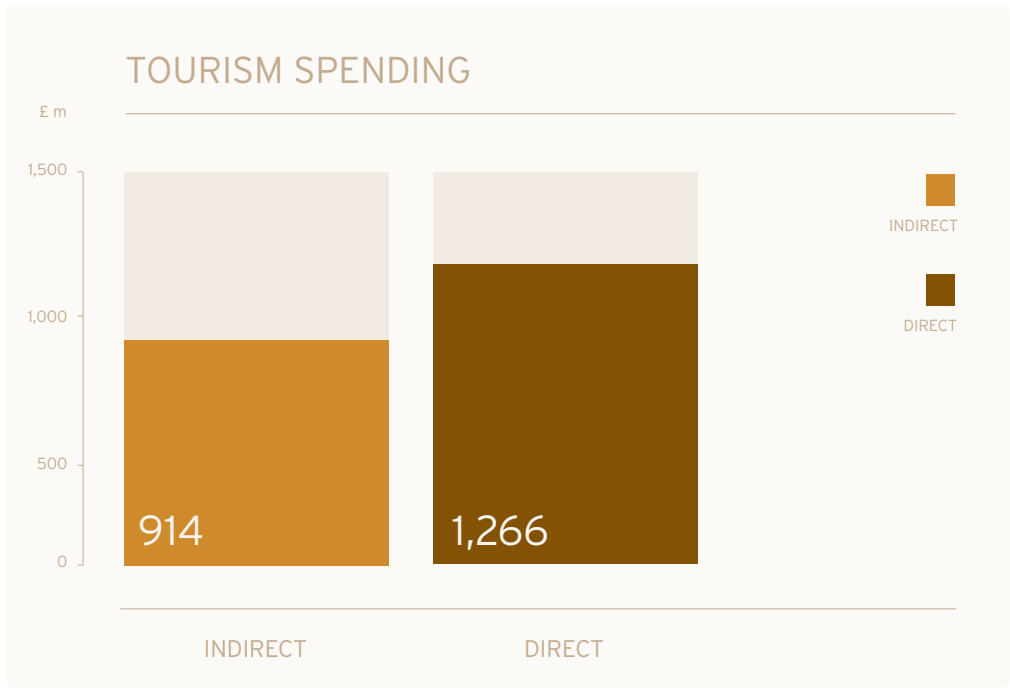
This spending happens at the festival or concert and on the way there and back, which includes the purchase of tickets, transport, food and drink, and in some cases, accommodation.

In 2012, music tourism generated £1.27 billion in direct spending.

Music tourism also stimulated additional spending throughout the supply chain. For example, to accommodate the increased demand for food and drink created by music tourists, caterers will buy in more supplies from their wholesalers, who in turn will buy in more from their suppliers. This is additional or indirect spending.

Music tourism generated a further £914 million in indirect spending, making £2.18 bn in total.

In 2012
music tourism
generated
£1.27bn
in direct
spending.



PER CAPITA SPENDING BY DOMESTIC & OVERSEAS MUSIC TOURISTS

The overseas music festival visitor spent, on average, £910 during their UK stay.

Total spend by overseas music tourists in 2012 was £248m.

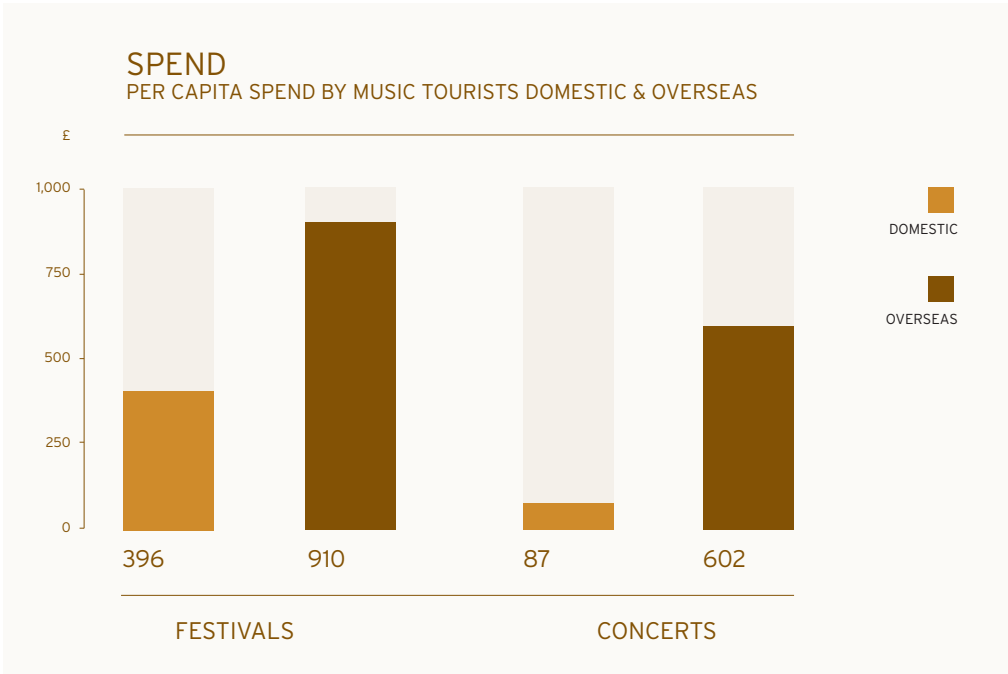
Domestic music tourists spent £396 per head at the music festivals they attended.

Total spend by domestic music tourists in 2012 was £1.02bn.

Overseas music tourists need to spend a lot more than domestic tourists because of the travel involved.

They may also use the opportunity of visiting a festival to have a vacation. This means they are more likely to spread their wealth over a wider geographical area.

Overseas music tourists spent an average of £910 during the course of their stay in the UK when attending a music festival, and £602 during the course of their stay in the UK when attending a gig.

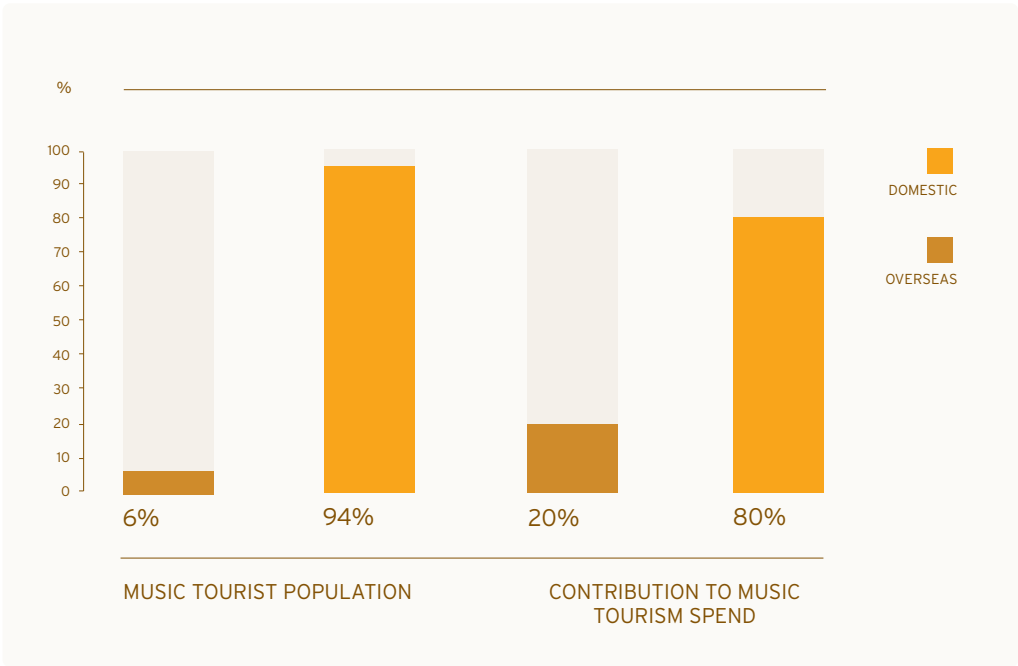


On average domestic music tourists spent £396 per head when attending music festivals - more than four times the £87 they spent on average when attending concerts.

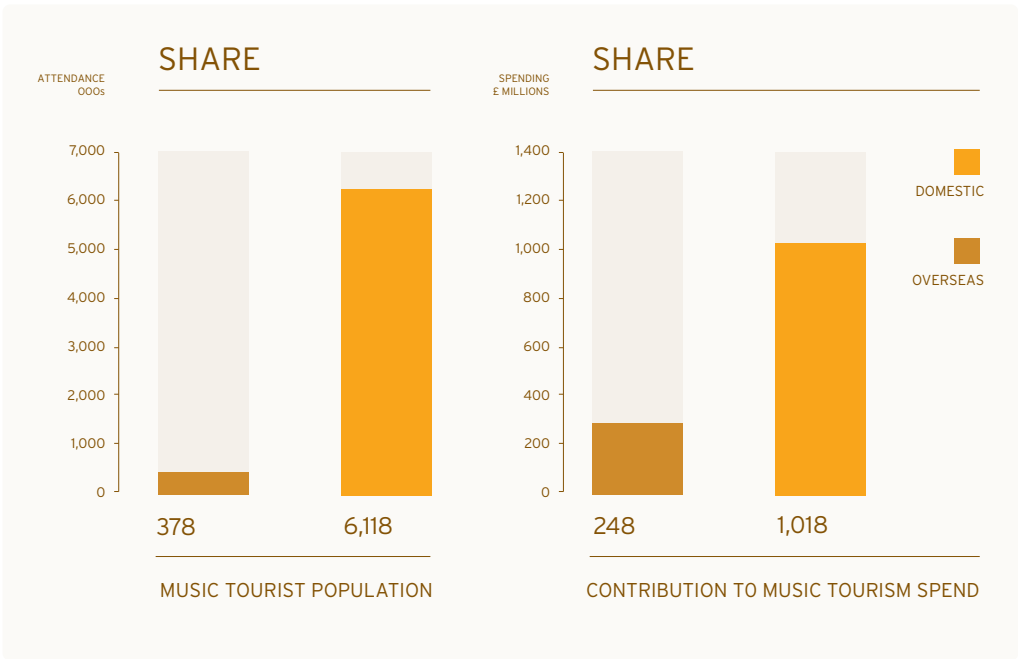
Total spend by domestic music tourists in 2012 was £1.02bn.

Total spend by overseas music tourists in 2012 was £248m.

SPENDING BY OVERSEAS MUSIC TOURISTS



Despite overseas music tourists comprising just 6% of the total population of music tourists they were gold dust to the economy because they accounted for 20% of all music tourist spend.

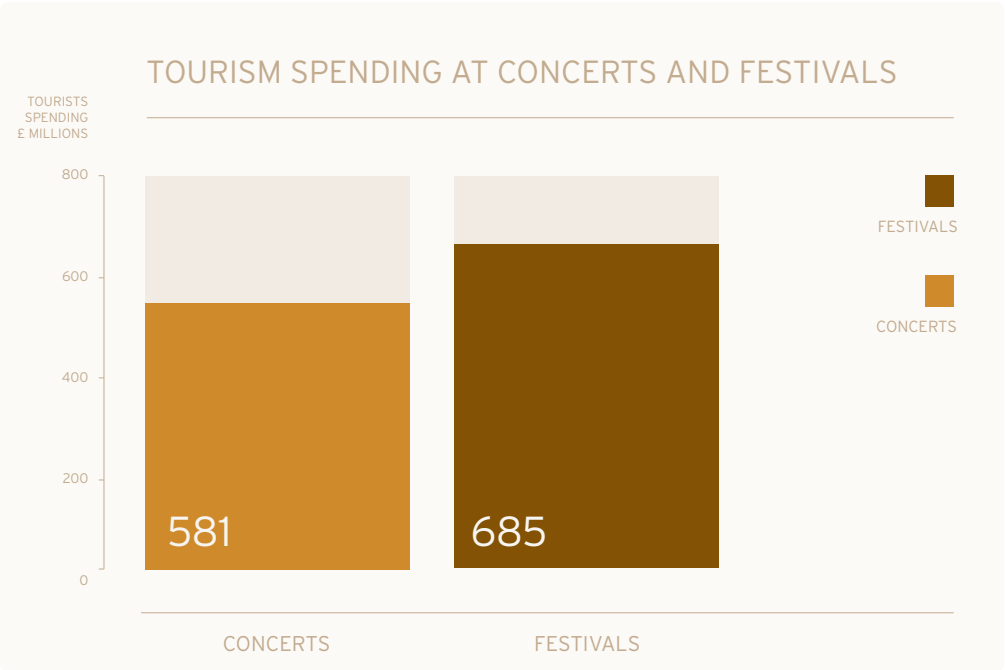


SPENDING AT CONCERTS AND FESTIVALS

There were far more concerts held during the year than festivals. However music tourists spent far more at festivals than concerts, boosting the significance of festivals to the economy.

Festival tourists spent £685, which accounted for 54% of all music tourism spending over the course of the year.

Concert tourists spent £581m, which accounted for 46% of all music tourism spending in 2012.



IN FOCUS PROMOTER

HOW IS THE FESTIVAL SCENE RIGHT NOW?

Basically it feels very good to me. I couldn't find a reason to complain if I am honest with you. We are surviving a disastrous economy and you can't describe it in any other way than a disastrous economy.

People across the board are feeling the pinch. People across the board are getting pay increases at 1% or 2% less than the rate of inflation.

People across the board are earning at least the price of a couple of festival tickets each year less than they were earning the year before.

Yet the market is holding up.

WHY IS THAT?

In many ways you'd have to ask the purchasing customer. But, ultimately there is a phenomenal sense of community at a festival. There is a sense of getting away from the trappings of the pressures of life and festivals represent incredibly good value for what the ticket price is.

Even if you only saw five bands a day - and most people would see a lot more than that - a festival ticket remains incredible value.

If you have got an interest in music, if you've got an interest in culture, I think the festival ticket remains incredible value.

THERE HAVE BEEN SOME INCREDIBLE FESTIVAL LINE-UPS THIS YEAR; ARE ARTISTS HAPPIER TO PLAY FESTIVALS NOWADAYS?

Festivals pay the artists relatively well and a lot of artists play a lot of festivals. It is a very good source of income. The artists don't have to carry sound and lights or have a stage manager and production manager. So it is a very economic way for an artists to perform in front of either a committed audience or a new audience. So from an artists' point of view - of course the agent always wants more money from us - the reality is festivals are very good value.

They are also able to get in front of large numbers of people relatively inexpensively. That's sometimes better than traipsing up and down the country night after night after night and having to take your own sounds, lights, stage manager, production manager, dressing room manager, the whole lot. That becomes incredibly expensive.

So I think for the artists it is incredibly great value. Also, the acts get the opportunity to catch up with other bands, listen to other music and be influenced by other music.

Touring venues is quite a solitary and isolated experience and the entire night depends on just the one band as the main reason for people to come in so there is a big pressure there as well. At a festival if you have a bad gig it doesn't necessarily spoil everyone's fun.

Melvin Benn,
Festival Republic
Managing Director



Every festival has upped their game to be attractive

ARE THERE ENOUGH FESTIVALS NOW?

Every festival has upped their game to be attractive and make the experience better for the audience and the artist.

That has been a terrific spin off (of more festivals joining the market). But, there has been a levelling off. Three or four years ago there was a new festival being announced every week, but that has definitely disappeared.

As a small group of people we endeavour to try and be better citizens.

We had a 30% reduction in energy usage across all our festivals. That has been better management of generators and better control of the oil usage. It was as simple as that and I think that will improve this year because there are always other things we are trying to do.

Also, a 30% reduction in fuel usage is, not surprisingly, a 30% reduction in fuel costs so there's quite a benefit there.

ARE FESTIVALS DOING ENOUGH FOR GREEN CAUSES?

I personally feel that every individual whatever their work space should try and minimise their footprint.



ECONOMIC IMPACT OF MUSIC TOURISM

Spending generated by music tourism feeds into the wider economy and contributes to the UK's Gross Value Added (GVA).

In the case of live music tourism, direct GVA was calculated by subtracting the costs of staging the live music event (excluding wages) from the revenue generated by the event.

Indirect GVA took the calculation of indirect spending and subtracted the costs of production (excluding wages) further down the supply chain.

In 2012 music tourism added a total of £934m to the UK's GVA, direct and indirect combined.

Direct employment relates to the number of equivalent full-time jobs created as a direct

result of a live concert or festival taking place and relates to people being taken on as security guards, merchandise sellers, lighting riggers, box office staff, et cetera.

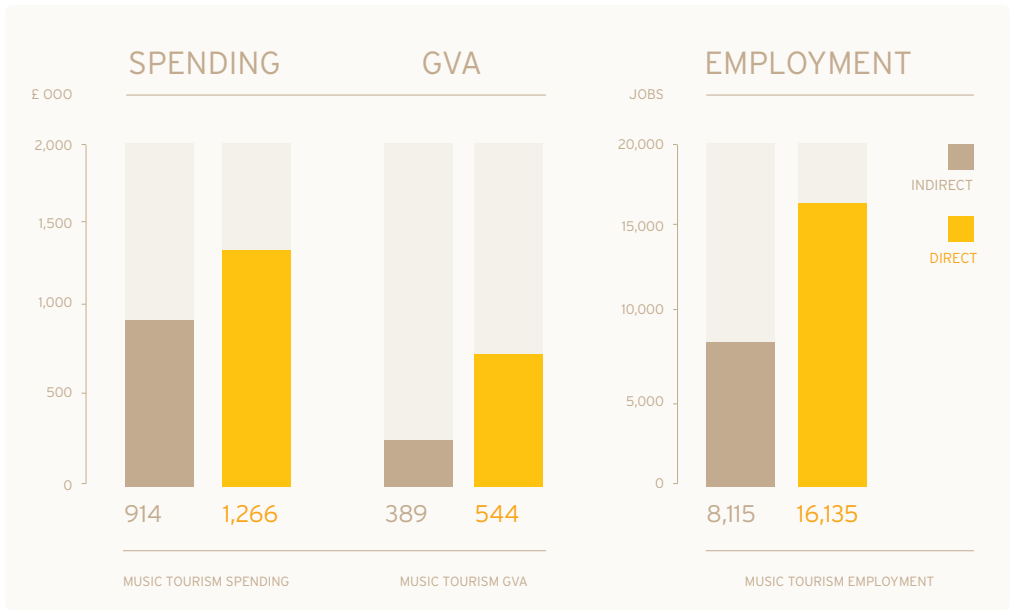
Several conventions to calculate full time equivalent employment were applied: thus two part time jobs (each taking 20 hours per week) and four seasonal full time jobs (lasting three months) were both taken to equate to one full time job.

Indirect employment relates to the number of jobs sustained as a result of economic activity further along the supply chain, but arising from demand created by music tourism.

The calculations revealed that music tourism directly and indirectly sustained over 24,000 full time jobs.

Music tourism
sustained
over 24,000
full time jobs.

MUSIC TOURISM CONTRIBUTION TO THE ECONOMY EXPENDITURE, GVA, EMPLOYMENT



SENSITIVITY OF LIVE MUSIC STATISTICS

The economy has a significant impact on the live sector.

Live music statistics are very sensitive to factors beyond the control of promoters, bands, managers and everyone else involved in the production of concerts and festivals.

For example last year was the wettest summer for 100 years and the second worst on record; many parts of the country experienced floods.

This would have had an impact on bookings for festivals.

The economy has a significant impact on the live sector. Average household income fell in the last quarter of 2012 and this squeeze on peoples' pockets would also have been felt at the box office.

The Olympic Games would also have impacted on the sector. Leaving aside any potential music fans, who would have spent tickets on the Games (leaving less money for booking festivals) this spectacle would have kept many music fans glued to their TV sets over the end of July and August.

Some music festivals were cancelled last year and some tours delayed. This contrasts with the Take That Progress Tour in 2011,

which was the UK's biggest stadium tour drawing over 1.7m fans.

Another factor that needs to be fed into this is that Glastonbury took one of its scheduled breaks last year. This immediately takes out thousands of tickets - and an enormous spend - from the data studied.

However the sudden reappearance of the Stone Roses and their successful shows at Heaton Park in Manchester, would have offset this some what.

These and other seasonal variations help explain a 6% fall (17 million) in total attendance at ticketed live music events in 2012 compared to 2011, of which 41% (7 million) were music tourists. The fall in the numbers of music tourists in 2012 was largely due to a weakening of the domestic tourist market.

However, despite the economic gloom, the absence of Glastonbury, the effect of the Olympics, and the dismal weather, live music continued to be a major draw for tourists.

MUSIC TOURISM IN THE NATIONS & REGIONS

Our analysis studied how music tourism impacted the English regions and Wales, Scotland and Northern Ireland.

This study found that the capital alone accounted for 28% of all music tourism visits to the UK with 1.8m coming to visit London.

With a total live music audience of 4.7m in the capital, that meant that nearly 40% of the punters at any gig from Camden to Clapham were music tourists.

As the capital city, London is bound to top the music tourism charts.

The World Cities Culture Report has mapped the number of venues, dance halls and other musical events in London.²⁸

It listed 349 live music venues. It also listed music festivals such as Lovebox in Victoria

Park, which the report suggested helped to boost the number of musical performances to just over 17,000.

The Notting Hill Carnival is not included in *Wish You Were Here's* scope (see methodology), but it should be noted that it is now the world's second largest - and Europe's biggest - celebration of Caribbean culture and attracts well over 1m visitors to west London over the August bank holiday period.²⁹

The carnival is chiefly music based with well known DJs and radio stations such as BBC Radio One taking a prominent part. The strategic review estimated the carnival's economic impact could be more than £90m.

Many of the visitors to the carnival are probably tourists - both domestic and overseas.

²⁸ BOP Consulting Practt. A Oakley K (2012 The World Cities Culture Report, Greater London Authority)

²⁹ Notting Hill Carnival: A Strategic Review 2004 Greater London Authority

IN FOCUS: FESTIVAL

Sofia Hagberg
End of the Road
Co-Founder



WHAT IS THE ETHOS OF THE FESTIVAL?

End of the Road Festival offers an intimate atmosphere to enjoy amazing music, comedy and literature all scattered throughout the grounds. Care and attention is paid to all aspects of the festival, whether it's providing quality food - which as much as possible is organic and locally sourced - and beer.

I think that our niche taste in music is the main service we were able to provide our audience that didn't quite exist in the same way at any other festival before 2006. Our aim was to create a perfect festival with elements that were important to us. They include an intimate atmosphere with a friendly and relaxed vibe, not being bombarded with adverts and brands, no overhyped bands headlining, a platform for new music, respectful staff and security and plenty of clean toilets. I also think our audience appreciate them.

Even the background music between bands is carefully planned and we only book bands that we love. The music spans across all genres, although mainly focuses on indie, country, folk, blues, electro and rock - but anything goes, as long as it's good.

WHAT MADE YOU DECIDE TO START?

I moved from Sweden to London in 1998 and I had set a goal to work in the music industry. However, once I got here I decided to get a normal 9 to 5 job and keep music as a passion outside of work. When my friend Simon Taffe, who ran a painting and decorating business at the time (and still does), came up with the idea of starting our

own festival, I jumped at the chance of giving my dream job a real go. Neither of us had any background in the music industry and starting the festival was an incredibly steep learning curve and a lot of hard work.

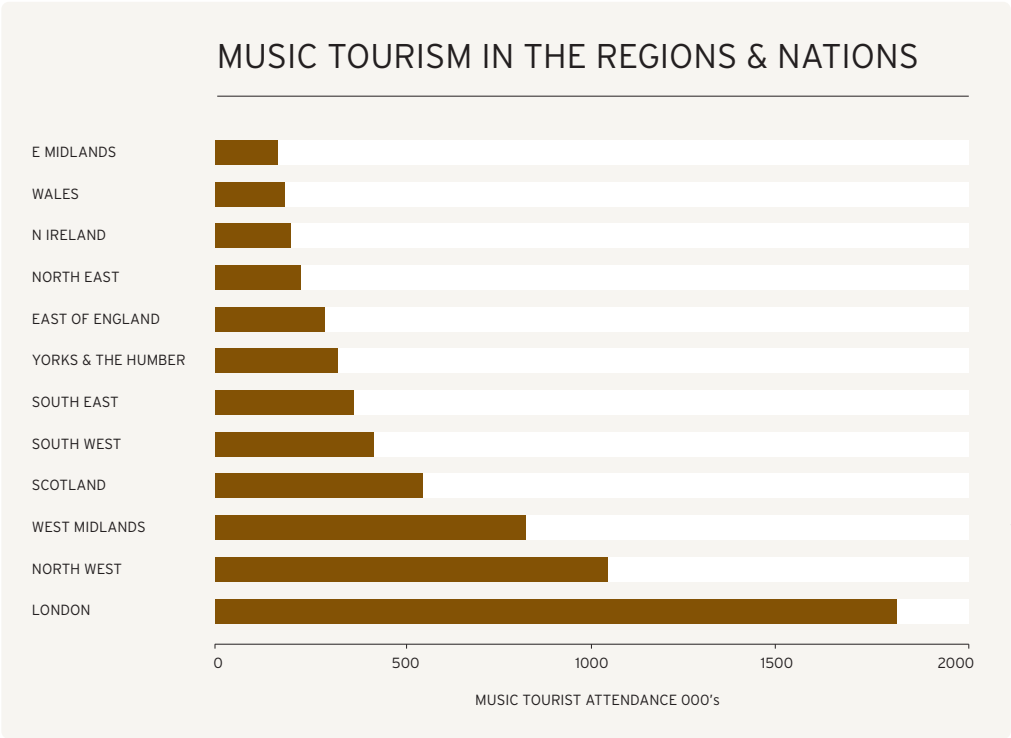
WAS IT A SLOW BURN OR SUCCESSFUL IMMEDIATELY?

The first year of a festival is so important. If you fail to convince your audience of how amazing your festival is in that first year it will be a real struggle to grow. But, we created a fantastic first year and even won Best New Festival at the 2006 UK Festival Awards. Our audience numbers more than doubled in the second year thanks to word of mouth because everyone who came to the first End of the Road came back with their mates in tow. When we started out we aimed for a capacity of 5,000, which we reached by year three. We are now at a capacity of 10,000 and still selling out every year. We feel this is a good size that still allows us to create quality across all aspects of the festival as well as keeping the intimate atmosphere. Each year comes with a lot of risk, including the weather, competition from more and more festivals, the state of the economy and finding the right headliners, so we've constantly got to work on making the festival even better.

WHAT DO YOU DO TO STAY COMPETITIVE?

We continuously listen to our audience and seek their feedback. We review each year's festival and do our best to identify areas where we can improve. We also have a lot of brainstorming with our friends, which helps come up with new ideas because it's important to keep things fresh and provide an element of surprise.

MUSIC TOURISM ATTENDANCE IN THE NATIONS & REGIONS



London is the music tourism capital of the UK attracting 1.8 million music tourists.

The North West dominated music tourism outside of the capital, accounting for 17% of all music tourist visits in the UK in 2012.

London is the music tourism capital of the UK attracting 1.8 million music tourists.

London alone accounted for 28% of all music tourism visits in the UK in 2012.

The North West dominated music tourism outside of the capital, accounting for 17% of all music tourist visits in the UK in 2012.

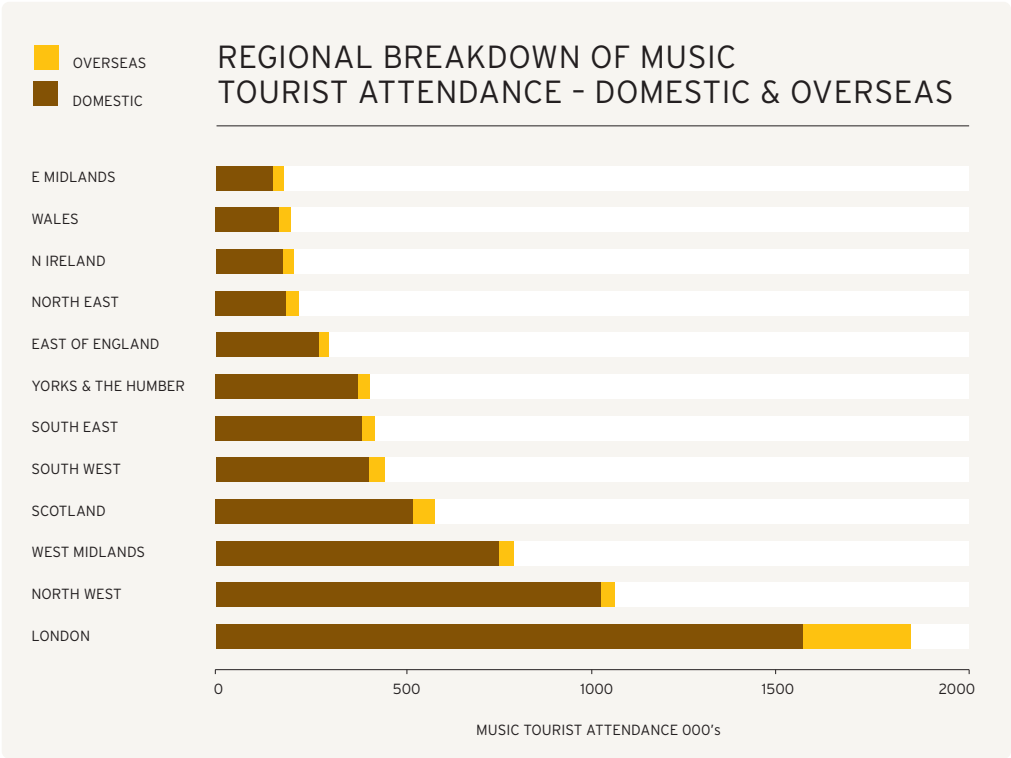
The region drew in more than a million music tourists out of a total live music audience of 2.87m.

The West Midlands was the third largest region in terms of total numbers of music tourists, attracting 809,000 music tourists.

More interestingly, perhaps, is that music tourists comprised 50% of all live music audiences in the West Midlands on average. Proportionally, this is much higher than the national average of 41%.

Only the South East can claim a higher proportion of music tourists relative to locals at live music events. In the South East, a whopping 53% of all live music audiences were, on average, comprised of music tourists.

Northern Ireland, the North East and Wales arguably punched above their weight. Despite their relatively modest populations, they each attracted an influx of nearly 200,000 music tourists.



Nationally, on average 94% of music tourists are domestic tourists, while 6% are overseas music tourists.

This ratio was pretty consistent throughout the regions, although London was a notable exception. 11% of music tourists - around 194,000 - watching gigs in the capital were from overseas compared to the national average of 6%.

The North West drew in an impressive 45,000 music tourists from overseas - far more than every other region apart from London.

Scotland and the South West each pulled in a notable number of overseas tourists. 26,000 visitors from overseas journeyed to Scotland to attend a live music event, while 22,000 overseas visitors headed in the opposite direction to live music hosted by the South West.

The West Midlands was the fourth largest region in terms of the number of overseas music tourists, drawing a healthy 24,000 music lovers from abroad.

MUSIC TOURIST ATTENDANCE AT CONCERTS VERSUS FESTIVALS

In the UK as a whole, far more music tourists attended concerts and gigs than festivals. This is not a surprise with the thousands of gigs and concerts every night of the year. However, music tourists comprise a higher proportion of festival audiences. Again, this is not a surprise as some (Glastonbury, T in the Park) festivals are held in rural locations with very small local populations.

Across the UK as a whole, the study revealed 75% of all music tourists attended a concert in 2012, while a quarter attended music festivals. But the regional analysis did show some disparities.

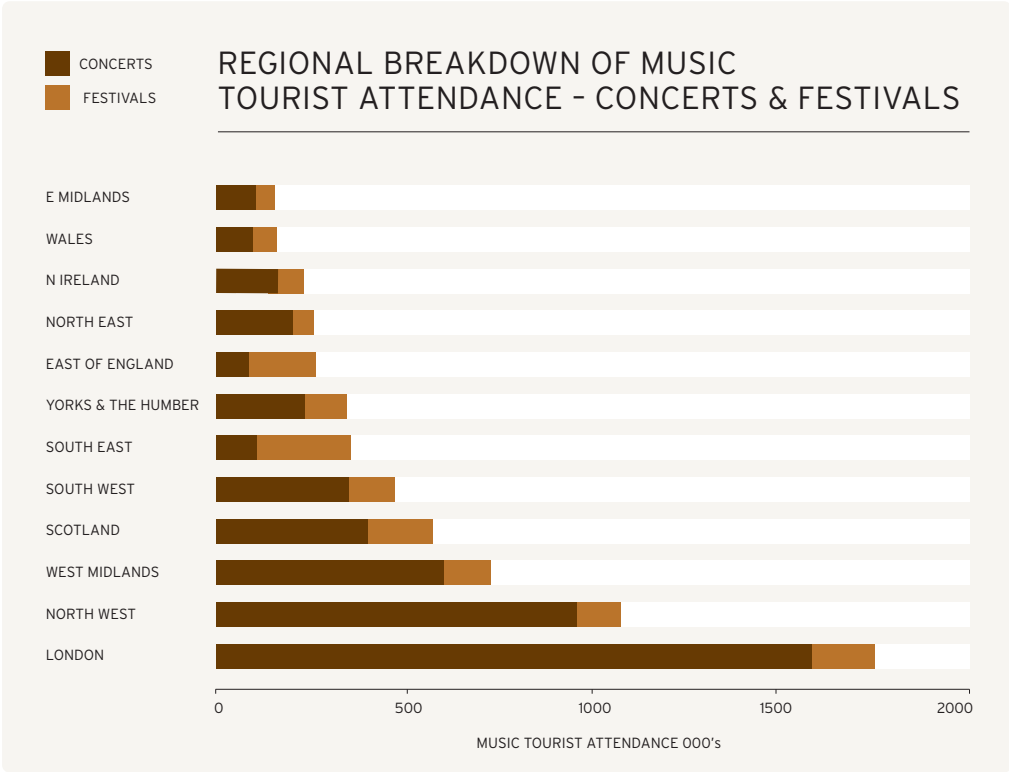
In London, the North East, North West and the West Midlands concerts and gigs

dominated as the premium attraction for music tourists.

With London boasting some of the greatest gig venues in the world - and a relative dearth of festivals within the M25 - it was no surprise that 90% (1,622,000) of all live music tourists attended gigs and concerts in the capital city. That was much higher proportion than the national average of 75%.

171,000 music tourists in the North East were concert goers and just 23,000 went to festivals.

680,000 of the music tourists in the West Midlands were concert goers; the remaining 129,000 went to festivals.



915,000 music tourists in the North West went to concerts; 171,000 went to festivals.

In terms of pulling in live music tourists, festivals ruled in the South East and East England.

In the South East, 276,000 of the region's 392,000 music tourists - 71% - went to festivals.

In the East of England 66% of live music tourists - representing around 185,000 fans - lollled about at festivals; well above the national average.

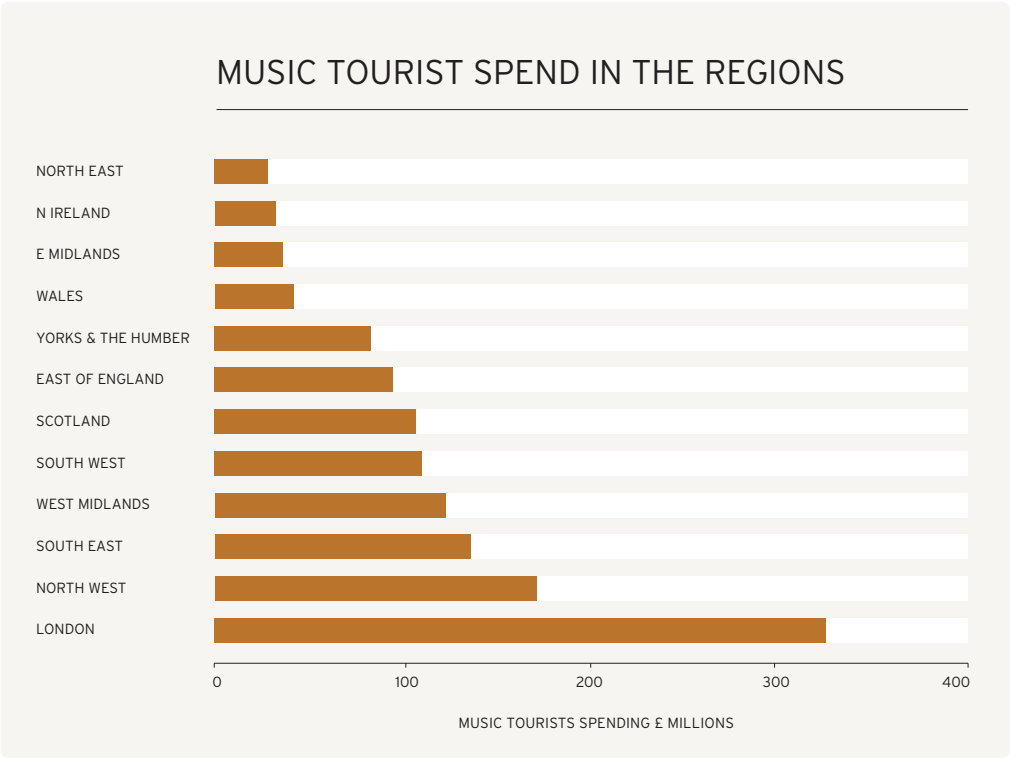
In Wales, 45% of its 188,000 live music tourists attended festivals.

The South West also had a higher proportion of its music tourists attending festivals relative to the national average, even in a year when Glastonbury did not take place.

41% of its 464,000 music tourists population attended festivals compared to the national average of 25%.



MUSIC TOURISM SPENDING IN THE NATIONS & REGIONS



Spending by music tourists to the capital accounted for a quarter of all music tourism spending in the UK.

The chart above shows direct spend by music tourists during the course of their visit to the live music event.

Direct spend includes the price of a ticket to a live show, food and drink, merchandising such as T-shirts, accommodation (where relevant), and ancillary items such as parking charges and tent pitch charges. A proportion of transportation costs was also included.

London was once again in a class of its own. Music tourists in the capital spent £322

million in 2012. Spending by music tourists to the capital accounted for a quarter of all music tourism spending in the UK.

Music tourists in the North West accounted for 13% of all music tourism spending in the UK, while spending by music tourists in the South East accounted for 10%.

These are the only three regions, whose contribution to the national figure reaches double digit percentage points.

SPENDING BY OVERSEAS MUSIC TOURISTS

Spending by overseas music tourists in the South East and West Midlands amounted to a healthy £15 million while overseas tourists spent £11m in the East of England.

It was no surprise that overseas music tourists spent a lot more during the course of their visit than a UK resident music tourist.

They usually have to fork out more for transportation and accommodation costs because they have to travel further and usually stay in an area longer.

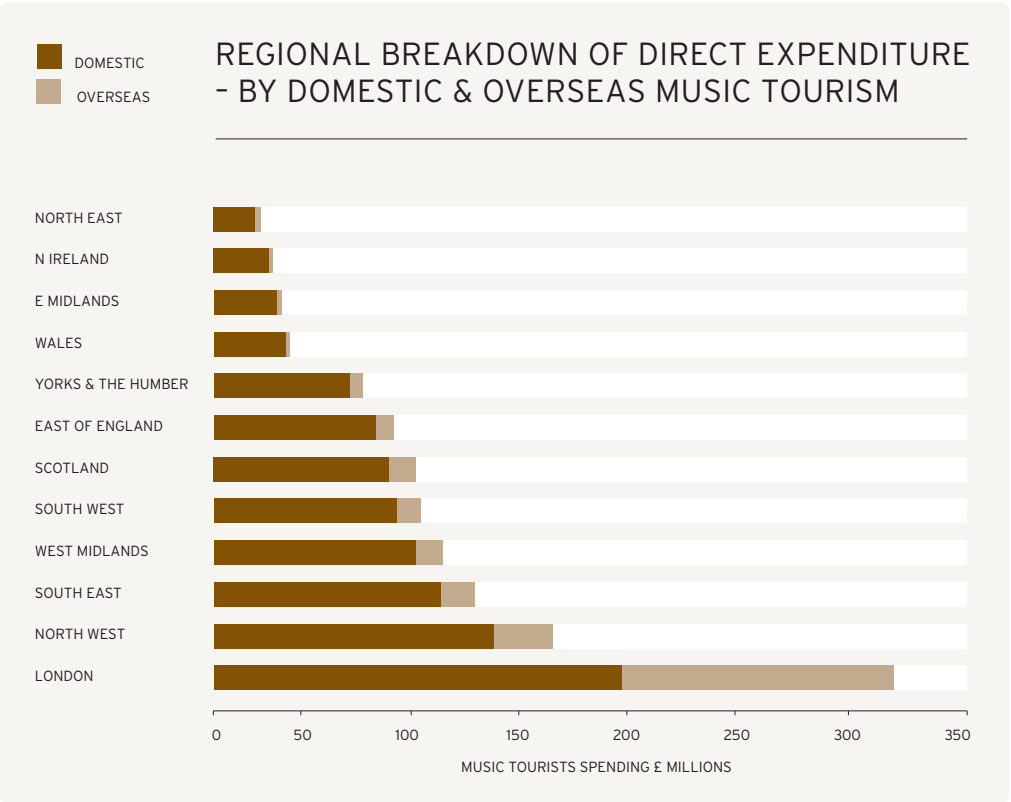
Overseas music tourists visiting London accounted for a massive 38% of all music tourism spending in the capital, well above the national average.

The £123 million these overseas music tourists spent in London accounted for 10%

of all music tourism spending across the whole of the UK last year.

Spend by overseas music tourists in each of the North West, South West and Scotland regions accounted for 16% of the total music tourism spend in that region.

While overseas music tourists to the East Midlands and North East contributed a relatively modest £5 million and £4 million respectively towards total music tourism spending in the region, as a proportion, their spending represented 12% and 14% of the regional total.



MUSIC TOURISM SPENDING AT CONCERTS VERSUS FESTIVALS

Although many more concerts take place each year than festivals, people spend much more money at festivals. Thus, across the UK as a whole the split between spend by music tourists at festivals and concerts was pretty even: music tourists attending concerts accounted for 46% of all music tourism spending, while those attending festivals accounted for 54%.

Regionally, however, the story was anything other than balanced. When it came to spending by music tourists, most regions were either firmly in the festival camp or concert camp.

Concerts ruled in the capital. 75% of music tourism spending in London was generated by gig-goers, compared to the national average of just 46%. This spending equated to £242 million.

The North East followed London with concert-going tourists contributing the lion's share of music tourism spending in the region. Concert tourists to the North East contributed 69% of total music tourism spending in the region.

Concert and gig-going music tourists to the North West contributed 61% of music tourism spending in the region - much higher than the national average of 46%. In monetary terms, this spending is even more impressive at £102 million.

The West Midlands was also in the concert camp, where music tourists attending concerts and gigs accounted for 55% of total music tourism spending in the region. In monetary terms, the contribution made by those attending concerts was £65 million while the contribution made by those attending festivals was £54 million.

The South East wears the crown as the region that generated the most significant proportion of its music tourism income from festival goers, as well as the most by far in monetary terms - £119 million.

Festival goers generated a mind-blowing 92% of all music tourism spending in the South East, compared to the national average of 54%.



Music tourists attending festivals in the East of England contributed an incredible 88% of music tourism spending. That's £80 million - on a par with London for festival spending by music tourists in a region.

Festival tourists accounted for 77% of total music tourism spending in Wales and 75% in the South West - again well above the UK average.

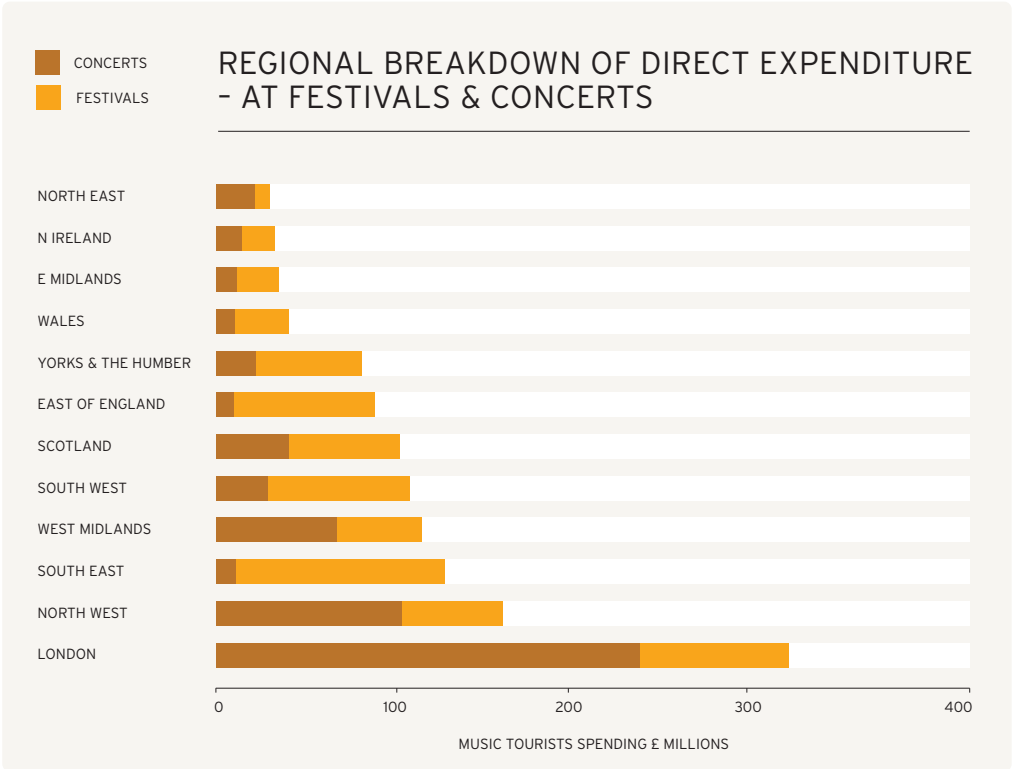
Festivals drove music tourism spending in the East Midlands and Yorkshire & Humber. While just 36% of all live music tourists to the East Midlands attended festivals, they contributed an impressive 69% of music tourism spending in the region. Likewise, 37% of music tourists in Yorkshire attended festivals, but their spending accounted for 71% of total music tourism spending in the area.

Even though festival goers to the North West accounted for just 39% of total music tourism spending in the region, it still amounted to a handsome £66 million - a higher figure than most other regions.

Northern Ireland is notable for most closely following national spending trends at concerts and festivals (46%/54%) .

Spending at concerts by music tourists in Northern Ireland accounted for 44% of total music tourism spending, while festival tourists accounted for 56%.

In Scotland, concert goers accounted for 40% of total music tourism spend, with festival goers contributing the remaining 60%.



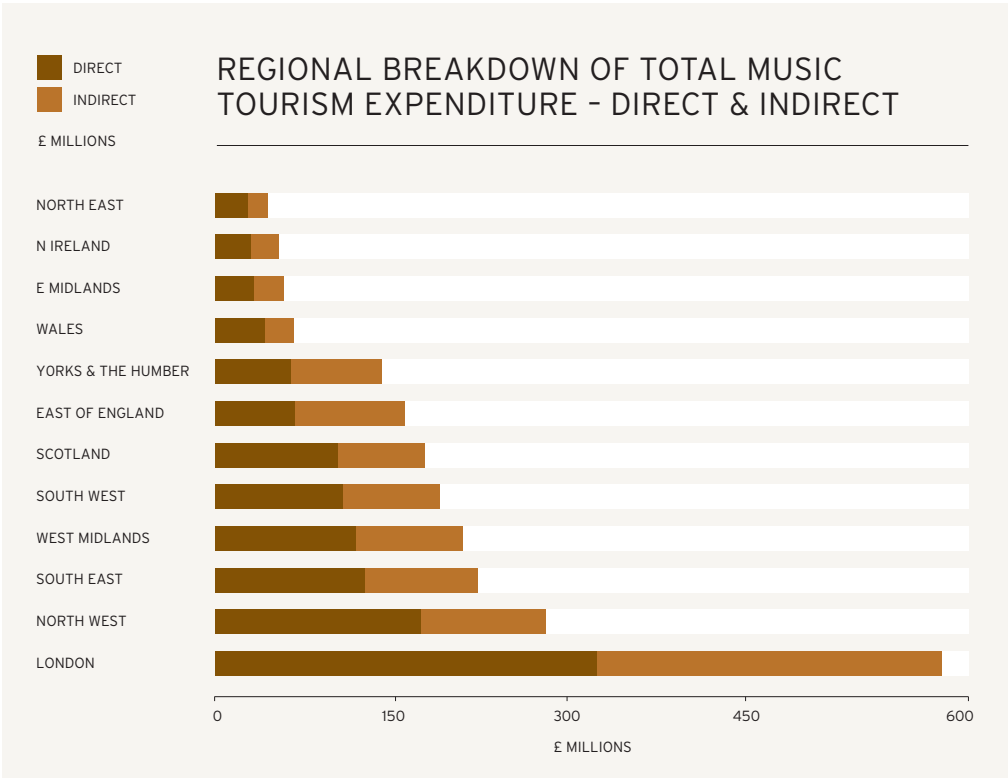
TOTAL EXPENDITURE GENERATED BY MUSIC TOURISM

In addition to calculating how much music tourists spent directly during the course of their visit to a live music event, the study also estimated the indirect spending generated as a result of music tourism further down the supply chain.

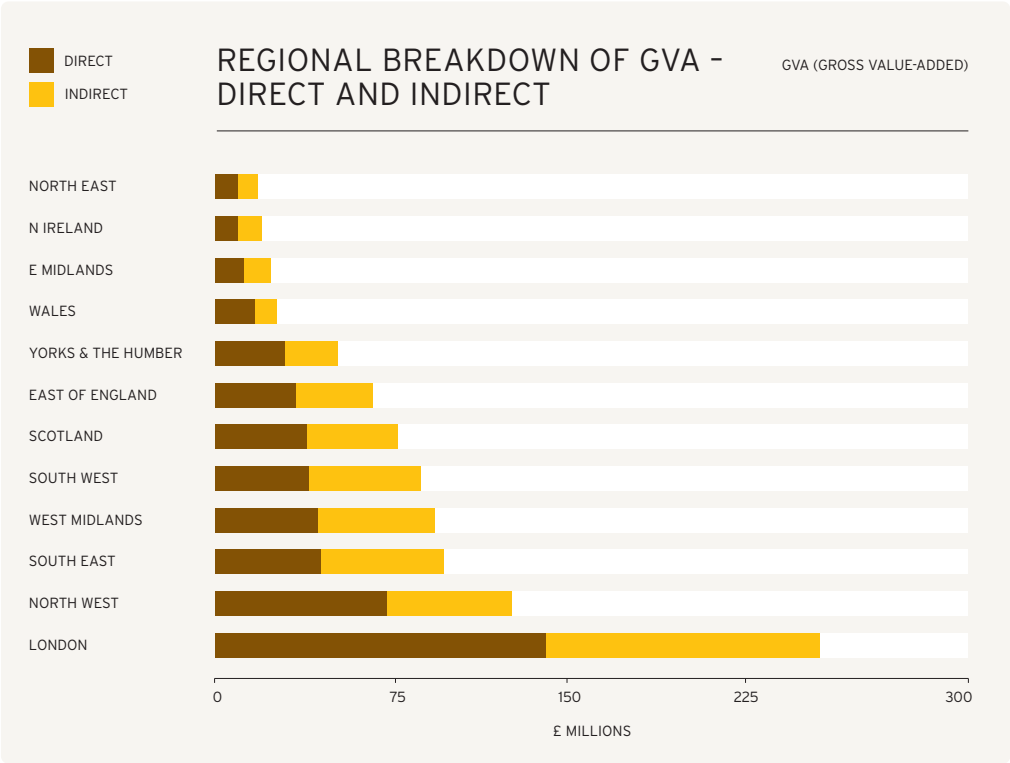
Indirect spending relates to the additional expenditure generated for UK businesses supported by supply chain activity resulting from the direct tourism spending.

Thus, wholesalers who supply catering companies serving up hot dogs and fizzy drinks at live music gigs will indirectly benefit from the upswing in demand for fast food from music tourists.

The chart below shows the additional indirect spend generated in each region.



TOTAL CONTRIBUTION OF MUSIC TOURISM TO GDP



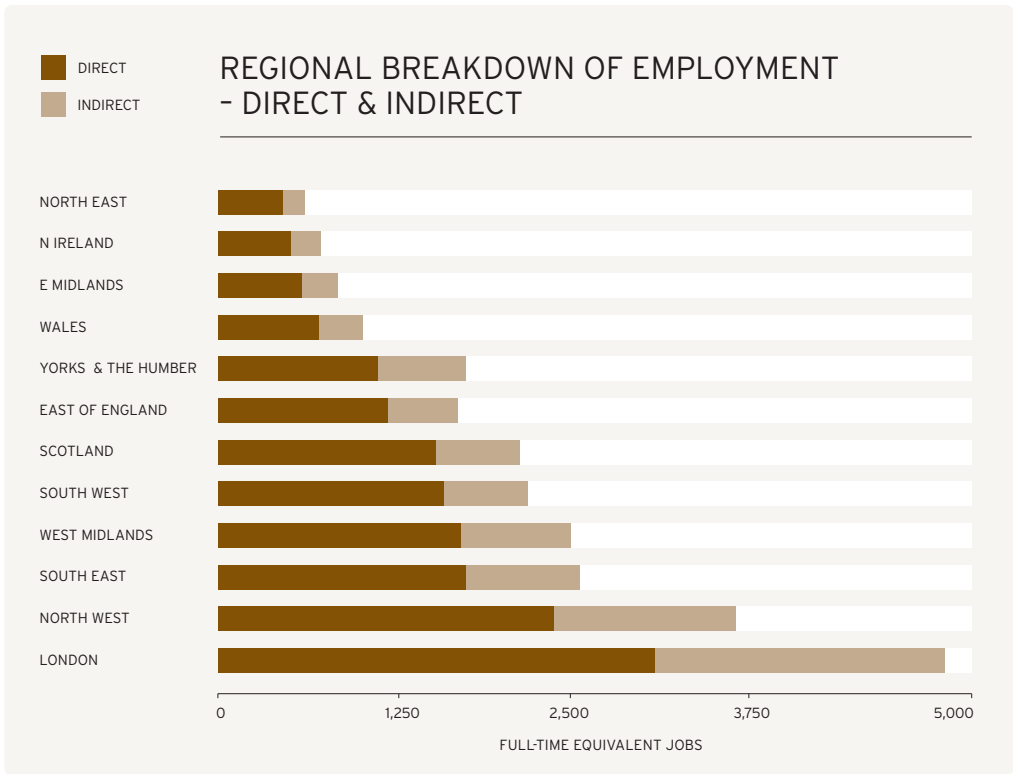
GVA is the contribution that individual parts of the economy make to Gross Domestic Product (GDP) - the standard measure of a nation's wealth.

In the case of live music tourism, direct GVA is the surplus arising from staging live music events, ie, the profits in the case of live music companies and wages in the case of individual workers.

Indirect GVA is the surplus attributed to the demand created by live music events further down the supply chain.

The ratio between expenditure and GVA is different for each region, to reflect regional differences in economic activity, wages, production costs, price of raw materials, and other factors.

TOTAL CONTRIBUTION OF MUSIC TOURISM TO EMPLOYMENT



Direct employment relates to the number of jobs that were generated as a direct result of music tourism.

There is a relatively high proportion of part-time and seasonal employment in the live music sector. Our calculations took account of this.

The numbers in the graph relate to “full-time equivalent” employment - meaning two part-time jobs of 20-hours-a-week would equate to one full-time job, and four

seasonal full-time jobs each lasting three months would also equate to one full-time job.

Indirect employment relates to the number of jobs sustained as a result of economic activity generated further down the supply chain, arising from the demand created by music tourism.

Variations in the ratio between direct and indirect employment reflect regional and sectoral differences in productivity.

AGENT

Asgard
Promotions
Co-Founder
Paul Fenn



The weather is definitely a factor, to an extent people are telling me that last year's bad weather has affected tickets for this year. If you got stuck in the mud at a festival somewhere last year you're going to think 'do I want to go back? That wasn't much fun.'

HOW ARE THINGS SHAPING UP?

The venues all say the numbers are down, but they are surviving. No one is panicking. We've got several tours out at the moment and maybe they are 10% down on what was projected, but it's not a disaster. Last year the flags were out because Take That toured in the previous year and now the flags are down because Take That are not touring.

IS THIS SOMETHING YOU CAN PREDICT?

It is not a science. That's the whole thing about promoting. Also, you can't really compare year on year because there are so many factors that come into play. Joe Blow might tour one year and does 87% business. But, the following year the factors that had influenced that tour, such as CDs, press and radio play, may not be the same so his business may go up or down. You can't predict that in advance.

IS THE ECONOMY HAVING A SAY IN HOW THINGS ARE GOING RIGHT NOW?

That is obviously the underlying reason why things are going down, but I think this year may be crunchier. There are certainly stories out there that a lot more festivals are doing badly.

We've heard several small festivals went on sale and realised they were not selling the tickets in the way they expected and pulled the plug early.

Everybody will try and hold a festival together until the last possible minute because if they pull the plug early then they might lose money; if they leave it nearer the time things may turn a corner... It could always pick up.

WHAT OTHER THINGS ARE HAVING AN EFFECT?

The weather is definitely a factor, to an extent people are telling me that last year's bad weather has affected tickets for this year. If you got stuck in the mud at a festival somewhere last year you're going to think 'do I want to go back? That wasn't much fun.'

It seems that festivals can sell on what happened the previous year. If they had a sunny year and great year of ticket sales the following year could be good. You get one bad year and...

You certainly see a bit more advertising around when perhaps in previous years a festival might have done one ad and sold out. But, if you think about it if you are 10,000 tickets short and tickets are priced at £200 that is a lot of money missing.

UK MUSIC RECOMMENDATION

In chapter one, we demonstrate the growing political support to help music tourism realise its potential. UK Music believes this support can be harnessed by a joined up strategy for music tourism.

Such a strategy would see the music industry working alongside central, national and local government, as well as national tourism agencies from across Britain. The strategy would enable the impact of our research in chapter two and three to grow.

Central government could begin to make a number of interventions to kick off the strategy. This would include:-

- The Department for Communities and Local Government to work on developing specific targeted “live music zones” within communities to act as beacons for live music scenes. This could lead to a further reform of licensing laws to enable zones to apply for a relaxation of time constraints on performances in order to compete with night time economies in other countries.
- The Department for Culture, Media and Sport to implement commitments from earlier this year for further deregulation of music performances.
- The Department for Environment, Food and Rural Affairs to support the Cultural and Community Distribution Deregulation Bill which aims to reduce the bureaucracy associated with handing out leaflets for small scale gigs and events.
- The Department for Transport to look at safety on public transport following gigs and festivals and develop innovative ways to improve the experience.
- The Home Office and Ministry of Justice to look at the effect of the secondary ticketing market on music tourism,

including consideration of legislative steps to combat any abuse of the market.

- The Department for Education should ensure that school careers services work with music employers to promote the wide range of highly skilled roles in the live music sector and wider music industry.
- The Department for Business, Innovation and Skills to help employers involved in music tourism to play an active role in designing and delivering apprenticeships and training to suit the needs of the sector.
- The Foreign and Commonwealth Office, as part of its work with UKTI, to work with countries from across the world to unlock any restrictive entry practices that prevent UK musicians from being able to break into overseas markets and develop fan bases from across the world. Likewise, ensure that FCO staff in UK consulates around the world follow agreed policy and procedure with respect to visa applications from visa nationals seeking to work in the UK.
- The Department for Energy and Climate Change to actively promote green practices at festivals and events to assist the Government in meeting its targets to reduce carbon emissions.
- The Department for Work and Pensions to work with venues and events to improve access for disabled people.
- The Scotland, Wales and Northern Ireland Offices, together with respective devolved governments and administrations, to work on existing and new policies to encourage music tourism.

The progress of any strategy should be continually monitored over the next five years to enable progress to be measured alongside visitor targets for the UK made by agencies such as VisitBritain.

A comprehensive
strategy for
music tourism

IN FOCUS: ENVIRONMENT

Julie's Bicycle
Director
Alison Tickell



WHAT ARE THE BIG ENVIRONMENTAL ISSUES AROUND LIVE MUSIC & FESTIVALS?

For music this is such a big issue. We are talking about bricks and mortar, we are talking about the movement of artists and audiences, we are talking about outdoor temporary events, the wood and steel used in sets.

So what can we do together? It might be around energy bundling or around collective procurement of a commodity, but there are some wonderful things we can start doing.

We need to recognise there is an issue. In both the built environment - music venues - and festival environment, we have to focus on energy use. We have a lot of old music venues that were not built with energy efficiency in mind.

They tend to be very leaky so there is a real opportunity for the music industry to sort out its building stock.

The low hanging fruit is always energy efficiency, having better insulation and better energy management. There is a lot of money to be saved if people do it really seriously.

Some organisations have been brilliant, especially the big arenas. That is because they have got big energy bills so they are often compliant under the CRC Energy Efficiency Scheme (introduced by Government to reduce carbon emissions).

The biggest draws on energy are HVAC (heating, ventilation and air conditioning) systems, so understanding heating and cooling is important.

Also, lighting. Investing in low carbon lighting can save a lot of money.

And I suspect we will find there are some savings to be done with sound.

We're at a very interesting moment in our energy story where energy is becoming more and more expensive so the need to get energy use down and transit from a fossil based fuel economy to one that is based on re-newables is urgent.

WHAT ARE THE CHALLENGES FOR FESTIVALS?

To work with festival promoters and suppliers and see how we use diesel.

There is a disconnect between what promoters know about how much energy is used in their generators for their stages and what is being supplied to them.

Some people buy generators that are too big and it is also how you use them. You don't actually need to power a generator at full throttle all the while, especially at night time when it could be idling. This sounds very obvious and can potentially save a lot of money just by some basic housekeeping. Solar power can offer quite a lot at festivals and probably isn't used enough at the moment. The level of risk is much smaller than it was.

Waste is also a big issue. Festivals in this country have done very well on waste and you have got some smaller festivals with zero waste.

With the bigger festivals we have seen a huge reduction in waste plus a huge rise in recycling.

Also festivals have been very good at looking at their concessions and how they can use green suppliers.

One of the things about festivals is they are good at trying things out, they are places to innovate. So if you look at what has happened in the sustainability sector with initiatives such as waterless urinals or harvesting urine these were tried out by festivals a while ago.

Audience travel is an unfortunate side product of travelling to see a gig or go to a festival, yes, but there is a lot of sharing cars. We are now at a point where more than two people travelling in a car has become the common way of getting about.

Most festivals now provide advice on how to travel more greenly and promoters are imaginative about some of the incentives they will give people such as camping privileges if you cycle.

There are also a lot more local festivals popping up so there is less need for people to travel long distances.

We want the tourists. The last thing we want to say is we want to scupper an economy on the basis of environmental stuff. We just want to make sure we do it all a bit better all the time.

ARE BANDS DOING ENOUGH TO SAVE THE PLANET?

I wish they were pushing the green message a bit more; they could do a lot more than they are currently doing.

These are difficult places to pull together something that requires systemic cultural and business model change.

We are not talking about a cause here - if only it was so easy - we are talking about a really profound change to how we think about ourselves and our work in relation to the world around us.

That requires us to think a lot about ourselves and the sorts of choices we make and how we relate to the business that supports us. If you come together to answer systemic change then there is no single head.

We want the tourists. The last thing we want to say is we want to scupper an economy on the basis of environmental stuff. We just want to make sure we do it all a bit better all the time.

METHODOLOGY



The analysis
of the impact
of live music
on tourism
was carried
out by
Oxford
Economics

This paper summarises our approach to estimating the economic impact of live music tourism (both foreign and domestic) on the UK economy during 2012. The results build on previous research, commissioned by UK Music, and carried out by the International Centre for Tourism and Hospitality Research at the University of Bournemouth. The transparency with which we are able to outline this approach is limited, to some extent, by the confidential nature of some of the data obtained from third party sources e.g. data provided by *PRS for Music* on the value of royalty payments collected for artists.

For the purposes of measuring the numbers of music tourists in the UK, their spending and associated economic impact, this study counts music goers as tourists:

- For overseas visitors, if they book their ticket to a music event from their home address in a country outside the UK.
- For domestic visitors, if they travel at least three times the average commuting distance in the Government Office Region (GOR) in which the event took place in order to attend the event.

We also include the following restrictions:

- We have examined attendances at live music events in a setting with a capacity limit of at least 1,500. As such the figures should be viewed as conservative. The issue with not setting a limit on venue capacity is one of tractability.

- Live music must be the primary attraction at the relevant event. Great care has been taken to exclude cases where music is only part of the offering, such as cultural festivals, arts festivals and musical theatre. Including these would necessarily increase the results.

Our methodology involved estimating the attendance at live music events across a range of entertainment venues (festivals, arena concerts, stadium concerts, park concerts and concerts at other venues e.g. nightclubs, theatres etc). This breakdown was primarily influenced by the existing format of some of the data that was provided to us (particularly by *PRS for Music*).

For both concerts and festivals, two main channels of economic impact were measured: first, the box office receipts generated by foreign and domestic tourists; and, second, ancillary spending of domestic and foreign tourists as a result of attending these events. Doing so required us to estimate the number of domestic and foreign tourists at within-scope events. For this, data from a range of ticket distributors were used to estimate the proportion of these attendees that were domestic (as defined in this study) and foreign tourists respectively. In total, this gave a sample size of just over a quarter of the tickets sold to within-scope events during 2012.

In addition, the economic impact included estimates of the additional expenditure by foreign tourists during the entirety of their stay in the UK. Such an approach was consistent with that used in the previous

study and is also consistent with the method used by the Office of National Statistics (ONS) when assessing the economic contribution of event-driven foreign tourism.³⁰

These expenditure estimates were then transformed into more standard metrics such as Gross Value Added (GVA) and Full Time Equivalent (FTE) employment.

The final stage of the analysis was to assess the “multiplier” effects of such an injection of expenditure. Although, many impact studies quantify both the indirect and induced effects of an initial direct stimulus, the analysis in this study is constrained to just the indirect or supply chain effect. Doing so ensures that our estimates are consistent with the official valuation of GDP.

The remainder of this section provides further detail on each of these stages as follows:

- The methodology used to classify local tourists.
- The approach used to estimate the attendance and associated flows of domestic and foreign tourists to live music events.
- The estimation of the various channels of expenditure including box office receipts, associated ancillary spending, and wider trip expenditure by foreign tourists.
- The methodology used to transform these expenditure values (essentially estimates of direct GO) into an associated contribution to GDP and FTE employment.
- The approach to quantifying the indirect impact of live music tourism spending.

³⁰ For example when the ONS assessed the value of in-bound tourism associated with the staging of the 2012 Summer Olympics, it included the total spending of foreign tourists who purchased tickets for Olympic and Paralympic events whilst in the UK. See <http://www.ons.gov.uk/ons/rel/ott/travel-trends/2012/rpt-travel-trends-2012.html#tab-Visits-to-the-UK-for-the-London-2012-Olympic-Games-and-Paralympics> for further details.

CLASSIFICATION OF A TOURIST

Domestic visitors were classified as either “locals” or “tourists” based on distance travelled to the venue rather than on whether their initial location was in a different GOR. The challenge with using a “distance” criterion was defining an appropriate threshold for distance travelled. To our knowledge, there is no official guidance on this issue, with the ONS instead defining a domestic tourist as someone who has travelled “outside of their natural environment”.³¹ Given this phrase, we felt it appropriate to quantify the threshold in terms of the distance of an average “commute” which provides a benchmark of what one might consider a “natural environment”. The decision to multiply this

distance by three was, to some extent, arbitrary (multiplying this distance by two would also in our view be entirely defensible) but reflected our aim to retain a relatively conservative approach to estimation.

In order to quantify average commuting distances across the GOR’s we used data from the ONS on commuting patterns of UK residents across Local Authority Districts (LADs) in 2011.³² For each LAD, a postcode was taken to correspond to the centre of the area. The distance between relevant LADs was then quantified using mapping software which enabled us to produce an estimate of the average commuting distance for each LAD. These figures were then appropriately aggregated to the GOR level.³³

³¹ See for example p.12 of the TSA recommended methodological framework (<http://epp.eurostat.ec.europa.eu/portal/page/portal/tourism/documents/BGTSA.pdf>). ³² 2012 data was not available at the time of the research. Since average commuting distance is unlikely to be subject to much short-term volatility any distortion to the results is likely to be negligible. ³³ Data for Northern Ireland was not available, so the threshold was assumed to be equal to the UK average of 35.5 miles.

Estimated average commuting distance and associated distance threshold for categorisation of domestic tourism by GO

GOR	AVERAGE COMMUTING DISTANCE (MILES)	GOR DOMESTIC TOURISM THRESHOLD(MILES)
EAST MIDLANDS	12.4	37.2
EAST OF ENGLAND	13.8	41.5
LONDON	11.5	34.5
NORTH EAST	13.9	41.6
NORTH WEST	11.1	33.4
SCOTLAND	15.7	47.2
SOUTH EAST	12.9	38.8
SOUTH WEST	13.3	39.9
WALES	12.2	36.6
WEST MIDLANDS	12.7	38.1
YORKSHIRE & THE HUMBER	13.6	40.9
UK	11.8	35.5

ESTIMATING ATTENDANCE AND TOURISM FLOWS

Our method for estimating attendance varied according to the type of event venue and the associated evidence base that was available.³⁴

FESTIVAL ATTENDANCE³⁵

We compiled a database of festivals along with information where possible on capacity and attendance. In total, our list documented 279 festivals although not all of these took place during 2012.³⁶ Of these, we obtained capacity data for 228 (82%). Therefore, the first step was to estimate capacity data for the remaining 51 festivals. In order to do so, we used the following decision rules:

- We assume that capacity information for larger festivals (capacity of at least 30,000) will be more readily available and hence assume that all festivals with an unknown capacity are smaller than this.
- It also seems reasonable to assume that festivals with no capacity information are smaller on average. Therefore, we reduce our estimate of the number of unknown festivals that have capacities between 5,000-29,999 and 1,500-4,999 by 25%.
- In addition, it is assumed those festivals for which we have no capacity data but that are thought to have capacities greater than 5,000 have smaller average capacities than festivals in

our database, so we reduce the expected capacities of these venues by 33%. A similar assumption is made about festivals with an assumed capacity of between 1,500-4,999.

- Our evidence base for attendance is much smaller but is applied where available. In line with the previous report, we assume that festivals with a capacity of greater than 30,000 sold out with the remainder of in-scope festivals assumed to have been attended by an audience of 90% of the venue's capacity.
- As a final step, we attempted to adjust our estimates for the fact that the preceding analysis formed estimates of the daily capacity/attendance at the various music festivals despite the majority of festivals being multi-day events. In order to adjust for this, data was collected on the length of festivals. Where this information was not available, we assumed a length of 2.7 days, equivalent to the average length of festivals for which this information was available.³⁷ Multiplying the daily attendance by the number of days would provide an upper bound for the number of unique attendees. However, it is clear that a significant proportion of visitors attend for the entire duration (or at least a period longer than one day) of the festival. Therefore, we assumed that 17.5% of festival goers were day visitors with the remainder attending the whole of the festival. This was based on ticketing data made available to us about the breakdown of ticket sales for some of the major UK music festivals.

³⁴ To reemphasise, for a festival to fall within the scope of this study, the primary offering of the event must be music, therefore excluding events such as the Edinburgh Festival, Greenbelt Festival, WOMAD and the Huddersfield Contemporary Music Festival where music forms only part of the offering. ³⁵ This approach draws heavily on the previous report undertaken by the International Centre of Tourism and Hospitality Research at the University of Bournemouth. ³⁶ In particular, a number of festivals were cancelled in 2012 reflecting a variety of factors such as poor weather conditions, saturated demand for live events due to the staging of the Olympics etc. ³⁷ This average excluded the Proms and other abnormally long-running festivals in order not to distort the mean.

In total, these steps resulted in final estimates for total individual attendance at within-scope music festivals of 2.8 million in 2012. (See table below.)

ARENA ATTENDANCE

In comparison to festivals, estimating the attendance at arena concerts was more straightforward. We extrapolated the results from reports by SEC ³⁸ on attendance and box office receipts of concerts at covered venues across the entire UK arena population . ³⁹

For arenas not covered in the SEC report we assumed that the venues held the same number of concerts, were on average filled to the same level of capacity, and charged the same average ticket price. Based on this, we estimate total arena concert attendance in the UK of 7.8 million in 2012.

OTHER CONCERT ATTENDANCE

These events were classified into three separate categories: stadium concerts; park concerts; and concerts at other venues such as nightclubs, theatres and academies. For each of these categories we used *PRS for Music* data ⁴⁰ on concert royalty payments to estimate the total box office sales for concerts at these venues with a capacity of at least 1,500 in 2012. Based on this, total attendance at these events was estimated using an assumed average ticket price. The assumed average price was based on the (mean) average price of the various event types according to the sample of ticketing data made available to us by ticketing agents and box offices.

³⁸ “Music and Event Research 2012”, a report prepared for the NAA by SEC Ltd, March 2012, and “Music and Event Research 2012”, a report prepared for the NAA by SEC Ltd, March 2013. ³⁹ In addition to the NAA members, the results from the SEC report also cover ticket sales at the Manchester Arena and the Metro Radio Arena in Newcastle. Together these venues account for over 80% of the total capacity of UK arenas which regularly stage music concerts. ⁴⁰ PRS for Music is a society of songwriters, composers and publishers which licenses organisations to play, perform or make available copyright music and then distributes accruing royalties appropriately. Since royalty payments are set as fixed proportion of box office revenue the value of a royalty payment can be used to quantify the box office revenue of that event.

Estimated UK music festival capacity and attendance in 2012

	NUMBER OF FESTIVALS	AVERAGE CAPACITY PER DAY	AVERAGE ATTENDANCE PER DAY	TOTAL ATTENDANCE PER DAY	TOTAL INDIVIDUAL ATTENDANCE
Capacity greater than 30K	21	53,300	53,300	1,119,000	1,228,000
Capacity between 5K and 29.9K	81	12,200	11,000	895,000	1,190,000
Capacity between 1.5K and 4.99K	60	2,600	2,400	141,000	183,000
Less than 1.5K	49	600	600	28,000	31,000
Unknown Capacity	51	3,300	3,000	153,000	200,000
Imputed between 5K and 29.9K	16	8,200	7,400	117,000	156,000
Imputed between 1.5K and 4.99K	16	1,800	1,600	25,000	32,000
Imputed less than 1.5K	19	600	600	11,000	12,000
Total	262	10,100	9,500	2,335,000	2,832,000
Total within scope	194	12,500	11,900	2,297,000	2,789,000

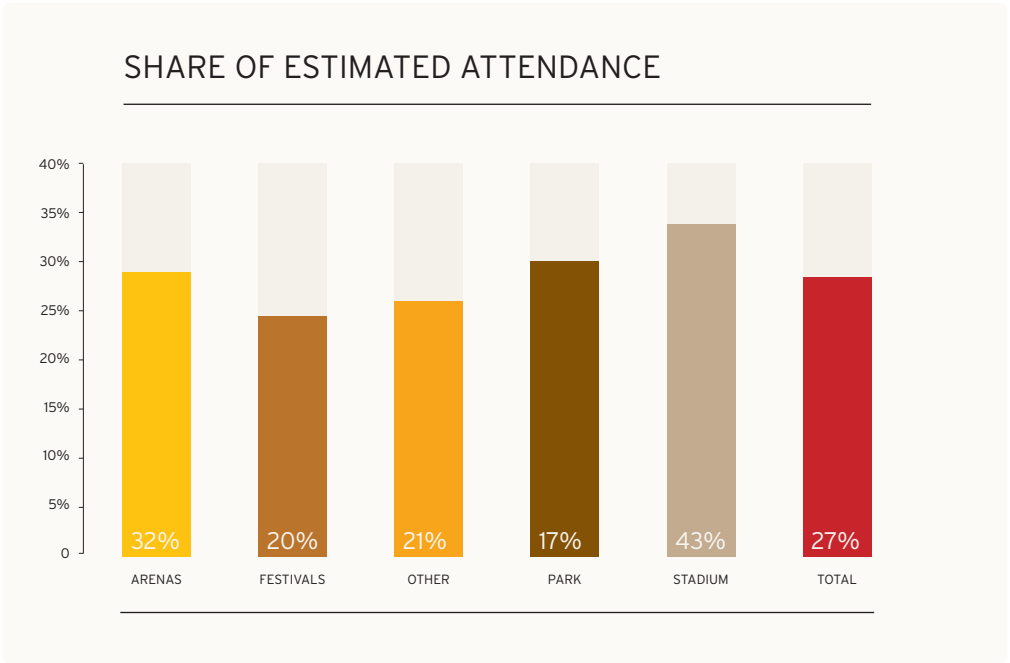
ESTIMATING TOURISM FLOWS

Having generated estimates of total attendance at music festivals and concerts split by the various venue types, we then estimated the respective flows of foreign and domestic tourists to these events using a large sample of ticket data sourced from a variety of agents. Included in the data were details on the number of tickets purchased, the value of the transaction, the first half of the customer postcode and details on the name of the event and venue. Once this dataset had been filtered to exclude both events where music was not the sole entertainment offering and where the venue had a capacity of less than 1,500, we were left with just over 4 million ticket

sales, equivalent to over a quarter of total estimated attendance at the various music events.

Based on the available ticket sample, we developed estimates of the proportion of ticket sales that were sold to domestic tourists, foreign tourists and locals in different GORs across the five event types. For each domestic transaction, an estimate was generated for the distance travelled by the purchaser using the relevant postcode data, and then compared to the threshold values for a domestic tourist. In instances where our sample size for the specific GOR/event type combination was less than 5% of estimated total attendance, the relevant tourism penetration flows were

Estimated share of total attendance in ticket sample by event type



estimated based on the average results from other regions. We decided to aggregate the results from ticket sales across two years and apply the average tourism penetration rates to our attendance figures in each year. The rationale for doing so was that we were conscious that although the sample size was relatively large, year-to-year differences were more likely to reflect statistical noise rather than a definitive change in trend. This view was based on a comparison of the results for individual GOR/event type combinations where we had a large sample size for both years (over a 1/3). In these cases, there was very little change between the observed patterns of tourism penetration between the two years.

Assumed visitor shares by event type and GOR

GOR	CONCERTS			FESTIVALS		
	Locals	Domestic Tourists	Foreign Tourists	Locals	Domestic Tourists	Foreign Tourists
SCOTLAND	66.4%	31.7%	1.8%	38.8%	59.6%	1.6%
NORTH IRELAND	65.7%	33.1%	1.3%	39.3%	59.1%	1.6%
WALES	61.8%	37.3%	0.9%	37.4%	62.1%	0.5%
NORTH EAST	70.6%	28.4%	1.0%	39.3%	59.1%	1.6%
NORTH WEST	63.3%	35.0%	1.7%	42.0%	57.6%	0.4%
EAST MIDLANDS	75.3%	23.6%	1.1%	39.3%	59.1%	1.6%
WEST MIDLANDS	51.8%	46.8%	1.4%	39.4%	59.0%	1.6%
YORKS & THE HUMBER	64.3%	34.4%	1.3%	35.7%	62.7%	1.6%
EAST OF ENGLAND	72.6%	25.3%	2.1%	38.7%	58.8%	2.5%
SOUTH EAST	61.6%	36.8%	1.5%	41.1%	56.0%	2.8%
LONDON	61.7%	34.1%	4.2%	60.0%	35.9%	4.1%
SOUTH WEST	66.3%	32.5%	1.2%	21.1%	73.8%	5.1%
UK	62.9%	34.8%	2.3%	40.5%	57.1%	2.4%

ESTIMATING TOURISM SPENDING

BOX OFFICE RECEIPTS

For festivals, we applied an assumed average ticket price to our estimate of total unique attendees. The assumed average price was based on the sample of ticketing data for festivals across different regions of the UK. For regions where we felt that the data sample was not sufficiently representative (ticket sales covered less than 25% of total estimated attendance) an average price across the other regions was used.

For arena concerts, we extrapolated the results from the SEC arena survey on box office receipts across other UK-based arenas assuming the same average ticket price of £43.71 in 2012. (See chart below.)

For the remainder of concerts (parks, stadiums and other venues), we used data collected by *PRS for Music* on royalty payments to estimate box office receipts at concerts across each GOR. Since royalty payments are set as a fixed proportion of box office receipts (although the tariff does vary depending on the type of events), this method should provide an accurate means

of estimating total box office revenue. Although, it would be impossible to produce a “complete” estimate for this question, we are confident that the *PRS for Music* figures offer the most extensive coverage of any available source. These figures are net of VAT and do not reflect any booking fees or other charges by ticket vendors.

ANCILLARY EXPENDITURE

In general our approach to quantifying associated ancillary expenditure involved applying information gathered from survey responses on spending habits to our estimates of the total number of foreign and domestic tourists.

For festivals we relied upon a combination of the AIF survey data for 2011 and 2012 ⁴¹ and survey responses supplied by Richard Fletcher, Festivals Manager at De Montfort University. These surveys divide respondents into locals, foreign and domestic tourists ⁴² which neatly fitted into our approach. Respondents are asked a variety of questions about total on-site and off-site expenditure during their visit to the festival. We categorised this expenditure

⁴¹ Given that the size of these surveys is not large compared to the overall population and that the results are fairly volatile from year-to-year we decided to use the average results from the 2011 and 2012 surveys to help adjust for such statistical noise. ⁴² The AIF survey defines someone as a domestic tourist if they travel in excess of 20 miles in order to attend the festival. This clearly does not match up to our definition, the impact of this discrepancy is almost certainly negligible. ⁴³ These figures have been adjusted to remove the estimated share of the Dublin O2 arena (in terms of attendance, capacity, box office receipts etc). Activity at the venue is counted as part of the SEC aggregate figures but falls outside of the scope of this project which is only concerned with UK-based live music events.

Extrapolated arena attendance and box office receipts ⁴³

UK ARENAS COVERED BY THE SEC REPORT 2012				OTHER UK ARENAS				TOTAL POPULATION	
Aggregate Capacity 000's	Aggregate Attendance 000's	Average Ticket Price £	Total Box Office Receipts £ mns	Aggregate Capacity 000's	Aggregate Attendance 000's	Average Ticket Price £	Total Box Office Receipts £ mns	Total Attendance 000's	Total Box Office Receipts £ mns
234	6,014	43.71	252.9	48	1,792	43.71	78.3	7,806	341.2

into five items: accommodation; travel; onsite spending; offsite spending and other. The implied spending patterns are summarised below. We then allocated this expenditure geographically using the following decision rules, consistent with the previous report:

- It was assumed that 50% of the difference between foreign and domestic tourist's travel expenditure will leak abroad, with the remainder located within the UK. For both domestic and foreign tourists, we assumed that 50% of domestic travel expenditure impacts locally. This residual 50% was then split between the GORs based on their share of UK transport GVA to ensure that the regional total summed to the national estimate.
- In order to avoid double counting of box office revenue (which can include camping costs) we excluded one quarter of the accommodation expenditure by foreign and domestic tourists.

Although it is likely that average ancillary spending at concerts will be lower than at festivals, it is fair to assume that tourists will still need to spend money to travel to the venue and will undertake some offsite spending on accommodation, food and drink etc. Therefore, in line with the previous study we assumed that foreign and domestic tourists would spend the same average amount on travel and offsite spending. However, reflecting the shorter duration of a concert, we scale these figures down to reflect one day's expenditure.

In addition, we were allowed access to an NAA survey of individual members on onsite expenditure at concerts. Due to issues of confidentiality we are not able to share details on the expenditure figures collected in this survey but it does mean that our results include estimates of onsite concert expenditure on merchandise and catering. We assumed that these spending levels applied across the other concert venue types (stadiums, parks, other).

⁴⁴ The onsite figures include the residual part of entertainment expenditure excluding the price of the ticket. The economic impact of the latter is already accounted for in terms of our estimate of box office receipts. The average festival price was based on the average price implied by the ticketing data.

Summary of survey responses on survey ancillary spending ⁴⁴

AVERAGE EXPENDITURE [£]						
	Sample Size	Accommodation	Travel	Onsite Spend	Offsite Spend	Other
Domestic Tourist	5.803	36.7	45.0	112.1	26.9	13.8
Local	1.682	12.9	13.1	75.7	12.2	13.8
Foreign Tourists	355	129.5	191.9	113.0	26.0	21.7

WIDER FOREIGN
TOURIST SPENDING

In addition to the ancillary expenditure by foreign tourists related to their visit to the music event, we have also estimated the wider trip expenditure by visitors to the UK. In order to do so we used data from the latest International Passenger Surveys (IPS) compiled by VisitBritain. According to IPS (2012) the average foreign visitor to the UK spent 7.4 nights in the country on each visit with an average expenditure of £81.0 per night. We used these figures to extrapolate for foreign music tourists for the remainder of their expected stay in the UK. Therefore, for festival-goers in 2012, it was assumed that they spent an additional 4.7 nights (using the assumption that the average festival lasts 2.7 nights) in the UK spending £81.0 per night etc.

This additional expenditure was then broken down sectorally based on the breakdown of tourist expenditure by region classified in the 2011 UK Tourism Satellite Account (TSA) developed by the ONS. This breakdown is summarised in the table below.

VALUING THE CONTRIBUTION
TO GDP AND EMPLOYMENT

The next stage of our analysis was to transform the gross expenditure figures (effectively an estimate of gross output (GO)) into metrics of more interest including the direct contribution to GDP and associated employment. In order to do so, our general approach was to apply a relevant ratio of GVA to expenditure (depending on the nature of the spending). FTE employment figures were then derived based on estimates of regional productivity in that sector.

Breakdown of tourist expenditure by region

GOR	Accommodation Services for Visitors	Food & Beverage Serving Services	Passenger Transport Services	Cultural, Sport & Recreational Services	Other Product
SCOTLAND	14.9%	21.3%	14.6%	4.5%	44.8%
NORTH IRELAND	12.7%	23.6%	14.2%	4.7%	44.8%
WALES	15.1%	25.5%	9.5%	6.1%	43.8%
NORTH EAST	10.6%	20.9%	19.8%	2.9%	45.8%
NORTH WEST	9.9%	18.5%	24.1%	4.5%	43.0%
EAST MIDLANDS	8.7%	24.4%	9.7%	5.5%	51.9%
WEST MIDLANDS	8.7%	20.8%	14.6%	6.6%	49.4%
YORKS & THE HUMBER	11.5%	25.9%	10.1%	7.0%	45.4%
EAST OF ENGLAND	9.2%	20.5%	15.6%	4.7%	50.1%
SOUTH EAST	8.1%	20.0%	19.9%	5.7%	46.4%
LONDON	13.3%	15.4%	31.8%	4.1%	35.5%
SOUTH WEST	16.8%	22.5%	8.0%	5.3%	47.4%

GVA

Ratios of sectoral GVA to GO were sourced from the Annual Business Survey (ABS) produced by the ONS. The latest available publication relates to calendar year 2011, so the results from this were assumed to hold in 2012. The table below documents the ratios that were applied for various categories of expenditure including the relevant SIC codes that were used.

The ratios reported below were used for the various categories of ancillary expenditure identified during the analysis. Meanwhile, for box office receipts we used a breakdown of revenue from an arena concert supplied by Paul Latham, Chief Operating Officer of Live Nation from the UK Music Live Music Group. His view was that the relevant aspects of this dataset (i.e. the ratio of value added to total receipts) would also apply for a festival. Due to issues of confidentiality, we cannot provide details on the breakdown but the data indicated that the ratio of GVA to GO for box office receipts was around 0.595.

FTE EMPLOYMENT

The resulting estimates of direct GVA were used to quantify associated FTE employment using relevant estimates of productivity by sector and region. These were derived based on data and forecasts from Oxford Economics' regional forecasting model which covers GVA and employment across a range of sectors. Since data was not available to the same level of disaggregation as the ABS, wider sectors had to be used to cover expenditure categories (e.g. rather than passenger transport, transport and storage was used as the relevant sector). In order to adjust for part-time employment, we used data from the Business Register Employment Survey (BRES) by the ONS. This documents the number of full-time and part-time employees working across different sectors of the economy. A scaling factor was then developed assuming that a part-time employee on average works for half the number of hours per week as his full-time equivalent. Productivity estimates are summarised overleaf.

Turnover and GVA by sector

SECTOR	SIC					Turnover	GVA	Ratio
Passenger Transport	49.1	49.3	50.1	50.3	51.1	46,824	16,295	0.348
Food and beverage service activities	56					53,595	25,153	0.469
Accommodation	55					19,098	9,821	0.514
Cultural, sport and recreational activity	91 93					17,666	8,160	0.462
Retail trade, except of motor vehicle and motorcycle	47					341,716	68,908	0.202
UK Business Economy						3,322	974	0.293

All monetary figures presented in the table are in £millions except for the UK business economy which is in £billions.

QUANTIFYING
THE INDIRECT IMPACT

In order to quantify the indirect impact across the various regions of the UK we used a dynamic regional input output model of the UK economy. The model shows the major spending flows from “final demand” (i.e. consumer spending, government spending investment and exports to the rest of the world);

intermediate spending patterns (i.e. what each sector buys from every other sector - the supply chain in other words); how much of that spending stays within the economy; and the distribution of income between employment and other forms such as corporate profits. In essence an input-output model is a table which shows who buys what from whom in the economy (See table opposite.)

FTE jobs per £million of GVA by region and sector

GOR	Accommodation & Food Services	Arts, Entertainment & Recreation	Transport & Storage	Wholesale & Retail Trade	Whole Economy
SCOTLAND	38.4	32.4	23.0	27.7	20.4
NORTH IRELAND	37.6	25.8	34.2	28.9	21.6
WALES	39.5	35.4	26.8	32.0	23.4
NORTH EAST	36.5	31.0	29.9	27.5	22.1
NORTH WEST	37.0	31.3	28.2	28.0	22.7
EAST MIDLANDS	39.7	30.5	29.5	25.8	22.5
WEST MIDLANDS	41.3	30.0	32.3	27.4	22.9
YORKS & THE HUMBER	39.7	29.6	30.6	26.2	23.1
EAST OF ENGLAND	29.3	29.7	32.5	27.6	20.3
SOUTH EAST	41.8	27.4	27.6	23.2	19.2
LONDON	28.0	21.5	17.5	19.6	14.9
SOUTH WEST	37.6	27.1	24.8	27.9	21.8

The ONS periodically produces input output models of the UK economy⁴⁵ but does not disaggregate these to the regional level. In order to estimate such a variant for each GOR, we followed the process adopted by Flegg et al (1995).⁴⁶ Therefore, the relationships between different sectors embedded within the domestic use IO table are adjusted to accommodate both their relative sizes in comparison with the rest of the UK, as well as their relative importance in the regional economy. In doing this, the domestic use input-output table better reflects the nature of the regional economy and the level of inter-regional trade occurring for the area of interest. In practice, the local multipliers are smaller than at the national level, reflecting a much higher incidence of “leakage”.⁴⁷

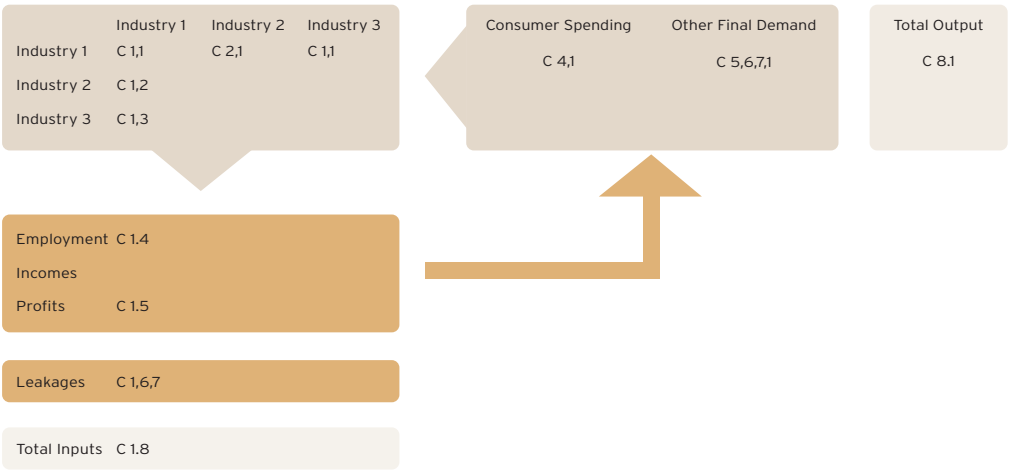
In addition, an iterative process was required to reflect the fact that some of the

“leakage” from another GOR will reflect demand created across other regions of the UK. So, for example, a one stage-model would only pick up demand created for Scottish suppliers by the live music tourism activity estimated to have taken place within Scotland and therefore would exclude demand created for Scottish suppliers by live music tourism activity in other parts of the UK.

Across each region, the input to the model was calculated as the sum of GO less GVA (technically equal to intermediate consumption) allocated sectorally according to the breakdown of intermediate consumption of the relevant sectors according to the IO table. This generated an estimate of indirect GO which was transformed into GVA and FTE employment using the same process as outlined earlier.

⁴⁵ The most recent covered economic activity during 2008. ⁴⁶ Flegg A. T., Webber C. D. and Elliott M. V. (1995) “On the appropriate use of location quotients in generating regional input-output tables”, Reg. Studies 29, 547-61. ⁴⁷ “Leakage” refers to any channel through which an injection of money and therefore does not support economic output and activity in the specified region of interest. For example, when a company purchases goods and services, some of these may be purchased from abroad, and therefore would not add to the GDP of the company’s country of origin. These imports would be referred to as “leakage”. At a regional level, such leakage will inevitably be higher (compared to the national level), as “leakage” occurs not only when goods and services in the supply chain are purchased abroad but also from other regions within the national economy.

A stylised input output model



ACCOMMODATION

HOW DID YOU START IN THIS BUSINESS?

I have lived here near Glastonbury Festival all my life. For the past seven years we rented out our house to journalists going to the festival. That was lucrative, although a bit of hard work.

In previous years we moved out of our house and camped in the garden and it pays for our family holiday. Out of that came festival beds because there was an obvious need for more accommodation in nice places.

Other than that the only alternative was a tent or glamping, which has flooded the market. But, glamping is not for everyone; you still have to share a loo with someone and if you are working it is not ideal.

SO FESTIVAL BEDS WAS BORN OUT OF DEMAND FOR ACCOMMODATION NEAR GLASTONBURY?

That and also a need for locals in the area to make a bit of cash out of the festival.

We have all had a moan about the traffic and the noise. Now there is a chance for the locals with homes in Glastonbury to make a bit of money as well.

I think it has gone much more middle class and not everyone is cut out for camping.

HOW DOES IT WORK?

We put a flyer drop through the door. It will say something like 'would you fancy renting out a house, a room or even a tent in the back garden'.

As long as there is a flush loo and it is dry and comfortable. Then we put up a list of the properties that are available. Basically, for Glastonbury we have a list of around 40 properties - not all houses, some are B&Bs, some are just a room and a house share.

HOW MUCH MONEY CAN PEOPLE MAKE?

I think we have got about three houses where people are leaving completely. They can make something like £3-4000 if it is their whole house.

If they are only doing B&B maybe they can take £700 and we have proper terms and conditions like a proper letting company.

We had some places booked up six months in advance and people who go to the local B&Bs and hotels around book up for the following year when they leave this year's festival.

DO YOU JUST OPERATE AT GLASTONBURY FESTIVAL?

No, we have been doing Reading, Leeds and Bestival this year. And have plans to expand elsewhere, maybe even move abroad. It's a good way of creating more accommodation and keeping locals at these places happy by putting a bit of money their way.

Festival Beds
Co-owner
Kate Lewis



WISH YOU
WERE HERE

81



ANNEX TABLES

All music tourism attendance in numbers and share

REGION	Total Attendance ('000S)	Music Tourists ('000S)	Tourists as a share of live music audience (%)
UK	15,974	6,495	41%
LONDON	4,650	1,797	39%
SOUTH EAST	738	392	53%
SOUTH WEST	1,053	464	44%
EAST OF ENGLAND	634	281	44%
EAST MIDLANDS	540	174	32%
WEST MIDLANDS	1,620	809	50%
NORTH EAST	645	194	30%
NORTH WEST	2,867	1,086	38%
YORKS & THE HUMBER	888	380	43%
NORTHERN IRELAND	502	193	38%
WALES	427	188	44%
SCOTLAND	1,409	537	38%

Domestic and overseas music tourism attendance in numbers and share

REGION	Music Tourists ('000S)	Domestic Tourists ('000S)	Domestic Tourists as a share of total tourist attendance (%)	Overseas Tourists ('000S)	Overseas tourists as a share of total tourist attendance (%)
UK	6,495	6,118	94%	378	6%
LONDON	1,797	1,603	89%	194	11%
SOUTH EAST	392	374	96%	17	4%
SOUTH WEST	464	442	95%	22	5%
EAST OF ENGLAND	281	267	95%	14	5%
EAST MIDLANDS	174	168	96%	7	4%
WEST MIDLANDS	809	786	97%	24	3%
NORTH EAST	194	188	97%	7	3%
NORTH WEST	1,086	1,041	96%	45	4%
YORKS & THE HUMBER	380	368	97%	12	3%
NORTHERN IRELAND	193	186	97%	7	3%
WALES	188	185	98%	3	2%
SCOTLAND	537	510	95%	26	5%

Music tourism spending - total, domestic and overseas in numbers and share

REGION	Music Tourists spending (£mns)	Domestic Tourists spending (£mns)	Domestic Tourism spending as a share of total tourism spending (%)	Overseas tourism spending (£mns)	Overseas tourism spending as a share of total tourism spending (%)
UK	1,266	1,018	80%	248	20%
LONDON	322	199	62%	123	38%
SOUTH EAST	130	115	89%	15	11%
SOUTH WEST	107	90	84%	17	16%
EAST OF ENGLAND	91	80	88%	11	12%
EAST MIDLANDS	37	32	88%	5	12%
WEST MIDLANDS	119	104	87%	15	13%
NORTH EAST	30	26	86%	4	14%
NORTH WEST	168	141	84%	27	16%
YORKS & THE HUMBER	81	73	90%	8	10%
NORTHERN IRELAND	34	29	87%	4	13%
WALES	42	40	95%	2	5%
SCOTLAND	105	88	84%	17	16%

Music tourism at concerts - attendance and spending in numbers and as a share

REGION	Music Tourist attendance ('000)	Concert Tourists attendance ('000)	Concert Tourist attendance as a share of total attendance (%)	Concert Tourist spending (£mns)	Concert Tourist spending as a share of total tourist (%)
UK	6,495	4,852	75%	581	46%
LONDON	1,797	1,622	90%	242	75%
SOUTH EAST	392	115	29%	11	8%
SOUTH WEST	464	274	59%	27	25%
EAST OF ENGLAND	281	96	34%	11	12%
EAST MIDLANDS	174	112	64%	11	31%
WEST MIDLANDS	809	680	84%	65	55%
NORTH EAST	194	171	88%	21	69%
NORTH WEST	1,086	915	84%	102	61%
YORKS & THE HUMBER	380	238	63%	23	29%
NORTHERN IRELAND	193	147	76%	15	43%
WALES	188	104	55%	10	23%
SCOTLAND	537	379	71%	42	40%

Music tourism at festivals - attendance and spending in numbers and share

REGION	Music Tourists attendance (‘000s)	Festival Tourists attendance (‘000s)	Festival Tourists attendance as a share of total attendance (%)	Festival Tourists spending (£mns)	Festival Tourists spending as a share of total tourist spending (%)
UK	6,495	1,643	25%	685	54%
London	1,797	176	10%	80	25%
South East	392	276	71%	119	92%
South West	464	191	41%	80	75%
East of England	281	185	66%	80	88%
East Midlands	174	63	36%	26	69%
West Midlands	809	129	16%	54	45%
North East	194	23	12%	9	31%
North West	1,086	171	16%	66	39%
Yorkshire & The Humber	380	142	37%	58	71%
Northern Ireland	193	46	24%	19	57%
Wales	188	84	45%	32	77%
Scotland	537	158	29%	62	60%



Beyoncé. Photograph by Denis O'Regan.

ABOUT UK MUSIC:

UK Music is the umbrella body representing the collective interests of the UK's commercial music industry from songwriters and composers to artists and musicians, studio producers, music managers, music publishers, major and independent record labels, music licensing companies and the live music sector.

UK Music's membership comprises of:-

AIM - Association of Independent Music

BASCA - British Academy of Songwriters, Composers and Authors

BPI - the trade body of the recorded music industry

MMF - Music Managers Forum

MPG - Music Producers Guild

MPA - Music Publishers Association

Musicians' Union

PPL

PRS for Music

The UK Live Music Group, representing:

- The Association of Independent Festivals
- The Association of Festival Organisers
- Concert Promoters Association
- Agents Association
- International Live Music Conference
- The National Arenas Association
- Production Services Association
- Musicians Union
- The Music Managers Forum

All material copyright © UK Music
UK Music
26 Berners Street
London
W1T 3LR
0207 306 4446
info@ukmusic.org
ukmusic.org



