Sold Out, Broken Down: The Concert Economy of India

Ishan Tripathi

Abstract

Tickets reportedly sold within a few minutes in January 2024 when Coldplay announced returning to India. Similar high demand was coupled with concerts by Ed Sheeran and major Indian artistes such as Arijit Singh. The average price of tickets for these concerts ranged from 5,000- 25,000 on a regular basis, which makes live concerts a highly specific segment of the high-end luxury consumption in Indian cities. Nonetheless, despite such readiness to pay, the experience of attending the concerts is still riddled with infrastructural failures, overcrowded venues, poor acoustics, traffic mishandling, safety concerns, and cancellations at the final moment. This situation creates a deeper paradox in the context of the industry. As noted in the Economic Survey 2025-26, the live entertainment industry has reached Rs 10000 crore (100 billion in value) [1] and concerts have been mentioned as high multiplier economic activities which drive tourism, employment as well as urban services in India. At the same time, the live events market overall has been estimated to be around Rs. 13,000 crore, which continues to grow rapidly. This paradox poses a key question of why does a high-valued market not give rise to high-quality infrastructure?

This article explores the concert industry in India as a phenomenon of a luxury consumption without corresponding infrastructure; due to the multifunctional combination of failed regulation and lack of institutional coordination and harmonic relations. Although the demand-side signals that there is a mature and profitable market, the supply-side limitations that lie in the governance and urban policy do not allow efficient market results. The consequence is an industry structurally bound to the systemic shortfalls and an entertainment economy which harvests high consumer surplus without any equivalent value provided.

I. The Demand Boom Concerts: Luxury Urban Goods.

The Indian live music economy is expanding fast and is indicative of the general changes in the income, urbanization, and consumption of culture. This means that luxury goods, as suggested by the theory of conspicuous consumption, by economist Thorstein Veblen, are not just useful but also associated with the ability to announce status (Veblen, The Theory of the Leisure Class, 1899)[2]. One way that social signaling in modern India has become more public is through high-profile concerts, which are enhanced through digital means, such as Instagram. This change is evident empirically, according to a recent report by EY-Parthenon, Indian consumers are shifting to

[1] Ministry of Finance (2026) *Economic Survey 2025–26*. Government of India.
[2] Veblen, T. (1899) *The Theory of the Leisure Class*.

experiential consumption with 78 per cent of spending is on experience rather than products which is a structural shift of consumers to experiential consumption[3]. In 2024, almost half a million people also moved between cities with the intention of live music events, which suggests the development of a concert-tourism economy.

On a microeconomic level, concert tickets in India are characterized by features of an income-elastic demand in general as the disposable income of the urban middle classes and upper classes grows, the amount of money spent on such experiences like concerts is growing disproportionally. The organized live events business not only exceeded ₹12,000 crore in 2024 but is estimated to increase by almost 19 percent per year (EY, 2025). The anomaly in the Indian case is however the lack of congruence between the sophistication of demand and quality of supply. Consumers are ready to pay high prices when they see those paid in the international markets, however, the infrastructure, the arenas and the safety are well below the global standards.

II. The Nature of the Core Market Failure in infrastructure as a Public Good.

In order to see this incongruity, it is critical to conceptualize concert infrastructure as a quasi-public good. Although privately consumed, as tickets retail, concerts depend on collective urban amenities like highways, law enforcement, emergency services, zoning rights, and police department security. Public goods are non-excludible, non-rival, and they are normally underprovided by the market because of the free-rider problem (Samuelson, 1954)[5]. Although the infrastructure may be partially excludable (e.g., access to stadiums), its wider ecosystem such as the control of traffic, crowds, and noise is managed collectively through public systems.

In India, this results in the following three problems of structure:

1. Inadequate investment in dedicated venues - In contrast to those countries that have an established live music industry, India does not have a system of special-purpose concert arenas. Mumbai, Delhi and Bengaluru are among cities where most of the large-scale events are organized in multipurpose stadiums, exhibition grounds or on open fields. New policy developments recognize this lacuna. An example of this is a proposed 45,000[6] capacity indoor arena in Navi Mumbai, created to resemble global amenities, where one of the first attempts at a world-class concert infrastructure in India is noted, namely the rarity of such undertakings in India.

---

[3] EY-Parthenon & BookMyShow (2026) *India's ₹13,000 Crore Live Events Market: Experiential Economy Report*
[4] EY, *India's Rising Concert Economy: A New Era of Live Entertainment* (2025).
[5] Samuelson, P.A. (1954) 'The pure theory of public expenditure', *Review of Economics and Statistics*, 36(4), pp. 387–389.
[6] *India's First Indoor Live Arena Planned in Navi Mumbai*, The Times of India (2025).

2. Urban Stress and Externalities - There are enormous negative externalities produced by concerts in terms of traffic jams, noise pollution and overburdening of the public services. Unless the appropriate legal systems are established, these expenses are absorbed by the wider community, as opposed to being charged to event managers. The Economic Survey directly identifies concerts as services-intensive, high-multiplier activities with impacts across various sectors, including the idea that coordinated policy permissions are better than single event permissions.
3. Fragmented Governance - Many concerts need to be authorized by various local government bodies- municipal corporations, police, fire safety departments, and local political groups. This brings about delays, uncertainty and rent-seeking opportunities, disincentivizing long-run investment in infrastructure. Even the big concert centres are still haunted by logistical difficulties, cancellations and planning failures as recent industry news and coverage reveal that the problems are systemic governance, not singularly founded inefficiencies.

III. Political Economy of Regulation, State capacity and Discretion.

Failure to provide infrastructures cannot be seen through the prism of economics alone; it lies deep in the political economy of India. The theory of institutions as postulated by Douglas North focuses on the dependence of the quality of the formal and informal rules regulating the transactions on the economic performance (North, 1990)[7]. These regulatory frameworks are opaque and discretionary, not predictable, in the Indian concert industry.

1. Barrier by way of licensure - Event organizers have to thread an entangled web of licenses, and more frequently with vague timelines and conditions. This increases transaction costs as well as restricting entry into the market to big firms that have the capacity of absorbing risk of regulation.
2. Short-Termism in Policy - Municipal governments are more likely to consider concerts as isolated events instead of part of a larger cultural economy. Interestingly, the Economic Survey 2025-26 specifically recommends relaxing visa policies, open up social areas and incorporate concerts into economic parameters, which is a sign that even at the policy level, there is awareness but little action on it.

3. Rent-Seeking and Informality- Development economists have long been aware that the rental seeking opportunities arise when the systems of regulations are fragmented (Krueger, 1974)[8]. This

[7] North, D.C. (1990) *Institutions, Institutional Change and Economic Performance*.
[8] Krueger, A.O. (1974) ‘The political economy of the rent-seeking society’, *American Economic Review*, 64(3), pp. 291–303.

will be in the form of informal payments, arbitrary restrictions and uneven enforcement in regard to concerts.

IV. Privatization of Solutions and their boundaries.

Theoretically, the high demand would spur investment in infrastructure privately. But there are a number of restrictions to this possibility:

1. Great Fixed Costs and Unpredictable Returns- Creation of world-class concert halls needs hefty capital investment. The low level of regulatory risk and limited occurrence of events characterize a high risk and long payback of private firms.
2. Coordination Failures - Concert infrastructure entails numerous complementary inputs, transport, security, utilities, etc., which involves integrating between the public and private actors. Without state facilitation, markets have difficulties in addressing such coordination issues.
3. Platform Monopoly and No Infrastructure Mint - Digital ticketing systems such as BookMyShow have simplified access to tickets and do not invest in the physical infrastructure. In the meantime, ticketing and live events business has become significant enough in terms of the overall revenue of such platforms to show the extent of value capture in online middlemen, instead of infrastructure building.

V. Comparative Perspective: Why other Markets do better.

Good comparisons can be obtained by looking at places that have strong live music industries- the United States and the United Kingdom. These markets have the advantage of:

1. Well-established networks of specially designed spaces.
2. Predictable regulatory frameworks
3. Integration with tourism and urban planning.
4. Public-Private Partnership (P3) in infrastructural development.

Conversely, India is a country still at an early-stage of growth, despite its good economic indicators. It is projected to increase at 18% CAGR with a possible 235 billion USD limit by 2027[9], yet institutional capacity has not been keeping up (exchange4media, 2025).

VI. Consequences: Who Bears the Costs?

The inability to generate proper infrastructure has a number of distributional effects:

[9] exchange4media (2025) 'Live events industry set to grow at 18% till 2027: EY report'.

1. Consumers - The quality does not correspond to the high prices of tickets resulting in the decline in consumer welfare.
2. Artists - Logistic barriers might also restrict the activities of foreigners in India, impacting the sharing of cultures.
3. Informal Workers -Although concerts create job opportunities to gig workers, the absence of regulation subjects them to precarious working conditions and without social protection.
4. Urban Residents - The external costs of congestion, noise and disruption fall on local communities.
5. Meanwhile, the potential upside is immense, big concerts produce large spillover effects on hospitality, travel, and urban services, and occasions such as the Coldplay tour to India add tens of millions of dollars to the local economies.

VII. Policy Solutions: To a Functional Concert Economy.

These challenges necessitate institutional adjustment and specific investment to tackle them.

1. Tier-3 Concert Infrastructure - The governments ought to promote the use of purpose-built venues utilizing the partnership form of construction. Barries to entry can be decreased with land distribution, tax breaks, and expedited approvals. The arena project of Navi Mumbai is an initial step in this regard but should be replicated in other cities.
2. Regulatory Simplification - The cost of transactions and a better predictability can be achieved through a single-window clearance system on events that is coherent with the overall ease-of-doing-business reforms in India.
3. Internalizing Externalities - User fees or regulation should require organizers of events to pay the cost of traffic regulation, waste disposal and security.
4. Incorporation with Urban Planning - Cultural and economic strategies of the city should include concerts. There is a clear policy direction with the Economic Survey expressly suggesting leveraging the Orange Economy to spur the urban growth.
5. Strengthening Labor Protections - The informalization of the gig workforce in event management can be advantageous in working conditions and a good service offer.

Conclusion

The success of the concert boom in India indicates a shift in India’s consumption economy on a larger scale that is characterized by increasing incomes, integration of cultures across the globe, and expenditure on experience. However, in the absence of the supporting institutions and infrastructure that supplements demand, demand alone cannot achieve efficient results as this article has claimed. The idea of luxury consumption without large-scale infrastructure articulates a greater structural imbalance: a market that feasts off high-end value to consumers and uses underdeveloped communal infrastructures. To fill this gap, it is necessary to go beyond ad hoc event management to a more systemic one, which combines economics, governance, and urban policy. The policy discourse regarding the concert economy sector is already becoming the focus after publishing of the Economic Survey on the concert economy, new projects in infrastructure, and a desire of the private sector are indications of the increased awareness and of relevance of the sector. Nonetheless, as long as these reflections do not turn into institutional change, the paradox will remain the same: a market that is ready to spend money on world-class experiences, but must accept less.

References

- Ministry of Finance (2026) *Economic Survey 2025–26*. Government of India.
- Veblen, T. (1899) *The Theory of the Leisure Class*.
- EY-Parthenon & BookMyShow (2026) *India's ₹13,000 Crore Live Events Market: Experiential Economy Report*
- EY, *India's Rising Concert Economy: A New Era of Live Entertainment* (2025).
- Samuelson, P.A. (1954) 'The pure theory of public expenditure', *Review of Economics and Statistics*, 36(4), pp. 387– 389.
- *India's First Indoor Live Arena Planned in Navi Mumbai*, The Times of India (2025).
- North, D.C. (1990) *Institutions, Institutional Change and Economic Performance*.
- Krueger, A.O. (1974) 'The political economy of the rent-seeking society', *American Economic Review*, 64(3), pp. 291–303.
- exchange4media (2025) 'Live events industry set to grow at 18% till 2027: EY report'.