

*The Elasticity of Public Music Performance Ticket Prices in the  
Central Region of Skopje in January - June 2004*

The aim of this paper is to present the elasticity of the demand for public music performance tickets in the central region of Skopje.

Namely, this year, IRAM's numerous activities include the project of analyzing music life in the central region of Skopje. From the beginning of the year until today we have registered all music events constituting concert activities and public performances from all music genres.

To survey the state of music life in Skopje, we formed a database. It is composed of 14 fields corresponding to the parameters analyzed in our project: 1) genre, 2) structure, 3) type, 4) date of performance, 5) concert room (i.e. where the event was held), 6) who organized it, 7) whether it is a regular concert or part of a larger event, 8) program, 9) who performed – artists from home or abroad, 10) media coverage and form of coverage, 11) excerpts from reviews/interviews, 12) financial support, i.e. sponsorship, 13) attendance and 14) ticket price.

In this paper we shall discuss two fields of our database: attendance and ticket prices. They are to serve as a fundamental point of reaching the elasticity of the demand for public music performance tickets in the central region of Skopje. Our parameter will be the number and price of sold tickets.

In order to present the analyzed data systematically, we grouped the information according to the following music genres:

- serious (classical) music
- pop-rock music
- folk (ethno) music
- children's music
- DJ performances

The concert halls and clubs presented in the tables represent the places where the music events were held during the first six months of the year 2004.

This paper will not cover the live shows in the restaurants and coffee bars in the center of Skopje, since they do not usually require tickets – the entrance is free and the prices are formed by a separate fee including refreshments.

### **Classical music**

Within the first six months of the year 2004 classical music concerts in the central Skopje region occurred in six concert halls traditionally used for this type of music. Table no.1 shows the halls and their capacity, the ticket prices and the average attendance:

concert halls	capacity	ticket prices	attendance
MNT Hall	750	100-400 denars	90%
Army Hall	570	200 denars	75%
Salon19,19/Culture and Art Centre	150	50 -100 denars	75%
City of Skopje Museum	80 -100	50-100 denars	75%
Faculty of Music Hall	150	free entrance	75%
Daut Pashin Amam	60 - 80	100-150 denars	75%

**table no. 1**

The data in table no.1 proves that the ticket prices in music halls which hold classical music performances have a standard nominal value and have great elasticity. This probably originates from the fact that these products are public goods exclusively financed by the budget and are strongly supported by federal and cultural policies. The festivals “Days of Macedonian Music” and “Skopje Summer” provide good examples – the attendance is low even though the entrance is free.

The only difference in the classical music performances is in the price for the demand of opera tickets. The price is inelastic – the rise of the ticket prices (such as the case with the May Opera Evenings) corresponds to the rise of the interest of the audience.

This state is caused by the three basic determinants of the **elasticity of the prices of the demand**: the existence of other goods and services, the value of the goods in terms of the consumer's budget and the decision-making time. The second category is most variable in the consumer's perception of the good, since the subject makes a decision according to his/her system of values.

Generally, the attendance of classical music concerts in the capital of Macedonia is low, even though on several instances, regardless of the price, two representative Halls – the Army Hall and the Universal Hall had sold out tickets (as was the case with our famous pianist Simon Trpcheski).

Let us not forget that from the average number of those attending a large percent constitutes the ones who regularly receive free tickets.

### **Pop-rock music**

Pop-rock music public shows and concerts in the central region of the city have the most localities for performing other genre music. Above all, this occurs because of the music genre which allows concert performances at inadequate places according to artistic criteria. As a matter of fact, the opposite is the case: the choice of place for the music performance is usually rationally planned by the organizer, who bears in mind the capacity and atmosphere of the performance location.

Table no.2 presents all the concert locations for the popular music performances within the first six months of the year 2004. Apart from pop music, this database includes other genres such as rock, jazz and blues concerts.

concert halls	capacity	ticket prices	attendance
City Stadium	16000	250 -300 denars	90%
Skopje Fair /Hall 1	7000	300 denars	60%
Skopje Fair /Hall 5	4000	300 denars	90%
SRC Kale	5000	750 denars	100%
Universal Hall	1200	100-1200 denars	75%
Box scene - Universal	200	100 - 300 denars	50%
Vega Club	500	350 - 400 denars	100%
Maracana Club	250	100 - 300 denars	75%
Vulcan Club	500	100 - 300 denars	90%
Youth Culture Center	250	free entrance	50%
Museum of Contemporary Art	150	100 denars	50%

**table no.2**

As presented above, when compared to the classical music ticket prices, the ticket prices for the popular music concerts are inelastic and higher in the nominal value. This can be asserted by the attendance of the public performances – the attendance rate is higher at the concerts of other genres even though the demand prices are also much higher. This happens because the concerts are usually organized by private management houses with a more developed marketing system. As opposed to the budget institutions which organize concerts, private agencies mostly value generating profit. The inelasticity of the demand prices is the result of the following:

- the private agencies understand the perception of the consumer of the good; what the good seems like in his/her system of values and how much s/he is willing to pay;
- the private agencies employ the technological development of the world music industries;
- the private agencies organize concerts with famous musicians from home and abroad.

### **Folk (Ethno) Music**

As opposed to pop music, folk music audiences are limited and grouped according to ethnic background.

The folk music festivals of a particular ethnic group have lately attracted a guaranteed audience.

This is proved by the public events and concerts of the folk genre occurring in the first six months of the current year. Table no.3 shows the halls where these events took place, their capacity, the ticket prices and the average attendance.

concert halls	capacity	ticket prices	attendance
MNT Hall	750	200 denars	80%
Universal Hall	1200	150 denars	90%
Box scene - Universal	200	100-200 denars	60%
Theater Center	350	100 denars	75%

**table no.3**

The exhibited information proves that the folk concert ticket prices are elastic.

Let us add that we seek economic logic in the information that these events referred to two festivals which feature performances by many singers and groups, and not single evening performances. Thus, the performers' costs decrease when it is known that they only perform one song or that their performance is in honor of the festival.

### **Children's music**

The first six months of the year noted few children's music concerts. Usually, the events take the form of organized festivals for children's songs where one concert sees several performances in the course of one day. Therefore, there is a great change in the supply which is realized by lower prices because of the guaranteed audiences, usually consisting of a large number of adults and their children.

concert halls	capacity	ticket prices	attendance
MNT Hall	750	100 denars	80%
Universal Hall	1200	100 denars	90%
Box scene - Universal	200	100 denars	80%

**table no.4**

The data in table no.4 proves that the ticket prices of children's concerts are elastic.

### **Techno parties**

Our database includes the DJ performances in the city clubs because we perceived them as creative live music performances.

Table no.5 presents the winter clubs where the DJ parties take place:

concert halls	capacity	ticket prices	attendance
Club Colosseum	600	250-400 denars	90%
Club Process	500	250-400 denars	90%
Club Element	500	250-400 denars	90%
Youth Cultural Center	500	200-350 denars	90%

**table no.5**

The data in the table proves that the ticket prices for the demand for DJ parties is inelastic.

It is evident that only in this case we see such a large and constant percentage of attendance. The difference lies in the fact that this is not a classic form of a concert, rather party and leisure for the young population. These events are also most frequent. The private clubs organize these events weekly, as festivals or as guest performances. The large attendance also occurs because the same groups of young people visit most of the clubs in the center of the city during one night. A large number of these visitors receive free entrances.

## **Conclusion**

- The ticket prices for all concerts and public music performances in the center of Skopje in the first six months of the year 2004 range from 50 to 1200 denars;
- The capacity of the halls of performance in the central city region ranges from 80 to 16000 visitors;

music genres	average value of the hall capacity in the number of visitors	average value of the average attendance
Serious(classical)music	405	78 %
Pop-rock music	3200	75 %
Folk (ethno) music	625	76 %
Children's music	710	83 %
DJ performances	525	90 %

**table no.6**

- Different genres note different elasticities for the price of demand;

music genres	average value for the ticket prices
Serious(classical) music	100 denaris
Pop-rock music	290 denars
Folk (ethno) music	150 denars
Children's music	100 denars
DJ performances	300 denars

**table no.7**

- The most inelastic ticket prices are those for popular concerts and DJ performances
- The most elastic ticket prices are those for classical and children's music concerts.

## Literature

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