

# CANVAS8

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## HOUSE GIGS: THE MUSIC INDUSTRY ENTERS YOUR LIVING ROOM

While the internet has made it easier than ever for musicians to be heard online, smaller artists need to tour to make money. As a result, domestic concerts are popping up in the US and beyond. How are online booking sites helping bands and hosts create professional, intimate house gigs?

Location **Global**

### Highlights & Data

- While the internet has made it easy for bands to be heard, small artists rely on touring to make money
- Revenue from recorded music sales in the US fell from **\$14.6 billion** in 1999 to just **\$6.3 billion** in 2009
- ‘House shows’ – concerts played in private homes – make more venues accessible for them
- Gigmasters booked more than **250,000** events in the US and earned **\$3.4 million** in revenue in 2013
- A number of online services are enabling artists to connect with fans to arrange gigs in homes
- Fanswell registered **1,100** musicians between its launch in January 2014 and September 2015
- These smaller concerts help them acquire new fans, sell more merchandise, and gain a larger cut of the proceeds
- **44%** of US adults are familiar with the concept of the sharing economy
- The sharing economy has acclimated people with the idea of sharing spaces and services
- Global revenues from five key sharing sectors could grow from **\$15 billion** in 2015 to **\$335 billion** by 2025

### Scope

Chairs were arranged on the patio. The space didn't look like a stage, but it would soon. Patrick had been following Graham Colton for years. He'd seen him play at the Ivar Theatre in LA and had followed the artist's progress online ever since. As with his other favourite musicians, Patrick followed Colton on Instagram and Facebook to keep up with important goings on. Now, Colton was in his house, grabbing a drink from Patrick's fridge and getting ready to play a live show to 25 giddy friends.

The internet has long been accused of killing the music industry. File sharing caused music sales to plummet, with revenue from US sales falling from \$14.6 billion in 1999 to just \$6.3 billion in 2009. [1] While online tools have attracted many new musicians, making a living can be a challenge. “Getting your music ‘out there’ is easier than ever, but touring is what makes it possible to make any money,” says musician Allen Hunter. [2] As a result, ‘house shows’ – concerts played in private homes – provide a personal experience and make more venues accessible. By providing tools for artists to handle events professionally, online booking sites can help facilitate communication between artists, hosts, and attendees.

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Companies are betting on the emergence of a smaller, gentler music industry – one based on artists selling out living rooms, not arenas. Whether betting on a genre, targeting a specific user base, or scaling the proposition, each company is trying to demonstrate the value of its approach and influence the market.

For instance, Boston-based Groupmuse focuses on classical music house concerts, and has been credited with helping to make the genre accessible to Gen Y. [3] Meanwhile, Connecticut-based GigMasters targets larger special events by allowing customers to book musicians, photographers, magicians or any other entertainment. In 2013, it booked more than 250,000 events in the US, earning \$3.4 million. [4] Elsewhere, Australia’s Muzeek caters to professionals in live music by streamlining the process from arduous and often scattered email chains to a singular platform with built-in analytics. [5]

LA-based Fanswell gives artists robust professional tools in a single platform. For users, creating an account is free, all shows are backed by a contract, seats are purchased by credit card, and the site takes 7.5% of the artist’s cut. Founded by a musician and an entertainment executive, the company has gained some popularity, registering 1,100 artists between January 2014 and September 2015. And the service isn’t limited to lesser known acts, with five contestants from *The Voice* signed up to the site. [6]



Why bother with festivals when you can see bands in your backyard?

David Burke, Creative Commons (2013) ©

[ Canvas 8 - House gigs: the music industry enters your living room ]

## Context

“Because music can be downloaded for free so easily online, the way to monetise it these days is to get out there and sell CDs and merchandise on tour,” says Hunter. [2] The decline in global recorded music revenue is expected to continue until 2019, but while albums and singles may have hit a slump, live music revenue is expected to compensate for the losses. [7] “The problem is that tours are really expensive,” Hunter adds. “With weekend nights being the most popular, if you look at the number of bands versus the number of nights and places there are to play, there are really not enough opportunities to play live shows.” [2]

For artists, the experience of playing shows in homes can provide multiple rewards – acquiring new fans, selling more merchandise, and taking a larger cut of the proceeds. Relying on hosts to help market events, artists can book gigs in locations where they wouldn’t otherwise have the fan base to draw a crowd. “House shows are great for fill-in concerts. It makes touring accessible for both the fans and the band,” says Hunter. “They make up for some voids in the touring industry. For some towns, it is hard to get musicians to play there, and there are no big companies throwing cheques around for people to promote shows.” [2]

“*Playing living rooms is pretty incredible. It can kind of renew your faith in music-making, and playing in clubs can kind of do the opposite*

*John Vanderslice, musician*

Playing a house concert can be a much more personal transaction as well; it’s common for artists to enjoy the party after a gig and stay at the host’s home for a free night’s accommodation. [8] “Playing living rooms is pretty incredible. It can kind of renew your faith in music-making, and playing in clubs can kind of do the opposite,” says musician John Vanderslice. [9]

Larger trends like the sharing economy have fed into the rise of house shows, led by companies like Airbnb, who have acclimated people with the idea of sharing spaces and services with friends of friends or even strangers. A survey conducted by PwC found that 44% of adults in the US are familiar with the sharing economy, and as awareness and adoption of it grows, the five key sharing sectors (car sharing, finance, travel, staffing, and streaming) could see their global revenues increase from approximately \$15 billion in 2015 to around \$335 billion by 2025. [10]



Playing in living rooms can provide a better experience for both fans and artists

Nasrul Ekram, Creative Commons (2009) ©

### Insights and opportunities

There's little doubt that the internet has been a game changer. "Before the internet, it was difficult for teen bands to find an audience outside of their friends, family, and classmates," writes Simone Payment in her book *Taking Your Band Online*. "Now, nearly anyone can record music and then post it for the world to hear. Bands can communicate directly with fans and get feedback from them. They can instantly find new listeners or make current fans even more passionate about their music." [11]

The web has also changed what fans have come to desire and expect. "As technology advances, so do the fan engagement possibilities," writes William Forde Thompson in *Music in the Social and Behavioral Sciences: An Encyclopedia*. "The desire for interaction, commitment, and participation... is a striking new development in communication behaviour, which the internet has awakened, served, and established." [12] Eager to develop relationships with their favourite artists, fans are the perfect partners to help establish a new path in the music business.

The concept of in-home entertainment is poised to travel further than upper-middle class living rooms. DIY booking will give artists more control and creativity to enhance the fan experience – think pop up concerts, mini festivals, and cross-disciplinary shows. In return, fans will be invited to all of them and more, being recognised as welcome collaborators.

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Jon Cooper, CEO of Fanswell, has seen inroads with brands as well as bands, inking deals with the likes of Dr Pepper to help create a positive brand association in an intimate and appealing environment. “Brands love to be in home. We are offering experiences that are sophisticated but still maintain a grassroots appeal,” he says. [6]

As opposed to shows in traditional clubs, house gigs can make it easier to convert new listeners to superfans. While some musicians have been reluctant to book house shows for fear that it might reflect negatively on their image, others are seeing the benefit of a more personal, less laborious show. As the perception of them changes, so do the acts – and the purses. For example, one Virginia fan recently raised \$30,000 on Kickstarter to have Kenny Loggins play a show in his living room for 75 guests. [13]

In the future, Cooper sees the concept of house shows being applied to any number of entertainers – from LinkedIn influencers to social media personalities. “Imagine if you (entertainers and celebrities) could book shows on your way to Comic Con. This is really just the beginning,” he says. [6]

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