AN EXAMINATION OF SALES PERFORMANCE INDICATORS

FOR INTERNATIONAL LIVE MUSIC EVENTS IN TURKEY

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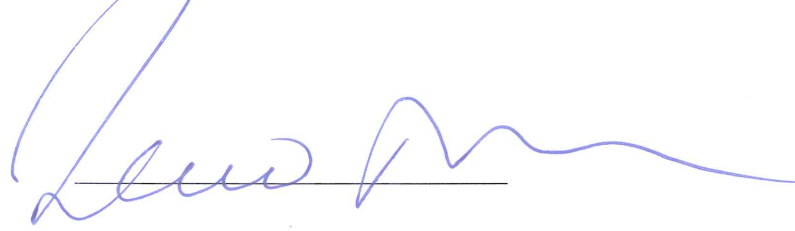
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DECLARATION OF ORIGINALITY

I, Aziz Fırat Açar, certify that

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ABSTRACT

An Examination of Sales Performance Indicators for

International Live Music Events in Turkey

Music industry has been disrupted tremendously by the digital economy. As a result, live music events, instead of record sales, has become a major driver of the industry with growing number of performers, diverse audiences and outlets of live performances. So, understanding live music event success should be an important research subject. However, there is a literature gap in explaining this phenomenon. In the literature, live events are considered as an experience good and experience can take various forms as part of audience research. On the other hand, this study specifically aims to explore the live music events and their sales performance indicators. A sample of 131 live music events, performed at Zorlu Performing Arts Center between the years 2016 and 2018 have been employed for the study. Findings reveal that the brand related variables, distribution related variables and objective features have significant effects on the sales performances of those events.

ÖZET

Türkiye'deki Uluslararası Müzik Etkinliklerinin
Satış Performansı Göstergeleri Üzerine Bir İnceleme

Müzik endüstrisi, dijital ekonomi tarafından önemli ölçüde altüst edilmiştir. Sonuç itibariyle plak satışı yerine, artan sanatçı sayısı, çeşitlenen dinleyici profili ve canlı performans sayıları ile konser etkinlikleri müzik endüstrisinin ana itici gücü haline gelmiştir. Böylece, canlı müzik etkinliklerinin başarısını anlamak önemli bir araştırma konusu olmalı. Ancak, bu fenomeni açıklayacak bir literatür eksikliği söz konusudur. Literatürde, canlı etkinlikler deneyim ürünü olarak kabul edilir ve deneyim dinleyici araştırmalarının bir parçası olarak çeşitli formlara girebilir. Diğer yandan, bu çalışma özellikle canlı müzik etkinlikleri ve bu etkinliklerin satış performansı göstergelerini tespit etmeyi amaçlamaktadır.

Bu çalışma için, örnek olarak Zorlu Performans Sanatları Merkezi' nde 2016 ve 2018 yılları arasında gerçekleştirilen 131 yabancı konser etkinliğinin satış verileri kullanılmıştır. Bulgular marka ilintili değişkenlerin, dağıtım ilintili değişkenlerin ve tarafsız özelliklerin bu etkinliklerin satış performansları üzerinde önemli bir etkisi olduğunu ortaya koymuştur.

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CHAPTER 1

INTRODUCTION

"Music itself is going to become like running water and electricity. Be prepared for doing a lot of touring because that's really the only unique situation that's going to be left"

David Bowie, 2002

Digitalization has been influencing our lives in almost all aspects, thus today's world is called the digital age. At the present day, digital world conquers the major consumption sectors by promising easier access and lower costs to consumers. This transition period is not only deeply affecting search goods, but also experience good markets including cultural events. Beyond consumption habits, people have started living, reading, sharing, shopping, meeting, socializing online. Moreover, they have been listening to online music for a decade. Record sales and listening platforms have inevitably transformed into digital. The ruling period of physical record sales is now over (Mortimer et al. 2012). However, digital age could not capture music industry totally. There is one area that digitalization era still could not capture, or collaborated at best for its dominance, which is live music events.

Being a fan of a rock star is not only about listening to music but also about sharing memories, feeling of belongingness to a group and a way to self-expression. Additionally, attending live music events is not only listening to music, but also about sharing the moment and socializing with like-minded people. Live music events' participants desire just to be there at the event and be a part of a unique and special experience, as well as to share the moment with people who have similar taste (Brown & Knox, 2017). This is the driving idea behind the focus on live music

events. This nature of live music events keeps the industry alive whatever the technology brings onto the table.

In addition to the fan side approach on the industry, digitalization is keeping live music events alive in another way by damaging record sale incomes of artists (Aisa, 2013). Instead of record sales, live events have been the main cash generator of music artists in the last decade (Krueger, 2005). Parallel to this development, music promoters' role gains more importance in both artists' and fans' lives.

A promoter's profession is a very hard job which involves huge financial risks combined with multi factorial decision processes. Promoter pays for the artist fee, artist hospitality, transportation, sometimes a rental fee for a venue, operational costs (like security, crowd controlling, hospitality, food and beverages operations), production costs (like staging, lightening systems, and sound systems) and all other miscellaneous expenses of a live music event while trying to make money out of ticket sales and sponsorship incomes. In this business cycle, a successful ticket sales number is the key indicator of not only event-based profit and loss but also the fortune of future events. A successful live music event promotion does not only mean bringing the best artist to the territory, but also includes the ability to create a good event atmosphere, which is further supposed to bring a follower base for the promoter. In the meantime, artist satisfaction is important to have a sustainable and long-term relationship for future events.

Live music events are cultural events, and cultural events are unique experiences differentiated by geography and time. So, live events are considered as experience goods by this research. That is why, it is hard to create a universal formula for successful events. As all humanitarian disciplines, music consumption criteria differ among territories. Even so, many academic studies have reported on

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cultural events and their sub-titles. The interest and number of research on this subject have increased in the last couple of decades. Ticketing, marketing, music management are the leading subjects in the literature. Majority of the studies in this field are conducted in Western European Countries and in the US. Despite the global activity of live music events, there is a serious lack of research on the subject in the rest of the world including Turkey. In addition, existing studies focus on various forms of live events such as Broadway shows or theatrical performance. I, as a professional of live music events industry in Turkey for the last ten years, have been struggling to find research on the live music industry. Neither empirical nor theoretical literature on understanding live music events in the Turkish market exists. As a live music promoter focused on the international contemporary music scene, I am deeply interested in exploring the indicators of success in live music industry. This gap in the literature has motivated me to contribute to the literature by exploring and comparing live music events with other forms of live events as experience goods.

Thus, this research has two goals. Firstly, this research is expected to provide a theoretical framework and contribute to the literature by exploring the indicators of sales success in international live music events. Secondly, this study aims to compare the indicators with other forms of live events to provide practical insights to live event promoters.

By realizing the necessity of information on the evolution of the music industry, a review of the global music industry and the importance of live music as a sector are presented in the introduction. Examples from the world's leading music companies, 100 years journey of live music is presented along with several interviews on the history of international live music events in Turkey. Chapter 2

presents a review of literature on experience goods and live music events. Chapter 3 includes the conceptual model formulated based on the literature review and expert interviews. This chapter also includes the definitions and operationalization of the variables studied. Chapter 4 covers the research methodology, descriptive statistics, data analysis and results. Finally, Chapter 5 includes the discussion of results, the conclusion, suggestions for future research and limitations of the study.

1.1 Evolution of the music industry

Music, resourced by anything around us like voice of animals and sounds of nature, has been existing since the old ages of antiquity (Stafford, 1830). It is inherently universal with no language but audial communication. It appeals to the indispensable part of human society, psychological well-being and entertainment.

According to the Anglo-American resources, the roots of music industry goes back to late 1800's when music recording technology started and traditional sheet music publishers began to be interested in popular music (Bennet & Waksman, 2015). Before the invention of sound recording, classical music industry was all about live performances as audiences did not have any other form to listen to music. In addition, those live performances were limited only for a limited number of audiences depending on the room capacity who can hear the naked sound in an acoustic room.

"Live" was the only form of performing music before the invention of sound recording technology. However, the term "live music" was created in order to separate recorded or the broadcasted music from the physically performed one (Oxford English Dictionary, 1989). Increase in mass radio broadcasting after the 1960's made this difference more prominent than ever.

Live music is a cultural and aesthetic event that touches the base of music life and arts, relative to records which are the commercial pieces. Talking about live music is related to the questions of how, when and among whom the music is created, performed and experienced. In 2010, Fabian Holt from University of Roskilde contended that "Only by examining live music in its communicative context we can understand its capacities in the production of authenticity, festivity and social presence".

From the old ages to today's digital life, live music has always been alive and never got old fashioned. However, the industry is having its peak times in recent years (Mortimer et al., 2012). Even though online streaming channels and digital recordings let music lovers to reach their favorite artists albums, concert ticket sales are growing every year and number of shows being promoted around the world has been increasing rapidly according to the Mortimer et al. (2012) as seen in Figure 1 below.
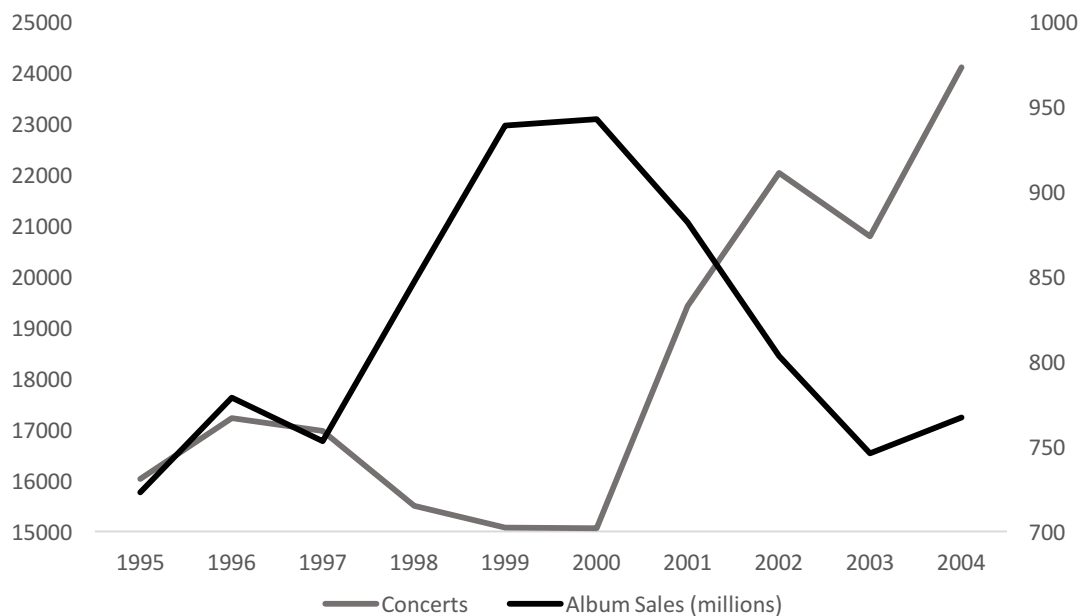
Figure 1. Album sales growth and concerts (Mortimer et al. 2012)

Throughout the second half of the 20th Century, music recording formats changed several times before digital copies were introduced. They initially started as vinyl records, continued with cassettes and finalized with compact disks (CD). We can consider the period between the 1960's to the end of 20th Century as the peak period of record centric music industry.

Even though recorded music industry was the leading branch of the whole market, live music was still the best option to hear real music.

By the end of the 20th century, music market went through a serious change when digital music download platforms spread out. Digital revolution in music had started with CD's. In 1999, large scale MPEG-1 Audio Layer 3 (MP3) sharing started with Napster which was the pioneer of the debates about the digital music copies distribution ever (Mortimer et al., 2012). Music was now cheaper than ever, and it was easy to access from anywhere around the world. Personal listening devices were launched which store and play MP3 files that listeners downloaded from the internet for free. Following the MP3 trend, YouTube was founded in 2005. Free music content became audio-visual. Official digital music stores followed like Spotify and Apple iTunes. All these revolutionary steps changed not only the dynamics of the recorded music industry, but also the whole music industry model.

According to the Live Nation's investor presentations in 2008, the world's largest concert promoter, record centric music industry has left its place to a concert (live performance) centric industrial model with the revolutionary effect of digital streaming (see Figure 2).
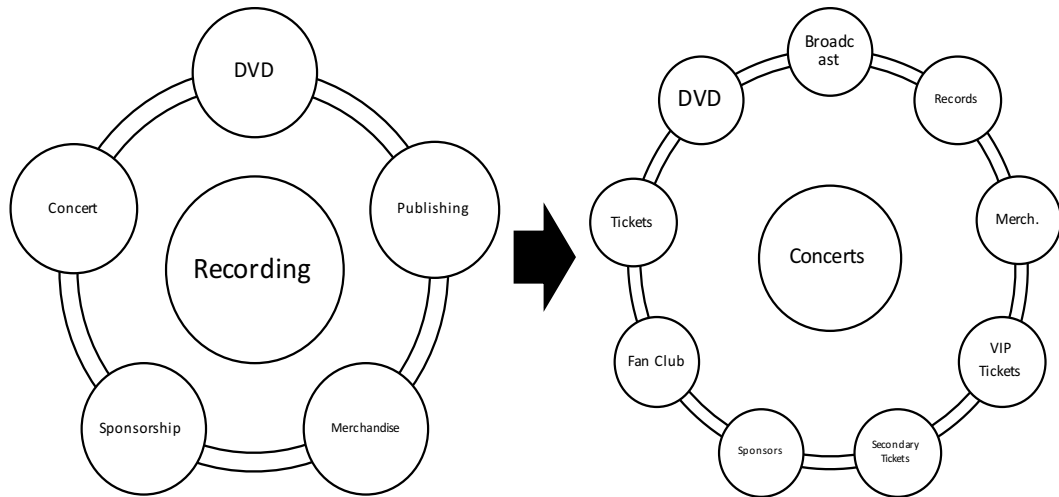
Figure 2. Live music industry change (Live Nation, 2008)

Recorded music sales have dramatically decreased over the last decade. According to British Recorded Music Industry Limited, recorded music incomes of the market fell to under 700 million GBP in 2014 from 1.2 billion GBP in 2004. Because of the increase in online streaming which can be legally charged, the fall has been slowing down for the last couple of years. The Recording Industry Association of America (2018) reported in the Year-end Music Industry Revenue Report that, 75% of total pre-recorded music market revenue came from online streaming whereas physicals' share was only 12%.

On the one hand, portion of record sales revenue has been falling in artist income's, while live concert performance revenues have been increasing visibly (see Figure 1). A live performance used to be the promotion tool for an artist release in the past half century; however, it is the main driver of the music industry all around the world today. Live tours used to be the thing for promoting albums and meeting fans, but now vice versa. Moreover, singles are enough for touring as music listeners have the advantage of listening to their favorite artists through online channels as

soon as they release a new song on Spotify, Sound Cloud, YouTube or wherever they post it. Eventually, going for live shows is getting easier for fans.

Under the circumstances discussed above, the environment of the artist has also changed through time. Today live shows have a major role in the artist's career. Agents and promoters, who were just complementary to the industry in the record centric period, became the two strongest links in an artist's business circle as seen in Figure 3.
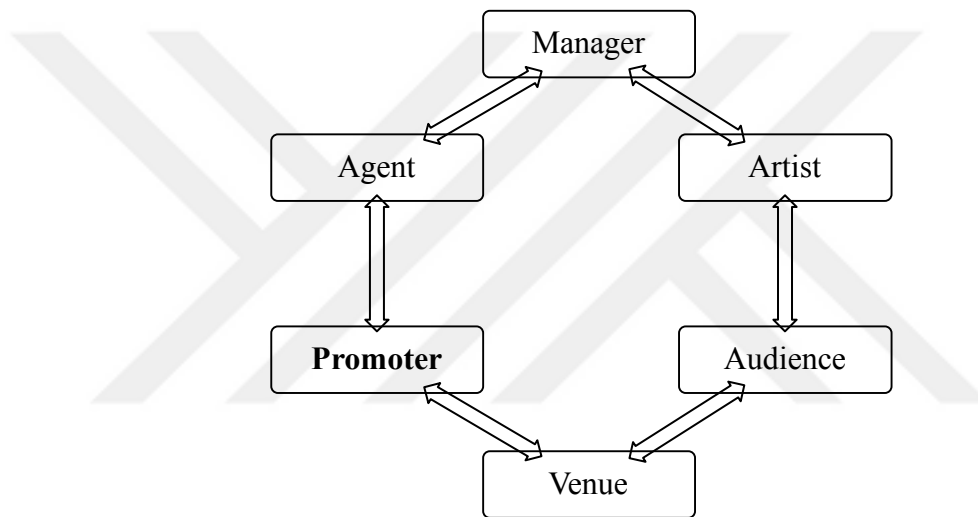
Figure 3. Live music network of intermediaries (Brennan, M & Webster, 2011)

Agents and promoters are the key figures of an artist's live career. A booking agent is basically an official contact for booking an artist for a live performance in a certain territory. An agent is authorized by the artist manager to plan live performance tours with the approval of the artist manager or sometimes with the artist her/himself.

Booking agencies can be corporate or independent entities. Music booking industry has major global corporate players such as William Morris Endeavor, Creative Artist Agency, Paradigm Agency, United Talent Agency, 13 Artists

Agency, Coda Agency as well as hundreds of minor independent agencies around the world.

A promoter is the entity which organizes the whole concert experience for the agreed location for the artist. According to Laing's (2003) description, the term 'promoter' is widely used in the music industry to describe the person or company responsible for the physical organization and presentation of a concert or festival, which can be taken as the minimum requirement for what a promoter does.

Roles of a promoter and other live music parties of the network are not clearly distinguished considering different working models around the world. According to Charles (2004), a promoter is responsible from promoting and producing a show, choosing the artist for the event, venue of the event and deciding the ticket price with cooperation of the artist's agent, who acts as a moderator intermediary between promoters and artist or managers". However, this work model is not the same for territories out of Europe and the USA. According to Creative Artist Agency agent Sharez Qureshi, agents are not clear about the public habits and social life dynamics of the rest of the world as they are for USA and Europe. Consequently, Turkish promoter should be more proactive to find an available, proper artist. The agent also continues with a brief explanation of the role of a promoter in Turkey. According to the agent, the role is about seeing the artist opportunity, checking for its potential, asking for its availability, measuring the artist data and deciding the venue, ticket price before sending the offer to the artist (Personal interview, 23 December 2018).

Promoter takes the complete financial risk, arranges the location, plans operations, sets ticket price, promotes the show, sells tickets and takes care of the artist during his/her visit to the responsible territory.

The most essential duty of an agent is choosing the best promoter for an artist. When the booking agreement is signed between the promoter and the agent, promoter has the sole right to promote for the artist's show in order to be able to increase awareness and create the best concert event possible. In other words, the artist leaves himself into the hands of the promoter to create the most successful gig for its fans.

1.2 Live music industry in Turkey

"International live music industry in Turkey has around 30 years of development history", Murat Abbas, one of the music industry influencers in Turkey, says (Personal interview, 02 December 2018).

Established as an NGO in 1973, IKSV (Istanbul Foundation for Culture and Arts) is the oldest live music event promoter in Turkey. Since the beginning, the foundation has created major arts and culture brands of the country such as Istanbul Music Festival, Istanbul Film Festival, Istanbul Theatre Festival, Istanbul Jazz Festival, Istanbul Biennial, Istanbul Design Biennial and Autumn Film Week. IKSV also owns a 450 standing capacity venue, Salon IKSV, in Istanbul.

A sensational event was Michael Jackson in Inonu Football Stadium in 1993 which was promoted by Ahmet San. Ahmet San has been known as one of the pioneers of the industry in Turkish live music market since the beginning of the 1990's. He promoted Michael Jackson, Madonna, Metallica in Istanbul for the first time in the 1990's.

By the same time period, festival concept was introduced to the Turkish audience by Pozitif. Pozitif is the second international music promoter company established in 1989 by three young entrepreneurs, Cem Yegül, Mehmet Uluğ and

Ahmet Uluğ, aiming to host world music stars into Turkey. They initiated Babylon club and Doublemoon Records in the following years. Pozitif is one of the leading names of the industry which introduced the biggest festivals such as Efes One Love Festival, Akbank Jazz Festival, Bodrum Music Festival and Cappadox as well as stand-alone concerts of world stars like Red Hot Chilli Peppers, Lady Gaga, Rihanna and many more.

Today's leading ticketing company Biletix was established in 2000 as the first formal sales channel. The company was acquired by global leader entertainment brand Live Nation in 2006. It still operates as the regional branch of the global giant.

Solo concerts of the world known stars followed the development. Number of stadium concerts increased around 2010. Political and economic stability in Turkey had a significant effect on the development of live music industry.

From mid-2000's to early 2010's, number of promoters increased dramatically which led to a blast in number of events for around 5 years. Zorlu Performing Arts Center became the biggest promoter by the time whereas Pozitif was leaving the arena after being sold to Dogus Holding.

Zorlu Holding, one of the biggest capital groups in Turkey, initiated Zorlu Center project which included Zorlu Performing Arts Center in the complex in Istanbul in 2013. In its establishment process, the main investment motivation behind Zorlu Performing Arts Center was to create a multifunctional arts complex that can host world famous musical productions especially from West End and Broadway as well as international and local music concerts. The company was established as both a promoter and a venue at the same time.

The venue started its journey with musicals like Jersey Boys, Cats, The Beauty and The Beast in 2013. However, its event scope has extended in the last 5

years. In its third season, the venue started promoting standing concerts in popular genres from Rock music to electronic music. Today, Zorlu Performing Arts Center has tripled its annual guest number with three new performance rooms.

International live music events have always been sensitive to political and economic state of Turkey. The market had a deep decline which started by Gezi Protests in 2013. Eight main concerts were canceled after the protests. In the following years, political instability and terror attacks in Istanbul seriously damaged the industry. Reina attack in Jan 1, 2017 captured the headlines around the world which reflected to Turkey as a huge pause in international culture traffic. Right after Reina attack, Zorlu Performing Arts Center had five different concert cancellations.

Now the game is back, and the industry is growing again. Turkey is expected to be an ever-entertaining market with its young population. Even though there is no governmental support for international popular culture projects, private investments like Zorlu Holding, Eczacıbaşı Group and Doğuş Group back the industry.

Today, Zorlu Performing Arts Center targets to extend the culture and arts industry in Turkey as well as becoming one of the most prestigious arts complexes in the world. The venue promises major features like high security, trendy arts supply, young self-expression platforms, high quality technical production and facilities.

CHAPTER 2

LITERATURE REVIEW

Live events take various forms and are investigated under experience goods and audience research streams in the literature.

Goods are classified into two groups as search goods and experience goods (Nelson, 1970). The main differentiation point between two categories is the information gathering ability about product quality before purchasing. Klein (1998) defined search goods as the product group that the full information about the product can be collected before purchasing, whereas the information about the product cannot be known before purchasing or usage of experience goods. Klein (1998) also mentions that sampling cost is another determining factor between two groups of goods. Sampling costs are less than searching costs for experience goods. In controversy, searching costs are cheaper than direct product experience for search goods.

Research on experience goods involve studies about theaters, movies and Broadway shows. Experience goods are unique in the sense that the consumer does not only buy an actual product, but also buys the access to the experience of the product (Marburger, 1997). As an experience good, music must be experienced before evaluating it too (Regner & Barria, 2009).

Holbrook and Hirschman (1982) detail the description by adding that experience goods are chosen and used for enjoyment and experience. In fact, Chang and Ki (2005) states that movies are experience goods. Reddy et al. (1998) also claim that theatrical performances are experience goods.

2.1 Theater and movies as experience goods

Reddy et al. (1998) characterizes theaters as experience goods in their research about the determinants of Broadway show success. According to Reddy et al. (1998), for a product purchased for enjoyment, like a theater performance, the consumption experience is an end. The authors work on sources and types of information effective in the purchasing of an artistic event. Moreover, the authors empirically test the effects of different variables like, previews, ticket prices, show type, talent characteristics, and timing of opening on the show success. They suggest a conceptual framework (Figure 4) in their research where the show success of a theatrical production is determined by two groups of variables; information sources (critical reviews, previews, and advertising) and objective characteristics (ticket prices, show type, talent characteristics and timing of opening). In their research, authors employ attendance and the box office receipts (total revenue) as the show success indicators. Their conceptual model is presented in Figure 4.
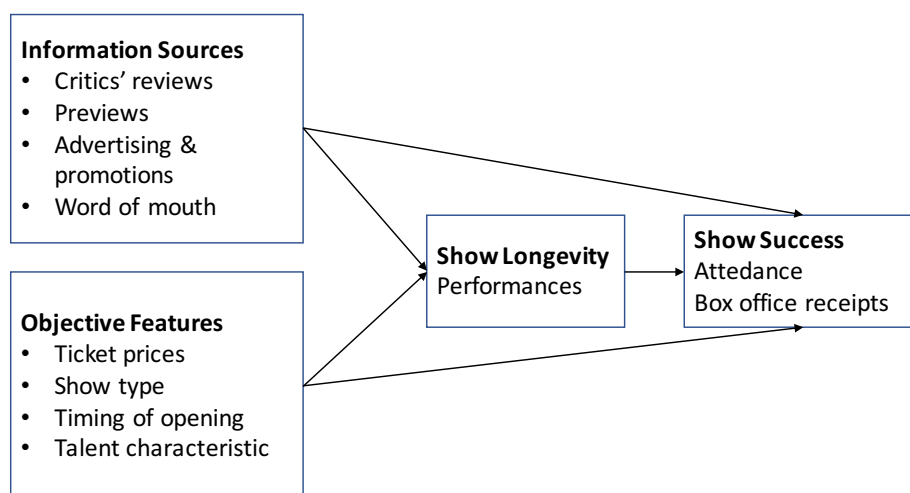
Figure 4. A conceptual model of success determinants of Broadway shows (Reddy et al., 1998)

This research indicates that, there are significant impacts of both information sources and objective features on the longevity and success of the Broadway shows. Due to the uncertainty of the enjoyment and product quality people use information sources and objective features in order to evaluate the show before purchasing tickets.

In another attempt to devise a model for experience goods consumption, Chang and Ki (2005) focus on box office attendance for predicting theatrical movie success. According to Chang and Ki (2005), theatrical movies are experience goods because consumers select and see movies solely for the experience and pleasure (Hirschman & Holbrook, 1982) and people do not know the value of a movie to them before seeing it (Shapiro & Varian, 1999).

Chang and Ki (2005) present a modified version of Reddy et al.'s (1998) model (Figure 5). They categorize the independent variables into four groups as brand-related variables, objective features, information sources, and distribution-related factors. Authors state that the brand related variables are affected exclusively by the audience whereas objective features are related to the product itself. The model includes information sources as the third person evaluation.

In line with Reddy et al. (1998), domestic box office performance is employed as the dependent variable of the research with three different sub variables; total box office, the first week box office and length of run. According to Chang and Ki (2005), box office performance is the most commonly used dependent variable in the previous literature to measure the success of experience goods, so that is the variable they employed.
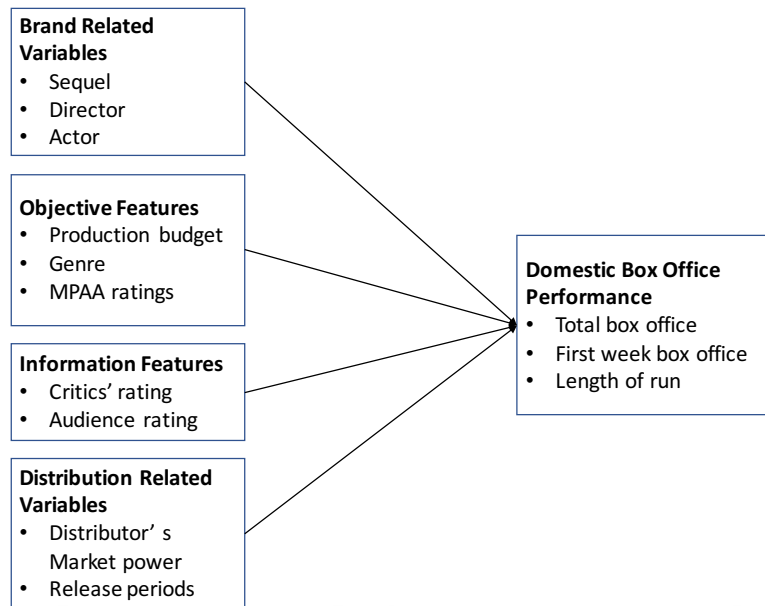
Figure 5. A conceptual model of devising a practical model for predicting theatrical movie success (Chang & Ki, 2005)

The authors employ a multi regression analysis in order to measure the effect of independent variable groups on box office performance. Given that, sequel, actor, budget, drama, critics' rating, audience rating, release periods are significant predictors of total box office performance.

Chung and Ki (2005) utilize regression analysis in order to measure the effects of independent variable groups over the show success. Results show that, sequel, the total number of movies the actor played throughout his/her career, the production budget, drama genre, critics' rating, Internet Movie Database scores (audience rating), release period (Summer of Easter) and screenings (number of the first week screenings) are significant predictors of total box office sales. The second test on the first week box office gives a smaller number of significant variables such as sequel, the total number of movies the actor played throughout its career, the production budget, audience rating, summer and screen. The last model with the length of run as the depended variable suggests sequel, budget, MPAA PG ratings, critics' rating, audience rating, and distributor are significant. Driving from Chung &

Ki (2005) and Reddy et al. (1998), literature review of this study was conducted around the keywords related with the two studies' variables.

2.2 Previous research on success factors of experience goods

The following literature review is sectioned on the base of the independent variable groups of the conceptual models by Reddy et a. (1998) and Chung and Ki (2005).

2.2.1 Brand related variables

Botha et al. (2012) stated that live music events, as products, have a very common aspect that affects ticket purchases such as familiarity and reputation of the actor, cast, the artist and musicians in the performance. Checking on theatres as another group of performances, Akdede and King (2006) found in their study that the shows with established actors have significantly higher attention by art lovers. Beyond awareness, reputation of actors contributes to the attendance at the performance (Boyle & Chiou, 2009).

Impact of the artist's early carrier on ticket prices was also studied by Decrob and Derbaix (2014). The authors studied an artist's career has a positive influence on its ticket prices and found a highly significance effect. Schmalensee & Willig (1989) argued that established artists are less risky than newcomers in the market and therefore people are willing to pay more on an experienced act either in sense of musical experience or territorial experience.

Artist popularity is another important factor in demand.

The impact of Facebook popularity on the music album sales was examined by Sher and Kuo (2018) in their "Can Facebook popularity help albums to remain in the sales charts?" titled study. The authors collected the offline sales numbers and

music charts rankings of 183 mainstream artists from Taiwan in 2012. They found that existence of Facebook pages can improve the survival of an album in the charts, however the number of likes does not necessary.

In line with supply and demand theory, more popular artists' events collect more attention than the less popular ones and leads to higher ticket demand during a concert promotion. Artists who are more active on media and more presented at media are more likely to create a bigger awareness and popularity level.

In their research, Levin et al., (1997) tested brand equity effects on experience goods; movies and novels. The test was conducted on 138 same university students in order to see whether the likelihood of seeing a movie is affected by the artist awareness and critics. The results revealed that the movies with stars are more desirable than the ones without a star.

Following with promotion, the interest of brand communication professionals in entertainment sector is growing. The new media strategies are evolving into hybrid models as they want to be a part of the entertainment piece (Hackley and Tiwsakul, 2006). According to Snoddy (2005), "If the consumers are on the internet, if she's on a mobile, we have to find a way to market to her that is acceptable, involving and interesting". This approach had a common base with the new social media communication trend. Increasing interest in social media-based marketing strategies disrupted the traditional marketing and communication models. Social media channels have been utilized by the entertainment industry especially by artists and entertainers with the sense of sharing information with fans about their events and performances (Crosby et al. 2018). Fans are the core consumer group who purchase records, merchandises and attend live performances. In the current era, social media has been playing an important role in creating a fan base and

consequently increasing the incomes of artists (Connolly & Krueger, 2006). The volume of social media followers provides the major measure of artist fan base today (Crosby et al. 2018). Currently, this information is as important as record sales used to be. The impact of Facebook popularity on the music album sales was examined by Sher and Kuo (2018) in their "Can Facebook popularity help albums to remain in the sales charts?" titled study. Even though literature host previous research on the relationship between social media activity and economic outcomes, there is almost no research on determinants of social media followers' measurements (Asur & Huberman, 2010). In their poll research, Crosby et al. (2018) observed that social media networks of successful artists were almost double relative to the unsuccessful artists.

2.2.2 Objective features research

As a key element of consumption, ticket price is an often-used variable in research focusing on ticket sales related studies.

Ticket prices of pop/rock concerts have been rapidly increasing in last couple of decades (Krueger, 2005). The average ticket price in the United States increased by 82% between the years 1996 and 2003, whereas consumer price index increased by 17% (Krueger, 2005). The price increase is not a case only in the US, but it is also same increase can be observed in Europe. For example, Madonna's 2012 show in Brussels was sold for 120 Euros, but the same show was sold for 85 Euros in 2009 (Decrob & Derbaix, 2014). Since the start of online music downloading networks (like Napster, Kazaa), artists have been suffering from illegal product downloads which lead to serious amounts of revenue loss. As a result of this loss in artists' incomes, they increased the pressure on promoters in order to get the highest possible

fee which led promoters to increases ticket prices inevitably (Decrob & Derbaix, 2014).

However, some research claims that ticket price does not have a significant effect on the motivation for live music event attendance. Brown and Knox (2016) suggest that live music offers a money cannot buy experience to the fans that they would prefer to pay for. Therefore, consumers are willing to pay comparatively higher prices on tickets for hit events (Colbert et al., 1998).

Black et al., (2007) conducted a research by using the data from Pollstar magazine. The authors analyze the concert trends from 1997 to 2005 by testing pricing, ticket sales, the superstar phenomenon and organizational changes in live music industry. The study reveals that live music event's ticket sales in the 9 years studied have been affected by non-price indicators. In line with the article by Brown and Knox (2016) concerts provide a different type of enjoyment to the consumer than just listening to music on a recorded media.

In another context, Reddy et al. (1998) take ticket price as an objective feature variable. The authors propose that due to the uncertainty, risk and scarcity of information on experience goods, ticket price is a quality indicator for theatrical performances. They expect a positive relationship between ticket price and show success; however, the results reveal that, ticket prices have no significant effect on show success (attendance).

In another study, Botha et al. (2012) evaluate pricing as an economic factor in going back to cultural, artistic events. In his study, Borgonovi (2004) argues that 'price' reflects the opportunity cost of consumption as well as the value of the good itself. Borgonovi (2004) also claims that, income levels of cultural event participants have positive relationships with the overall demand for cultural goods and services.

However, Snowball (2005) finds that the relationship is a mix of attendee's income, appearance at free events, ideas about educational value, age, gender and some other variables.

Botha et al. (2012) mentions that "perceived value for money" may be effective on demand too which can be affected by the tendency of audience, the effect of communication channels and the latest trend.

In addition to ticket price reflections, decision making process for setting ticket prices was studied in the past research. According to Scheff (1999), ticket prices for performing arts events are decided by industry experts as educated guesses. In Scheff's (1999) study, one of the main objectives was about reducing the uncertainty on decision-making process, which is caused by standard ticket prices. The research also conducts a survey in order to explore decision-making factors of customers in four different venues.

The results of Scheff (1999) research indicate that; content is the most important variable in people's decision to be part of a cultural event. Findings of the study also tell about the competition for people's leisure times in which cultural events should win the match with promising experiences. Thus, buyers are not price sensitive as far as the price range stands in a reasonable level. Fans are emotionally tied to their non-replaceable superstars and spend high amounts of money to show their love and loyalty (Decrops & Derbaix, (2014); Beavens & Laws, 2007; Kozinets, 2001).

Geographical location of the purchased experience (seats and seat pricing) is another examined variable related to the geographical location (about being closer to the action point) and view quality.

Brown (2007) examined theater seats' categorical purchasing tendencies with a segmentation model for performing arts ticket buyers. He conducted a survey among donors and ticket buyers of performing arts events. In consumer behavior module of the survey, he measured the price elasticity with a one to seven scale with the statement of "Usually buy the best seats available, without thinking about the cost too much". According to the results, average score for the question, "buying the best seat", is four out of seven which shows that total average score on price sensitivity is closer to insensitivity.

Following the ticket pricing discussion above, ticket purchase behavior is another subject discussed in past studies related with the venue configurations. Dobson & Goddard (1992) conducted a survey in order to identify some significant differences in participant behaviors between seated and standing viewings of English Football League clubs. They found that the current form, the championship significance of the match and a geographical distance variable were important determinants of standing attendance, while the club's historical record was of importance for seated attendance. This result suggests that the venue configuration might be important for the sales performances of experience goods. No doubt that the venue format is related with the show format. For example, a DJ show cannot be seated by its nature as the music is played for dance.

From the viewpoint of the product, as an economy subject, concerts are the main income for artists (Conolly and Kruger, 2006). The resource is not only regular headline show concerts but also different types of music performances like DJ (Disc Jockey) sets, festivals, theatre style shows etc. (Holt, 2010).

2.2.3 Distribution related research

Brown and Knox (2016) conducted a survey on 249 UK-based participants. The participants were asked to fill three empty boxes with the open-ended instruction; "List three main reasons why you go to live concerts". One of the practical motivations given by the participants was the show day; "Concert is at a weekend/during time-off from work". Even though the answer was taken as a highlighted design, is expected facto.

CHAPTER 3

RESEARCH DESIGN AND METHOD

3.1 Research objective

Music can change the world, some claim, and live music has become the focal point of music business (Schulze, 2008). Live music events market has been rapidly growing around the world with the developments in online content platforms, which is triggering music consumption faster than ever. How it works is a combination of circling network chain as shown in Figure 3 (p.9), live music network of intermediaries' circle drawn by Brennan, M & Webster (2011).

Existing studies on live music events mostly focus on artists and audiences rather than the promoter, who makes live music events happen by bringing the artist and the audience together for a reason (Brennan & Webster, 2011). In addition, according to the international live music events promoter in Turkey, it has been challenging to find out global and local research that promoters can benefit for live music event projects. Given that there is a lack of both empirical and theoretical literature studying live music events from the promoter point of view, this research primarily aims to contribute to the literature with an exploratory study by using secondary data and expert interviews and building on the previous studies on experience goods.

Thus, this study aims to explore and critically reviews the predictors of live music event success.

In line with Chang and Ki (2005), box office sales, in other words ticket sales is considered as the determining factor of the sales performance of an international live music event. For the purposes of this research, live music event success is taken

as the ticket sales ratio (total tickets sold divided by the total event capacity) as the dependent variable of this research.

3.2 Research questions

In this research, brand related variables, objective features and distribution related variables are considered as the predictors of the live music event success. So, main research questions for the exploratory study are as follows:

Research Question 1: Which brand related factors are effective on sales performance success of live music events?

Research Question 2: Which objective features are effective on sales performance success of live music events?

Research Question 3: Which distribution related variables are effective on sales performance success of live music events?

3.3 The conceptual framework

The conceptual model (Figure 6) is devised for investigating the effective factors on ticket sales success of an international live music event in Turkey. The model is adapted from the studies of Chang and Ki (2005) and Reddy et al. (1988).

This research indicates the related variables for those groups by comparing the music industry with movie theaters and Broadways shows as experience goods.

Independent Variables   **Dependent Variable**

Brand Related Variables
• Event History_revisiting show
• Artist Popularity

Objective Features
• Artist fee level
• Show format_live
• Average ticket price
• Venue format_seated

Distribution Related Variables
• Time on sale
• Event day_weekend
• Marketing budget

Ticket Sales Ratio
(Sales / Capacity)
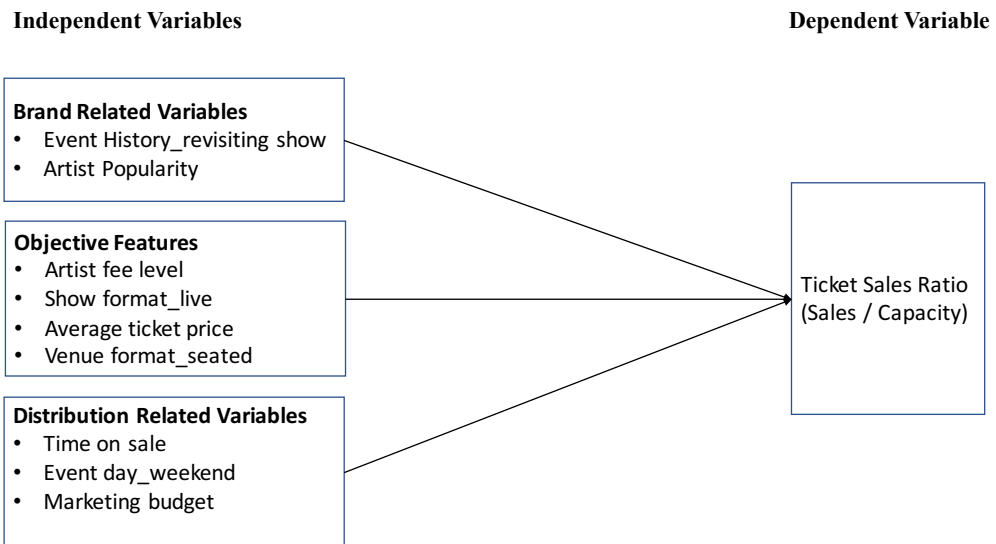
Figure 6. The conceptual framework

In order to prepare the conceptual framework, variables that are found in the literature review revealed variables as parts of (1) brand related variables, (2) objective features and (3) distribution related variables. Information sources variable group was taken out from the mix model due to the lack of performance rating data in the main dataset.

In addition to the variables discussed in the literature review, two interviews were conducted with industry experts to discuss the research model. In addition to the variables included in the previous studies, two experts (Levent Dokuzer, Zorlu Performing Arts Center Marketing Manager and Fatih Baş, Label Project Founder Fatih Baş) suggested to include Time on Sale and marketing budget as a distribution related variable and artist fee level as an objective feature.

3.4 Hypotheses

The previous studies (Botha et al. (2012), Akdede and King (2006), Boyle and Chiou (2009) suggest that, artist awareness, familiarity and reputation are effective in box office performances of music and theater events. In addition, according to Schmalensee & Willig (1989), established artists are less risky than newcomers in the market and therefore people are willing to pay more on an experienced act either in sense of musical experience or territorial experience. Thus, hypothesis one is generated accordingly.

Hypothesis 1: Event history has an impact on ticket sales ratio for live music events.

Literature claims that cultural events containing better known artist tend to be more successful than the ones with less known artists. In their research, Sher and Huo (2018) claims that popularity on Facebook does not have a significant effect on album sales, however existence of a Facebook page can improve the survival of an album in the charts. Therefore, Hypothesis two was developed to test the effect of the number of Facebook likes on live music event success adopted from Sher and Huo (2018). Inspired by the study of Sher and Kuo (2018) this study also extends this with Spotify listening numbers and Eksi Sozluk entry numbers as alternative indicators for artist popularity.

Hypothesis 2: Artist popularity has an impact on ticket sales ratio for live music events.

As a box office success focused research on experience goods, Chung and Ki (2005) tested the effect of production budget on ticket sales success. They found that production budget is significantly effective on the total box office of theatrical movies. Based on the research by Chang and Ki (2005) this study takes the artist fee

level as the predictor of production budget of international live music events. In order to test the variable's effect on ticket sales ratio of international live music events in Turkey, below hypothesis was generated.

Hypothesis 3: Artist fee level has an impact on ticket sales ratio for live music events.

As Holt (2010) mentioned in his research, the resource of artist income is not only regular headline show but also different types of music performances like DJ (Disc Jockey) sets, festivals and theatre style shows, hypothesis 4 was suggested in order to see whether the show formats (DJ or Live) make any difference on ticket sales ratio of international live music events in Turkey.

Hypothesis 4: Show format has an impact on ticket sales ratio for live music events.

As a key element of consumption, ticket price is an often-used variable in research focusing on ticket sales related studies.

Ticket prices of pop/rock concerts have been rapidly increasing in last couple of decades (Krueger, 2005). The average ticket price in the United States increased by 82% between the years 1996 and 2003, whereas consumer price index increased by 17% (Krueger, 2005). The price increase is not a case only in the US, but it is also same increase can be observed in Europe. For example, Madonna's 2012 show in Brussels was sold for 120 Euros, but the same show was sold for 85 Euros in 2009 (Decrob & Derbaix, 2014). Since the start of online music downloading networks (like Napster, Kazaa), artists have been suffering from illegal product downloads which lead to serious amounts of revenue loss. As a result of this loss in artists' incomes, they increased the pressure on promoters in order to get the highest possible fee which led promoters to increases ticket prices inevitably (Decrob & Derbaix,

2014).

However, some research claims that ticket price does not have a significant effect on the motivation for live music event attendance. Brown and Knox (2016) suggest that live music offers a money cannot buy experience to the fans that they would prefer to pay for. Therefore, consumers are willing to pay comparatively higher prices on tickets for hit events (Colbert et al., 1998).

Black et al., (2007) conducted a research by using the data from Pollstar magazine. The authors analyze the concert trends from 1997 to 2005 by testing pricing, ticket sales, the superstar phenomenon and organizational changes in live music industry. The study reveals that live music event's ticket sales in the 9 years studied have been affected by non-price indicators. In line with the article by Brown and Knox (2016) concerts provide a different type of enjoyment to the consumer than just listening to music on a recorded media.

One of the reference previous research of this study, Reddy et al. (1998) used ticket price as an independent variable under objective features group of Broadway show's success predictors. Derived from the previous research by Reddy et al. (1998) average ticket price variable is taken as an independent variable of this study. Hypothesis fives was advised accordingly.

Hypothesis 5: Average ticket price has an impact on ticket sales ratio for live music events.

Seats and seat pricing are another examined variable related to the geographical location (about being closer to the action point) and view quality.

According to the survey conducted by Brown (2007), the score of choosing the best seat without price sensitivity was four out of seven in total participants. Considering the seat sensitivity of theatrical performance attendees, this study liked

to test if it makes any different effect on ticket sales ratio of international live music events.

Hypothesis 6: Venue format has an impact on ticket sales ratio for live music events.

Depending on the personal interviews with industry experts, we collected the information that determines the time that show stays on sale is an effective factor on ticket sales ratio. In order to implement an empirical test for this variable, hypothesis seven was suggested.

Hypothesis 7: Time on sale has an impact on ticket sales ratio for live music events.

The importance of the day of a concert for a participant was presented by Brown and Knox (2016). The results of the survey that was implemented in the UK suggested that the day of the show is a motivation for the audience if the show is on the weekend. From this point of view, this study aimed to test the event day for the international live music events in Turkey. Thus, Hypothesis five was generated as below;

Hypothesis 8: Event day has an impact on ticket sales ratio for live music events.

Chung and Ki (2005) integrated distribution-related factors in order to focus on the market power and release strategies of movie producers. In order to measure market power and announcement strategies of live music events, event-based marketing budgets are expected to be effective on ticket sales ratio. Thus, hypothesis nine is suggested.

Hypothesis 9: Marketing budget has an impact on ticket sales ratio for live music events.

3.5 Sample data

Zorlu Performing Arts Center has been selected as the main data provider for this research that has been selling more than half million tickets in a year for more than a thousand events annually for the last five years. This secondary data consists of 131 International music concerts of the venue in the last two years, with over 150,000 capacity, and over 100,000 ticket sales in total. Variables included in the data are discussed in the following sections.

Dependent Variable

Ticket sales ratio. In the prior literature, ticket sale was the most frequently used variable (Chang & Ki, 2005). In this research, ticket sales ratio stands as the measurement for the sales performance of an event. The ratio consists of the number of total tickets sold for the event divided by the total sellable ticket capacity of the show. One (1.00) would mean a sold-out show.

Independent variables

Event history. Chang and Ki (2005) used sequel word in order to identify the brand extension of the movies. In this research, event history is the brand extension of an artist into a certain territory. For example, Tom Odell had been to Istanbul three times. Each visit of the artist was for a new album performance, which was a brand extension with annual different shows. This variable indicates whether an artist performed in Turkey before or not. Dummy coding is implemented for event history in this research. The artists those appeared in Turkey before taking one and those appeared for the first time take zero.

Artist Popularity. In their research on measuring brand equity in experience goods, Levin et al., claimed that the fame of the actor has an impact on desirability of the movie. The same approach was implemented by Chang and Ki (2005) in their research as the artist variable. Starting from this point of view, this study measures the artist fame with artist popularity consisting of three different variables. Global Facebook fan page likes and monthly Spotify listening numbers lead us to understand artist global popularity, whereas Eksi Sozluk entry numbers stands for local popularity measurement.

Event day. Considering the previous research on the release dates of experience goods such as movies, it is reasonable to argue that the period and timing of a show have an impact on the show success. Deriving this into live music events, this study adopts event day as an independent variable. Event day indicates whether the event is on a weekday or on the weekend. Events taking place on Fridays and Saturdays are counted as weekend events whereas those from Sunday to Thursday weekday events. Dummy coding is also employed for this variable. Weekend shows take 1, weekday shows take zero.

Venue format. An event may have three different configurations; seated, standing or both seated and standing. The data of this study includes only standing or seated shows. As another dummy coded variable, seated shows take 1 whereas standing shows take zero.

Show format. A live music event can be either seated or standing configuration depending on the artist characteristics. This variable is a two-options category variable consisting of DJ (disc jockey) and live shows. A live band is a group of musicians playing instruments in a group. However; a DJ show would be a

one man show with a disc jockeying performance through pre-recorded contents. Live band shows take 1, DJ shows take zero.

Artist fee level. Artist fee is the payment that is made for the show by the promoter. All scale numbers are Euro currency based.

Time on sale. Events go on sale some time before the show. Time on sale refers to the number of days between the date event goes on sale and the event date.

Average ticket price This is the average ticket price (in Turkish Lira) that consumers pay in order to attend the event. Average ticket prices in this research are calculated with arithmetical means of the face values of each category on the price list.

Marketing Budget. Marketing budget is a scale Turkish Lira variable in this research which indicates the amount of money spent on advertising during the event's promotion period.

CHAPTER 4

ANALYSIS AND RESULTS

The data of this study was analyzed by using Statistical Package for the Social

Sciences (IBM Statistics SPSS Version 25). Analysis of the data is discussed in the

following paragraphs with the findings of this study. Descriptive statistics and the

results of the tests of hypotheses are presented below.

4.1 Descriptive statistics

Resource data indicates 131 international music events held in Zorlu Performing Arts

Center.

      In order to narrow down the number of different values, categorical variables

coding was applied to the independent variables which contain nominal values.

      Considering event characteristics and formats, one fourth of total sample is

seated format shows whereas the rest is all standing.

      Weekend events have the 55% majority against the events on weekdays.

      35% of total sample events are the first appearance of the artist in Istanbul.

The average event capacity is 1.157,40. The rest was all standing. The shows are

mostly live (73%).

      The most popular artist has over 2.8 million followers on Facebook.

However, the most listened to artist online has over 7.6 million monthly listeners.

Eksi Sozluk stands as the only local social media data source. The highest entry

number on Eksi Sozluk is 465. The most expensive artist is the most popular artist on

Facebook.

Parallel to popularity measures, artist fee levels have considerable distinctions. The mean is closer to the lower tier of the scale whereas the highest fee is almost 9 times bigger than that. The costliest event has 130,000 Euros gross artist fee, and the cheapest artist fee is 2,500 Euros. This price difference reflects to ticket prices inevitably.

Average ticket prices have a wide range between 35 TRY and 200 TRY. The lowest ticket sales ratio for an event has 6% sales out of the whole capacity. 33 Sold-out events are the key successes in the sample.

The highest ticket price in the data is 210 TRY and the lowest is 35 TRY. The average price is at 89 TRY.

Sales success levels are from 0 to 1. 1 means a sold-out event. Marketing budgets also have a zero point and a highest marketing spending at 42,672 TRY.

Table 1 shows that categorical variables of the sample consist of two values for each.

Table 1. Categorical Variables Breakdown of The Sample

Variable		n = 131 Frequency	%
Event history	First time	46	35
	Revisiting	85	65
	Total	131	100
Show format	DJ	36	27
	Live	95	73
	Total	131	100
Venue format	Seated	32	24
	Standing	99	76
	Total	131	100
Event day	Weekday	59	45
	Weekend	72	55
	Total	131	100

Table 2. Scale Variables Breakdown of The Sample

Variable	Minimum	Maximum	Mean	Std. Deviation
Artist popularity				
Facebook	701	2,802,821	232,835.37	385,973.57
Spotify	-	7,680,034	567,351.69	1,248,947.87
Eksi Sozluk	-	465	52.48	86.51
Artist fee level (EUR)	2,500.00	130,000	15,818.51	23,950.69
Time on sale (days)	4	196	82.47	37.88
Average ticket price (TRY)	35.00	210	89.16	34.83
Ticket sales ratio	0.06	1	0,60	0.32
Marketing budget (TRY)	-	42,672	6,468.87	7,144.10

Electronic music events have the majority with %39 in total 131 sample. Rock and

Jazz events follow the electronic music events with the same weight in total.

4.2 Data screening

Data Screening contains the process of testing the conceptual model and data of the

research in order to find out clearness and readiness of the data for conducting

statistical analyses. In the following paragraphs, missing data, outliers, linearity,

multicollinearity and log transformation of the data will be checked.

4.2.1 Missing data

Missing data is a probable error, which can be caused by lost values in either trial

research or secondary data analysis. Missing values may lead subjecting the usual

statistical analysis of complete or all available data to bias (Shih, 2002). In order to

prevent bias in this research, data was checked to find out if there were any missing

values, which would cause a weak prediction during the research. A limited number

of missing values were detected in this check. It was 0,2% of total 2903 values which is considered an acceptable level for this research.

4.2.2 Outliers

The extreme values in data set, which are outliers go against the trend of main data, may lead errors in the overall analysis of valid data (Laros et al, 2014). In this research, one outlier value was detected in Facebook like counts. Consequently, the event has been taken out from the data set.

This research is focusing on 132 international music events including very diverse acts from some worldwide bands like Massive Attack to newly emerging acts like Lera Lynn. Consequently, there are serious differences between the values for each variable for those artists. Some play to thousands of people in huge capacities, some plays to just a few hundreds, but overall, they have commonalities more than differences. They all use the same sales platform, close ticket prices, same venues, nearly the same periods and more. Considering this major consistency, all values are included in this research except 1 extreme outlier which was dropped from the sample data at the beginning of this study. The outliers had extremely high values because the show was a concert project of a famous novel which could not be analyzed separately from the main brand. If the data cannot be split between the book and the concert, the value is removed from the data set as an outlier.

4.2.3 Linearity

In order to check the consistency of the slopes of the data that represents the relationship between variables, the deviation from linearity test was applied to the data. Almost all the variables delivered linear results except one. Marketing budget

gives low Sig. value for deviation from linearity with less value than 0.05 (see Table 3). Also, two variables Show format and Sales Channel are not applicable for linearity test due to their low number of value groups which are only 2. Linearity test is not applicable for variables consisting of group values less than three.

Table 3. Deviation from Linearity

	Ticket Sales Ratio
	Sig.
Event history_revisiting show	0.86
log_facebook	0.47
log_spotify	0.44
log_eksi sozluk	0.53
Fee level	0.99
Show format_live	0.42
Average ticket price	0.79
Venue format_seated	0.30
Time on sale (days)	0.13
Event day_weekend	0.74
Marketing budget	0.03

Dependent Variable: Ticket Sales Ratio

4.2.4 Multicollinearity

The correlation among independent variables is a key matter in regression analysis. From a researcher point of view, the optimal situation is having a data set of independent variables highly correlated with the dependent variable but minimum correlation among themselves (Hair et al., 1995). In here, multicollinearity represents the level of any independent variable's effect which can be predicted by another variable in the same data (Hair et al., 1995). In order to control multicollinearity, Tolerance and Variance Inflation Factor (VIF) was calculated as a statistical tool in this research.

Hair et al. (1995) stated that the common verge of a tolerance value is 0.10 which equals to a VIF score of 10. Accordingly, the results presented in Table 4 shows that the highest VIF score is 3.158 which shows that there is no multicollinearity among variables.

Table 4. Tolerance and Variance Inflation Factor (VIF)

	Collinearity Statistics	
	Tolerance	VIF
Event history_revisiting show	0.819	1.222
log_facebook	0.550	1.817
log_spotify	0.789	1.268
log_eksi sozluk	0.514	1.944
Fee level	0.366	2.734
Show format_live	0.609	1.643
Average ticket price	0.317	3.158
Venue format_seated	0.715	1.399
Time on sale (days)	0.913	1.095
Event day_weekend	0.897	1.115
Marketing budget	0.627	1.594

Dependent Variable: Ticket Sales Ratio

4.2.5 Log transformation

In order to create a better skewed data, Facebook like numbers, Spotify listening numbers and Eksi Sozluk entry amounts have been entered log transformation in following regression analysis.

4.3 Hypothesis testing

Regression analysis is used for testing the hypothetical relations in the proposed conceptual framework (see Figure 7). Following parts of this study discuss the results of the analysis for each hypothesis.
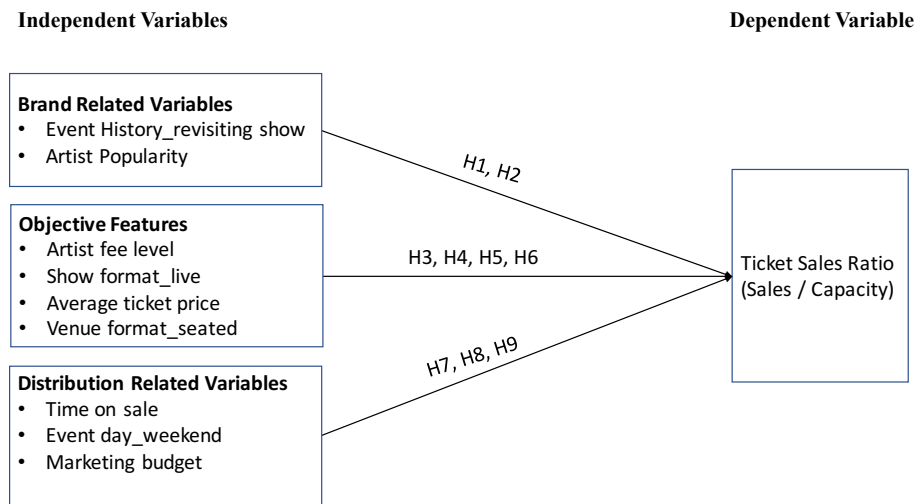
Dependent Variable

Figure 7. Hypothesis schema

In this study, linear regression analysis was employed to find out the effective independent variables over the ticket sales ratio of international live music events in Turkey. The results of the analysis are presented in Table 5.

Table 5. Regression Analysis on The Independent Variables

	Standardized Coefficients Beta	t	Sig.
(Constant)		-0.029	0.977
Event history_revisiting show	0.125	1.547	0.115
Popularity			
log_facebook	0.088	0.889	0.376
log_spotify	0.029	0.357	0.722
log_eksi sozluk	0.271	2.649	0.009*
Artist fee level	0.041	0.340	0.734
Show format_live	-0.190	-2.025	0.045*
Average ticket price	0.316	2.427	0.017*
Venue format_seated	-0.022	-0.255	0.799
Time on sale (days)	0.213	2.782	0.006*
Event day_weekend	-0.041	-0.524	0.601
Marketing budget	-0.173	-1.870	0.064

a. Dependent Variable: Ticket Sales Ratio
R = 0.601   R Square = 0.361   Adjusted R Square = 0.302
Std. Error = 0.264
N = 131, * $p < 0.05$, F = 0.626

Regarding the effect of brand-related variables on ticket sales ratio, on one hand, results reveal that event history, Facebook (p = 0.376) and Spotify (p = 0.722) do not have significant effects on ticket sales ratio, on the other hand, results show that Eksi Sozluk (p = 0.009) has a significant effect on ticket sales ratio with a positive beta value (0.271). Meaning that the amount of Eksi Sozluk entries is positively effective on ticket sales ratio. Thus, Hypothesis one is rejected but Hypothesis two is partially accepted at a local popularity level.

Considering objective features, show format (p = 0.045) is significantly effective on ticket sales ratio with a negative beta value that reveals a better ticket sales ratio for DJ events. Average ticket price (p = 0.017) is also as the significantly effective indicator over ticket sales ratio with a positive beta value. According to the result, ticket sales ratio is positively affected by ticket price increase. These results confirm the hypothesis four and the hypothesis five. However, Hypothesis three and hypothesis six are rejected. Artist fee level (p = 0.734) and venue format (p = 0.045) variables have no significant effect on the dependent variable.

Results of the regression analysis on the third group of variables, the distribution related variables, reveal one significantly effective indicator; time on sale (p = 0.006). On the other hand, Marketing budget is not significant. However, it is a considerable variable with 90% confidence level (p = 0.064). Time on sale reveals a positive beta value, however marketing budget is effective with a negative beta value which means an increase on budget sales for less successful events. Whereas event day is not significant. As a result, hypothesis seven and nine are accepted whereas hypothesis eight is rejected.

Summary of results are presented in the overall regression analysis results table below (see Table 6).

Table 6. Overall Regression Analysis Results of Hypotheses

Hypotheses	Result
H1: Event history has a significant impact on ticket sales ratio for live music events.	Rejected
H2: Artist popularity has a significant impact on ticket sales ratio for live music events.	Partially Accepted
H3: Artist fee level has a significant impact on ticket sales ratio for live music events.	Rejected
H4: Show format has a significant impact on ticket sales ratio for live music events.	Accepted
H5: Average ticket price has a significant impact on ticket sales ratio for live music events.	Accepted
H6: Venue format has a significant impact on ticket sales ratio for live music events.	Rejected
H7: Time on sale has a significant impact on ticket sales ratio for live music events.	Accepted
H8: Event day has a significant impact on ticket sales ratio for live music events.	Rejected
H9: Marketing budget has a significant impact on ticket sales ratio for live music events.	Accepted

CHAPTER 5

CONCLUSION

5.1 Discussion

The objective of this exploratory study was to examine the factors that affect the ticket sales success of international live music events in Turkey. Ticket sales ratio, number of total ticket sales to the total event capacity was used as the sales success indicator. The impact of brand related variables, objective features and distribution related variables on ticket sales ratio were analyzed. Secondary data provided by the current biggest live music promoter in Turkey, Zorlu Performing Arts Center have been utilized for the analysis. The conceptual framework of the study was adopted from Chung and Ki (2005) and Reddy et al. (1998)'s research on various forms of experience goods.

As hypothesized, three main predictor groups have significant effects on sales success ratio with varying degrees.

According to the results, brand related variables are not as important as expected. Contrary to the expectations, event history was not significant enough to affect the ticket sales ratio. So, this result may open a new research subject on the success criteria of repeating music events in Turkey. However, the significance level of this variable is close to p < 0.1 level. Therefore, it still can be considerable predictor for sales success. As an industrial professional, I can suggest that repetitive shows are booked due to their previous successes because it's always a positive bias to think that the artist has a better result in the second visit. From the experience goods point of view, repeat shows have a different result in the previous research by Chang and Ki (2005). The authors claim that repeating movies (sequels) are

positively effective on total box office sales. So, music industry needs a further research on this subject by analyzing revisiting artists sales performances.

Regarding the artist popularity, only Eksi Sozluk was significant in the model. No matter if the entries have positive or negative contents, local word of mouth is a determining factor on ticket sales ratio as expected. Global Facebook and Spotify are not significantly effective on artist's concerts ticket sales ratio. This result shows a similarity to the research by Sher and Kuo (2018). The authors found that having a Facebook fan page is effective on music album sales however the amount of Facebook likes to have no impact on sales. This might be supported by the findings of this study. The numbers of Facebook like of an artist is not a significant indicator on ticket sales ratio of international live music events in Turkey. As another global data on artist popularity, Spotify listening numbers were not significantly effective. Spotify was chosen for this research as a popularity source, because Spotify is the only true place that the actual product, which is the song of artist, can be consumed without any other subject focused on. If the local listening numbers of Spotify accounts of the artists can be evaluated, results may have some changes. Artist popularity always changes by time. Some artists get more popular whereas some lose their popularity (Wallace et al., 1993). Thus, artist popularity-based researches should be refreshed in time. Also, there are many other social media channels that artist popularity can be observed in further research.

Considering the objective-feature variables group in the model, show format (DJ / live) and the average ticket price were found to be significantly effective indicators on the ticket sales ratio. The negative coefficients value shows that DJ shows are tended to have higher ticket sales ratio. All DJ shows can be accepted as electronic music events. The genre is the third most favorite genre around the world

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(Richter, 2018). Thus, high significance level on the effect of DJ events on sales ratio is mutually supportive with the world ranking of popular genres. However, the sample data contains the events that were booked with the specific music preferences of the Zorlu Performing Arts Center Programming team, which may have a subjective effect on the results, so it is early to say that DJ shows sells better than live shows. Further research is needed on genre breakdown.

The effect of ticket price was also researched in the literature for different experience goods like theatres and movies. According to Brown and Knox (2016), pop music audiences do not have price sensitivity as they see the live music concert experience as a money cannot buy opportunity. Results reveal that average ticket price is effective on ticket sales ratio with a positive coefficient, meaning that the sales ratio increases if the price goes up. However, this situation can vary from one artist to another. It seems like the audience is willing to pay more for popular artists in Turkey. In another research by Brown (2007), the conducted survey reveals that there was no price sensitivity among attendee due to the once in life-time experience opportunity image. This may change in developing countries like Turkey as the economy is comparatively weak. Event type may also be effective on the ticket price evaluation. Reddy et al. (1998) suggested that ticket prices have no significant effect on theater shows' attendance numbers.

Artist fee level and venue format are not significantly effective enough to change the ticket sales ratio. Due to the difficulties on providing all costs of live music events in the sample, Artist fee level was taken into consideration as the substitution of production budget in this research. Production budget was examined in previous studies as an independent variable. According to Chang and Ki (2005), production budget (sets, costumes, expensive digital manipulations and special

effects etc.) of a movie is effective on total box office performance. In the same research, artist variable was examined to measure the effect of star power, which had no significant effect on total box office sales.

Venue format was not significantly effective on ticket sales ratio. This study shows that there is no difference between seated and standing configurations of shows in terms of preference. The show format depends on the show genre and music characteristics. It is understandable that all events have their own show formats.

The last independent variables group of this study is distribution-related variables including time on sale, event day and marketing budget. Time on sale is one of the mostly interesting subjects among Turkish promoters. In fact, time on sale factor was included in this research as an output of the interviews with industry experts. As expected, results show that time on sale is significantly effective on ticket sales ratio. Which means that the longest period on sale brings the highest sales success. No doubt that the result may change according to the artist. For example, British band Camel's concert in Zorlu Performing Arts Center sold out in 22 hours right after it went on sale in 2018. However, Alan Parson's Live Project event old out in 34 days. Also, there are many shows that could not sell out even though they had been on sale for more than 90 days.

Event day had another surprising test result with an insignificant effect on sales ratio. There has always been a global common sense that the best day for a live music event is a weekend. This might be true, but the results of this study statistically show that the event day does not have a significant effect on event sales ratio. Results of the survey by Brown and Knox (2016) also reveal that a weekend time might be motivational for an audience.

The regression analysis over independent variables reveals that marketing budget is not significant. However, the variable can be considered significant at 90% confidence level with a negative correlation. The common practice in live music industry is that marketing budgets are determined by the marketing professionals according to the sales trends of events. For example, the actual marketing budget for Camel band concert in 2018 was zero due to the instant sellout performance of the show. As selling out means selling the whole capacity, no marketing expenditure is needed anymore. This result is acceptable.

5.2 Managerial implications

This research reveals that local popularity, measurable by the number of Eksi Sozluk entries, is the only significant information source for artist popularity among three different mediums evaluated in the analysis. According to the results, amounts of global likes or the amount of global monthly listening can be misleading during artist booking. This study suggests looking at Eksi Sozluk entries as the main source of popularity information.

Increasing global electronic music demand brings DJ demand together with it. If DJ shows have higher probability to sell out, profit-seeking promoters may focus on increasing the number of DJ shows in their program.

Average ticket price is a significant factor effective on ticket sales ratio in Turkey. Even though previous studies point out that ticket price is not a determining factor on the success of experience goods, this is not the same in Turkey. Willingness to pay varies among countries and economies that audiences survive in. Turkey is a financially unpredictable country. A consumer behavior research on ticket purchasing might be leading for a further understanding on the impacts of ticket

prices. Time on sale is also connected to the ticket prices. Going on sale as early as possible leaves time to the audience for a budget planning.

Even though the regression analysis shows insignificant result for the impact of event history, value is close to the significance threshold. Thus, event history may be evaluated as a significant factor by professionals. Event history is related to marketing of the show with the awareness creation opportunity in the first appearance. An appearance would indirectly increase the artist popularity if the first show satisfies the audience.

5.3 Limitations and implications for further research

Additional factors can be developed as independent variables of the conceptual model of this research. For example, analyzing previous appearance results of the revisiting artists in this data can add a view point for repeating shows.

The study presents a framework in order to act as a model for discovering the statistically effective factors on ticket sales success of international live music events in Turkey. Thus, further empirical research with different data from different venues are needed to support this study, because venue programs are curated by programming experts of venues. Therefore, factor values are subject to change by the venue.

The review of the literature led to show lack of research on live music event success. However, there are many research on sport events and cinema at different levels as experienced goods, which are adoptable to live music events as another experimental good group.

A global guide for successful events would be helpful both for academic researchers and promoters. The job of promoting will keep being chancy and risky as

a result. At least, the same study should be adapted with a local data set from another country to compare the results.

Lastly, some of the variables have changing values by time. For example, social media popularity of artists is nor constant. Some artists lose their popularity over their career, whereas others grow (Wallace et al., 1993).

5.4 Conclusion

This study investigates the variables affecting the ticket sales ratio of international live music events and presents some practical and theoretical insights which might be useful for the promoters in organizing their events.

The findings of the exploratory study have implications for future research as well as managerial implications for live music events. Like the international live music promoters, decision makers mostly decide intuitively or habitually and related to past experiences. Results of empirical research might lead them to act more analytically.

From the promoter' s point of view, ticket sales success is the most vital result of an event. It was studied in this dissertation as a dependent variable on artist, venue and event characteristics. Thus, the results related to ticket sales may contribute to financial flexibility which is important for success in a fluctuating market is important for success.

From the academic perspective, this study opens a new window in entertainment industry research regarding Turkey as a case. During the working process of this study, it was observed that there is not enough resource in the literature even to be taken as a reference. It is also believed that this study is also going to inspire other researchers globally by opening a new debate on the success

criteria of ticket sales. Every single territory may have different effective factors on ticket sales ratio. Artist fee may have a lower effect on ticket prices at financially more powerful territories.

There might be many other environmental factors effecting the entertainment sector and ticket sales, such as political stability and economic fluctuations. Purchasing decision process of cultural event tickets should also be researched from the perspective of the audience side as well. This industry has two more legs; artist and venue which should be researched separately. Combining different aspects may create a formula that would drive the Turkish international entertainment industry to success.

The analysis of this study was built on Zorlu Performing Arts Center. Even though the data is well equipped, same study should be implemented to different data sets in order to make the findings universal. This study may also be repeated for another territory for a better understanding.

Live music industry will go for a longer time if all parties save it. The most important thing is leading and developing it with academic studies before technology concur this unique piece of life. It already started with hologram performances of passed artist.

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