

# CONSULTATION ON THE RESALE OF TICKETS EVENTS

Ticketmaster Ireland submission  
29 March 2017

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*Please note that all confidential elements of this submission have been redacted.*

## **1 Executive Summary**

Ticketmaster Ireland has a long pedigree in the Irish live entertainment market. Working with clients at every level, the business has unrivalled experience of selling tickets to fans when they first go on sale.

Having been at the forefront of combating fraud in the market, Ticketmaster has seen how fans can be affected by illegitimate primary ticket sites, ticket resale sites and tickets sold on other websites, and conversely protected by resale platforms that offer a guarantee and dedicated customer service.

It is due to this work that we believe that legislation of the resale market is ineffective, and would simply push the market underground or offshore; leaving customers exposed to fraudulent websites that are outside the reach of local consumer protection agencies.

The media frenzy around ticket resale has only served to confuse the public and sensationalise the issue. Our data shows that less than 1% of the tickets that Ticketmaster Ireland sells on behalf of its clients are subsequently resold – a vastly different story to what is told in the Irish press.

It is our belief that the answer lies in technology and where artists want to limit or mitigate resale, we provide comprehensive tools to achieve that.

## **2 About Ticketmaster Ireland**

Ticketmaster is the global market leader in the live event ticketing industry. The business was founded in Arizona in 1976 by three college students. In 1981, the first European division was established in London and in 1995 Ticketmaster launched Ticketmaster.com, now one of the most successful ecommerce sites in the world.

In 1997, Ticketshop, the Irish ticketing company became a wholly owned subsidiary of Ticketmaster, forming what is now Ticketmaster Ireland. In 2010, Ticketmaster merged with Live Nation to form Live Nation Entertainment.

Today Ticketmaster Ireland provides the ticketing for some of the most prestigious clients in the country from sports bodies like the IRFU and the Irish Football Association, clubs including Leinster Rugby, music clients including Festival Republic and Aiken Promotions as well as venues such as the world famous 3Arena, INEC and Aviva Stadium.

## 3 Responses from Ticketmaster Ireland

### 3.1 Response to Question 1

### 3.2 Response to Question 4

The production and sale of fake or non-existent tickets to defraud the general public has been a material problem within the Irish live entertainment industry; in response to which in 2015 Ticketmaster established its own dedicated Fraud Investigation Unit (FIU) in Ireland.

The catalyst for the creation of the FIU was the level of fraud witnessed at Ed Sheeran's two concerts at Croke Park in the July 2015. Over 100 fans had to be turned away at each show, with all the affected fans having purchased what they believed to be genuine tickets from either online listings sites that provided no guarantee (including Donedeal, Adverts.ie, Gumtree, eBay and social media platforms), or in person. Thanks to the work of the FIU, one individual was identified as having created the fake tickets and was successfully prosecuted.

Ticketmaster's FIU has quickly built up strong working relationships with law enforcement agencies across Ireland including the Gardai, PSNI and the Garda National Economic Crime Bureau's fraud squad as well as strong links with similar specialist fraud investigators. The FIU's work has led to many examples of successful prosecutions and it has had significant involvement in cases<sup>1</sup> across the country from Dublin to Limerick, Donegal to Cork.

Despite the extensive work carried out by this dedicated Unit, it is difficult to put accurate figures against the level of ticket fraud experienced in Ireland on the primary market. Ticketmaster sees the most instances of fake tickets at high demand events, as would be expected.

The numbers we record at events are distorted as we are aware that many people who purchase fake tickets realise ahead of time, meaning they do not attend the event and are not counted.

To combat this, Ticketmaster has built up close contact with the Garda Press Office to help educate fans on why they should report these crimes – and how to avoid being caught out in the first place<sup>2</sup>.

We are confident that the number of consumers affected by such instances of fraud is a tiny percentage of the total number of tickets sold for live events. To ensure this remains the case, Ticketmaster continues to invest in measures and new technologies to ensure that instances of fraud are insignificant.

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<sup>1</sup> See Appendix 1

<sup>2</sup> <http://www.consumerhelp.ie/online-ticketing-scams>

### **3.3 Response to Question 5**

The proportion of tickets allocated for pre-sales varies widely from event to event. The figure can range from zero to almost the entire house depending on several factors including the genre, location and ticketing strategy. The ultimate decision is made by the event organiser.

For sports events, the number of long-term ticket holders is a significant element in determining how many tickets might be available for a general public on sale. These long-term patrons form a key part of the income stream in sports ticketing and will always have first access to tickets.

When it comes to music, most artists operate fan club schemes which typically give priority access for tickets to long-term supporters. Attracting people to an artist's fan club is hugely important as it provides a vehicle for artists to interact directly with fans, ensuring career longevity. The size of a fan club can vary widely depending on an artist's popularity and how long they have been performing.

Venues themselves will also often have key sponsors and naming rights deals with access to tickets included in the arrangements. This can mean giving the sponsor the option to offer ticket pre-sales to their customers. This is a critical revenue source for clubs, theatres, arenas and stadia across the world, all of which have significant infrastructure costs associated with the building and maintenance of their facilities.

It should be noted that in our experience, the vast majority of the recipients of the tickets sold through fan clubs and sponsor pre-sales are to members of the general public.

### **3.4 Response to Question 6**

Ticketmaster Ireland has never placed tickets directly onto the resale market and we have seen no evidence to support the view that any of our clients are placing tickets directly onto the resale market.

It is important to put resale into perspective. Our data shows that less than 1% of the tickets that Ticketmaster sells in Ireland on behalf of its clients are subsequently resold. This is a vastly different story to the one that is told in the media.

The reality is live entertainment events are now more popular than ever before and technology means that that access to tickets has never been easier. Disappointment is inevitable, when the demand for tickets greatly outstrips supply, and that disappointment is now amplified more than ever before through social media.

### 3.5 Response to Question 7

There are a small number of secondary ticket resellers who operate as businesses active in Ireland, such as [premiertickets.ie](http://premiertickets.ie) and [needaticket.ie](http://needaticket.ie). Ticketmaster has no in-depth knowledge of their business levels beyond what can be ascertained from their websites. Our belief from reviewing their sites is that they only resell tickets for high demand events.

No resellers receive any special treatment from Ticketmaster and anyone purchasing tickets from our site is subject to the same Terms & Conditions, including, for example, cancellation of tickets in breach of ticket limits.

### 3.6 Response to Question 8

Bots are automatic web robots that unfairly access systems to sweep up tickets. Ticketmaster is at the forefront of the fight against bots and we invest millions to tackle and block them.

Our Abuse Prevention team, who is based in the United States, monitors bot usage across the world and uses a combination of technology, software, data science and human moderation to ensure that they are unsuccessful in their attempt to unfairly purchase tickets. The statistics that they record are done so globally, rather than by individual country. In 2016, Ticketmaster blocked nearly six billion attempts by bots to unfairly access our sites, which was an increase year on year of 10%.

However, bots cannot be solved through technology alone, and Ticketmaster can't win this challenge on its own. We believe that stronger, up-to-date criminal penalties will help to prevent those who want to deny real fans the opportunity to get tickets. To this end, Ticketmaster has worked closely with the US Government on the BOTS Act<sup>3</sup>, a federal law, which was introduced at the beginning of this year. We have also been lobbying for anti-bot legislation in the UK since January 2014, with the Department of Culture Media and Sport recently announcing that it will be introducing an amendment to the Digital Economy Bill to outlaw the misuse of bots.

Legislation to outlaw the misuse of bots enables companies like Ticketmaster, who already employ significant technology and resources in the fight against bots, to take stronger action against individuals who are purchasing and utilising malicious software to access our sites. This legislation can be successfully employed as it requires no action on the part of the consumer, unlike anti-resale legislation which requires consumers to actively choose to avoid offshore or underground resale platforms.

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<sup>3</sup> <http://insider.ticketmaster.com/better-online-ticket-sales-act-2016/>

### 3.7 Response to Question 9

Ticketmaster has experienced the following:

- Manual attempts at mass bookings both online through ticketmaster.ie and through our call centres.
- Individuals who have been paid by third parties to queue at our Ticketmaster outlets to purchase tickets.
- Attempts to get Ticketmaster agents and employees to provide tickets to third parties, a serious breach of the terms of agreements in place with our clients.

Ticketmaster has processes in place to ensure that none of these attempts should be successful. Of particular note are the ticket limits that are usually put in place for every event. In consultation with the event organiser, we are able to complete "over the limit" sweeps on all orders after an on-sale to see if duplicate or mass purchases have been made, whether by the same card, IP address or physical address. Any transactions above the limit will be cancelled.

### 3.8 Response to Question 11

There is strict enforcement of the ticket limits put in place by the event organisers. As stated above, we run "over the limit" sweeps when requested by the event organiser on all orders after an on-sale to see if duplicate or mass purchases have been made; whether by the same card, IP address or physical address. Any transactions above the limit will be cancelled. The level of cancellations is low at less than 1% of all tickets, which is testament to the work that Ticketmaster does to ensure that tickets go directly into the hands of fans at the very first point of sale.

Due to the stringent processes Ticketmaster has in place, and the cancellations that take place ahead of time, there is no significant level of denial of access at events.

### 3.9 Response to Question 13

Prior to Seatwave entering the Irish market, when an event or ticket type sold out on Ticketmaster fans were shown no further options. Analysis of traffic leaving the Ticketmaster site at this point showed that the fan would immediately begin searching for tickets elsewhere.

To combat this poor customer experience, and to satisfy fans' needs, Ticketmaster's current policy is to direct fans to its sister site only when there are no primary tickets available that match the fan's requirements, and relevant inventory is available on Seatwave. This has been the case since July 2015.

When fans are given the option to visit Seatwave there is clear, prominent messaging to explain why this option has been surfaced and that they will be redirected to Seatwave if they decide to take it.

### 3.10 Response to Question 14

Platinum is Ticketmaster's dynamic pricing tool. Platinum tickets are primary tickets sold at market value, which means the price is variable based upon levels of demand. They usually account for a low, single digit percentage of the total tickets available to fans and as they are priced according to demand will usually be available right up to the event date. Platinum is always implemented in collaboration with event organisers or artists as part of an overall ticketing strategy.

Platinum was first developed by Ticketmaster in 2007 and has since been used by hundreds of artists and sporting organisations. Platinum captures value from the secondary market and delivers it back to artists and the industry. The product is often deliberately used in order to lower the total inventory and price found on resale platforms, as Platinum tickets give fans the option to purchase primary tickets when all other tickets have sold out.

### 3.11 Response to Question 15

The live entertainment industry is unique in that often tickets are sold at well below their true market value. Platinum is one of the first steps Ticketmaster employs to confront this pricing gap that drives the secondary market: the product was developed to help price tickets closer to their actual market value and take resellers out of the equation.

Currently, a single digit percentage of the house is usually allocated to be dynamically priced. However, we are seeing its use increase as artists and event organisers work to price their tickets closer to their true value.

Platinum is used by artists as part of an overall ticketing strategy and there are increasing examples of innovative uses of the product. Ricky Gervais, for example, decided to use Platinum ticketing across his global 'Humanity' tour to limit the activity on the resale market, with the additional revenue generated being donated to two designated charities<sup>4</sup>.

Ticketmaster is constantly developing new tools and technologies to allow event organisers better control of their pricing model. The airline industry adopted this model some time ago with great success offering increased choice to consumers and the live entertainment industry is following suit.

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<sup>4</sup>  
[http://www.chortle.co.uk/news/2017/02/22/26924/ricky\\_gervais%3A\\_my\\_platinum\\_tickets\\_will\\_hit\\_the\\_touts](http://www.chortle.co.uk/news/2017/02/22/26924/ricky_gervais%3A_my_platinum_tickets_will_hit_the_touts)

### 3.12 Response to Question 16

There are many options available to our clients, the event organisers, to minimise or eliminate resale. These options are referred to within this document and include Paperless ticketing, names on tickets with strict ID checks upon entry at the venue and ticket limits. We have recently launched Verified Fan, which is another product that we will be encouraging event organisers to use, further details on this can be found in Answer 17.

However, it must be noted that deploying these controls restricts consumer choice and makes the buying process significantly more complicated. When these options are used, the purchase of a ticket for a gift can be restricted, the transfer of a ticket to a friend when the purchaser cannot attend may not be possible.

For event organisers, placing too many restrictions around the purchase of tickets can also impact sales. Event organisers must strike a careful balance not to increase the financial risk they are taking in putting on live events. Not all events are successful and our clients take a significant risk when putting on a show or organising an event that may not sell.

### 3.13 Response to Question 17

Ticketmaster leads the industry in the fight against bots. As stated above, we have an Abuse Prevention team based in the US who is dedicated to fighting attempts by bots to access our sites and unfairly sweep up tickets. Ticketmaster is the safest place to purchase tickets due to our industry-leading technologies including IP Blocking, behavioural identification, "over the limit" sweeps, Paperless ticketing and CAPTCHA. Ticketmaster continues to innovate in this area and we are always looking ahead to how we can implement the latest technology to combat bots while providing the best possible customer experience.

In March 2017, Ticketmaster launched Ticketmaster Verified Fan - a major step forward in redefining how a fan gets a ticket for an event. This innovative product was built for the industry to help artists get tickets into the hands of real fans who intend to go to the event by putting them at the front of the queue.

Ticketmaster Verified Fan was built with both the consumer and artist in mind and works in the following way:

1. An artist announces a tour and fans are directed to a responsive registration page.
2. Then, fans register in a way that identifies they are a real person - by using their email address, phone number, or Ticketmaster account - and selects the show(s) they are interested in purchasing tickets to.
3. After the registration period, Ticketmaster uses its proprietary data science technology and an automated and manual process to ensure only real fans participate in the purchase process.

4. Finally, each fan receives a unique code that provides them access to purchase tickets at the stated onsale time.

By leveraging Ticketmaster's technology platform and largest live event database in the world, this fundamentally changes the mechanisms of an onsale so that the speed of bots is no longer a factor in the rush to get tickets.

This does not guarantee that every fan will get a ticket, but it does level the playing field so a fan is up against another fan - instead of a bot - that wants that same ticket.

### **3.14 Response to Question 18**

If artists want to completely restrict resale, they can do so using Ticketmaster's bespoke Paperless product. When Paperless is employed, the ticket is the fan's debit or credit card, which is used together with an ID check to enter the venue.

Paperless has been used to great effect in Ireland over the past five years. The first Paperless event was Robbie Williams at the 3Arena in September 2012. It has since been used by Michael McIntyre, Michael Buble, Muse, U2 while Iron Maiden have employed the product for their upcoming tour.

In the UK, Paperless has recently been used by Cameron Mackintosh to eliminate resale for the West End run of the musical Hamilton. Through Ticketmaster, hundreds of thousands of tickets were sold to fans through a presale and general sale with just 13 tickets listed on one offshore resale platform after on-sale.

However, there are drawbacks of the system as the ticket is tied to the individual fan. This means that tickets cannot be purchased as a gift unless the purchaser is also prepared to attend, for example. While tickets can be transferred in some circumstances, the process is strict to ensure the tickets cannot be resold. The decision to use Paperless rests with the event organiser.

### **3.15 Response to Question 19**

Ticketmaster does not allow the return or refund of tickets except in exceptional circumstances, such as an event cancellation where a full refund including service charges is applied to the fan's debit card automatically.

Organising and promoting live events carries significant risk, with the finances fronted by the event organiser. Therefore, once a ticket has been purchased, the event organiser needs to know that the revenue is guaranteed and returns are not permitted.

The introduction of resale marketplaces has provided fans with a safe method to recoup their costs if they cannot attend an event.

### **3.16 Response to Question 21**

Ticket resale is fundamentally about economics. For several reasons, the live entertainment industry often sells its product at considerably less than the true market value. Artists and teams may want to offer their fans a reasonable price for their product to drive long term loyalty and so price accordingly. Event organisers also often underestimate demand for their event and price conservatively to ensure sales. No one knows for certain how an event will do until it goes on sale. Once this price mismatch exists a market for resale will naturally appear.

Ticketmaster is not in favour of legislation to regulate resale as it will not achieve anything other than to push the market underground or offshore. Companies that already offer strong consumer protection in this space will be the first and only entities to conform to any legislative changes. We have witnessed examples in many other markets where legislation has pushed these reputable companies out of the market which has resulted in leaving fans worse off – with fraudulent sites popping up, or increased listings appearing on the sites where we see the proliferation of fake tickets.

Consumers' demand for tickets will not stop and fans will continue to look for tickets for sold out events wherever they can. Therefore, any legislation in Ireland will simply achieve the same effect as seen elsewhere; resale will not cease, it will go offshore and underground – out of reach of the consumer protection authorities. Fraudulent activity levels will revert to those prior to the introduction of transparent resale marketplaces.

An Garda Síochána cannot provide the resource necessary to police every single resale ticket transaction and, even if they could, Ticketmaster's experience in attempting to combat fraud has shown that the public will not report this activity anyway. Unenforceable legislation is of no value in dealing with resale and will achieve nothing more than exposing the consumer to at best a poor customer experience and at worst criminal organisations.

Legislation also serves to curb consumer choice. Resale only impacts a very small number of the events that are sold each year in Ireland and the clear majority of events are unaffected by resale. Why should a willing consumer not be allowed to purchase tickets at a price of their choosing, in some cases below face value, and indeed why should they not be allowed to sell their own tickets if they choose to do so?

## **4 Appendix**

### **4.1 Appendix 1**

Examples of successful prosecutions where Ticketmaster's Fraud Investigation Unit has had significant involvement in cases.

Outlet: Irish Examiner

Headline: Man made €6k selling 'fake Adele tickets'

Link: <http://www.irishexaminer.com/breakingnews/ireland/man-made-6k-selling-fake-adele-tickets-773773.html>

Outlet: Herald

Headline: Computer expert forged Script tickets scam and duped fans out of €4000

Link: <http://www.herald.ie/news/courts/computer-expert-forged-script-tickets-scam-and-duped-fans-out-of-4000-31447546.html>

Outlet: The Journal

Headline: Man intends pleading guilty to selling fake Ed Sheeran concert tickets

Link: <http://www.thejournal.ie/fake-ed-sheeran-tickets-court-case-2700228-Apr2016/>

Outlet: Irish Mirror

Headline: Done Deal fraudster who duped Adele fan over tickets jailed

Link: <http://www.irishmirror.ie/news/irish-news/done-deal-fraudster-who-duped-8894592>

Outlet: Connacht Tribune

Headline: Online scammer stole €150 destined for gig tickets

Link: <http://connachttribune.ie/online-scammer-stole-e150-destined-gig-tickets/>

Outlet: Irish Examiner

Headline: Teen avoids jail for concert ticket and phone scam

Link: <http://www.irishexaminer.com/ireland/teen-avoids-jail-for-concert-ticket-and-phone-scam-332199.html>

Outlet: Independent

Headline: Mother helps gardai arrest One Direction ticket scam fraudsters in sting operation

Link: <http://www.independent.ie/irish-news/mother-helps-gardai-arrest-one-direction-ticket-scam-fraudsters-in-sting-operation-30843998.html>

Outlet: Independent

Headline: Man who allowed his bank account to be used in Electric Picnic tickets scam to be sentenced

Link: <http://www.independent.ie/irish-news/courts/man-who-allowed-his-bank-account-to-be-used-in-electric-picnic-tickets-scam-to-be-sentenced-34135530.html>