CultureCase

How commercial music festivals balance their budgets

This research was conducted by **R. Scott Hiller** at **Fairfield University, USA**

Summary

This paper investigates how four large commercial festivals (Austin City Limits, Bonnaroo, Coachella, and Lollapalooza) make their production decisions in order to keep costs low and quality high. The paper found that known quality is important, but so is the booking of less popular bands that provide the same high level of quality without the corresponding high fees. The bundling of known and unknown bands creates the sustained demand that a music festival needs to remain profitable. The study has implications for those responsible for the production of festivals and for bands seeking to appear in these festivals.

Festivals’ approach to hiring bands

The research revealed that within the festivals' negotiation process of who to book, musical acts with an album recognised as being of ‘a high quality’ (the highest rated bands in the preceding year according to music magazines and websites), are more likely to be hired by a festival in the year of that album’s release (and even more likely the following year). Additionally, as bands become more well known through touring, they become less likely to be booked due to an increase in their booking fees. On the other hand, bands unknown to the consumer have an increased likelihood of being hired if they are recording and touring. The higher fees necessary to book the more successful bands mean the festivals must substitute some quality bands with low popularity for established bands that will create a large immediate demand.

The judicious balance of quality, popularity and cost

Festivals cannot depend on booking the most popular act in each genre (and guaranteeing the appropriate demand) without risking profitability. The paramount objective is to minimize the cost of headliners (who drive much of their demand) while at the same time recognising the quality of unknown bands ahead of the wider consumer base.

This summary is by **Shelly-Ann Gajadhar, King's Knowledge Exchange Associate**

Keywords

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