



Analysis of the Impact of the Entertainment Industry on the Local Economy: A Case Study of Celebrity Concerts

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Abstract. Nowadays, people pay more and more attention to concerts. It gradually becomes a form of entertainment and a significant part of consumption especially for young people. It can provide people with a channel for emotional release, especially after the pandemic. Meanwhile, with the development of entertainment culture, more and more singers have emerged, so the popularity of concerts is inevitable. However, the impact and significance of concerts on the economy is rarely discussed. Thus, this study will focus on the components of concerts and how concerts will bring more opportunities and economic growth locally. The study finds out that concerts can be really helpful in developing tourism and promoting other industries' growth such as transportation, dining, manufacturing and, accommodation. In the study, the data and stats for the economy aspect will be gathered and analyzed by using 2020 Hunan Satellite TV New Year's Eve Concert and Jay Chou 2024 China Tour as examples to illustrate.

Keywords: Concerts, Economy Impact, Tourism.

1 Introduction

People, especially teenagers, really enjoy concerts and it is an important component of their life. Besides, the income that artists earn from concerts is gradually surpassing the income they obtain from album sales. This means that artists are increasingly willing to hold concerts in different regions. Before the pandemic (in 2019), the global concert economy was approximately 25 to 30 billion US dollars (with an annual growth rate of 5% - 7%). During the pandemic (in 2020 - 2021), the global concert economy plummeted to approximately 6 billion US dollars (a decrease of 75%). After the pandemic (in 2022 - 2023), the global concert economy rebounded to over 30 billion US dollars (beyond the pre-pandemic level, with ticket prices increasing by 20% - 30%). It is undeniable that the concert boost economy development a lot after the end of covid-19. The total economic value of the concert accounted for a significant portion of all entertainment activities after the pandemic. Nevertheless, the potential of concert in promoting the local economy growth and carrying forward other industries' progress is heavily underestimated by either the government or individual. In this case, the study would discuss the economic elements of concert and impact of the concert on how it can improve the local economy but also facilitate tourism, accomodation, and transportation

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A. J. Moshayedi (ed.), *Proceedings of the 2025 International Conference on Hybrid Commerce, Human Capital, and Economic Dynamics (ICHCH 2025)*, Advances in Economics, Business and Management Research 374, https://doi.org/10.2991/978-2-38476-585-0_67

[1]. This research can, to a certain extent, make up for the positive impact of concerts on the economy. The research indicates that by increasing the government's emphasis on concerts, more events can be held locally, thereby attracting more tourists. Eventually, it will make the development of other industries as well. Particularly, this study will use 2020 Hunan Satellite TV New Year's Eve Concert as a case study to clearly estimate four economic impacts with specific data from holding a concert [2].

This article will mainly explore how concerts drive the progress of the local economy, tourism, accommodation and transportation industries, and promote the rapid development of surrounding areas as well as enhance cultural exchanges among them [3].

2 The Economic Elements of the Concert

How concerts influence economic development is important, but in order to figure it out, the component of a concert has to be completely understood in advance. The concert is not a simple and enjoyable activity. It means something significant to either government or local citizens.

2.1 Concert Ticket

It includes lots of aspects that impact on the flow of money but the first aspect that comes into people's minds is the ticket. Most of the concert tickets in the world are sold online. Nevertheless, some tickets are also reserved in advance by the artists and their teams as gifts to be given to their friends and relatives. Some tickets will be bought in advance by ticket scalpers, who then sell them at prices higher than the market rate to the super-fans of the artists who really want to watch the show but were unable to get tickets. In addition, during a live performance, a large number of paper tickets will be printed and sent by mail [4].

The pricing method for the concert tickets is another crucial aspect that is worth paying attention to. The ticket prices for the concert are determined based on combination of many factors (Table 1).

Table 1. Factors that affect the ticket price

Factors	Explanation
The overall situation of the concert market	A booming market allows higher prices due to strong demand, while a downturn may require discounts to attract buyers.
The total cost of the concert	Production, artist fees, venue rental, and logistics directly impact pricing—higher costs mean higher ticket prices to ensure profitability.
The popularity, market value, and influence of the artist	Top-tier artists (e.g., Taylor Swift, Beyoncé) can charge premium prices due to massive fan demand and brand power.

Table 1 continue

Factors	Explanation
The purchasing power of the audience	Pricing must align with what the target audience can afford
The seating capacity of the venue	Stadiums (larger capacity) can offer lower prices due to economies of scale, while arenas (smaller) need higher prices to cover costs.
The arrangement of the total number of concerts	More shows on a tour may reduce scarcity, leading to lower prices; fewer shows create exclusivity, justifying higher prices.
The comparison of ticket prices for the same type of artists	Pricing must stay competitive—if similar artists charge less, demand may drop.

2.2 The Peripheral Product

The second aspect is the related products of the concert. These products always play a role in attracting super fans to purchase. Besides, fans will also use these items to cheer for the artist and establish a closer connection with them [5]. When fans wear these related products, they can feel more immersed in the concert [5]. At the same time, the sale of these products is also a major source of income for the artist. Moreover, the sale of these products has also driven the development of other manufacturing industries.

3 The Impact on Economic Development

The economic components of the concert are an important aspect but understanding how these components drive economic development is significant as well. After the tickets and related products for the concert are sold out, they do not automatically become money. The project will involve extensive participation from professionals and entities across different industries, simultaneously stimulating progress and innovation in related sectors [6].

3.1 Ticket Stimulates Consumption

Concert tickets are closely related to the artists, fans and ticketing platforms. The artist gave all the tickets to the ticketing platform for sale and allowed the platform to make a certain profit from all the tickets sold or pay a portion of the money to the ticketing platform in advance. Fans, on the other hand, purchase concert tickets of the artists from the ticketing platforms. All questions from fans regarding ticket sales will be communicated and negotiated with the ticketing platform. Besides that, the concert ticket is scarce. People, especially young people, will rush to buy tickets on the website. Some people will buy tickets at a price much higher than the market price, while others will

spend money to buy tickets for them. Below is a data from Jay Chou’s China tour concert (Table 2):

Table 2. Jay Chou 2024 China Tour Ticket Sales Data (Estimated)

Ticketing Platforms	Ticket Price Tiers (2024 Estimated)	Sales Distribution		Revenue Split (Industry Standard)
		Damai: 60-70% (main channel)	Maoyan/Others: 20-30%	
		Fan Clubs: 5-10%		
Damai (dominant, official partner)	VIP Floor: ¥2000-3000RMB (~10% of tickets)	Damai: 60-70% (main channel)		Artist Team: 50-60% (Jay Chou + JVR Music)
Maoyan Shows (Tencent-backed, secondary partner)	Standard Floor: ¥1500-2000 RMB (~20%)	Maoyan/Others: 20-30%		Organizer: 20-30% (venue, logistics, marketing)
Pi-aoXingQiu/Funfan (niche platforms, limited slots).	Upper Tier (Close): ¥800-1200RMB (~30%)	Fan Clubs: 5-10%		Ticketing Platforms: 10-15% (fees +commission)
Fan Clubs: Exclusive pre-sales for verified fan groups.	Upper Tier (Far): ¥500-700 RMB (~40%, sells out fastest).	/		Misc: 5-10% (taxes, security, etc.)
Fan Clubs: Exclusive pre-sales for verified fan groups.	/	/		/

3.2 Tourism, Transportation, and Accommodation

Another aspect of concert is its influence in other aspects, such as transportation, accommodation and tourism. Regarding transportation, many fans often take high-speed trains or planes from different cities to watch the performances of their favorite artists, which has thus promoted the economic development of the transportation industry. Meanwhile, when a large number of fans from other regions come to the area where the artist holds a concert, they often have to deal with accommodation and meals. So, they need to spend money in advance to reserve hotels and spend a certain amount of money on meals or takeout. Besides, perhaps fans from other places will visit the local tourist attractions and buy some souvenirs. In conclusion, the concert has promoted the rapid economic development of the local area (Table 3).

Table 3. Jay Chou 2024 China Tour

Attendance	Hospitality	Food & Beverage	Economic Boost	Transportation
Expected total audience: 400,000 - 600,000	120 - 180% surge in hotel occupancy near venues	70% attendees dine locally	Direct ticket sales: ¥600M - 900M	Ride-hailing demand up 200 - 300%
85% from out of town	Average stay: 2 - 3 nights	Average spending: ¥300 - 500 per person	Ancillary revenue: ¥1.8B - 2.5B	Intercity travel rises 15 - 20%
			12,000 - 18,000 temporary jobs created	

3.3 Peripheral Products

In addition, peripheral products in concerts can also promote the economic development of multiple parties. First of all, multiple factories are needed to vigorously produce these peripheral products. Therefore, this has increased the demand for factories. Moreover, the transportation and traffic of these peripheral products also need to be taken into account, so the demand for transportation will also increase significantly. Finally, it is the most familiar part, the sale of peripheral products. Peripheral products are something very important in the hearts of fans. They tend to spend a lot of money on some peripheral products.

4 Case Analysis

Take the "2020 Hunan Satellite TV New Year's Eve Concert" as an example [7].

Hunan Satellite TV's 2020 New Year's Eve concert, with its extremely high viewership and online popularity, fully demonstrated its strong brand appeal and social influence. Data shows that the online viewership rate of the gala reached 1.43%, and the number of TV viewers exceeded 100 million [8].

It also sparked a phenomenon-level discussion on social media platforms, generating a total of 55 Weibo hot search topics with a total discussion volume of 11.95 billion times [8].

For Hainan Province, which is seeking development breakthroughs, such a top-level cultural and entertainment event is undoubtedly a rare opportunity. By providing policy preferences, venue support and infrastructure guarantees for the gala, Hainan can not only directly promote the growth of tourism consumption by leveraging the huge traffic of the concert, but also comprehensively enhance the tourism brand image of "Sunshine Hainan" through this platform, while strengthening the international reputation of Hainan as a modern coastal city. This in-depth cooperation will achieve a win-win situation for cultural dissemination and regional development.

Mega entertainment events like New Year's Eve concerts can simultaneously stimulate tourism consumption among local residents, business travelers, and tour groups, driving comprehensive economic growth. Such events not only add cultural value to traditional industries and enhance the competitiveness of creative sectors but also amplify the value of regional resources [2].

Coupled with Hainan's unique offshore duty-free policy, tourism spending further boosts retail consumption, optimizing the consumption structure—increased expenditure on transportation, accommodation, and dining synergizes with duty-free shopping, reinforcing the appeal of “tax-free shopping without leaving the country” and creating a virtuous cycle between tourism and duty-free economies [9]. Moreover, large-scale entertainment projects with mature fan economies generate significant social benefits: leveraging their brand power to elevate city image, expand tourism demand, and spur job creation. This fosters growth in ancillary industries (e.g., retail, logistics), alleviating fiscal pressure indirectly [10]. The tourism boom also incentivizes infrastructure upgrades and public service improvements, forming a positive feedback loop for both livelihoods and economic development.

5 Suggestions for the Future Concert Concept

Future concerts should embrace advanced technology to enhance the fan experience. Offering online options such as live streaming and VR (virtual reality) would allow fans worldwide to enjoy the show remotely. Additionally, selling digital tickets could help eliminate scalping while providing extra benefits like exclusive digital content or interactive features. To make concerts more accessible, ticket pricing should be dynamic, adjusting based on demand while keeping fairness in mind. Special discounts for students would help younger fans attend. Furthermore, instead of only touring major cities, artists should also perform in smaller towns, giving more fans the chance to experience live shows. Sustainability should be a key focus in future concerts. Using clean energy sources (such as solar or wind power) for stage setups and equipment would reduce environmental impact. Waste can be minimized by replacing disposable items with reusable alternatives (e.g., cups) and adopting digital solutions like e-tickets instead of paper ones. Collaborations for a Complete Fan Experience Concert organizers should partner with hotels, airlines, and local businesses to create bundled travel packages, making it easier for fans to attend. Additionally, offering exclusive merchandise and special food options at the venue would enhance the overall experience. To ensure maximum fan satisfaction, organizers should analyze data from apps and social media to understand preferences. This could include tailoring setlists, interactive fan engagements, or surprise guest appearances, making each concert unique and memorable.

6 Conclusion

This study takes the 2020 New Year Concert in Hunan Province and Jay Chou 2024 China Tour as examples to explore the positive impact of the concert on promoting

local economic growth. The concert tickets are an important component in promoting the local economic growth. People, especially young people, will spend a large amount of money to purchase tickets. At the same time, the sale of tickets also led to the emergence of ticket-selling websites and other industries such as scalpers. The second point is about the merchandise related to the concert. For instance, glow sticks and other products related to artists have also promoted the development of other industries. These products all require certain manufacturers to go through specific manufacturing processes for production. After that, there is also the process of transportation and sales following production. This will also benefit many industries. The final point is that the concert also brought about certain economic growth for the catering industry, accommodation industry, and tourism industry.

This article, due to the lack of certain practical cases, has limited the research results to the Hainan region only. However, it still to some extent demonstrates the positive impact of the concert on the local economy. The results of this study have filled the gap in the research on how concerts promote economic development.

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