

OutFront

## Beats a T Shirt

Peter Kafka, 05.24.04

Last year tie-dyed fans of the Grateful Dead-likeband Phish shelled out \$35.8 million to see the group in concert. Then they went home and paid to download electronic files of the very same shows.

Until recently concert recordings came in two versions: officially sanctioned albums released by record labels and sold in stores and bootlegs made by fans. Now, as recorded music sales drop and the concert business booms, some performers are making money by selling copies of their own shows via the Internet or at the concert hall.

Nugs.net Enterprises, which sold the Phish shows last year, is now selling online recordings of groups, including tour heavyweights Metallica and the Dave Matthews Band, for up to \$13 a show. DiscLive, a New York-based outfit, has built a truck tricked out with recording gear and compact disc burners that lets it sell copies of shows to fans for about \$20 as they leave the show. And EMusic, an online music company, is rolling out kiosks at clubs that let fans download concerts to so-called thumb drives for \$10 each (*see story, p. 174*). Clubgoers bring their own drives or purchase them from the kiosk for \$20.

The economics for the bands are attractive, since their additional costs are minimal and they typically keep two-thirds or so of the revenue. Conventional record label deals, by contrast, usually don't pay out more than 20%.

Clear Channel Communications, whose entertainment division generated half of all concert revenue in the U.S. last year, is jumping in. The company will be operating at least four mobile recording rigs this year. Perhaps more ominous for smaller competitors, in April Clear Channel announced it had purchased a patent for "creating digital recordings of live performances."