

Merging Through Media: Analyzing Public Relations Framing and Ethics through the 2010 Ticketmaster-Live Nation Merger

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Abstract

This research article analyzes the 2010 Ticketmaster-Live Nation merger, evaluating the companies' public relations tactics during the merger, the merger's ethical implications, and the impact on the music industry. Through a content analysis comparison of language from both company-generated and major news publication writings about the merger, this research highlights the contradiction between the companies' framed message and public perception of the merger. While the companies' writings portray the merger as innovative, beneficial, visionary, and fan focused, news outlets write in themes of domination, worrisome predictions, and monopoly, with limited positivity. This paper concludes that the public relations tactics employed by Ticketmaster and Live Nation during the merger did not influence public opinion. The merger will have a major impact on the concert industry, possibly trampling independent promoters and continuing to raise ticket prices by cornering the market on major concert venues, tickets, and performers.

I. Introduction

As modern businesses continue to streamline services to boost stock and cut back on resources, mergers have become common and powerful in America. Within the concert industry, two giants have struck a deal and engaged in a vertical merger. Ticketmaster, the world's largest entertainment ticketing and marketing company, is joining forces as of February of 2010 with Live Nation, the world's top producer of live concerts. This collaboration is now known as Live Nation Entertainment Inc., "the world's first artist-to-fan vertically integrated live entertainment platform... improving the fan experience and driving major innovations in ticketing technology, marketing and service" (Live Nation). But Bruce Springsteen is claiming, "the one thing that would make the current ticket situation even worse for the fan than it is now would be Ticketmaster and Live Nation coming up with a single system, thereby returning us to a near monopoly situation in music ticketing" ("Bruce"). Although the Department of Justice has approved this merger, some are crying, "Monopoly!"

This paper will examine the Live Nation Ticketmaster merger's communications tactics. Not only how the companies' frame the merger, but also how it aligns with the media response. While exploring the tactics of these giants, this paper will also uncover the ethical implications of this merger and its public portrayal in the media.

* **Keywords:** Live Nation, Ticketmaster, corporate merger communications, public relations framing, music industry

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II. Literature Review

The Literature Review explores the basic topics of the study including the process of content analysis, methodology, public relations framing, and the current status of the concert industry. Due to the uniqueness of this study, there are few similar studies to review, but the study can be established by building a foundation with these topics.

Content Analysis

Content Analysis is a unique research method that allows researchers to take qualitative information and break it down into a categorized and measurable group of data. By selecting a topic of study and conducting background research, the researcher can develop hypotheses for the analysis. From these hypotheses, the researcher can decide how to categorize information based on the specific information in question (Berelson). Finally, in preparation the researcher must select the population to code. This collection of materials should be reliable and relevant (Higgins). By collecting the materials selected for analysis, the researcher will be prepared to begin coding (Berelson). Coding must be precise and reliable. Each instance of coding must be consistent with the other instances in order to have steadfast results (Higgins). Finally, the data must be fully analyzed and compiled to understand the implications.

Although there are benefits to this form of research, challenges come with content analysis methodology. Because content analysis is more abstract than an experiment or a census, results can often be interpreted in different ways, making the report subjective (Higgins). This is why specific and consistent coding is important, to maintain objective and applicable results. Another disadvantage to content analysis research is that while informative, this type of research can not prove cause and effect. Content analysis will provide an overall message from a population, but it will not explain that message's effect on its recipients (Higgins).

Public Relations

One of the first lessons of public relations is framing a topic. By establishing a specific frame that the desired audience will see, the gatekeeper can interpret the message for the audience. All public relations tactics take on a specific frame, shaping each message to fit a specific point and accomplishing an exact task. Framing is what gives public relations professionals power to change opinions, mould ideas, and sometimes even deceive readers. In Kirk Hallahan's study of the Seven Models of Framing, he discusses structures that develop specific frames. Tools like semantic framing, thematic structure, rhetorical structure, valence framing, and story framing. Semantic frames utilize phrasing to direct a message in the preferred direction for the audience. Thematic structures insert words like "because," "since," and "so" to explain a relationship. Similes, metaphors and illustrations can be considered rhetorical structures to aid in framing a topic. When wanting to omit or highlight information, valence framing is to shed light on the topic within the preferred frame. Story framing draws the audience into a narrative that encompasses an overall theme (Hallahan). These subtle practices can greatly influence one's interpretation of media. With this power to control a message, framing becomes a stronghold for any public relations objective.

Music Industry

The music industry has become a major commodity in America. With new technology, music is more widespread and diverse than any other time in history. Although the music industry is so influential and profitable, it has become quite concentrated. The two sectors of the music industry have become the recording industry and the concert industry. While each has its own entities, giants in each realm have risen and taken over. Due to multiple factors, the music industry has seen a shift in profits in recent years. Before 1996, the recording industry was where most artists made more money, which kept concert prices low in order to hopefully attract more fans to buy recorded music. But with the steady decline of the recording industry, concert ticket prices have sky rocketed to compensate (Kruger). With the concert industry becoming a power player in the music industry overall, concert promoters, ticketing, and venues are becoming more powerful.

Alan Kruger's study of ticket price increase reveals startling ticket inflation. He reports that "[f]rom 1996 to 2003, for example, the average concert price increased by 82%, while the Consumer Price Index increased by 17%." He hypothesizes that this could be caused by multiple factors including the "crowding out of the secondary ticket market" and "increased concentration of promoters" (Kruger). Part of this reasoning

comes from the Clear Channel dominance in the music industry; owning over 1,200 radio stations, amphitheaters, billboards, TV stations, and SFX Entertainment. Kruger states, "Many critics have accused Clear Channel of using its vertical and horizontal concentration to monopolize the concert industry." This one example of a possible monopoly could lead to more in the concentrated concert industry.

By using content analysis to evaluate the public relations framing utilized by Ticketmaster and Live Nation, this study will discuss the communications tactics of a major merger and its ethical implications in the concert business. The concert industry has been changing dramatically over the past ten years, but it is about to transform due to the Ticketmaster Live Nation merger. In order to better understand the impact of this union, it is important to discuss the companies' histories.

III. Background

In order to fully understand the context of this analysis, it is important to understand the history of Live Nation, Ticketmaster, the recent merger between the two, and the public opposition to the merger. These brief histories will explain the company services, prominence, and success as well as the details and conditions of the merger and the public response.

Live Nation

In 2005, Live Nation was spawned from Clear Channel Communications as a live event promotion company. Live Nation promotes and produces major events on an international scale including concerts, comedians, theatrical performances, and festivals. Live Nation is present in over 50 countries and owns and operates over 100 venues including House of Blues and Fillmore locations. In addition to their live performance prevalence, Live Nation also has signed artists such as Madonna, Nickelback, and Jay-Z to the Live Nation Artists division, managing album releases, merchandise, touring, and sponsorship. Live Nation reports that in 2009 it "sold 140 million tickets, promoted 21,000 concerts, partnered with 850 sponsors and averaged 25 million unique monthly users of its e-commerce sites" (Live Nation). In 2008 Live Nation discussed the possibility of starting a record label that would outsource to an established infrastructure for marketing and distribution, allowing Live Nation to maintain license privileges without building full service label. The label has not been established yet. In 2009, the company reported 4,181 billion dollars in revenue. The CEO of ten years was reported by Forbes to have received \$8,504,881.00 in overall compensation for the year of 2008 ("Profile"). The Live Nation giant is considered the biggest concert promoter in the business worldwide, practically eliminating the competition for concert promoters that can promote on the same level. In addition to its domination of the promotion industry, Live Nation has grown to become multifaceted, combining many services that could be considered monopolistic.

Ticketmaster Entertainment, Inc.

Ticketmaster is a ticketing sales and distribution company that was formed in 1976 in New Mexico. Ticketmaster quickly grew to sign major clients spanning from event venues, professional sports teams, and performers internationally. In its first ten years of existence, Ticketmaster established offices in London, Toronto, and Australia. In the 1990's, Ticketmaster introduced concert industry innovations on a large scale such as barcode ticketing, ticket scanning systems and online ticket sales, quickly making it the biggest ticket sales company worldwide. In the 2000's, Ticketmaster began auctioning tickets on their TicketsNow website for high demand events, reselling tickets for upwards of triple the face value with additional service fees. These tickets are sold on the resale website by individuals as well as ticket brokers. Ticketmaster is now present in over 15 countries making profit from service fees and exclusive ticket sales contracts with primarily high profile venues and sports teams ("Ticketmaster"). Ticket service fees can be anywhere between ten to fifty percent of the ticket value. Due to its high service fees and ticket sales industry dominance, Ticketmaster has become the victim of criticism and several lawsuits accusing the company of monopolistic practices (Segal). In addition to the ticket market, Ticketmaster also owns an artist management group called Front Line Management. Front Line has over 200 clients including the Miley Cyrus and the Eagles. This is just one more way that Ticketmaster has grown into an entertainment heavyweight.

2010 Ticketmaster Live Nation

In February of 2009, Live Nation and Ticketmaster revealed to the public that the two concert industry leaders would be entering into a merger. The proposal projected that the vertical integration would result in one company, Live Nation Entertainment. The mega company would then own “more than 140 concert venues globally, sell around 140 million tickets a year and promote 22,000 concerts annually. This concert industry dream collaboration not only combines two great forces, but it streamlines concert services into one company providing concert promotion and venue operations, sponsorship, ticketing solutions, e-commerce and artist management. This proposal sought approval in the UK first. Although the United Kingdom’s Competition Commission originally rejected the proposed merger, in December of 2009 the merger was passed. In the United States the Department of Justice passed the merger in January of 2010 with the companies’ agreement to specific conditions. Ticketmaster has provided the license for its ticketing software to AEG Live, Live Nation’s primary competitor. In addition to aiding the growth of AEG Live’s ticket sales software, Ticketmaster agreed to sell its Paciolan Inc. ticketing unit, which provides venues with infrastructure needed to ticket large events. A sports and entertainment company, Comcast Spectacor, has purchased the ticketing unit (Margolies). These stipulations were put in place by the Department of Justice to adhere to anti-trust laws and maintain a competitive live event market. Even with these conditions in place, many still believe that this merger is a monopoly.

The merger is facing harsh criticism from consumer rights groups, celebrities, and peer music industry professionals who expect higher prices and a limited market for competitors. “Now that [Live Nation is] united with Ticketmaster, the sky will be the limit when it comes to fees,” Sally Greenberg, executive director of the National Consumers League commented. “It’s not enough to say ‘If you don’t like the high prices, don’t go to the show.’ We need a concert market that has real and robust competition” (Segal). Others agree with Springsteen’s accusation and spoke out during the United States Department of Justice investigation. Jam Productions co-founder Jerry Mickelson testified against the merger calling it a “vertical integration on steroids.” Mickelson pointed out that the first anti-trust ruling in the Paramount Pictures U.S. Supreme Court case of 1948, demanded that Paramount disband its theatres. Mickelson suggested that Ticketmaster should have had to sell Frontline Management because it gives the merger too much industry power. Bloggers, music industry news, and columnists continue to discuss the impact that is to come from this massive merger.

IV. Findings and Discussion

In order to better understand the use of framing in the public relations writing during a merger, this study chose five merger related, company generated writings as a sample for content analysis. During the coding of these documents, the language was categorized into framing themes. The company-generated themes include innovation, beneficial, visionary, and fan focused. After recognizing themes in the company’s language, analysis was conducted to compare the company-generated language to the language of the media coverage. Five merger related articles were selected from major publications. The articles were coded for language that expressed support of opposition to the merger to gain a perspective on media generated themes. The media generated themes include: domination, prediction, monopoly, and positivity.

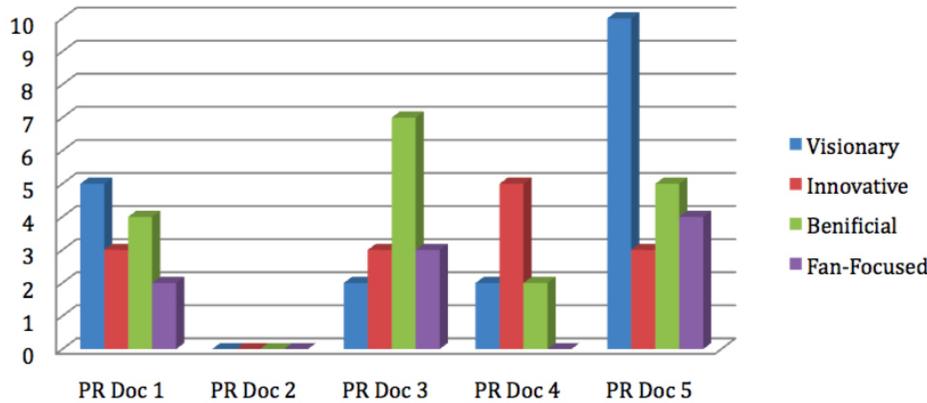
Public Relations Framing

The documents that were analyzed in the company produced public relations sample included a letter to stockholders about the proposed merger, a press release about the stockholders approval of the merger, a press release about the UK Competition Commission granting clearance for the merger, a press release about the U.S. Department of Justice granting clearance for the merger, and the “About Us” information from Live Nation Entertainment Inc.’s website. These documents had over-arching themes that presented a strong, confident, and unified front from both Live Nation and Ticketmaster. The writing was primarily targeted towards investors, focusing on the financial benefits of the merger for stockholders and the future of the corporation.

The most prevalent theme that this study found was Visionary language, as shown in Figures 1 and 2. (32 percent, 19 out of 60 occurrences). By utilizing visionary language such as “paving the way” and “ultimate concert destination,” Live Nation Entertainment Inc. conveys a sense of luxury with its company. The merger

promises to produce a concert experience of the highest standards.

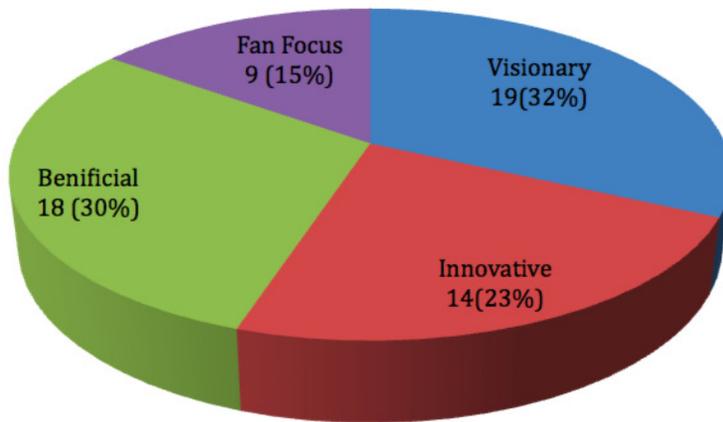
Figure 1. PR Language Occurrences per Document



Relative to this category is the Innovative language theme, which was expressed in 14 instances (23%). The writings excessively described how the merger would be the first of its kind, an “innovation,” the “industry’s first ever,” a “multi-dimensional” partnership. These terms established an air of notoriety, framing the merger to seem like an ingenious creation.

To guarantee that the merger would be seen as favorable for both companies, the writings highlight the benefits of the merger

Figure 2. Merger PR Language Overall



through descriptive language in 18 instances (30%). Using vague, promising words like “optimistic,” “successful,” “meaningful,” and “improvement,” the explanation was offered of the specific benefits of the merger, but emitted a positive outlook.

Finally, the last framing theme in the study of public relations documents from the merger is Fan-Focused language (15%). For any other business, a company would address its clients or consumers, but Live Nation Entertainment Inc. addresses its public as “fans.” By creating a specific audience persona, the “fan” gains recognition as an entertainment connoisseur,

rather than just a generic participant. This theme, while less common, gave the merger a direct beneficiary. The other themes of vision, innovation, and benefits are directed toward enhancing the fan’s Live Nation Entertainment Inc. experience. These themes ultimately empowered the merger, highlighting its successful steps to becoming a “high-profile,” “word-class” company.

One element of the study that was not factored into the categories of language themes, was the framing technique of downplaying topics. PR Doc 1 in Figure 1 did not contain any of the themes previously discussed, but did have repetitive language about the awaited “regulatory” approvals from the Department of Justice. The Department of Justice evaluated the mergers merit based on anti-trust laws, and only granted clearance with the agreement of concessions from the companies. While the documents mentioned the approval and the review, the writings never used the words “anti-trust” or “investigation.” The words that were commonly used were “regulatory” and “customary,” politely dismissing the review as a simple part of the process.

These framing themes could be applied to any merger communications campaign. The Ticketmaster-Live Nation merger showcased the benefits of the innovative merger and its unique vision that would enhance the target audience’s relationship with the product. Finally, by using simple language to mention, but not elaborate on possibly negative events, the merger’s successes can shine over the logistics.

Figure 3. Language Overall in Media Articles

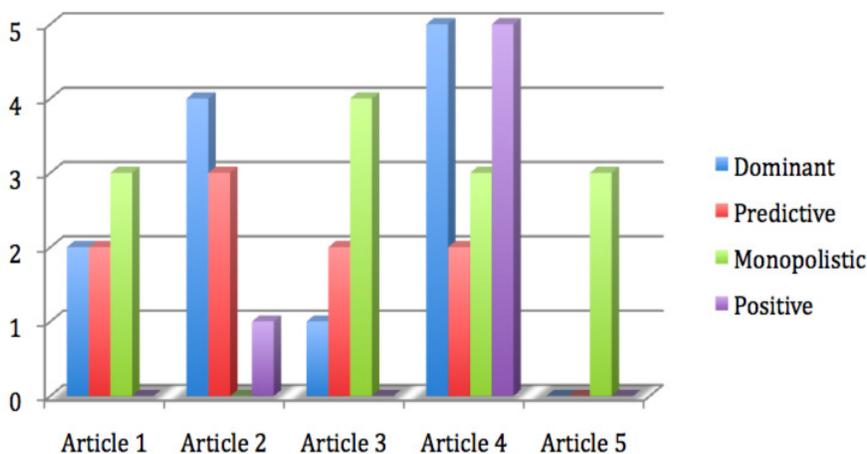
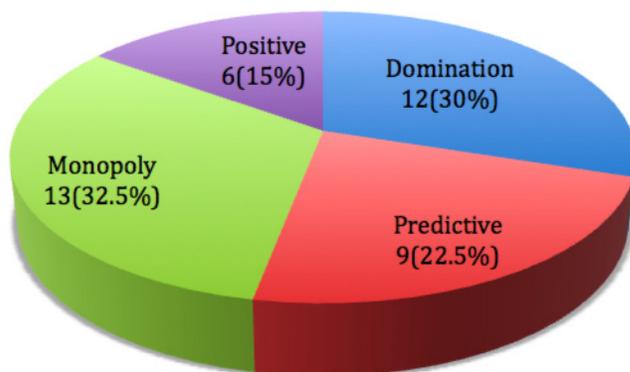


Figure 4. Language Overall in Media Coverage



Media Response

In order to assess the merger’s public relations framing, the study analyzed the language used in five articles about the merger from major publications. This analysis revealed very different language used in association with the merger. The four major themes that surfaced were Dominant, Predictive, Monopolistic, and Positive. The articles, aside for instances under a minor category of Positive, presented the merger in a negative light.

As shown in Figures 3 and 4, an overwhelming presence of Dominant language (30% of 40 instances) crowded the articles using words like “dominate,” “giant,” and “juggernaut.” These words emphasized the magnitude of the merger and its power.

But other writers went as far as to point out not only the colossal merger, but the “monopolistic” merger. This category, Monopolistic, was the largest group of media responses to the merger (32.5%). Many of the writings suggested that the Department of Justice was too easy on the music tycoons and should have taken it to court or enforces greater concessions. One article recalled when Pearl Jam attempted to boycott Ticketmaster, failing to do so because too many venues had long term, exclusive contracts with

Ticketmaster, making it impossible to avoid using their services.

Because this is the first corporation of its kind in the music industry, many articles (22.5%) relayed predictions of the giant’s reign over the concert industry. These instances utilized language such as “worry,” “worrisome,” and “leap of faith.” Some quoted individuals predicted that the merger “won’t help consumers,” “put competitors out of business at every level of the music industry and lead to increased ticket prices for consumers.”

The last, less frequently used category was Positive (15%). These instances pointed out the success of the merger passing through the Department of Justice, claiming it was a “victory” and could be seen as “revolutionary.” While these sentiments are true, the other categories shed light on major issues that the company generated writings never discussed. The visionary company that hoped to innovate the music industry is being accused by the press of potentially tearing it apart.

Other observations that did not fit into the merger language were some reflections about the companies prior to the merger. One article noted that, “For years, neither promoter nor ticketer has considered fans as the first priority” (Segal). This explanation contradicts the fan-focused language that was found in the public relations writings. This two-sided story that is developed in public relations is common but should be consistent if possible. These inconsistencies give witness to the controversial nature of this merger and its future in the music industry.

Limitations

This study had several limitations because of its narrow sample and timing. The sample size was small due to the consolidation of press releases on behalf of Ticketmaster and Live Nation. Shortly after my selection of a study subject, Ticketmaster closed its investor relations information including press releases on www.ticketmaster.com, directing any investor relations inquiries to www.livenation.com. These press releases and documents about the merger were few, but still very informative. Also, due to the timeliness of this study, there are few statistics or writings that can assess the ethical practice of this merger. While some news articles raised contradictory concerns that the public relations writings exempted, the concerns are still projections. As the time passes, there will be more data to assess whether Live Nation Entertainment Inc. has kept its initial merger promises to favor fans and maintain reasonable ticket prices.

V. Conclusion

In conclusion, the study revealed that the Ticketmaster-Live Nation merger used public relations framing to instill a sense of beneficial innovation associated with the merger into its shareholders, while exempting the possible negative influence it would have on the music industry. On the other hand, major media sources primarily focused on the overpowering, monopolistic characteristics of the merger, barely mentioning in their coverage the innovation that Live Nation Entertainment Inc. promised. This contradiction between the company generated documents and the general media coverage proves that the press release effort to frame the situation did not affect the media coverage. Although the press releases are targeted toward stockholders, the press releases are also meant to carry the message into the general media coverage. But more importantly, the contradictions in media raise ethical questions about the Ticketmaster-Live Nation merger and the Department of Justice's ruling on the matter. Anti-trust law is being challenged with vertical integration and bundling major services to wipe out the more focused competition. This merger could have set standards for future mergers, maintaining fair commerce in the music industry, but many feel the merger was passed too easily with too few concessions. This merger could result in a monopoly of the music industry that raises ticket prices, grows into a recording company, controls high-demand artists through exclusive contracts, and proceeds to crush the independent music industry professionals on a global level.

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