

To: conspol@djei.ie

CC:

Date: 24/03/2017 0:33:55

**Subject: Submission to the public consultation on the resale of tickets for entertainment and sporting events**

To Whom it may concern,

Please find response to one of the questions raised by consultation document attached. To be clear, I'm a member of the public with no affiliation to any parties involved. The response attached is informed by previous experience purchasing event tickets from the main provider of event tickets in Ireland (Live Nation/Ticketmaster) and is provided in order to benefit the general ticket buying public.

While writing this submission, the question also begged as to why the department of jobs, enterprise and innovation is handling this issue? I would of thought it was a matter of regulation as opposed to jobs/enterprise ?

Should you require further information, please do not hesitate to contact me,

Many thanks,

Jonathan Hanley

- Event Ticket Consultation submission.docx **ATTACHMENTS: 1Event Ticket Consultation submission.docx,**



## **Submission to the public consultation on the resale of tickets for entertainment and sporting events.**

**Question 21:** Should legislation be introduced to regulate ticket resale and the secondary ticketing market? If so, what form should such legislation take and what penalties should apply to breaches of its provisions? If not, what are the reasons why legislative measures should not be pursued?

**Response to question 21:** Yes (see supporting argument below)

**Overview:** The purpose of this response is to give an overview as to why legislation is necessary in order to regulate ticket resale and the secondary market, primarily this response will explain how Live Nation (the merged Live Nation and Ticketmaster corporate entity) is in a position to both control ticket allocation and distribution on both the primary and secondary ticket markets. This response will also provide a part solution to the legislative problem of enforcing regulation on this issue.

### **Understanding the History of artist opposition to Ticketmaster:**

One of the most public feuds between Ticketmaster and a major artist is the 1994 case filed by US rock band Pearl Jam against the company, the band used a US federal antitrust case to bring attention to Ticketmaster's inflation of ticket service charges in exchange for providing concert venues with a significant slice of the profits made. Supporting evidence and further details of this can be found in the below links (Primary and secondary sources are provided).

<http://www.rollingstone.com/music/news/pearl-jam-taking-on-ticketmaster-19951228>

<https://www.yahoo.com/music/blogs/music-news/pearl-jam-took-ticketmaster-20-years-ago-171625249.html>

### **Former Ticketmaster CEO statement on how ticket allocation and distribution works:**

Nathan Hubbard worked as the CEO of Ticketmaster from 2010 to 2013 and in the below piece (primary and secondary sources provided) explains how ticket allocation and distribution for major events works. His main argument is that Ticketmaster purposefully inflates the market by supplying presales, resellers and artist/sport management with ticket allocations in advance of when tickets are due to go on sale to the general public. This means that only a small percentage of venue tickets are available for the public to purchase on the day of the event sale and as a result this creates ticket scarcity. Ironically what normally happens is that many of these non public sale tickets find themselves onto secondary resale sites such as Seatwave (owned by Ticketmaster/Live Nation) either post or during the general public sale.

In this way Ticketmaster are able to inflate the price of the event ticket on the secondary site while also allowing them to benefit from the fees that buyers and sellers must pay to get their hands on the ticket.

<https://theringer.com/ticket-industry-problem-solution-e4b3b71fdff6#.w48eedmzh>

<https://www.joe.ie/music/ticketmaster-ceo-reveals-why-its-nearly-impossible-to-get-tickets-to-the-really-popular-gigs-548002>

### **Proposed solution to ticket reselling:**

Many popular artists who maintain fan clubs employ a very simple solution when allocating presale tickets to their fans. These artists (including Radiohead/Nine Inch Nails) insist on tickets being issued with the name of the purchaser present on the ticket. When the ticket purchaser attempts to gain access to the venue in advance of the event, they are asked to provide photographic ID to prove that they are the original purchaser of the ticket. This effectively means that the ticket cannot be resold for an inflated profit (if a secondary buyer attempts to gain access to the venue they will not have the id to prove their identity). Many speculate that Ticketmaster and Live Nation are aware of this security measure but intentionally do not enforce it when selling their general tickets due to cost or the potential revenue loss that it may entail. The sad fact is that currently any excessive price inflation or additional fees are passed onto the end buyer of the ticket itself.

**Conclusion:** Ticketmaster/Live Nation is in a position to control both the allocation, distribution and secondary selling of event tickets. The company benefit from both the primary and the secondary selling of the tickets in question while also greatly benefiting from the ticket scarcity/price inflation that occurs as a result of their monopoly of ticket allocation and distribution. As a result of their market dominance, regulation of their activities is necessary in order to prevent the general public from excessive pricing and unnecessary fees.