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Live Nation Inc. Q1 2009 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) Your first call comes from David Joyce – Miller Tabak.

David Joyce – Miller Tabak

Can you talk about any dynamic pricing initiatives that will drive the ticketing for the summer and secondly if you can talk about any cannibalization that took place as you moved to larger sponsors or have you maintained some smaller relationships?

Michael Rapino

I'll talk to the second first on sponsorship. No cannibalization at all. We've got a lot of sponsors, over 800 but we still think that number should be dramatically higher in the big picture so we haven't bumped into any cannibalization. We find there are basically three different type of sponsors.

There's a local sponsor that just wants a lower deal in his local market. There's a regional company that has a geography platform that maybe wants a west coast deal, and then there's a national company who's looking for a more national campaign, and those are three very distinct categories.

We're keeping all of our local and regional on track and what we've just really done in the last two years is built up our national division and started to take advantage of the bigger brands that have a bigger budget for a national campaign.

In terms of dynamic pricing, I wouldn't say we've made a ton of headroom yet. I think that is still the how hanging fruit that we have to get to. First as you know our priority in 2009 was become the e-commerce platform that can sell the tickets and get that job done. And after a couple of hiccups at the beginning, we're now over 6 million tickets. It's a non news event. We're selling tickets every day fast, strong and confidently.

So first priority is just to get the sales pipe working, establish a relationship with the customers. We're doing some tests. No doubt Jim is a progressive manager and we priced the house very smartly versus a traditional three scale model and that's provided some great learning and increased revenue.

Coldplay is giving out CD's at the concert. I would say the appetite for the artist to sit down with us now and explore all ideas on how do I sell my concert ticket differently, how do I participate in the higher end, how do I bundle, is coming to life full steam as we've just now entered into the ability to be able to do it.

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