



Casino Entertainment in 2021

by Kell Houston

During this incredibly unpredictable and unstable time for all of us, casino entertainment no longer at the top of very many lists. This raises many questions, some of which include:

When will casino entertainment return to anything close to what it was before COVID-19?

When the pandemic first started, everyone in the business was sure that by this fall, we would be back to doing live shows. Now, after moving dates, sometimes three, even four times, the live entertainment industry is in a new reality. Unless we have a working vaccine and expedited testing with instant results, entertainment will be severely restricted based on federal, state and tribal mandates. We are witnessing how major sports have been managing players with testing. But for the general public, getting tests with quick results, is still not readily available. Abbot recently projected it will soon be manufacturing 50 million nasal-swab rapid antigen tests at a cost of \$5, promising the delivery of accurate results within 15 minutes. That sounds promising. Testing is constantly improving, so instant tests could be here soon. Progress is being made with testing, but getting back to near normal where artists, concertgoers, and casino concert personnel all feel safe, is still a ways off.

What about casino entertainment budgets?

The impact this pandemic has had on the economy is substantial and the full scope probably won't be known for quite some time. Casino entertainment budgets have been impacted for sure. However, this also allows the opportunity to be more creative. There is much entertainment out there that gets overlooked. Casinos were always looking for big recognizable names. But with budget cuts, it's time to re-group. It's time to analyze your database and focus on your different demographics. Remember the old saying that goes something like this – 90% of your revenue tends to come from about 10% of your guests. In the gaming business, entertainment is the icing on the cake. It's one of a property's most distinguishing brands. Sure, it's exciting to bring someone like Pit Bull, Brad Paisely, Toby Kieth, Chicago and John Legend to your property. There is always a place for big name acts. However, generally speaking, this is probably a time to fill the monthly calendar with game shows, comedy shows, tribute shows and less expensive proven quality national acts.

One option that is being discussed regarding fees, is a promoter approach. This would be a situation where the

guarantee to the artist would be lowered, but there would be a bonus ladder put in place. For instance, let's say you have a 1,500 seat venue and your average ticket cost is \$50. That could produce a gross of \$75,000. Your artist guaranteed fee of \$50,000 gets lowered to \$30,000, with a \$10,000 bonus at 1,000 tickets sold and another \$10,000 bonus at a sellout. This is just one example to work from. One of the challenges with this approach is casino comps and a need for those to be negotiated.

This is a time to work on different approaches to concerts. The artists want to work and tribal properties need those shows to help drive business and brand in the market. Now is the time for creative win/win solutions.

What is the changing dynamic in the entertainment industry?

The entertainment business has been hit harder than any other industry. The major agencies have cut back anywhere from 50% to 75% of their agents and support staff. The major concert promoters like Live Nation, AEG, C3 and others, have severely cut back and laid off or furloughed large numbers of staff. Think about all of the infrastructure that goes into the tour industry: production companies, bus companies, merchandise companies, tour managers, road crews, etc. And don't forget about all of the artists out there that depend on touring and playing shows to survive. For most, it's their sole livelihood.

When tribal gaming first emerged in the 90s, it reinvented and brought back hundreds of older artists. These artists became the cornerstone for tribal casinos and their entertainment brands. Now many of these artists are just trying to survive financially.

The industry is become streamlined to an extent. Some companies just won't survive and some artists will not go back to touring. Live streaming concerts from home studios or empty concert halls seem to be on the rise, but whether that continues to grow or not, we cannot say. Maybe it will until this pandemic comes to an end and live in person concerts return. Keep in mind, the live experience cannot be replicated with streaming concerts. There is a pent-up demand that will just continue to grow for live shows.

How do we proceed going forward?

This is an opportunity to do a little reinventing. People are hungry to get out and return to some kind of normal. They want to go to shows, out to dinner, and to socialize. Casinos are the hub for entertainment today and need to get back to business.

It's like after 911, TSA made all of the changes to air travel, that seemed incredibly challenging at the time. However, today, it's what we are used to and we deal with it. Begin with small manageable shows with proper social distancing in place. This is also the time to try new ideas with less financial risk. Set your calendar for 2021 with holds for artists you either had in place for 2020 or were seriously looking to bring to your property. If your property has a reputation for concerts, strong lounge entertainment and special events, they are part of your culture.

Staggered seating, two shows at 50% capacity, an outdoor concert, etc., are all considerations until if/when we get back to normal. We are all dealing with this challenge together. Don't get left behind for 2021. Get you dates and your bookings in place with holds. You can always shift dates forward without penalty. Most importantly, you are on board with the artists you want going into 2021.

What are some of the legal issues involved with COVID-19?

How do you protect yourselves if you move forward and someone were to get sick and blame the venue for it?

What are some of the things you can do?

For the artists, put together a COVID-19 Addendum to be presented with the offer submission and signed before proceeding with a show. This should include a clause that states your criteria for canceling and rescheduling.

For the general public, tickets generally have terms and conditions language. Review that with your ticketing company, to see if you are protected. Also, make sure you have signage everywhere, as well as on the ticketing link on your web site, notifying people of your policies and procedures.

Casinos need to assure guests that the personnel working shows are all safe and healthy. Having precautionary measures in place, such as regular temperature checks, COVID-19 testing in advance, etc., are all active measures so artists and concertgoers know your staff is safe and healthy. Also, keep in mind there is no insurance that will indemnify for COVID-19. ♣

Kell Houston is owner of Houston Productions. He can be reached by calling (702) 254-0268 or email kell@houstonproductions.net.

Navigating your path

American Project Management
Project Management / Scheduling / Project Controls / Earned Value Management / Consulting

**NATIONAL INDIAN GAMING ASSOCIATION
ASSOCIATE MEMBER**

11700 W. Charleston Blvd, Suite 170-315, Las Vegas, Nevada 89135, Phone: 702.220.4562 Fax:702.220.9784 www.apmlasvegas.com