

## SEATWAVE’S RESPONSE TO THE CONSULTATION ON THE RESALE OF TICKETS FOR ENTERTAINMENT AND SPORTING EVENTS

*The evidence provided throughout this submission relates only to Seatwave post-acquisition by Ticketmaster from November 2014. Within this version all commercially sensitive information has been redacted. This information is confidential and may not be issued to any third parties or publication.*

### TABLE OF CONTENTS

<b>ABOUT SEATWAVE .....</b>	<b>1</b>
<b>ABOUT TICKET RESALE .....</b>	<b>2</b>
<b>ANSWER TO QUESTION 4.....</b>	<b>3</b>
<b>ANSWER TO QUESTION 6.....</b>	<b>3</b>
<b>ANSWER TO QUESTION 7.....</b>	<b>3</b>
<b>ANSWER TO QUESTION 9.....</b>	<b>3</b>
<b>ANSWER TO QUESTION 10.....</b>	<b>3</b>
<b>ANSWER TO QUESTION 12.....</b>	<b>3</b>
<b>ANSWER TO QUESTION 13.....</b>	<b>3</b>
<b>ANSWER TO QUESTION 15.....</b>	<b>4</b>
<b>ANSWER TO QUESTION 16.....</b>	<b>4</b>
<b>ANSWER TO QUESTION 18.....</b>	<b>4</b>
<b>ANSWER TO QUESTION 19.....</b>	<b>5</b>
<b>ANSWER TO QUESTION 20.....</b>	<b>5</b>
<b>ANSWER TO QUESTION 21.....</b>	<b>5</b>

### ABOUT SEATWAVE

Seatwave is a safe and secure ticket resale marketplace where fans can buy and resell tickets, with all purchases backed by its industry-leading fan guarantee<sup>1</sup>. The business was acquired by Ticketmaster to expand its resale offering into Europe in November 2014.

---

<sup>1</sup> Seatwave’s fan guarantee promises that buyers will receive the tickets they order on time and valid for entry. If a problem arises, Seatwave’s Customer Service team will step in to provide replacement tickets that are of an equivalent value or better, at no extra cost. If replacement tickets are unavailable, buyers will be given a full refund. Sellers on Seatwave are guaranteed that they will be paid on time for the tickets they sell and deliver.

Seatwave is headed up by Dan Pearce, the Managing Director of Resale for Ticketmaster International. Resale is a separate division of the Ticketmaster business; the management team are based in London.

While Seatwave backs all purchases with its fan guarantee, it neither sells nor controls the ticket inventory on the website. The ticket price is determined by the seller, not by Seatwave. All funds paid by the buyer are held until an order is satisfied, meaning there is no incentive for a seller to list a fraudulent ticket – this is evidenced by the almost non-existent levels of fraud seen by Seatwave.

Seatwave believes its website is the most transparent for fans, with clear pricing and ticket details displayed ahead of purchase. Fans are protected by clear terms and conditions, including a zero tolerance for speculative selling and full compliance with all local rules and regulations.

## ABOUT TICKET RESALE

Ticket resale exists for most popular artists and events because demand outstrips supply. Live entertainment is more popular than ever before and access to technology has never been easier. Unprecedented demand combined with technology that affords concurrent access to tens of thousands means disappointment for fans is inevitable. In the US, we recently experienced 10 million Adele fans queuing online chasing just 750,000 tickets<sup>2</sup>.

Furthermore, in our experience the primary ticketing market is inefficient with most tickets deliberately priced below their market value. Event organisers want to sell out quickly and often have altruistic reasons for selling tickets at low prices. Refunds for tickets to the vast majority of live entertainment events are not offered.

Fans want choice and flexibility when buying tickets; they expect to be able to buy and sell tickets whenever they choose to. Last minute ticket buyers are not well served by the primary market, as most high demand events will sell out months in advance. Our own research has shown that 57% of event attendees have tried to buy a ticket online only to find out the event was sold out.

---

<sup>2</sup> Over 10 million fans tried to buy tickets to Adele's North American tour, The Verge:  
<http://www.theverge.com/2015/12/20/10630596/adele-north-america-tour-ticket-sales-ten-million>

#### **ANSWER TO QUESTION 4**

Seatwave experiences extremely low levels of fraud. The main reason for this being that sellers are not paid until the order has been fulfilled, therefore there is no incentive for a seller to list a fake ticket. However, the vast majority of these 'broken' orders are due to customer error, such as inputting the wrong ticket details, rather than anything fraudulent.

All fans are protected by our industry-leading guarantee, meaning the small number of fans who were refused entry either received a full refund or, where available, replacement tickets to an alternative show.

#### **ANSWER TO QUESTION 6**

Seatwave Ireland has never taken an allocation from anyone involved in the primary market or event organisation, including artists, their representatives or promoters.

#### **ANSWER TO QUESTION 7**

Frequent sellers are part of the overall ticket resale ecosystem. Seatwave refers to these people as 'trusted sellers' and we have a stringent vetting process in place to ensure that they sell their tickets legitimately. Our Terms & Conditions apply to any seller, regardless of whether they have 'trusted' status or not and no sellers are paid before they have fulfilled their order.

#### **ANSWER TO QUESTION 9**

Seatwave is aware of frequent sellers being given an allocation by the primary market elsewhere, although we have no knowledge of this practice in Ireland.

#### **ANSWER TO QUESTION 10**

The nature of these major events means that they inherently have an international following, particularly for sporting events where away tickets are often bought outside of the country.

#### **ANSWER TO QUESTION 12**

Seatwave's relationship is with the buyer and seller using the platform, not the primary seller. The exception is in the instance of suspected fraud, where we would work with any organisation to identify a seller for the protection of fans.

#### **ANSWER TO QUESTION 13**

Ticketmaster Ireland shows availability of resold tickets on Seatwave only when the relevant primary tickets are no longer available on their site. This provides fans with a safe and secure alternative when the ticket they want is sold out. When this option is provided to fans, there is clear direction that that they will be redirected to a marketplace. If that option

is desired, it requires a conscious click on the part of the fan and a new browser window is opened to a different website and domain name. The Ticketmaster Ireland primary website and the Seatwave Ireland marketplace are clearly differentiated so fans know which website they are on.

Seatwave takes its responsibility to customers extremely seriously. We always abide by local rules and regulations, ensuring that we transparently display all pricing and ticket details to fans. We have a zero tolerance for speculative selling, and if anyone is ever found selling tickets they do not have they are banned from using our sites again. When it comes to charity shows, we do not believe in allowing these tickets to be listed on Seatwave. Through these processes, we ensure smooth transactions between buyers and sellers – with extremely low levels of complaints or broken transactions.

### **ANSWER TO QUESTION 15**

Resale principally exists because of inefficient pricing; there is often a fundamental difference between the price of primary ticket and its market value. Many fans use resale marketplaces because they want to be able to return tickets that they cannot otherwise, but there are also people who want to make a profit.

The resale market has woken up event organisers and the primary market to the benefits of better pricing for a show, which includes the adoption of dynamic pricing methods. We understand and appreciate that dynamic pricing lessens the activity on the resale market.

There is often rhetoric in the media that the resale market is broken, but this is not the case. The resale market is an example of an efficient market with ticket prices clearing at their market level. Event organisers can look to the resale market to give them an indication of how they should be pricing their tickets.

### **ANSWER TO QUESTION 16**

As described above, the resale market is borne from inefficient pricing. Event organisers can minimise secondary ticketing by either pricing their shows closer to their market value or by putting viable technology in place to restrict the onward sale of tickets, or by offering refunds to customers who no longer wish to attend the event. If tickets are not tied to a fan or priced correctly, it must be accepted that there will be a resale market.

### **ANSWER TO QUESTION 18**

Ticketmaster's Paperless product is very effective in curbing ticket resale, as the ticket is tied to the fan's credit card and requires identification upon entry to the venue. When Paperless tickets are employed, we see extremely low levels of resale taking place in the market. As a platform, Seatwave does not allow these tickets to be listed at all.

There are drawbacks, however, and these are because the technology is restrictive. Fans do not respond well to restrictions being put in place and venues are sometimes reluctant as they do not want to slow people's entry into the venue.

Names on tickets can be effective, but the policy is only as good as its enforcement. Where strict ID checks take place upon entry, the system works but for the aforementioned reasons this does not always take place.

### **ANSWER TO QUESTION 19**

It is very rare for a primary seller or venue to offer a refund option. Seatwave has official relationships with some organisations to act as a refund or exchange facility.

One example is in the UK where Seatwave works with the Welsh Rugby Union. The WRU had clear aims for implementing the official partnership; to reduce secondary listings on unofficial platforms, providing the opportunity for fans to have their resold tickets verified, reduce ticket resale prices – all to ultimately ensure that the additional revenue generated is driven back into the grassroots of the sport.

### **ANSWER TO QUESTION 20**

Seatwave maintains a policy of proactive compliance with all local rules and regulations. When listing a ticket on Seatwave in Ireland, the seller is asked whether they are a private individual or business. If they select the business seller option, they are required to provide full details and this information is surfaced for buyers when looking for tickets.

### **ANSWER TO QUESTION 21**

Seatwave strongly believes that the introduction of legislation to regulate the ticket resale market will be both ineffective and will, in fact, be detrimental to Irish fans. This is based on years of market experience.

In Ireland, the ticket resale market used to take place underground or offshore – out of reach of any consumer protection. Today, fans that experience fraud tend to be using classified sites such as Gumtree, fraudulent websites or purchasing from individuals in person. Seatwave offers a safe alternative; a transparent marketplace that provides protection to fans through its fan guarantee.

There are numerous examples of legislation that has been implemented globally that simply has not worked. The state of Alberta in Canada, for example, repealed legislation in 2009 that prohibited ticket resale as it determined that it could not effectively be enforced. There is no federal legislation against ticket resale in the USA, but many states used to outlaw the practice. In recent years, many states have repealed legislation inhibiting resale including New York, Illinois, Florida, Louisiana and Minnesota both because of its hindrance on consumer choice and its ineffectiveness.

Looking to Europe, Belgium implemented legislation in 2013 that strictly prohibited fans from reselling tickets at a higher price than the original sale price. Seatwave closed its site in the market due to the legislation. However, through traffic data analysis we have found that

the demand for resale has only increased with all fans instead moving to offshore-based platforms who still operate in the country.

When New York repealed its legislation they gave clear reasons for doing so, and these apply to all countries. They stated that:

- in the internet era the price cap law they had in place was rarely obeyed, with internet sites setting up in other jurisdictions to evade anti-scalping laws;
- enforcing the price cap was not a high priority for police, whose focus was on more serious crime;
- an increase in the number of legal resellers would increase competition and prices for the consumer would fall; and
- realising that a multi-billion dollar market was being left untapped, a growing number of sporting teams, theatres and promoters had begun entering the secondary ticket market themselves.

The internet has no borders; legislation against resale simply pushes the market offshore or underground taking a step backwards to how the market used to operate in Ireland. Legislation would only hurt the marketplaces that are based within Ireland and abide by the local rules.