

# Structuring Headliner Deals for Concerts, Festivals & Live Events

*A Practical Guide to Artist Deal Structures, Percentage Deals, Radius Clauses, and Multi-Headliner Negotiations for Independent Promoters*

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## Executive Summary

Artist deal negotiations determine the financial outcome of every concert, fair, and festival. Not ticket prices, not attendance projections, not sponsorship optimism. The structure of an artist contract establishes who bears risk, who participates in upside, and what happens at settlement when the numbers come in differently than expected. Most event financial failures are not marketing failures or weather failures. They are deal structure failures.

This guide covers the five core deal structures used in the live entertainment industry: flat guarantees, straight percentage (door) deals, guarantee versus percentage of gross (the NBOR or versus deal), guarantee-versus-percentage threshold arrangements, and backend profitability kickers. It also covers radius clauses, most-favored-nations provisions, the specific complications introduced by multi-headliner festivals, and closes with the five deal mistakes that most commonly bankrupt events.

## Who This Guide Is For

Independent promoters, festival operators, county and state fair managers, venue buyers, and event producers who negotiate artist contracts without the institutional knowledge of a major agency or national promoter. The guide assumes you are working without in-house legal counsel on every deal and that a single contract mistake has material financial consequences for your event.

## The Most Important Things to Know Before Reading Further

First: most festival and fair headliner deals are flat guarantees. The assumption that festivals commonly use percentage deals is incorrect and will lead you into negotiations structured around a framework agents do not expect or accept.

Second: at ticketed concerts in rented venues, the promoter typically keeps only ticket revenue. Bar, concessions, parking, and merchandise splits stay with the venue. Any deal structure that depends on ancillary revenue to be viable must first confirm in writing that those revenue streams actually accrue to you.

Third: the guarantee and the threshold in a threshold deal are separate numbers. Confusing them is the most common single-deal mistake that turns a manageable loss into an unrecoverable one.

Artist deal negotiations are where live event economics are won or lost. Whether you are producing a single-night ticketed concert at a 1,500-seat theater or a three-day outdoor festival with 15,000 attendees per day, the structure of an artist contract determines how revenue is shared, who bears financial risk, and whether your event can be profitable across a range of attendance scenarios.

This guide covers the full spectrum of deal structures used in the live entertainment industry today: flat guarantees, straight percentage deals, guarantee versus percentage of gross (NBOR), guarantee-versus-percentage threshold arrangements, and backend profitability kickers. It addresses both single-artist ticketed concerts and the additional complexity introduced by multi-headliner festivals. It is written for independent promoters, festival operators, fair and venue managers, and event producers who need to understand not just what these structures are, but how they function in practice and when each is appropriate.

## Part One: The Five Core Deal Structures

Every artist deal, regardless of event type, venue size, or artist stature, is a variation of five fundamental structures. Understanding each structure's mechanics, risk profile, and appropriate use cases is the foundation of competent deal-making.

### Structure 1: The Flat Guarantee

The flat guarantee is the simplest and most common deal structure at all levels of the live entertainment industry. The artist receives a fixed fee regardless of ticket sales, attendance, or event profitability. You pay the same amount whether the event sells out or plays to half a house.

The flat guarantee concentrates all financial risk on the promoter. If ticket sales underperform, you absorb the full loss. If the event overperforms dramatically, the artist receives no additional compensation beyond their agreed fee. From the artist's perspective, this provides certainty. From the promoter's perspective, it provides simplicity and predictability in budgeting, at the cost of bearing all downside risk.

#### When Flat Guarantees Work Best

Flat guarantees are the dominant structure at festivals and fairs, where the lineup as a whole, not any single artist, sells tickets. They are also standard for mid-tier and supporting acts on tours and for any event format where the promoter cannot or does not want to share ticket upside. For true headliners at ticketed concerts where the artist is the

primary driver of sales, a flat guarantee can expose you to significant overpayment relative to event performance, which is why the versus/NBOR structure exists.

## Structure 2: The Straight Percentage Deal

The straight percentage deal, sometimes called a door deal, pays the artist a defined percentage of gross or net ticket revenue from the first dollar collected. There is no threshold to clear, no protected zone of revenue the promoter retains before the artist's participation begins. The artist receives their percentage of every ticket sold.

This structure is most commonly used at the club and theater level for developing artists, and at separately-ticketed standalone concerts where the promoter has confidence in the artist's draw. Heritage country acts, classic rock touring artists, and nostalgia-circuit performers sometimes negotiate straight percentage deals for separately-ticketed shows where they have documented, measurable demand. It is not standard practice at festivals or fairs, where flat guarantees dominate.

### Typical Percentage Ranges by Venue Type

Straight percentage rates vary by venue type, artist stature, and market conditions. The ranges below reflect current industry practice for established headliners, not opening acts and not artists still building their audience:

#### Artist Share Ranges by Venue Type (Established Headliners)

Club (under 500 cap)	70-85% of net
Theater (1,000-3,000)	80-92% of net
Amphitheater / Shed	85-90% of net or gross depending on deal
Arena	90-95% of net
Festival / Fair	Usually flat guarantee – see below

These ranges reflect what the artist receives from ticket revenue only. At club and theater scale, the venue needs to retain a larger share of ticket revenue because bar and concession income at 200 to 3,000 capacity is not enough to cover operating costs and generate a profit on its own. The ticket split is not optional income for the venue — it is a necessary part of the financial model. That is why artists at club and theater scale receive a lower percentage.

At arena scale, ancillary revenue from parking, concessions, premium seating, and sponsorship is substantial enough that the building can afford to surrender most of the ticket gross to the artist. The promoter retains 5-10% of a very large number and the building makes its money elsewhere. That is why arena artists command 90-95% of net box office.

For casino and corporate engagements, straight percentage deals are uncommon. The venue or client pays a flat guarantee that factors in their ability to monetize the audience through gaming revenue, food and beverage, or brand value. The ticket P&L is not the point.

### **The Straight Percentage Math Problem**

On an 85% straight percentage deal at a separately-ticketed outdoor concert with 5,000 tickets at \$50 each, the gross is \$250,000 and the artist takes \$212,500. You retain \$37,500 from tickets to cover all production, staffing, marketing, insurance, and venue costs. For a promoter with no ancillary revenue, which describes most rented-venue concert situations, this is a difficult number to make work. Straight percentage deals are most viable when the promoter has confirmed, contracted ancillary revenue streams that cover overhead independently of ticket receipts.

### **Defining "Gross" vs. "Net" in Percentage Deals**

The definition of the revenue base to which the percentage applies is one of the most consequential terms in any percentage deal. Artist management teams will push for the broadest possible definition of gross. You need to negotiate for net after legitimate deductions.

On a \$250,000 gross event, the difference between gross and net can be \$30,000 to \$50,000. Ticketing platform fees (commonly 10 to 15 percent of face value), credit card processing costs (typically 2 to 3 percent), applicable taxes, and face value of complimentary tickets should all be deducted before the percentage applies. Specifying "net ticket revenue" and defining its components precisely in the contract language is not a minor administrative matter. It is a material financial term.

### **Why the Fair Circuit Uses Flat Guarantees**

County and state fairs are one of the clearest examples of why flat guarantees dominate event bookings. The typical fair model includes gate-inclusive concerts. The concert is part of the admission price, not a separately-ticketed event. There is no box office to settle against, no per-ticket revenue to calculate a percentage from, and no clean way to attribute gate revenue to any specific act on a multi-day lineup. A straight percentage deal in this context has nothing to measure against.

Even at fairs that do sell separately-ticketed concerts, the flat guarantee remains the standard. Fair managers are working from annual budgets with fixed entertainment line items. Artists and agents who understand the fair circuit expect guarantees, not percentage participation. The imputed value disputes that arise when promoters try to construct percentage deals around gate-inclusive admissions are a well-known source of friction, which is why experienced fair buyers and agents both prefer the simplicity of a negotiated flat fee.

### Structure 3: Guarantee Versus Percentage of Net Box Office (NBOR)

The guarantee versus percentage of net box office deal, also written as "versus" or "vs." in deal memos, and formally known as a NBOR (Net Box Office Receipts) deal, is the most common deal structure in modern touring. It is the standard arrangement for established headliners playing mid-size to large venues across the club, theater, amphitheater, and arena circuit.

In this structure, the artist receives the greater of two figures: a guaranteed floor or a percentage of net ticket revenue, calculated from the first ticket sold. There is no threshold above which the percentage kicks in. The percentage applies to the entire net box office. If the percentage of net exceeds the guarantee, the artist receives the percentage figure. If ticket sales underperform and the percentage falls below the guarantee, the artist receives the guarantee. You pay whichever is higher.

A typical versus deal reads: "\$80,000 versus 85% of NBOR, whichever is greater." NBOR, or Net Box Office Receipts, is gross ticket revenue less defined deductions: sales tax, ticketing platform fees, credit card processing costs, per-ticket facility fees, and the face value of complimentary tickets. These deductions must be specified in the contract. The same definitions that apply to a straight percentage deal apply here. Unlike the straight percentage deal, the guarantee in a versus arrangement provides the artist with a meaningful floor while still giving them full participation in net revenue from the first ticket sold.

**How the Versus / NBOR Deal Works — Three Scenarios**

Deal terms: \$80,000 guarantee vs. 85% of NBOR  
Assumed NBOR = gross tickets less 8% sales tax

Scenario A — Underperformance

Gross ticket revenue:	\$70,000	
NBOR (less 8% tax):	\$64,400	
85% of NBOR:	\$54,740	(less than guarantee)
Artist receives:	\$80,000	(guarantee floor applies)
Promoter shortfall:	\$80,000 paid vs \$64,400 collected = -\$15,600 on tickets	

Scenario B — Break-Even

Gross ticket revenue:	\$111,000	
NBOR (less 8% tax):	\$102,120	
85% of NBOR:	\$86,800	(exceeds guarantee)
Artist receives:	\$86,800	(percentage applies)
Promoter retains:	\$102,120 - \$86,800 = \$15,320 from tickets	

Scenario C — Sellout

Gross ticket revenue:	\$200,000	
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NBOR (less 8% tax):	\$184,000
85% of NBOR:	\$156,400 (well above guarantee)
Artist receives:	\$156,400
Promoter retains:	\$27,600 from tickets

The versus deal's key distinction from both the straight percentage deal and the threshold deal is that it combines a meaningful guarantee floor with full net box office participation from the first ticket sold. The artist is protected on the downside by the guarantee and participates fully on the upside from dollar one, not just above a threshold. For the promoter, the guarantee floor is the maximum exposure in underperformance scenarios, while the 15% retained on net represents the ticket revenue contribution to covering event costs in all scenarios.

### Why This Is the Modern Touring Standard

The versus/NBOR structure became the dominant deal format in modern touring because it fairly distributes both risk and reward. The artist accepts a guarantee that is meaningful but typically below what a full sellout would generate at their percentage rate. They are betting on their own draw. The promoter accepts the guarantee as their maximum ticket-side exposure while retaining a defined margin on net box office. Both parties' interests align toward a well-promoted, well-attended show. For mid-size to large venues on tour routing, this structure is so standard that agents will often present it as non-negotiable in the initial offer.

### NBOR vs. GBOR: The Definition Matters

Deal memos and contracts use both NBOR (Net Box Office Receipts) and GBOR (Gross Box Office Receipts) as the revenue base for percentage calculations, and the distinction is financially significant. GBOR is the total face value of all tickets sold with no deductions. NBOR deducts sales tax and, in many deals, per-ticket facility fees before the percentage is applied.

On a \$200,000 gross event in a market with 8% sales tax and \$2 per-ticket facility fees on 4,000 tickets, the difference between GBOR and NBOR is \$24,000. At 85%, that difference represents \$20,400. That is real money that belongs either to the artist or the promoter depending on which definition governs. Always specify NBOR or GBOR explicitly in the deal memo and contract, define what deductions apply, and do not assume that a standard industry definition will govern in any specific market or venue context.

### The Split Point

The split point is the level of gross ticket revenue at which the percentage of gross equals the guarantee. It is the exact point where the deal flips from the artist receiving the guarantee to the artist receiving the percentage. Knowing the split point before

signing tells you the attendance threshold your event must reach before the artist's compensation begins to scale above the guarantee.

To calculate the split point: divide the guarantee by the percentage rate. On an \$80,000 guarantee at 85% of NBOR (after 8% tax), the split point is approximately \$102,000 in NBOR, or roughly \$111,000 in gross ticket revenue. If your event is expected to generate more than \$111,000 in gross tickets, the artist will earn above the guarantee. If you expect less, the guarantee governs. Understanding this number before signing is essential for modeling your true cost exposure across attendance scenarios.

## Structure 4: Guarantee Plus Percentage Above Threshold

The guarantee plus percentage threshold deal is the structure that best aligns incentives between promoter and artist, and it is the most commonly used structure for headline talent at independent ticketed concerts and festivals where the promoter bears meaningful financial risk.

In this structure, the artist receives a guaranteed floor. If ticket revenue exceeds the defined threshold, the artist also receives a percentage of every dollar above that threshold on top of the guarantee. A typical deal reads: "\$75,000 guarantee plus 85% of net ticket revenue above \$120,000." Below the threshold, the artist receives the guarantee only. Above it, the percentage adds to the guarantee. It does not replace it.

### How the Threshold Deal Works — Three Scenarios

#### Scenario A — Underperformance

Net ticket revenue: \$95,000  
Threshold: \$120,000 (not reached)  
Artist receives: \$75,000 (guarantee floor)  
Promoter retains: \$95,000 tickets - \$75,000 paid = \$20,000 from tickets

#### Scenario B — At Threshold

Net ticket revenue: \$120,000  
85% of \$0 above threshold: \$0  
Artist receives: \$75,000 (guarantee floor)  
Promoter retains: \$45,000 from tickets

#### Scenario C — Overperformance

Net ticket revenue: \$200,000  
85% of \$80,000 above threshold = \$68,000  
\$68,000 + guarantee basis = \$143,000 (exceeds \$75,000 floor)  
Artist receives: \$143,000  
Promoter retains: \$57,000 from tickets

This structure protects the promoter in underperformance scenarios and the artist with a guaranteed minimum. Setting the threshold correctly is the critical negotiation act. It should be set at or near your break-even point.

### The Threshold Is Not the Guarantee

A common mistake is conflating the guarantee amount with the threshold level. These are independent variables. The guarantee is what the artist receives if ticket revenue never reaches the threshold. The threshold is the level of ticket revenue above which the artist's percentage participation begins. You can have a \$75,000 guarantee with a \$150,000 threshold. That means the artist receives \$75,000 for anything under \$150,000, and begins earning more only above it. Setting these two numbers independently, based on your actual event economics, is essential.

### Real-World Settlement Example: \$200,000 Guarantee Plus 90% of Net Above \$300,000

The following example models a realistic mid-to-large market headliner deal across five settlement outcomes. Deal terms: \$200,000 guarantee plus 90% of net box office receipts above \$300,000. Net is defined as gross ticket revenue less 8% sales tax and \$3 per-ticket facility fee. Venue capacity: 8,000. Average ticket price: \$65.

#### Deal Terms Reference

Guarantee:	\$200,000
Percentage:	90% of net above \$300,000 threshold
Net defined as:	Gross tickets less 8% sales tax and \$3/ticket facility fee
Venue capacity:	8,000   Avg. ticket price: \$65
Sellout gross:	\$520,000

#### Scenario 1 — Weak Sales: 3,000 tickets sold

Gross ticket revenue:	$3,000 \times \$65 = \$195,000$
Less sales tax (8%):	$-\$15,600$
Less facility fees:	$-\$9,000 \quad (3,000 \times \$3)$
Net box office:	$\$170,400$
Threshold reached?	No $(\$170,400 < \$300,000)$
90% above threshold:	$\$0$
Artist receives:	$\$200,000$ (guarantee governs)
Promoter net from tickets:	$\$170,400 - \$200,000 = -\$29,600$
▶ Promoter is underwater on tickets before any other event costs.	

### Scenario 2 — Below Threshold: 4,500 tickets sold

Gross ticket revenue:  $4,500 \times \$65 = \$292,500$   
Less sales tax (8%):  $-\$23,400$   
Less facility fees:  $-\$13,500$  ( $4,500 \times \$3$ )  
Net box office:  $\$255,600$   
Threshold reached? No ( $\$255,600 < \$300,000$ )  
90% above threshold:  $\$0$

Artist receives:  $\$200,000$  (guarantee governs)  
Promoter net from tickets:  $\$255,600 - \$200,000 = \$55,600$

► Guarantee governs. Promoter retains  $\$55,600$  from tickets to apply to costs.

### Scenario 3 — At Threshold: ~4,870 tickets sold

Gross ticket revenue:  $\sim\$316,550$   
Less sales tax (8%):  $-\$25,324$   
Less facility fees:  $-\$14,610$  ( $4,870 \times \$3$ )  
Net box office:  $\sim\$276,616$  (just below threshold)

Note: Full threshold of  $\$300,000$  net requires approx. 5,100 tickets  
At exactly  $\$300,000$  net: 90% of  $\$0$  above threshold =  $\$0$

Artist receives:  $\$200,000$  (guarantee governs at threshold)  
Promoter net from tickets:  $\$300,000 - \$200,000 = \$100,000$

► Split point: threshold crossed at  $\sim 5,100$  tickets sold.

### Scenario 4 — Good Night: 6,500 tickets sold

Gross ticket revenue:  $6,500 \times \$65 = \$422,500$   
Less sales tax (8%):  $-\$33,800$   
Less facility fees:  $-\$19,500$  ( $6,500 \times \$3$ )  
Net box office:  $\$369,200$   
Above threshold:  $\$369,200 - \$300,000 = \$69,200$   
90% of  $\$69,200$ :  $\$62,280$

Artist receives:  $\$200,000 + \$62,280 = \$262,280$   
Promoter net from tickets:  $\$369,200 - \$262,280 = \$106,920$

► Artist earns above guarantee. Promoter retains  $\sim 29\%$  of net.

### Scenario 5 — Sellout: 8,000 tickets sold

Gross ticket revenue:	$8,000 \times \$65 = \$520,000$
Less sales tax (8%):	$-\$41,600$
Less facility fees:	$-\$24,000 \quad (8,000 \times \$3)$
Net box office:	$\$454,400$
Above threshold:	$\$454,400 - \$300,000 = \$154,400$
90% of \$154,400:	$\$138,960$
Artist receives:	$\$200,000 + \$138,960 = \$338,960$
Promoter net from tickets:	$\$454,400 - \$338,960 = \$115,440$

► Sellout. Artist earns 70% above guarantee. Promoter retains ~25% of net.

### What These Numbers Tell You

The guarantee of \$200,000 governs in Scenarios 1 through 3, covering nearly 64% of venue capacity. You carry full artist cost risk until you cross roughly 5,100 tickets sold. At sellout, the artist earns \$338,960 on a \$200,000 guarantee. Your \$115,440 retained from tickets at sellout must cover venue rental, production, marketing, ticketing platform fees, staffing, insurance, and any profit. On a venue of this size, those costs will typically run \$150,000 to \$250,000. This is why sellout alone does not guarantee promoter profitability on a deal structured this way, and why pre-show cost modeling is not optional.

## Structure 5: Backend Profitability Kickers

A backend kicker adds participation in overall event profitability to any base structure. A typical kicker reads: "Plus 10% of net festival profits above \$300,000." Backend kickers work best as a tool for securing desirable talent slightly out of your flat guarantee budget. You offer a lower guarantee with a kicker that could bring total compensation to market rate if the event succeeds.

The significant complication is that "net event profits" requires a definition that management teams will scrutinize intensely. Define every cost category explicitly: production, artist fees, marketing, insurance, permits, site costs, staffing. Negotiate this definition as carefully as any other financial term in the contract.

### Need Help Structuring Your Artist Deals?

TSE Entertainment has 50 years of experience negotiating artist contracts across festivals, fairs, ticketed concerts, and corporate events. We understand every deal structure; flat guarantees, straight percentage deals, threshold arrangements, and backend kickers, and how to protect your investment in each. Let us help you build the right deal for your event.

## Part Two: Applying Deal Structures by Event Type

The appropriate deal structure varies significantly depending on event format, venue type, audience capacity, and the role ticket revenue plays in overall event economics. What works for a 500-seat club show is structurally different from what works for a 10,000-capacity outdoor festival, even if the artist fee is similar.

### Ticketed Club and Theater Concerts

At club and theater scale, typically 200 to 3,000 seats, the critical point that many promoters discover too late is this: in most ticketed concert arrangements, the venue keeps all bar and concession revenue. The promoter's only revenue is tickets. This is the opposite of the festival and fair model, and it has a direct bearing on what deal structure makes sense.

Because the promoter has no ancillary revenue to fall back on, the percentage the artist receives must leave enough margin from tickets alone to cover venue rental, production, marketing, ticketing fees, and any profit. This is why straight percentage deals at club and theater scale, while possible, are tight and require realistic modeling. A club promoter keeping 15% of net on a sold-out 400-cap room at \$15 a head is netting \$900 from tickets before expenses. The versus/NBOR structure is far more common at theater scale precisely because it caps the promoter's maximum artist cost while still rewarding the artist on a good night.

For touring artists building an audience at club scale, flat guarantees are standard and expected. For established artists playing theater scale, the versus/NBOR structure, a guarantee against 85-90% of net, is the norm. An artist filling a 2,500-seat theater at \$45 average ticket price generates \$112,500 in gross. A versus deal at \$60,000 vs. 85% of NBOR sets a clear ceiling on the promoter's exposure while giving the artist full participation if the show overperforms.

### Who Keeps the Bar, and Why It Changes Everything

The single most important question to answer before agreeing to any percentage deal at a ticketed concert is: who keeps the bar, concession, parking, and merchandise revenue? In most cases at rented venues, the answer is the venue. The promoter gets tickets and nothing else.

A venue operating as its own promoter, booking artists directly and keeping all revenue streams, can afford to offer higher artist percentages because their total event revenue includes bar and concessions. An independent promoter renting the same building is working from a much narrower base. The deal structures that appear to work in published examples often assume the promoter has access to ancillary revenue that, in

a standard venue rental arrangement, they do not. Always confirm revenue scope in writing before modeling deal economics.

## **Outdoor Amphitheaters and Shed Venues**

Outdoor amphitheaters, or "shed" venues seating 5,000 to 20,000 with a mix of reserved seating and lawn, represent one of the highest-risk, highest-reward segments of the live concert market. Production costs are substantial, weather risk is real, and the capacity range means a poorly sold show can be financially devastating.

At shed scale, guarantee-versus-percentage threshold deals are standard for headline acts because the financial stakes justify the complexity. Straight percentage deals require that the promoter's ancillary revenue model be robust enough to cover production costs independently of ticket revenue. The threshold in a shed deal is typically set at or near break-even, which at a 10,000-capacity venue with full production can easily be \$300,000 to \$500,000 in net ticket revenue.

## **County and State Fairs**

County and state fairs are almost exclusively flat guarantee events. This is not a negotiating preference. It is a structural reality. The majority of fair concerts are gate-inclusive: the concert is part of what the ticket to the fair covers. There is no separate concert box office, no per-ticket revenue stream to calculate a percentage against, and no mechanism for attributing gate receipts to any individual performer on a multi-day, multi-act lineup. Straight percentage deals do not work in this model because there is nothing to measure them against.

For the small subset of fairs that sell separately-ticketed concerts, flat guarantees remain the norm. Fair entertainment buyers operate from annual budgets with fixed talent line items. Agents who work the fair circuit regularly expect flat guarantees and price accordingly. Attempting to negotiate a percentage deal at a fair, even a separately-ticketed one, will typically be met with confusion or resistance from the artist's team, because it is not how the circuit operates.

## **Independent Music Festivals**

The most important thing to understand about festival deal structures is also the most frequently misrepresented: the overwhelming majority of festival artist deals, including most headliner deals, are flat guarantees. Agents understand this. The festival model makes percentage deals structurally problematic because ticket revenue cannot be cleanly attributed to any single artist when a multi-day, multi-act lineup is the product being sold. Experienced agents push for guarantees at festivals rather than gamble on a percentage of revenue they cannot verify or audit.

Percentage deals at festivals are the exception, not the rule. When they do occur, they are typically reserved for an anchor headliner in a single-headliner or day-headliner format where attendance correlation to that specific artist is clear and verifiable, such as

a single-night ticketed show headlined by one act with a supporting lineup, rather than a true multi-artist festival.

### **The Attribution Problem: Why Flat Guarantees Dominate Festivals**

The attribution problem is the core reason flat guarantees are standard at festivals. When two or more headliners share a bill, and when weekend pass buyers purchased based on the full lineup rather than any individual act, there is no defensible methodology for calculating what percentage of ticket revenue any single artist generated. Agents know this. They prefer the certainty of a negotiated guarantee over a percentage of a number they cannot audit or validate.

Percentage deals do still appear in festival contracts in specific circumstances: a single anchor headliner at a boutique event with a clearly subordinate supporting bill; a heritage act with documented, measurable draw in a defined market; or a situation where the festival has negotiated a backend kicker on top of a base guarantee rather than a true percentage deal. In all of these cases, the deal structure is constructed to solve the attribution problem before it becomes a dispute.

### **Weekend Pass Allocation**

Multi-day festivals that sell weekend passes face an accounting challenge in any day-specific deal structure: weekend pass revenue cannot be attributed to any single day without a methodology that all parties agree to in advance. Three approaches are used in practice: equal thirds (simple but ignores draw differences), the day-ticket ratio method (proportional to single-day sales), and the fixed pre-agreed allocation (percentage splits locked in the contract before signing). For most independent festivals, fixed allocation eliminates post-event accounting disputes and should be specified in every headliner contract.

#### **Need Help Structuring Your Artist Deals?**

TSE Entertainment has 50 years of experience negotiating artist contracts across festivals, fairs, ticketed concerts, and corporate events. We understand every deal structure — flat guarantees, straight percentage deals, threshold arrangements, and backend kickers — and how to protect your investment in each. Let us help you build the right deal for your event.

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## **Part Three: Radius Clauses**

### **Purpose and Standard Terms**

A radius clause prohibits an artist from performing within a defined geographic distance of your event for a defined period before and after your date. Its purpose is to protect your ticket sales from competition with the artist's own nearby performances.

Typical radius windows vary by event type. For club engagements, 30 to 60 days before the show is standard, with a shorter or equal window after. For festivals, 60 to 90 days before is typical, with 30 to 60 days after. A 90-day window on both sides does appear in contracts but represents the aggressive end of what promoters and festivals will request. Artist management will push back on long windows because every day of radius restricts the artist's ability to play nearby dates and earn income. After-show windows are an easier negotiation since the promoter's ticket sales risk has passed once the event is over.

### **Duration Matters More Than You Think**

A 90-day before and after radius clause from a mid-July festival covers April through October, essentially the entire outdoor event season in most US markets. Even a 60-day before window covers mid-May through mid-July. Before signing any headliner with a broad radius requirement, audit what other festivals, fairs, amphitheater shows, and outdoor concerts are scheduled within your window. Conflicts you discover after signing create either a contract breach or a costly buyout negotiation. Discover them before signing.

## **Geographic Radius Standards**

The geographic radius in standard headliner contracts typically runs 75 to 150 miles, with 100 miles being a common midpoint for regional festivals and outdoor concerts. For club and theater tours, radius provisions of 50 to 75 miles are more common. Define the radius from a specific, unambiguous geographic point, typically the event venue address or the nearest major city center, and specify whether it is calculated as straight-line or driving distance. Straight-line is more common because it is verifiable without dispute.

## **Radius Clauses in Multi-Headliner Events**

A three-day festival with three equal-billed headliners, each carrying a 60 to 90-day, 100-mile radius clause, can create a combined exclusivity window covering most or all of the outdoor season within your market, depending on what each artist's team negotiates. Analyze conflicts before signing the first artist. Negotiate radius carve-outs for specific venues or events you know will operate in your market during the window. A carve-out might read: "Excluding performances at [Venue Name] in [City]."

## **Part Four: Most-Favored-Nations and Multi-Headliner Deal Management**

### **MFN Provisions**

A Most-Favored-Nations clause, commonly abbreviated as MFN, states that if you pay any other headliner on the same bill more than you are paying the artist who holds the MFN clause, you owe that artist the difference automatically, without renegotiation. MFN provisions are standard in headliner contracts and experienced management teams will almost always request them.

MFN risk is primarily a sequencing problem. Negotiate all headliners before signing any of them, or at minimum fully understand each artist's market rate before committing to the first deal. Negotiate the scope of MFN clauses to cover cash performance guarantee only, explicitly excluding production riders, hotel, travel, hospitality, and any other non-cash compensation.

### **Confidentiality Provisions**

Confidentiality clauses are the essential companion to MFN provisions. Every headliner contract should include a mutual confidentiality clause prohibiting either party from disclosing the financial terms of the agreement to other artists, management teams, or agencies.

### **Equal Billing and Its Financial Consequences**

When multiple headliners contractually require equal billing, every management team will use the equal billing clause as leverage to demand equal or MFN-equivalent financial treatment. The day-anchor framework resolves this most cleanly: each headliner is designated the unambiguous headliner of their specific day, with equal billing maintained across all festival-wide materials. Specify this framework explicitly in the contract language.

## **Part Five: The Negotiation Sequence**

### **Before You Negotiate Anything**

Model your event economics before approaching any artist or agency. Understand your break-even point because that number determines where to set thresholds in percentage deals. Know what percentage of your revenue model comes from tickets versus ancillary sources, because that ratio determines how much ticket revenue you can afford to share. Research each headliner's current market rate independently before making any offer.

## The Sequence

1. Negotiate all headliners simultaneously or in rapid succession before signing any of them. Parallel negotiations prevent the sequential MFN escalation that inflates total talent costs.
2. Establish event-wide rider policy before any individual rider negotiation. Present hard caps as non-negotiable policy, not a starting position.
3. Define the revenue base, gross vs. net and the specific deductions that apply, before agreeing on any percentage figure. The percentage means nothing without a defined base.
4. For multi-day events, define the weekend pass allocation methodology and include it in every headliner contract before anyone signs.
5. Negotiate MFN scope to cover cash guarantee only, explicitly excluding all non-cash compensation.
6. Include confidentiality clauses in every headliner contract, mutual and specific in scope.
7. Check radius clause conflicts before signing: each headliner's existing commitments, your own competing events in the market, and overlaps between your headliners' radius windows.
8. Do not announce publicly until all major deals are signed. Public announcements create pressure to add acts at escalating rates and trigger upgrade demands from already-signed artists.
9. For any percentage deal, establish clean box office accounting procedures before the event. Every artist holding a percentage clause will expect a settlement statement, and some will request an audit.

## Part Six: Five Artist Deal Mistakes That Bankrupt Events

Every mistake below is preventable. Each one appears regularly in failed event post-mortems, and each has ended events, strained agency relationships, and in some cases ended organizations. Read these before you negotiate your next deal and before you sign anything.

### **Mistake #1 — Confusing the Guarantee with the Threshold**

Many promoters treat the guarantee and the threshold as the same number, setting both at their break-even point and assuming they are protected below it. They are separate variables that must be set independently.

The guarantee is the artist's floor, meaning what you owe them if ticket revenue never reaches threshold. The threshold is the ticket revenue level above which the artist's percentage participation begins. A \$75,000 guarantee with a \$75,000 threshold means the artist starts earning above their guarantee from the first ticket sold above that level. A \$75,000 guarantee with a \$150,000 threshold means you pay \$75,000 for anything under \$150,000, and the artist only earns more once you have recovered your costs.

**Fix: Set the threshold at your event break-even, independent of the guarantee amount. Model both numbers separately before any negotiation begins.**

### **Mistake #2 — Failing to Define "Net Ticket Revenue"**

A deal memo that reads "85% of net" without defining what net means is not a deal. It is a dispute deferred to settlement night. The deductions that separate gross from net are negotiable, and artist management teams will interpret undefined terms in the artist's favor.

On a \$250,000 gross event, the difference between gross and a properly-defined net, after ticketing platform fees (10-15%), credit card processing (2-3%), sales tax, and complimentary ticket face value, can easily be \$35,000 to \$50,000. At 85%, that definitional gap is worth \$30,000 to \$42,500 at settlement. Disputes over this number after the show damage agency relationships and sometimes end them.

**Fix: Define every line-item deduction in the contract itself. Do not rely on industry custom or verbal agreement. Specify: sales tax, ticketing fees, credit card processing, facility fees, and face value of complimentary tickets.**

### **Mistake #3 — Signing Headliners Sequentially with MFN Clauses**

Most-Favored-Nations clauses are standard in headliner contracts. They require you to pay an artist no less than you pay any comparably-billed artist on the same event. When you sign headliners one at a time, which feels natural since you build the lineup incrementally, each new deal you close at a higher rate automatically triggers an obligation to bring the prior artists up to the new level.

Example: You sign Headliner A at \$80,000 with an MFN clause. Three months later you sign Headliner B at \$95,000. You now owe Headliner A an additional \$15,000, automatically, without negotiation, and often without any additional marketing or performance value in return. On a three-headliner lineup, sequential signing with MFN can inflate total talent cost by \$30,000 to \$60,000 above what your initial budget modeled.

**Fix: Negotiate all headliners in parallel before signing any. If sequential signing is unavoidable, scope MFN clauses to a defined tier such as 'MFN with co-headliners only' and include confidentiality provisions on all deal terms.**

#### **Mistake #4 — Ignoring Radius Clause Conflicts Before Signing**

A radius clause prohibits the artist from performing within a defined geographic area for a defined period before and after your event. Promoters typically seek 60 to 90 days before the event and 30 to 60 days after, depending on event type. The conflict you need to worry about is not just other promoters booking the same artist nearby. It is the artist's own existing commitments that may already fall within the radius window you are about to write into your contract.

When you discover a conflict after signing, your options are a costly buyout of the artist's conflicting engagement (which may require another promoter's cooperation), renegotiation of your own radius clause at a disadvantage, or breach. None of these outcomes is acceptable. The conflict analysis takes one conversation with the agent before you sign and costs nothing.

**Fix: Before signing any headliner contract, ask the agent directly: does this artist have any existing commitments within [your radius] and [your date window]? Document the answer. Then run the same check for competing events you know are scheduled in your market.**

#### **Mistake #5 — Announcing Artists Before Contracts Are Finalized**

Public announcements, whether social media posts, press releases, or on-sale dates, feel like momentum. In deal negotiations, they are leverage transferred to the other side. Once you have publicly announced an artist and gone on sale, you cannot walk away from the deal without a public failure. Every agent and manager in the business knows this, and some will use the announcement as the moment to renegotiate terms, demand upgrades, or introduce new rider requirements.

Additionally, artists already signed to your lineup will see the new announcements. Those holding MFN clauses will immediately compare billing and fees. Those without MFN clauses may still demand comparable treatment as a condition of their continued goodwill. Artist goodwill has real dollar value in future bookings.

**Fix: Nothing goes public until the contract is fully executed. Not deal memo agreed, not LOI signed, not deposit paid. Fully executed. The discipline is difficult when marketing pressure is high. It is easier than managing the alternative.**

## **Part Seven: How Agents Evaluate Offers**

Promoters often approach artist negotiations by asking a simple question: "What is the artist's fee?" Agents rarely think in those terms. A professional booking agent does not begin with a fee number. They begin with a market assessment and work backward to a number that makes sense for the routing, the date, and the venue. Understanding how agents evaluate offers is the most direct path to structuring offers they take seriously.

Professional booking agents evaluate offers using three primary factors: market value, ticket velocity, and tour routing economics. An offer that fails on any one of these three dimensions will not advance regardless of how reasonable the guarantee looks from the promoter's side of the table.

## 1. Market Value

Every touring artist has a current market range built from recent ticket sales data in comparable markets. This range is not published, not disclosed to promoters, and not static. It moves with the artist's current release cycle, media presence, and tour demand. Agents track it continuously and will know it better than any promoter who has not done the same research.

What agents are tracking: ticket sales history in the region; venue capacity and sell-through rates at recent comparable shows; recent guarantees paid by other promoters in similar markets; and current tour demand signals including streaming numbers, social engagement, and media coverage.

If an artist recently played a 3,000-seat theater in a nearby market for a \$125,000 guarantee, an offer of \$60,000 will not be taken seriously, regardless of your budget constraints, your venue situation, or the merits of your event. The agent's obligation is to the artist, and accepting below-market guarantees without cause damages the artist's market value for future bookings.

### How to Research Market Value Before Offering

Before making any offer, ask the agent directly what the artist's current quote is in your market. Most agents will give you a number or a range if you ask professionally and demonstrate you are a serious buyer. If the agent's number is above your budget, you have a decision to make before wasting either party's time. TSE Entertainment maintains a database of artist quotes and historical performance data built over 50 years of booking. Contact us before making your first offer.

## 2. Ticket Velocity

Agents pay close attention to how quickly tickets sell, not just total attendance. A show that sells 4,000 tickets in the first 72 hours signals strong, real demand and validates the artist's market value in that city. A show that eventually sells 4,000 tickets over three months of sustained promotion suggests softer demand, even if the final number looks identical on a settlement sheet.

Ticket velocity affects future negotiations in two concrete ways. First, it determines whether the artist and agent consider a market "proven" for a return engagement at a higher guarantee. Second, it informs how agents structure the current deal. Artists and agents who see strong presale velocity will push for versus/NBOR structures that allow artist compensation to scale with the demand they have already demonstrated. Artists

who are unsure of their draw in a specific market may accept a flat guarantee precisely because it provides certainty against velocity risk.

For promoters, this means that pre-announcing shows to gauge interest, without committing to a date or artist, is a legitimate tool. An artist's fan base response to a "coming soon" announcement in your market is real data that affects both your offer and the agent's willingness to accept it.

### 3. Tour Routing Economics

A single show rarely exists in isolation. Agents evaluate every offer in the context of the tour as a whole, considering where the artist is coming from, where they are going, and how your date fits or complicates the overall routing. A slightly lower guarantee in a strategically positioned market may be accepted over a higher offer in a market that creates a routing inefficiency.

The routing factors agents weigh most heavily: distance between cities and the associated trucking and crew travel costs; day-of-week positioning relative to adjacent markets; whether your market falls on a natural routing line between confirmed bookings; and whether a competing offer in a nearby market is already on the table.

A market that is off-routing, requiring the artist to add a significant travel day or a costly truck move, will require a higher guarantee to compensate. Conversely, a market that slots cleanly between two confirmed tour dates, reduces travel costs, and fills a day that would otherwise sit empty is a significantly easier booking at a lower number. Agents will sometimes accept below-market offers for perfect-routing markets that fill logistical gaps.

#### What This Means When You Make an Offer

Structure your offer to address all three factors, not just the fee. Lead with the market context: venue capacity, recent sell-through history in the market, and why the date and venue are a good fit for the artist's touring activity. An offer presented with routing context and market data is taken more seriously than a fee number offered without context, even when the fee is the same. Show the agent you have done the work.

#### Need Help Structuring Your Artist Deals?

TSE Entertainment has 50 years of experience negotiating artist contracts across festivals, fairs, ticketed concerts, and corporate events. We understand every deal structure — flat guarantees, straight percentage deals, threshold arrangements, and backend kickers — and how to protect your investment in each. Let us help you build the right deal for your event.

→ [Talk to a TSE booking pro: 1-800-765-8203](tel:1-800-765-8203)

# Frequently Asked Questions

## Deal Structure Basics

### What is the difference between a guarantee and a versus deal?

A flat guarantee pays the artist a fixed fee regardless of ticket sales. A versus deal, formally a guarantee versus percentage of net box office, pays the artist the greater of a guaranteed floor or a percentage of ticket revenue. In a versus deal, the artist's compensation scales with attendance once ticket revenue crosses the point where the percentage exceeds the guarantee. The guarantee is still owed in full if the show underperforms.

### What does NBOR mean, and how is it different from GBOR?

NBOR stands for Net Box Office Receipts, meaning gross ticket revenue after defined deductions, typically sales tax and per-ticket facility fees. GBOR is Gross Box Office Receipts, the total face value of tickets sold before any deductions. The difference is financially material. On a \$300,000 gross event with 8% sales tax and \$3 per-ticket facility fees across 4,000 tickets, NBOR is approximately \$264,000. At 90%, the difference between GBOR and NBOR represents roughly \$32,400. Always specify which definition governs in the contract.

### What is the split point?

The split point is the exact ticket revenue level at which the percentage component of a versus deal equals the guarantee. Below the split point, the guarantee governs and the artist receives the flat fee. Above the split point, the percentage governs and the artist receives more than the guarantee. On a \$200,000 guarantee at 90% of NBOR, the split point is approximately \$222,000 in NBOR. Knowing the split point before signing tells you the attendance level above which the artist's cost begins to increase.

### Is a threshold deal the same as a versus deal?

No. They are structurally different and the distinction matters significantly. A versus/NBOR deal pays the artist the greater of the guarantee or a percentage of the entire net box office from the first ticket sold. A threshold deal pays the artist the guarantee plus a percentage of revenue above a defined threshold. In a versus deal, the percentage replaces the guarantee once it exceeds it. In a threshold deal, the percentage is always additive — the artist always receives the guarantee, and earns more on top of it once revenue crosses the threshold. At the same percentage rate, the threshold deal dramatically reduces artist upside and improves promoter margin below the threshold level.

### When should I use a flat guarantee versus a versus deal?

Use a flat guarantee when the artist's fee is a defined cost in your budget and you are not willing or able to share ticket upside. Festivals, fairs, corporate events, and gate-inclusive engagements all work this way. Fairs in particular are almost exclusively flat

guarantee events because the gate-inclusive concert model has no separate box office to settle a percentage against. Use a versus/NBOR deal when you are booking a genuine headliner at a separately-ticketed concert where the artist's draw is the primary driver of ticket sales and you want to cap your maximum artist cost while still allowing for participation on a strong night. Use a threshold deal when you need to protect a defined level of ticket revenue for your own costs before the artist begins earning above the guarantee.

## **Festival and Fair Deals**

### **Do festival headliners typically receive percentage deals?**

No. The majority of festival headliner deals are flat guarantees. The attribution problem, the impossibility of crediting specific ticket sales to any individual artist when a multi-act lineup is the product, makes percentage deals structurally difficult to administer and difficult for agents to accept. Agents who understand festival economics prefer the certainty of a negotiated guarantee. Percentage arrangements at festivals are the exception, typically limited to anchor headliners at single-headliner-dominant events where draw attribution is clear.

### **Who keeps bar and concession revenue at a festival versus a ticketed concert?**

At festivals and fairs, the festival operator or fair organization typically retains concession, vendor, carnival, and ancillary revenue, which is why the festival P&L can absorb large flat guarantees that appear out of proportion to ticket revenue alone. At ticketed concerts in rented venues, the venue typically retains bar and concession revenue. The independent promoter's only revenue is tickets. This distinction is the most common source of the misconception that percentage deals work at all types of events. They work at fairs and festivals because of ancillary revenue, not because of tickets alone.

### **How does a gate-inclusive fair concert affect deal structure?**

Gate-inclusive fair concerts, where concert admission is part of the fair gate ticket, are booked on flat guarantees. There is no separate concert box office and no per-ticket revenue to base a percentage calculation on, so percentage deals are not structurally applicable. The flat guarantee is set through negotiation based on the artist's current market rate and the fair's entertainment budget. The gate-inclusive model is one of the cleaner deal structures in the live entertainment industry precisely because it eliminates settlement disputes. The fair pays the agreed guarantee, the concert is delivered, and both parties move on.

## **Radius Clauses and MFN**

### **How long is a standard radius clause?**

For clubs, 30 to 60 days before the show is typical, with a similar or shorter window after. For festivals, 60 to 90 days before is the common range, with 30 to 60 days after. Promoters push for longer windows to maximize ticket sales protection; artist

management negotiates them down to preserve the artist's ability to book nearby dates. The practical conflict risk almost always comes from the artist's existing tour commitments, not the promoter's. An artist with a full touring schedule may already have a date booked within your radius window before you even make an offer. Always ask the agent directly before signing. After-show windows are generally the easier concession since the promoter's risk ends when the event does. For closed events such as corporate, campus, and private engagements, 30 miles and 30 days is a common starting point. All radius terms are negotiable.

### **Can I negotiate a radius clause carve-out?**

Yes. Carve-outs are common and appropriate when you know specific venues or events will operate in your market during the radius window and conflict is foreseeable. A carve-out specifies that the radius clause does not apply to a named venue or event, for example: "Excluding performances at [Venue Name] in [City]." Carve-outs should be negotiated and written into the contract before signing, not requested after a conflict is discovered.

### **What is an MFN clause, and how do I limit its scope?**

An MFN (Most-Favored-Nations) clause requires you to pay an artist no less than you pay any comparably-billed artist on the same event. If you subsequently sign another headliner at a higher guarantee, the MFN holder is automatically owed the difference. To limit exposure, negotiate MFN to apply only to cash performance guarantees, explicitly excluding production riders, travel, hotel, hospitality, per diems, and all other non-cash compensation. Also define the comparison class. "MFN with co-headliners only" is more manageable than "MFN with all performing artists."

### **What happens if I breach a radius clause?**

Standard contract remedies for radius clause breach include withholding or reclaiming a portion of the artist's performance fee, specified liquidated damages written into the contract, or in cases of material breach, termination of the contract. The more important consequence is reputational. Agencies track promoters who create radius conflicts, and repeat issues affect your ability to secure artists in future booking cycles. Prevention through pre-signing conflict analysis is categorically preferable to any post-breach remedy.

## **Negotiation and Settlement**

### **What should I include in a deal memo?**

At minimum, a deal memo should specify: the artist's legal name and performing name; event date, venue, and city; performance fee structure with all terms defined; NBOR or GBOR definition including specific deductions; production rider reference or summary; radius clause terms; MFN scope if applicable; deposit amount and payment schedule; and cancellation and force majeure terms. A deal memo is not a contract, but it should be specific enough that the subsequent contract contains no financial surprises for either party.

## How is settlement calculated on a versus deal?

At settlement, the box office accounting is reconciled against the deal terms. The settlement accountant calculates net box office receipts using the contractually defined deductions, determines whether the percentage of net exceeds the guarantee, and pays the artist whichever is greater. The artist's team or their tour accountant will typically review the settlement statement and may request supporting documentation including box office reports, ticketing platform statements, and facility fee invoices. On any deal where the percentage might apply, have all supporting documentation prepared before settlement.

## Can an artist demand an audit of my box office?

Yes. Most headliner contracts include audit rights allowing the artist or their representatives to examine box office records within a defined window after the event, typically 12 to 24 months. In practice, audits are rare for single-show engagements but more common in multi-year festival deals where the artist has recurring percentage participation. Maintaining clean, documented box office records for every event is both a contractual obligation and basic business practice.

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or call us: 1-800-765-8203

## Conclusion

The financial outcome of any concert or festival is determined more by the deal structure than by the headline number. A \$90,000 flat guarantee, an 85% straight percentage deal, and a \$75,000 guarantee against 85% of net above \$150,000 might all look similar on a budget spreadsheet before the event and produce dramatically different financial outcomes depending on how ticket sales perform.

The operators who navigate these negotiations successfully understand their own event economics before they sit down with an agent, structure deals that align artist and promoter incentives rather than simply minimizing upfront cost, and invest in the agency relationships that give them access and goodwill that no individual deal structure can replicate.

For independent promoters and festival operators without the institutional knowledge of a seasoned talent buyer, working with an experienced professional is not a luxury. It is the most cost-effective risk management available. The fee is almost always less than the cost of the mistakes it prevents.

# Appendix: Bibliography & Source References

## *Structuring Headliner Deals for Concerts, Festivals & Live Events*

TSE Entertainment, LLC | tseentertainment.com | 2026

### Editorial Note

This bibliography identifies published sources that support the deal structure frameworks, industry standards, legal concepts, and market context presented in this guide. Sources are organized by the document section they most directly support. All URLs were verified accessible. The guide also draws on TSE Entertainment's 50 years of operational experience in talent buying, contract negotiation, and live event production, which constitutes primary source authority for deal structure norms, typical fee ranges, and negotiation practices described throughout.

### Part One — The Five Core Deal Structures: Guarantees, NBOR/Versus Deals, Door Deals & Threshold Arrangements

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- [2] Arts Hacker (Butts in Seats) (2020). *Common Deal Structures for Touring Groups*. ArtsHacker.com. <https://artshacker.com/common-deal-structures-for-touring-groups/> ↪ Supports the guarantee-versus-percentage threshold section. Documents NBOR (Net Box Office Receipts) deal mechanics, split-point calculations, and the guarantee-plus-percentage variant. Includes worked numerical examples applicable from small theaters to major touring artists.
- [3] Arts Hacker (Butts in Seats) (2020). *Common Deal Structures for Touring Groups*. ArtsHacker.com. <https://artshacker.com/common-deal-structures-for-touring-groups/> ↪ Supports Structure 3 (Guarantee vs. Percentage of Gross) and Structure 4 (threshold deal). Documents NBOR mechanics, split-point calculations, and how the versus deal functions from club to arena scale. Includes worked numerical examples.
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- [10] 443 Social Club (2019). *The Economics of Live Music in a Small Venue: Revisited*. 443SocialClub.com. <https://443socialclub.com/economics-of-live-music-in-small-venue-revisited/> ↳ Supports the club/theater concert section. Real-world venue operator perspective on 80/20 versus deals, guarantee floors, and the financial realities of ticket-split models for small venues where bar revenue is the primary profit center.
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## Part Three — Radius Clauses: Legal Framework, Standards & Industry Practice

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- [17] Seattle University Law Review (n.d.). *Defining Unreasonable Radius Clauses for American Music Festivals*. Seattle University Law Review / Digital Commons. <https://digitalcommons.law.seattleu.edu/cgi/viewcontent.cgi?article=2609&context=sulr> ↪ Academic legal analysis. Documents React (EDM promoter) using radius clauses prohibiting artists from playing within 500 miles for 60, 90, or 120 days. Covers Section 1 antitrust rule-of-reason analysis; SFX and Soul'd Out case precedents.
- [18] LA Weekly (2019). *How the Music Industry Uses a Pervasive Secret Weapon to Keep Bands from Freely Touring*. LA Weekly. <https://www.laweekly.com/how-the-music-industry-uses-a-pervasive-secret-weapon-to-keep-bands-from-freely-touring/> ↪ Documents how competing festival radius clauses interact in a single market; quotes independent promoter Spaceland Presents on losing hundreds of bookings due to festival clauses; documents agent awareness of mileage between cities as a core booking competency.

## Part Four — Most-Favored-Nations (MFN) Clauses

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## Market Context — Live Music Industry Economics & Cost Pressures

- [24] Billboard (2024). *How Soaring Concert Costs Drove the Live Music Business to New Heights in 2024*. Billboard. <https://www.billboard.com/pro/concert-costs-drove-live-music-business-new-heights-2024/> ↪ Average ticket price for top 100 tours reached \$132.30 in 2024 (up 20.6% over two years); top 100 tours grossed \$9.1B, up 21.6% year over year; festival ticket sales declined in 2023 and 2024. Confirms structural competition from headline touring acts.
- [25] iMusician (2025). *Decline of Music Festivals: What to Expect in 2026*. iMusician. <https://imusician.pro/en/resources/blog/decline-of-music-festivals> ↪ Overall production cost increases of ~40% since pre-pandemic; some operators reporting 250% increases in specific categories. Quotes Will Page (former Spotify economist): stadium mega-tours are 'eating the festivals' lunch.' AIF data: UK festival count fell from 600 (2019) to 482 (2023).
- [26] CVL Economics (2024). *Transforming Festival Failures into Economic Wins*. CVL Economics. <https://www.cvlconomics.com/insights/transforming-festival-failures-into-economic-wins/> ↪ Documents 2024 festival cancellations including Pitchfork (19 years), Firefly, Voodoo, Desert Daze. Identifies compounding cost pressures: inflation doubling touring expenses, insurance cost spikes due to weather risk, consumer spending constraints.

[27] TSE Entertainment (2025). *Music Festival Economics*. TSE Entertainment. <https://tseentertainment.com/music-festival-economics/> ↳ TSE's own published market analysis. Eventbrite survey: 68% of festival organizers report profitability as biggest challenge. Documents typical 5–10% profit margins for smaller established festivals. References Statista global music events market projections.

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## Notes on Source Selection

### Deal Structure Sources

The deal structure concepts documented in this guide, including flat guarantees, straight percentage/door deals, guarantee-versus-percentage threshold arrangements, and backend kickers, are well-established industry practice documented across multiple independent practitioner and legal sources. No single authoritative trade publication owns these definitions; they represent accumulated industry convention documented by entertainment attorneys, tour managers, venue operators, and booking professionals.

### Radius Clause Sources

Radius clause documentation benefits from substantial legal analysis given antitrust scrutiny of major festival clauses. The Morgan Lewis and Gowling WLG law firm analyses provide current (2024–2025) practitioner-level documentation of standard terms and enforcement mechanisms. The Seattle University Law Review academic source provides the most rigorous legal framework analysis.

### MFN Sources

MFN clause sources are drawn primarily from entertainment attorneys and legal practitioners. The Backstage and Lexology analyses are the most rigorous in addressing scope definition, specifically the practical question of which terms MFN covers. The Bandzoogle/Edwards Creative Law and ArtsHacker sources provide the clearest worked examples for general practitioner understanding.