‘A thankless task’

Introduction

This paper is about the challenges facing independent or DIY festival promoters in Britain, using All Tomorrow’s Parties (ATP) as a case study.

ATP is best known for it weekend events held in holiday camps, having hosted nearly sixty of them since 2000, with 41 of these in the UK.

In addition, they have promoted other events, tours and individual shows, but for the purposes of today, I will focus on their festivals.

This is all the more pertinent as, since proposing this paper, the company has gone out of business, which slightly changes the approach.

So today I will give a short history of ATP and contextualize it within the live music industry in the UK more generally before trying to explain its ultimate failure.

I will conclude with some reflections on the viability of independent festivals in the UK, arguing that while some of ATPs’ problems were far from unique, others were a direct consequence of its own ethos and approach.

ATP

The festival was founded by Barry Hogan in 1999 after his company, Foundation, had successfully promoted Belle and Sebastian’s Bowlie Weekender at the Camber Sands holiday camp **SLIDE** in the south-east of England.

It was not an entirely novel idea: British holiday camps had been a focal point for musical subcultures going back to the 1960s, but it was the first time that such destinations had been used specifically for largely independent music.

The first of the regular ATP weekenders curated by Mogwai, **SLIDE** took place the following year. It sold out and began a run of similarly successful events before the event moved to a larger site at Butlins' in Minehead in 2007**.**

During this period, it rapidly accumulated goodwill from both artists and audiences, allowing the company to diversify and expand, with a range of events and festivals around the world. (see slide)

However, this expansion, the economic downturn and increased competition meant that ATP's debts mounted, and in 2012 the operating company (ATP Concerts Ltd) was liquidated with liabilities of over £2.6 million.

Initially, this had little impact on the events, but when the company's lengthy and troubled financial history was documented in an extensive article by Alex Marshall for Stool Pigeon, many ATP customers were alerted to the precarious nature of the business.

Hogan and his partner, Deborah Higgins, spun the liquidation as a 'restructuring' of the business. A new company, WillWal Ltd, was set up to promote future shows, and it bought back the name 'All Tomorrow's Parties' from the liquidator.

But rather than being the beginning of a new era for ATP as promised by Hogan, it was to be the beginning of the end.

In 2013, he announced the end of the holiday camp format, with two farewell events, back at Camber Sands.

The following year's Jabberwocky festival **SLIDE** did considerable further damage to ATP's reputation. Due to be held at the Excel Centre in London in 2014, it was cancelled at three days' notice and Hogan's next move was to return to the holiday camp format in 2015.

Two were planned this year at Pontin's in Prestatyn in Wales. **SLIDE**

The first, curated by comedian Stewart Lee, went ahead but without a number of artists who withdrew having failed to secure payment.

The second, curated by Drive Like Jehu, was firstly moved from Prestatyn to the Victoria Warehouse in Manchester, before being cancelled three days before it was due to take place.

The band used Instagram to post this image and lament 'a uniquely cruel hoax' that they felt had been played on them by the organisers. **IMAGE/ SLIDE**

In the light of this, it was perhaps unsurprising when, last month, a statement on ATP's Facebook page announced the festival's closure. **SLIDE/ IMAGE**

It will be remembered as an innovative and independent operator within the increasingly homogenous world of festival promotion, but one that was beset by organisational and financial problems.

Context: Live Music / the British Festival Business

So where does ATP fit in the context of the festival and live music market in the UK?

It is of particular interest because its lifespan coincides with a huge growth in the scale of the live music industry, with festivals as a major driver of this.

Prior to this, Simon Frith observed that 'for much of the last fifty years, the UK's live music sector. . .has been analysed as a sector in decline' (2007:1).

He ascribed this to Baumol and Bowen's 'cost disease' – the notion that live performances could 'achieve neither the economies of scale nor the reduction of labour costs to compete with mass entertainment media' (ibid).

But recent years have seen a flurry of widely reported statistics that have made some spectacular claims concerning the impact of live music on the economy, both globally and

specifically in the UK. I've put some of them on the **SLIDE.** One could be forgiven for thinking that problem had been resolved.

However, I would urge some caution when it comes to the numbers.

These usually come in the form of slippery and not directly comparable economic concepts like Gross Value Added, gross and net direct spend, wallet share, and visitor spend. They usually stem from what Webster and McKay call 'grey literature' (2007: 1) produced by vested interests within the entertainment and tourism industries.

For example, UK Music recently told us that live music 'is the sector of the music industry with the fastest GVA and employment growth' (2015:2) and the Association of Independent Festivals argue that their members have 'for the most part, thrived' (2014: 1) in recent years.

But none of these reports interrogate the profitability or longer term viability of the events themselves, often focusing instead on benefits beyond the boundaries of the festivals.

The Economics of ATP

In recent years, the two main strategies that have been applied across the live music industry to resolve the cost disease issue: the emergence of large, international conglomerates, such as Live Nation, AEG and SFX and the expansion of the festival market.

But it remains doubtful that either has solved the problem.

Live Nation, the world's largest concert promoter, recently reported an operating loss of $105.3 million in their concerts division on a margin of minus 2.1%.

However, their business model sees concert and festival promotion as part of a wider strategy involving the sale of tickets, sponsorship and management - the former two being highly profitable.

But even so, Live Nation as a whole has failed to post a profit since it formed in 2005, despite its turnover rising from $2.93 billion to $7.2 billion in 2015.

So although the market is growing, there is little evidence that the economies of scale are working for either large or small promoters.

In this respect, there is little difference between the likes of ATP and the likes of Live Nation. Neither have been able to regularly turn a profit promoting shows, their failure camouflaged by increased revenues due to an increase in the size and quantity of events they undertake.

But while Live Nation can turn to its other interests, the stock market or sponsors to help underwrite or offset it losses, an independent promoter like ATP has no such safety nets.

I will now look specifically at how this has played out for ATP in relation to income, costs and branding.

ATP

I will argue that six things (on the **slide**) combined to contribute to ATP's ultimate demise, many of them overlapping.

No Economies of Scale

The first is that as an independent promoter, ATP had no sizeable income from beyond concert promotion. Unlike Live Nation, it had no control over or significant revenue from things like venue rental charges, sales of food and drink or fees generated by ticket agencies.

Lack of additional income sources

Secondly being fiercely independent also prevented it from attracting additional income from sponsors and investors.

Although he would later change his mind, in 2009, Hogan said that 'I don't want to compromise, I just want to put on what I think is good music. If people don't like it, they can go somewhere else' (AV Club).

In the same interview he argued against sponsorship, claiming that Live Nation would 'sell their mothers to put on a concert' (Caine 2009).

But after the liquidation in 2012, he was forced to admit that 'the world has changed. . .the money has to come from somewhere and that somewhere is other companies' (cited in Marshall 2012).

However, by this point it was too late to attract major sponsors and some bridges had already been burned.

Although resistant to sponsorship, ATP did attempt to attract investment from (among others) Vice Media, Live Nation and the MAMA Group, but these also came to nothing.

Therefore, denied access to additional capital or revenue streams, ATP was almost exclusively reliant on the success of its events, which themselves were subject to a combination of changes in income and expenditure, only some of which were within its control.

Artist Costs

The most important of these was the cost of the artists.

In 2014, Melvin Benn of Festival Republic claimed that fees for headline artists at his festivals had risen by 400% in the previous ten years (Virtual Festivals 2014).

But this problem was exaggerated for ATP.

When the festival began, live appearances were often a secondary source of income for artists. With the decline in revenues from recording they have now become, as Webster and McKay note, 'an essential income stream for artists' (2016: 7).

Latterly, the vast majority of them were no longer in a position to play for below market value fees or simply for the prestige of taking part, thus considerably increasing one of the main variable costs.

While ATP remained popular with many of the artists it promoted regularly, this loyalty was not achieved cheaply and it often found itself having to pay artificially high fees.

Competition for Audiences and Artists

The niche nature of ATP meant that it was reliant on a small but loyal customer base and a finite pool of suitable artists.

The latter meant the line ups began to appear increasingly repetitive and backward looking, thus reducing their appeal.

And, as the festival grew it also faced greater competition from an array of new festivals whose musical interests overlapped. These often had larger capacities, and could offer bigger fees for artists, thus contributing to fee inflation at ATP, especially for the headline acts and curators.

Ticket Prices

With increasing artist costs and a lack of external sources of revenue, ATP's only solution was to increase ticket prices, but again they were restrained in this respect. In its sixteen years, ticket prices for ATP rose by around 300%.

But due to the limited facilities at the holiday camps and increasingly attractive alternatives – especially overseas – there was a limit to how much ATP could raise prices without impacting on audience size and revenues.

So these all contributed to artist fees rising at rate above ticket revenue, making the festivals less and less sustainable.

ATP the brand / Communications

The final factor I will consider is ATP as a brand.

In developing a range of events that defined themselves against more commercial festivals, ATP successfully developed a brand with which customers strongly identified. This was an initial strength that was later to become a weakness.

When ATP's financial and organisational problems became apparent, the sense of disappointment among fans was magnified on messageboards and social media, some of this veering into personal abuse directed against Hogan.

More thoughtful critiques weighed up nostalgia for the earlier events against the unreliability of the later ones. For example, Andrzej Likowski, described the latter days of ATP as a 'weird, protracted breakup' that 'is not doing anyone's fond memories any favours' (2014).

This was further compounded by ATP's poor communication with customers and perceived unreliability in the wake of the Jabberwocky and Drive Like Jehu cancellations.

Another festival promoter, Lee Etheridge, of Tusk in Newcastle told *the Independent* that 'ATP gives a masterclass in how not to treat our audiences and artists sometimes' (Pollock 2016) something that caused it to feature in *Private* Eye and on the BBC's consumer programme, *You and* Yours. **SLIDE**

Conclusions

In interviews, Barry Hogan has variously claimed that 'promoting is a thankless task' (Jones 2014: 14) and is 'like going to the races, some win and some don't' (Marshall 2012). Indeed,

he told *Music Week* that ‘saying a promoter losing money is like saying a butcher serves pork’ (Jones 2014: 14).

If this perhaps presents a more realistic view of the festival industry than the claims made by industry lobbyists and large corporations, neither is it as simple as taking risks and sometimes getting lucky.

So while Frith correctly asserts that Baumol’s cost disease is ‘not fatal’ for the live music industry as a whole, neither has it been satisfactorily resolved. It has, nevertheless, been fatal for a large number of festivals, ATP included.

But John Cale was only partially correct when he tweeted that ATP ‘had let us all down’ earlier this year.

Its failure was a mixture of economic issues germane to festival promoters of all sizes; its organisational and communication failures, but perhaps more than anything, the unrealistic expectations of both audiences and artists.