



ticketing mailbox <ticketing@culture.gov.uk>

Ticketing review

1 message

19 November 2015 at 20:40

Reply-To:
To: ticketing@culture.gov.uk

Hello Ticketing,

Please find attached our submission to the committee reviewing the Secondary Ticketing Markets.

Thank you for your kind attention.

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Best regards,
mailto:graham@asta-uk.org

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 **Submission to Ticketing Enquiry.docx**
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The Association of Secondary Ticket Agents was formed in 2005 as a direct response to what was thought at the time to be "rogue elements of the ticketing industry".

Subsequently the issues were determined to be caused by the work of a very small number of individuals. These were not "rogue elements" at all but clearly criminal activity and the Association worked very hard indeed to bring to the attention of the authorities any and all activities within the ticketing marketplaces which brought the industry into disrepute or, more importantly, activities which posed any sort of risk to the public.

This activity was obviously in order to protect the interests of its members, the more stable and secure any marketplace, the more vibrant and profitable that marketplace becomes. Sadly, this also encourages the Criminal Elements to engage with that marketplace. Fortunately, because of the unique position of the members of the Association, it is easy to quickly spot and identify an unrecognised player in the market. In turn the activity of that player can be closely monitored and if any signs of impending criminal intent is noticed, that individual or company can quickly be reported to the authorities.

Pity then that this advice was seldom heeded and indeed, with the advent of the "Big Three" – Viagogo, Seatwave and Get me In – contacts and channels to Law Enforcement were clearly used to eliminate competition and eradicate any chance of an independent broker of flourishing within the marketplace to the detriment of the "Platforms". This is well documented and Operation Podium was clearly influenced on many levels, not to police Olympic Ticket Selling, but to clearly remove competition.

Anyone selling on "the Platforms" is, by and large, invisible to the general ticketing community and the Platforms have facilitated an easy route to fraudsters selling tickets they do not have to a very large demographic with total impunity.

For many years now, the General Public here in the UK have had their choices limited and their costs increased simply because of these so called "Fan to Fan" Marketplaces. As has been clearly demonstrated in the popular press and investigative journalism, they are nothing of the sort.

Their unique position gives them access to information the likes of which, were it available to Stockbrokers, would result in criminal prosecution. For instance, should a show or concert start to show signs of extraordinary demand the platforms have clear indication of this, to the exclusion of everyone else in the Industry. Because they have access to their own

unique data from the searches performed both on their platforms and their Google "Pay per Click" adverts they can see, way in advance, the trends of almost any event. They buy up from the brokers and fans all of the available inventory at one price for the hottest events and relist it themselves at a higher price.

This has several side effects. It causes itself a buying frenzy, artificially raising the price above the true market value and above what the public would have had to pay should they have not interfered AND there is no financial risk to the platform as they do not have to pay the fans or Brokers until after the event itself, though they have themselves been paid as they are the facilitators.

Conversely, if they see a concert or event is "going South" they can dump all of their own inventory into the marketplace at a price slightly lower than everyone else and quite often the fans will be left with worthless tickets as the Markets constantly monitor themselves and the fans are usually going about their daily business, unaware the back room shenanigans.

There have been numerous investigations and thousands of words of print written about the Secondary Ticketing Industries with some very interesting and often outlandish suggestions and conclusions made about that Industry. Because of the unique position ASTA (Association of Secondary Ticket Agents) and it's members enjoy in the Industry it is clearly obvious to us as to what needs to be done and more importantly how to go about it, with little or no cost to the consumer.

ASTA invested a substantial amount of time and resource into a program that tried to achieve acceptance into the Consumer Codes Approval Scheme, administered by the Office of Fair Trading. ASTA was the first to propose a Code of Practice in the Industry and the Members of the Association work to this Code still. Unfortunately, as was explained to the representatives of the Association at the last meeting with the Office of Fair Trading, government budget cuts meant the Code scheme was going no further. This was a massive blow for the Consumer and a real setback for the industry generally. We would like to think this could be resurrected in some form.

It has gone too far we believe with the platforms but any legislation would surely be sidestepped as they have all now moved their headquarters overseas and out of the reach of UK legislation. It is truly shameful the way that a small number of supposedly responsible individuals in

government and law enforcement in the United Kingdom allowed themselves to be seduced by the moneyed platforms and their decision processes clouded to the detriment of the smaller individual brokers and ultimately to the cost of the Consumer.

We are wholly unsurprised that just this last week (Nov 2015), the influential "Which?" consumer group has called into question the practices of the Platforms and the Primary Agents. Practices which, when highlighted by Graham Burns the Chairman of the Association of Secondary Ticket Agents as long ago as 2010 in the Times newspaper Article, and he was quoted as saying "The Consumer doesn't stand a chance"

This has been taken out of context and misquoted many times since. The true fact remains however, the true fan is at a real disadvantage.

Many of the really successful concerts – and the "Take That" reunion tour of XXX stands out as the biggest – would never have achieved the dizzying heights of their success without the so-called "Touts". They play a central role in the successful promotion of the events. Without the Touts as they were being called, there would never have been the media frenzy. Sharon Hodgson MP for Washington was clearly being manipulated and her cries of anguish could be heard across every tabloid newspaper in the land. This was promotion of an event on an epic scale "The Touts Have all the Tickets!" *everyone* wanted one. The Promoters and management team played her like a Stradivarius, "There are no Tickets, I tried today to get them for my family and we couldn't get any online!"

There were plenty at the Box Offices though and anyone in the Ticketing Industry could have told her – which they signally failed to do – that there would be plenty more dates announced. There were some very large gaps in the venues calendars and it was obvious to the Industry that there would be numerous announcements along the lines of "due to Public Demand". On the day, tickets with a face value of £75 were selling for £15. Any member of the public who had dared speculate on that particular even was well and truly burned.

The Venues, Managers and Promoters have, for many years, pointed the finger at "The Touts" when it all goes horribly wrong but we can clearly see, the same Venues, Managers and Promoters are selling their own Inventory on the Secondary Markets. Quite often they have to in order to stave off Bankruptcy, and why not? They are after all promoting/hosting/organising the event, it is theirs to sell. But please,

when tickets go on sale to the General Public at nine am prompt, please do not say it sold out in thirty seconds and because the tickets immediately go on sale on the platforms at double, triple the face value – don't say they have been "Hoovered up by Touts". Nonsense.

The ticket deals will have been done long since. Famously, Viagogo bought all the two Front Row tickets for the Girls Aloud concerts at twice face value from the promoter and the second the tickets went on sale – Hey Presto! – we have tickets.

Just HOW MANY tickets went on sale at nine am anyway? The situation became so bad a couple of years ago in the State of New Jersey in the USA that a bill was passed forcing the Promoters to declare just how many tickets were actually going on sale to the public because it was just such a small percentage of the whole inventory. This is a real issue in the UK and it needs to be addressed. If the tickets are going on sale to the public, just how many are going on sale and WHERE ARE the seats? Because you can be guaranteed they will be way up at the back in the very top rows in the back corners inaccessible to all who lack the necessary climbing apparatus and Oxygen supply.

You can always sell a front row ticket, you cannot always sell a back row standing. Ask Barbara Streisand, she tried to set her own ticket prices and it took almost two years to settle the last of the claims at Croker Park due to the dramatic drop in ticket prices by Ticketmaster in order to fill the stadiums.

And that is why the Primary Sellers would never want to totally eradicate the Secondary Markets. In the Primary Markets you have a floor, a bottom price through which you cannot fall. For years the Primaries have experimented with "Dynamic Pricing". The Holy Grail of ticket pricing is that of the Airlines. The Consumer is generally quite happy that the person sitting next to him on an airplane has paid less than him for his ticket. Not so at a Concert or Sporting event, if the ticket prices for any event start to fall, suddenly those people who paid full price in the beginning will find every excuse for a refund. Because they can cash their tickets in and buy cheaper ones, or so is the perception.

It is quite different of course but who can blame the consumer for trying to save a few pounds? That is the whole point isn't it? A better deal?

But this is not happening right now in the UK. The Markets are being manipulated and the Consumer is, by and large, getting a very poor deal and poor value for money from the so-called Fan to Fan marketplaces.

Their tickets and money are being withheld from them and they are conforming to a very unfair set of conditions. Because the smaller brokers are so marginalised the traditional route of selling their tickets to an independent Broker are no longer attractive. Ten years ago the first couple of pages of results for a ticket search using Google as the search engine resulted in a cornucopia of ticket brokers. Today, without looking, we know it is dominated by the (not very) independent platforms. And let's face it, who looks on page two of the results?

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ASTA (Association of Secondary Ticket Agents)

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