



ticketing mailbox <ticketing@culture.gov.uk>

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## Review of Consumer Protection Measures relating to Online Secondary

1 message

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20 November 2015 at 09:33

To: ticketing@culture.gov.uk  
Cc: [redacted]

To whom it may concern,

Please find my response to the 'call for evidence' attached

Please feel free to contact me at any time

Kind regards

CEO  
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**CallForEvidence\_MG.pdf**

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19<sup>th</sup> November 2015

To:

*Professor Michael Waterson, Chair of the Review of consumer protection measures in the online ticket resale market for events and Professor of Economics at the University of Warwick and;  
Mr Ian Jenkins, Call for Evidence Coordinator, Department for Culture, Media & Sport.*

**Review of Consumer Protection Measures relating to Online Secondary Ticketing Platforms  
Call for Evidence**

Dear Professor Waterson, Mr Jenkins,

A major stakeholder negatively impacted by the secondary ticketing market in the UK is the performing artist. I am concerned that, to date, this group seems to have been omitted from the consultation process. As founder of Music Glue - an artist-centric organisation with 20,000 artists on its books - I have a duty of care to speak out and represent this important but lesser-heard voice.

Secondary ticketing directly threatens the viability of musicians and thereby the cultural fabric of the UK. It gnaws at what has become the most important revenue stream for musicians. It weakens their ability to grow their fanbase and develop their careers. It harms the fans who are supporting musicians. And it is a problem entirely solvable with a simple legislative change.

**1) Secondary ticketing undermines an artist's ability to control their core income stream.**

As sales of recorded music continue to decline due to changes in how people consume music, performing live has become a core source of income for musicians. And they rely on its commercial sustainability. The first rule of sustainable touring is "sell out, create future demand and return soon". To ensure a sell-out and avoid market saturation, it is important to play in venues that are perhaps too small and with a ticket price that is perhaps too low.

Today, when demand outstrips supply, tickets become available on the secondary market for inflated prices. Disappointed fans are presented with a choice: "wait until next time or pay a premium now". Many choose the "pay now" option and are effectively draining money from the artist, into the pockets of ticket touts. Consumers have limited funds - gross annual consumer spend on an artist is actually fairly static, particularly for established artists. If a fan pays 4 times the face value for a ticket, is that fan more likely to purchase merchandise (another key income stream for artists) at the show? Will they be more likely to come again in future? The answer is obviously NO.

**2) Secondary ticketing harms an artist's ability to grow their fanbase and develop their career.**

This situation gets worse for the up and coming artist. In the modern, online, connected world, loyal fans are the new marketing department. The 'super-fan' is highly engaged and typically has a broad network of early adopters that thrive on the newest and coolest music. And they are usually not very rich. When tickets for their favourite artists go on sale and instantly shift to secondary sites (because



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of bots 'bulk purchasing'), the super-fan is priced out of the market. They cannot attend and cannot spread the word to their network and the modern marketing mechanism breaks. Artists rely on data from their fan networks to decide where to tour next; if a proportion of their 'customer list' is invalid because the email addresses provided came from bots, this is undermined.

### **3) Secondary ticketing risks destroying the future cultural experiences of UK consumers.**

Fundamentally, those putting on an event should be able to set the price of a ticket based on the variables that only they and their team of experts - including the artist - can understand. The argument that if a ticket sells on the secondary market for £100 it should have been priced at £100 in the first place is flawed by basic economics. That a proportion of the tickets sell for £100 does not mean a venue would have sold out at £100 - it means *some* of the tickets could have sold at £100. Fans do not want to attend a gig that is half-full; nor do artists wish to play a gig that is half-full.

A ticket should not be a commodity that can be traded on the open market, but a licence assigned to an individual to attend an event on private premises. It should not be a mechanism for deriving profit without adding any value whatsoever. By allowing high demand tickets to be resold against the will and desires of the artist is morally wrong and is destroying the core fabric of this important creative industry. If we do not provide a fair and transparent environment for touring artists to simply make a living, they will not tour and the world will be a significantly worse place for it. What would we prefer: a country without ticket resellers, or a country without musicians?

### **4) This is a problem solved with simple solutions.**

Legislation prohibiting ticket touting exists in other industries. The resale of football tickets is illegal under section 166 Criminal Justice and Public Order Act 1994 and the Violent Crime Reduction Act 2006. The travel industry is afforded the right to prevent trading of tickets. If I built a 'bot' that bought EVERY train ticket for EVERY train leaving London on the 24<sup>th</sup> December and then sold those tickets for 5 times the price on secondary ticketing sites, I'm sure the House of Commons would suddenly have a focused sense of clarity as to the core issues being debated here.

Should you agree with me on the need for change, I have a simple, elegant solution to this problem and would be more than happy to discuss with you in more detail.

Kind Regards

CEO