

Completed acquisition by PUG LLC (viagogo) of the StubHub business of eBay Inc.

Appendices and glossary of the final report

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Glossary

Appendix A: Terms of reference

1. In exercise of its duty under section 22(1) of the Enterprise Act 2002 (the **Act**) the Competition and Markets Authority (**CMA**) believes that it is or may be the case that:
 - (a) a relevant merger situation has been created, in that:
 - (i) enterprises carried on by Pugnacious Endeavors, Inc (**viagogo**) have ceased to be distinct from enterprises carried on by StubHub, Inc., StubHub (UK) Limited, StubHub Europe S.à.r.l., StubHub India Private Limited, StubHub International Limited, StubHub Taiwan Co., Ltd., StubHub GmbH, and Todoentradas, S.L. (together, **StubHub**); and
 - (ii) the condition specified in section 23(2)(b) of the Act is satisfied; and
 - (b) the creation of that situation has resulted, or may be expected to result, in a substantial lessening of competition within a market or markets in the United Kingdom for goods or services, including the supply of online exchange platforms for selling and buying secondary tickets (Secondary Ticketing Exchange Platforms) in the United Kingdom.
2. Therefore, in exercise of its duty under section 22(1) of the Act, the CMA hereby makes a reference to its chair for the constitution of a group under Schedule 4 to the Enterprise and Regulatory Reform Act 2013 in order that the group may investigate and report, within a period ending on 9 December 2020, on the following questions in accordance with section 35(1) of the Act:
 - (a) whether a relevant merger situation has been created; and
 - (b) if so, whether the creation of that situation has resulted, or may be expected to result, in a substantial lessening of competition within any market or markets in the United Kingdom for goods or services.

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Competition and Markets Authority
25 June 2020

Appendix B: Industry background on the supply of tickets in the UK

Introduction

1. This appendix describes the ticketing industry in the UK. In the first instance, all tickets to live events are made available in what is commonly called the primary market. Tickets sold at this stage of the supply chain are commonly called primary tickets. Some tickets sold in the primary channel may then be resold. Tickets available for resale are listed in secondary ticket channels. We refer to those who sell tickets in secondary ticket channels as resellers and tickets sold through any of these channels as secondary tickets. We discuss first the primary supply of tickets before focussing on secondary ticketing, which is where the Parties primarily overlap.

The primary supply of tickets

2. Tickets sold on the primary market are those tickets sold initially by the venue, event organiser or other primary channel. This is the source of tickets that may later be made available for resale on the secondary market, where viagogo and StubHub mainly operate.
3. The primary market for tickets to live events in the UK contributes to and affects the secondary market. The activity in the primary market influences the availability and price of tickets available for sale on the secondary market. In this section, we provide background on the primary market to help explain how tickets become available on the secondary market.
4. The process of pricing, selling and distributing tickets in the primary market is composed of several stages and varies across events. The content rights holders, such as artists, venues and promoters of events, set the price and choose a channel for selling primary tickets. Tickets are typically sold initially on primary ticketing platforms and through other channels, such as the venue (eg the National Theatre), event organisers (eg Glastonbury) or sports clubs (eg an individual football club).
5. This process varies across live music, sports and theatre events.

Music

6. Music concert tickets are typically sold through primary ticketing platforms and other channels, including the artist's or venue's website.

7. Generally, the artist and its agent choose a promoter to arrange an event or tour and find venues. While the price of tickets is usually decided by the artist and its agent, promoters and venues distribute most tickets. Tickets are allocated between the venue, promoter and (to a lesser degree) the artist. Multiple channels are used to distribute tickets, including primary ticketing platforms.¹ Primary ticketing platforms may also be involved in pricing discussions and may make recommendations on pricing strategies.
8. Music festivals, where a combination of artists perform, typically follow a different process to music concerts that is more akin to sports. The festival organiser controls the ticketing inventory, though tickets may be sold through several primary channels.²

Sports

9. Tickets to most major sports events are typically organised together as part of a league or tournament. The respective sporting organisation or team initially control the ticketing inventory and administer how tickets for events are packaged for sale. Sports organisations typically sell tickets through their own box office or work with a primary ticketing platform to decide this service. They may also decide to work with a secondary ticketing partner or decide to handle returns and resales themselves.³
10. Tickets are typically made available to groups, such as season ticket holders, sponsors, debenture seat holders, corporate hospitality providers, schools, corporate sponsors, and those who are closely connected with the organisation. For very popular events, it is usual for specific groups, such as season ticket holders, to have priority when it comes to purchasing tickets.⁴

Theatre

11. The process for pricing, selling and distributing theatre tickets is more akin to music events than sports events. Event organisers work with a manager to select the venue and organise the event.

¹ [Independent review of consumer protection measures concerning online secondary ticketing facilities](#), 2016, paragraphs 1.7 to 1.10.

² [Independent review of consumer protection measures concerning online secondary ticketing facilities](#), 2016, paragraph 1.14.

³ [Independent review of consumer protection measures concerning online secondary ticketing facilities](#), 2016, paragraphs 1.3 and 1.4.

⁴ [Independent review of consumer protection measures concerning online secondary ticketing facilities](#), 2016, paragraphs 1.3 and 1.4.

Evolving practices

12. The way primary tickets are priced, sold and distributed has evolved over recent years. In this section, we discuss two key practices, dynamic pricing and digital ticketing, that are used by primary ticketing platforms and appear to impact the secondary ticketing market. While the decision on whether to employ such practices is typically made by event organisers and content rights holders, primary ticketing platforms are influential in their adoption.

Dynamic pricing

13. Dynamic pricing is used to vary the price of tickets over time in response to changes in demand and consumers' willingness to pay. This contrasts to a traditional model, where the price of a ticket would remain constant throughout the period for which it is on sale. Primary ticket sellers use dynamic pricing to maximise the revenue obtained from each ticket.
14. Primary ticketing platforms may recommend using dynamic pricing for certain events where it is likely to be an effective strategy in maximising revenue from ticket sales. Generally, events with very high demand are more likely to have dynamically priced tickets. Ultimately, the decision on whether to dynamically price is made by the event organisers.
15. Dynamic pricing has existed in the UK ticketing sector since 2007 through Ticketmaster's 'Platinum' series of tickets. Ticketmaster now has two products through which it offers dynamic pricing:
 - (a) 'Platinum' – [X].
 - (b) 'Pricemaster' – [X].
16. Customers may have some indication of dynamically priced tickets, with some labelled 'in demand' or 'best at current time', but it is at the content rights holder's discretion whether they want to make the customers aware that tickets are dynamically priced.
17. More recently, other primary ticketing platforms have started to offer similar products and advanced analytics tools have further enabled dynamic pricing.⁵
18. In the US, dynamic pricing is prevalent in the primary ticketing market. This is especially the case for certain sports leagues, where some primary ticketing

⁵ [X]

platforms have had dynamic pricing (with caps and floors to maintain a 'reasonable price') fully adopted by nearly all NFL and MLB teams.⁶

19. By contrast, dynamic pricing in the UK is still limited to a low number of events and most primary tickets are sold at face value. Several of the main primary ticketing platforms indicated that dynamic pricing is only applicable to a small proportion of their sales.⁷

Digital ticketing

20. The increased use of digital ticketing is another significant development in the industry. This is where tickets are made available digitally for attendees to download onto smart phones and show to gain entry to an event. According to the Parties, the use of tickets on a smartphone app by primary ticketing platforms has [REDACTED] of all tickets sold in the UK over the past two years.
21. The increased use of digital ticketing is attributable to several advantages over traditional paper (or PDF) tickets. It helps prevent counterfeit tickets, can instantly be sent to the buyer, provides primary sellers with additional marketing data and opportunities, and facilitates contactless entry and contact tracing.⁸
22. [REDACTED].

Size of primary ticket sector

23. The Parties submitted that primary ticket sales in the UK were worth around £5–6 billion in 2018.⁹ In 2019 over 35 million primary tickets were sold to UK events.
24. The data that we have available indicates that the primary ticket sector in the UK from third party distributors was worth at least £1.5 billion in 2019. By event type, we estimate this as:
- (a) £1.3 billion for concerts;
- (b) £84.5 million for sport; and

⁶ [REDACTED]

⁷ [REDACTED]

⁸ [REDACTED]

⁹ The data that we have available indicates that the primary ticket sector in the UK from third party distributors was worth at least £1.5 billion in 2019. However, this does not include sales direct from venues or non-distributors (eg sporting clubs or bodies) and so the true figure is likely to be much higher.

(c) £256.8 million for theatre.¹⁰

25. However, this does not include sales direct from venues or non-distributors (eg sporting clubs or bodies) and so the overall figure for primary tickets is likely to be much higher.
26. The largest Primary Ticketing Platforms selling tickets to UK events are Ticketmaster, See Tickets and AXS. Other platforms include Eventbrite, Eventim UK and Gigantic. The Parties' presence in primary ticketing is relatively small.
27. viagogo sells a small proportion of its ticket sales ([X]) on the primary market on behalf of event organisers and content rights holders such as sports teams. Of the [X] tickets sold for UK events in 2019, only [X] related to primary tickets sales of which the vast majority ([X]) related to sports events. These are mainly sold through partnerships with sports teams who allocate a small portion of their tickets for viagogo to sell on its platform.
28. StubHub's primary ticket sales account for [X]% of GMS revenue in the UK. Most of these primary sales ([X]%) relate to sporting events, with [X]% for theatre and comedy and less than [X]% for concerts. The sales occur through partnerships with content rights holders and promoters, such as Everton FC, Aviva Rugby Premiership League, Northampton Rugby Club, Matchroom Boxing and We are Festival.

The secondary supply of tickets

Introduction to channels for secondary tickets

29. Although there are restrictions on the ability of a ticket holder to resell tickets that they acquired in the primary ticket channel, some tickets sold in the primary channel may then be made available for resale. Tickets available for resale are listed in secondary ticket channels. We refer to those who sell tickets in secondary ticket channels as resellers. The main channels for selling secondary tickets are:
 - (a) uncapped secondary ticketing platforms;
 - (b) capped secondary ticketing platforms;
 - (c) non-specialist channels and social media; and

¹⁰ CMA analysis of primary ticketing platforms' ticket sales data. The dataset used for the analysis compiles together the following Parties' and third-parties' data submissions.

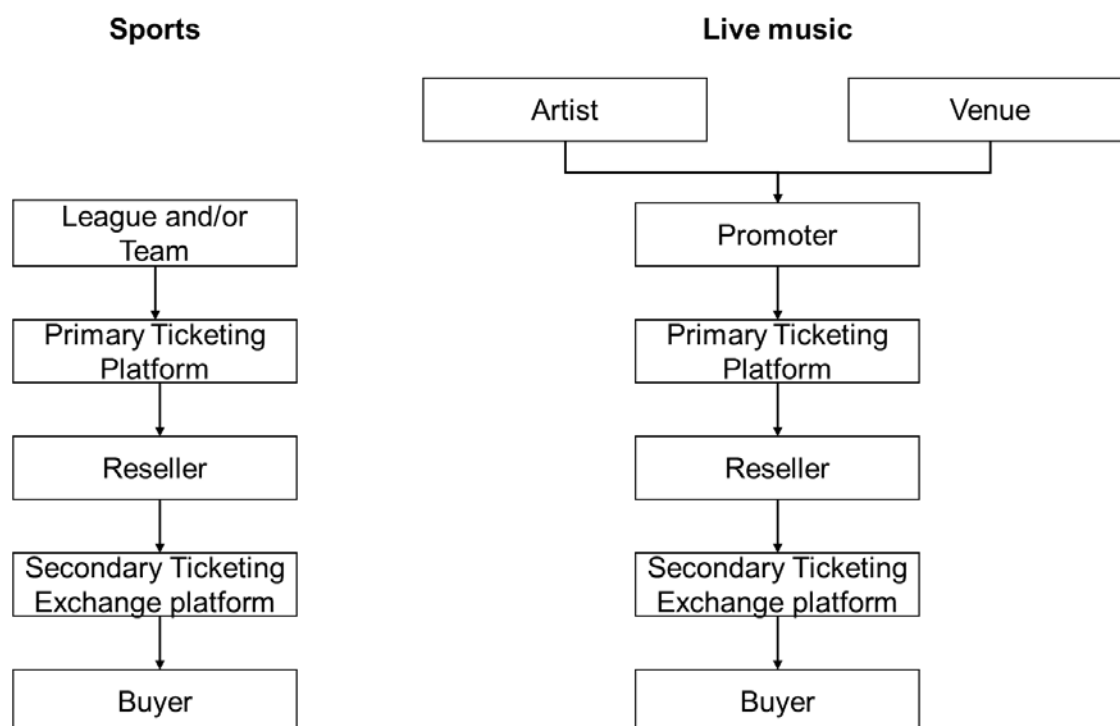
(d) offline channels.

30. We outline each below.

Secondary ticketing platforms

31. Secondary ticketing platforms are ‘two-sided’ online platforms that enable buyers and resellers to buy and resell the tickets they have bought for music, sports, theatre and other live events (as illustrated by Figure B.1). The platforms are made up of a set of technical functionalities, marketplace policies and back office support. They do not at any point take ownership of the ticket inventory and only facilitate the buying and reselling of tickets.

Figure B.1: How tickets arrive on Secondary Ticketing Exchange Platforms, by sports and live music



Source: CMA analysis.

32. Resellers choose from a catalogue of pre-populated events on a secondary ticketing platform and enter their ticket details, including the location of the seat. Resellers set their ‘take home fee’ or the amount they will be paid after charges.

33. Prospective buyers can then see a range of tickets under an event, with details of specific tickets such as its location. Once buyers have selected and paid for a ticket, the platform will arrange for the fulfilment or delivery of their ticket (depending on whether it is a physical or electronic ticket).

34. There are four main types of resellers that use secondary ticketing platforms:
- (a) Fan resellers – generally individuals with a small number of tickets to sell often for events for which they are no longer able to attend;
 - (b) Professional resellers – resellers who buy tickets in bulk on the primary ticket market with a view to selling them for a profit on the secondary ticketing market;¹¹
 - (c) Authorised ticket resellers – similar to professional resellers, this group are agents who have a direct relationship with primary ticket sellers or event organisers who are used by them to widen distribution and are often given a bulk allocation by them to resell; and
 - (d) Event organisers – the organisers of events who may also use secondary ticket markets to widen distribution for their tickets or in order to sell discounted tickets for events that for which there is low demand.

Uncapped and capped secondary ticketing platforms

35. An important distinction within this group is whether the platform imposes a cap on the price at which tickets can be resold.
36. Uncapped secondary ticketing platforms, such as those operated by viagogo and StubHub, allow resellers to list tickets for a wide range of events at any price. As a result, buyers may purchase a ticket significantly above face value. This makes the platforms particularly attractive to professional resellers focused on maximising returns, as opposed to casual fans only looking to recoup the money spent on a primary ticket.¹² The Parties submitted that [X]% of tickets on secondary ticketing platforms are listed by professional resellers.
37. viagogo and StubHub are the largest suppliers in the UK secondary ticketing platform market, representing [80–90%] in terms of value in 2019.¹³ Gigsberg is another uncapped secondary ticketing platform, though it is much smaller in comparison with the Parties.¹⁴
38. The bulk of tickets on viagogo's platforms are for concerts and festivals, with a significant minority being for sports events and theatre performances. In 2019,

¹¹ Some professional resellers also operate their own website for selling secondary tickets.

¹² For example, [X]

¹³ CMA analysis of Parties' and third parties' sale data.

¹⁴ CMA analysis of Parties' and third parties' sale data.

[X] % of tickets sold for UK events were for concerts and festivals, [X] % for sports events and [X] % for theatres.

39. On StubHub, the bulk of secondary ticket sales by GMS relate to sports events ([X] %) with concerts and festivals accounting for a significant minority ([X] %) and a small amount ([X] %) relating to theatre.
40. Capped secondary ticketing platforms (or 'fan-to-fan' platforms) only allow tickets to be sold at face value or with a fixed increment. The cap is typically the face value of the ticket plus a small amount to cover booking fees. Some may also restrict resellers from pricing below face value. These platforms are typically used by fans who bought primary tickets and then realise they can no longer attend the event.
41. Capped secondary ticketing platforms comprise:
 - (a) platforms for buying and reselling tickets for different events (such as Twickets and TicketSwap);
 - (b) platforms for buying and reselling tickets initially sold through a specific primary ticketing platform (Ticketmaster Ticket Exchange, AXS Official Resale, Eventim fanSALE, Gigantic and See Tickets Fan-to-Fan); and
 - (c) specialised platforms for a specific venue or sport (eg most English Premier League teams have their own internal ticket exchange).
42. Capped secondary ticketing exchange platforms make up a small proportion of the share of the supply of secondary tickets, covering about 10% of the value of UK tickets resold in 2019.¹⁵

Fees charged by secondary ticketing platforms

43. Secondary ticketing exchange platforms active in the UK typically charge fees based on completed transactions to one or both of the seller and the buyer. Some also charge a delivery fee to cover the handling, transaction and/or postage fees which are typically fixed amounts (ie do not vary with the price of the ticket). None of the platforms charge a joining or membership/subscription fee or a listing fee.
44. Table B.1 shows the average level of reseller fees, buyer fees and delivery fees charged by the main secondary ticketing platforms. It shows that

¹⁵ CMA analysis of Parties' and third parties' sale data.

uncapped platforms typically have higher fees than those of the capped platforms:

- (a) Uncapped secondary ticketing platforms typically have seller fees between 5–15% and buyer fees of 15–20%.
- (b) Capped secondary platforms operated by the primary platforms charge seller fees of 0–10% and buyer fees of 10–15%.
- (c) Other capped secondary platforms charge seller fees of 0–5% and buyer fees of 8–15%.

Table B.1: Fee structure adopted by the main secondary ticketing platforms

	<i>Reseller fee</i>	<i>Buyer fee</i>	<i>Delivery fee</i>
<u><i>Uncapped secondary ticketing platforms</i></u>			
Viagogo	[X]	[X]	[X]
StubHub	[X]	[X]	[X]
Gigsberg	[X]	[X]	[X]
GetMeIn! (up to November 2018)	[X]	[X]	[X]
SeatWave (up to November 2018)	[X]	[X]	[X]
<u><i>Capped secondary ticketing platforms operated by primary platforms</i></u>			
Ticketmaster Ticket Exchange	[X]	[X]	[X]
AXS Resale	[X]	[X]	[X]
Eventim UK FanSALE	[X]	[X]	[X]
See Tickets Fan-to-fan	[X]	[X]	[X]
Gigantic	[X]	[X]	[X]
<u><i>Other capped secondary ticketing platforms</i></u>			
TicketSwap	[X]	[X]	[X]
Twickets	[X]	[X]	[X]

Source: CMA questionnaire responses from the Parties and third parties.

- 45. For viagogo, there have been no significant changes in percentage fees charged to sellers since 2017, with the overall ‘take rate’ (seller and buyer fees combined) remaining at roughly [X]% since 2009, and the seller fee accounting for ‘approximately [X]% of that overall amount’. In mid-2018, the buyer fee was increased by [X].
- 46. viagogo told us that its overall fees are set globally and applied in a uniform way across all countries where viagogo is active. Where fees vary between countries, this primarily reflects how the fees are practically and logistically implemented (for example because of the different buyer/seller VAT status). Ticket delivery fees vary between countries, both for physical delivery (which is based on an estimate of the cost to viagogo plus a ‘buffer’) and for e-ticket delivery.
- 47. viagogo noted that some event organisers had negotiated bespoke fees (including buyer, seller and delivery fees), but these were on a case-by-case basis and were unique to the event organiser in question.

48. Similarly, StubHub charges the reseller and buyer a fee based on the sale value of the ticket. StubHub charges fan resellers [X]%, professional resellers [X]%, and buyers [X]% of the ticket price.¹⁶ StubHub sometimes reduces the reseller fees. For non-UK buyers of tickets for UK events, StubHub also charges a fee of [X]% in addition to its standard base fee to cover increased shipping costs.
49. We have found that some secondary ticketing exchange platforms will occasionally reduce fees for a limited time in a promotion to attract resellers. For example, Gigsberg stated that '[X]'.
50. The reseller receives the amount a buyer pays for a ticket on a secondary ticketing exchange platform less the platform's fees. This is illustrated by the StubHub example in Figure B.2. Depending on the platform, resellers receive their payment once tickets have been delivered or after the event has taken place.

Figure B.2: Example of how fees are set on a secondary ticketing exchange platform

[X]

Source: StubHub [X].

Non-specialist channels and social media

51. Secondary tickets are also bought and sold through online channels that do not specialise in tickets, such as classified advertising websites and social media.
52. The Parties submitted that online marketplaces and social media websites like Facebook and Gumtree have large numbers of users and provide opportunities to buy and resell tickets.¹⁷
53. However, tickets bought on secondary ticketing platforms generally come with greater protections for the buyer than those bought through other online channels, such as social media.¹⁸

Offline channels

54. Primary tickets may also be made available for resale through offline channels. Buyers purchase tickets through offline travel agents, hospitality

¹⁶ Both fees are inclusive of VAT.

¹⁷ [X]

¹⁸ [Independent review of consumer protection measures concerning online secondary ticketing facilities](#), 2016, paragraph 15.

providers, ticket wholesalers, and their personal networks (eg friends and family). Tickets are also sold at box offices at event venues, ticket booths (eg in Leicester Square), and individual ticket resellers or 'touts' outside of the event venue offering secondary tickets.

Size of secondary ticket sector

55. The Parties submitted that anywhere between [X]% and [X]% of primary tickets sold are resold through secondary channels, although this varies considerably between types of event. According to estimates provided by the Parties, secondary ticketing accounted for around £1.5–2.5 billion in the UK in 2018.
56. We think that is a considerable overestimate. In 2019, there were about 1.9 million secondary tickets sold, which is 5–6% of the number of primary tickets sold.¹⁹ Based on data provided from all the main secondary ticketing platforms in the UK, we think that the value of secondary tickets sold last year through online ticketing platforms was about £350 million (although this does not include sales which occur outside of online platforms).²⁰
57. This is also within the range referenced in the Waterson Review in 2016,²¹ which estimated that the secondary ticketing market was between 3–7% of the size of the primary ticketing market in terms of ticket numbers, though this was clearly higher for major venues.²²

¹⁹ CMA analysis of Parties' and third parties' sale data.

²⁰ CMA analysis of Parties' and third parties' sale data.

²¹ The 'Waterson Review' is an independent review by Professor Michael Waterson published in 2016 that assesses the consumer protection measures applying to resale of tickets for sporting, entertainment and cultural events in the UK through secondary ticketing facilities. See [Independent review of consumer protection measures concerning online secondary ticketing facilities](#), 2016.

²² We acknowledge that the industry data that formed the basis for this estimate dates back several years and was published in the Waterson Review in 2016. See [Independent review of consumer protection measures concerning online secondary ticketing facilities](#), 2016, paragraph 5.19.

Appendix C: Analysis of transactions on primary and secondary platforms

1. This appendix sets out our analysis of transactions on primary ticketing platforms and secondary ticketing exchange platforms.
2. The Parties submitted at phase 1 that they are constrained by primary ticketing platforms on the buyer side of their platforms as the prices of tickets sold through primary ticketing platforms and secondary ticketing exchange platforms are converging.²³ This convergence, the Parties argue, means the CMA's finding in *Ticketmaster/Seatwave* that primary tickets do not impose a constraint on the secondary market due to the difference in prices of tickets sold through primary ticketing platforms and secondary ticketing exchange platforms is no longer appropriate.²⁴
3. In assessing the constraint from primary ticketing platforms on the buyer side of the Parties' platforms, we have tested whether (i) there are large differences in the price of tickets sold through primary ticketing platforms and secondary ticketing exchange platforms and (ii) the purchasing behaviour of buyers differs between primary ticketing platforms and secondary ticketing exchange platforms for selected individual events. We have found that:
 - (a) At the aggregate level, the average resale price of event tickets sold through the Parties' platforms was well above their face value. Our analysis found that most tickets sold through the Parties' platforms in 2019 had a mark-up over their face value of more than 50%.
 - (b) The prices of tickets purchased by buyers and the purchasing behaviour of buyers are different between primary ticketing platforms and secondary ticketing exchange platforms for a number of selected individual events. Our analysis found that the majority of tickets to these events were sold through [X] (a primary ticketing platform) in the first week they were made available to buyers, whereas tickets for these events were typically sold through the Parties' platforms closer to the date of the event and at a higher price than on [X].

²³ The Parties submitted analysis which estimated that the average price difference between viagogo and Ticketmaster Platinum was [X]% [X]. This was based on the listings of 15 events for one day in December 2019 [X]. Ticketmaster Platinum tickets are Ticketmaster's premium tickets, priced at market-driven prices (ie 'dynamically priced'). Tickets sold through Ticketmaster Platinum do not include any additional VIP or hospitality elements ([Ticketmaster, What are Official Platinum Tickets?](#), 8 June 2020).

²⁴ 'The CMA understands that, while for some events there may still be primary tickets available when secondary tickets go on sale, these will often be at a much lower price (for popular events) or a much higher price (for unpopular events)' ([Ticketmaster/Seatwave](#), paragraph 43).

(c) Primary ticketing platforms make limited use of a range of strategies (such as ‘dynamic pricing’ or ‘variable pricing’) that, as argued by the Parties, contribute to the convergence of pricing of tickets sold through primary ticketing platforms and secondary ticketing exchange platforms. We therefore consider that these strategies would have a limited impact on the ticket prices set by resellers on the Parties’ platforms and the availability of tickets for buyers on the Parties’ platforms.

4. This appendix sets out the analysis that supports our findings in turn below.

Analysis at the aggregate level

5. We conducted an analysis on the price of tickets sold through the Parties’ platforms in 2019. The aim of this analysis is to test whether primary ticketing platforms constrain the Parties on the buyer side of their platforms, in particular whether prices of tickets sold through primary ticketing platforms and secondary ticketing exchange platforms are converging as the Parties have submitted.
6. Our analysis first measured the average mark-up and median mark-up over face value for tickets sold through the Parties’ platforms. This analysis compared the face value information provided by resellers when listing a ticket on the Parties’ websites with the price the tickets were sold.²⁵ The results of this analysis are set out in Table C.1.

Table C.1: Mark-up over face value for tickets sold through the Parties’ platforms

	%	
	<i>viagogo</i>	<i>StubHub</i>
Average mark-up of ticket prices over face value	[REDACTED]	[REDACTED]
Median mark-up of ticket prices over face value	[REDACTED]	[REDACTED]

Source: CMA analysis [REDACTED].

7. Table C.1 shows that the price of tickets sold through the Parties’ platforms are typically much higher than the face value of the ticket when purchased from a primary ticketing platform. In particular, tickets sold through viagogo and StubHub’s platform had a median mark-up over face value of [REDACTED]% and [REDACTED]% respectively.
8. We then looked at the distribution of mark-ups over face value for tickets sold through the Parties’ platforms. The results of this analysis (set out in

²⁵ We have therefore not included any transaction information where the face value or ticket price was not submitted by the Parties. In addition, we have not included transaction information where the face value or ticket price was likely to be unreliable (ie when these values were less than £1 or more than £10,000). Paragraphs 7.254 to 7.257 also discuss the use of the Parties’ face value data.

Table C.2) show that [80–100%] and [60–80%] of tickets sold through viagogo and StubHub's platform were sold at more than 20% above face value. In addition, the results of this analysis show that only a small proportion of tickets sold through viagogo [0–20%] and StubHub [20–40%] were below face value.

Table C.2: Distribution of mark-up over face value for tickets sold through the Parties' platforms

	%	
	<i>viagogo</i>	<i>StubHub</i>
Less than 0%	[X]	[X]
0–20%	[X]	[X]
20–50%	[X]	[X]
50–80%	[X]	[X]
80–100%	[X]	[X]
100–150%	[X]	[X]
150–250%	[X]	[X]
250–500%	[X]	[X]
More than 500%	[X]	[X]

Source: CMA analysis [X][X].

9. We therefore consider that the sale of tickets sold through primary ticketing platforms is, at the aggregate level, unlikely to constrain the Parties on the buyer side of their platforms and that the prices of tickets sold through primary ticketing platforms and secondary ticketing exchange platforms are not converging.

Analysis of selected events

10. In addition to our analysis at the aggregate level, we analysed (i) the purchasing behaviour of buyers as well as (ii) the prices of tickets purchased by buyers on primary ticketing platforms and secondary ticketing exchange platforms for selected individual events.
11. This analysis was conducted to test the results of our analysis at the aggregate level for selected individual events, as well as to corroborate the evidence we have gathered to date on the purchasing behaviour of buyers. After providing some background on the events included in our analysis, these are discussed in turn below.

Background on the selected events

12. The selected events were chosen by requesting transaction data from [X] (a primary ticketing platform) for 21 of the Parties' top revenue- generating

events in 2019.²⁶ [X] sold tickets to 13 of these 21 events and were provided with the ‘full ticket manifest’ by the event organiser for [X] of the 13 events; [X] allocation of tickets for the other [X] events were allocated to them by the venue where the event was held rather than the event organiser.²⁷

13. These 13 events accounted for [0–10%] and [0–10%] of viagogo and StubHub’s GTV in 2019, respectively, and [less than 5%] of [X] GTV in 2019.²⁸ The sample of 13 events is not intended to be representative of all event tickets sold through the Parties’ platforms in 2019 since it comprises only large/popular events. However, we have found the results of our analysis of ticket prices at the aggregate level and for selected events to be comparable.
14. [X]
15. Additionally, [X] has argued that the proportion of dynamic pricing on ‘[X]’ is significant and should be considered, rather than a simple average across all events sold on [X], as [X]. We consider it likely that the 13 selected events were relatively high-demand events, as they were selected from the largest events of the Parties in terms of GTV. The data obtained from [X], does not suggest a large proportion of tickets for our selected events were subject to dynamic pricing even though they were ‘high demand events’.

Primary and secondary ticket prices on the selected events

16. This analysis of primary and secondary ticket prices has been conducted to test the extent of any constraint the Parties face from primary ticketing platforms.
17. In theory, the availability of tickets for an event being sold at a lower price (ie their face value) on primary ticketing platforms could place downward pressure on the ticket prices charged by resellers for the events listed on the Parties’ platforms. This could therefore restrict the merged entity’s ability to profitably increase the fees charged to buyers and resellers (if these are passed-through to the ticket prices paid by buyers) as buyers could switch away from the Parties’ platforms to primary ticketing platforms when tickets are available for the event at a lower price.

²⁶ [X] This included [X] observations that were refunds or did not include ticket prices, which accounted for [X] [less than 10%] of the transactions submitted by [X] for our selected events. These observations are not included in the dataset we use in our analysis.

²⁷ The transaction data provided by [X] did not include any sales of secondary tickets to buyers on its secondary ticketing exchange platform.

²⁸ CMA analysis of Parties’ data

18. The first part of this analysis compared the median price of tickets sold through [X] and the Parties' platforms for each of our selected events.²⁹ When comparing the median price of tickets sold through [X] and the Parties' platforms, we found that:³⁰
- (a) The median ticket prices on viagogo were higher than those on [X] for all of our selected events, with an average mark-up over the median ticket price on [X] of [X] across all 13 events.
 - (b) The median ticket prices on StubHub were higher than those on [X] for 12 of our 13 events, with an average mark-up over the median ticket price on [X] of [60–80%] across all of our selected events.
 - (c) The median ticket prices on viagogo were higher than those on StubHub in [90–100%] of weeks where the Parties were both selling tickets leading up to an event.³¹
19. We then estimated the proportion of tickets that were sold through the Parties' platforms above their face value.³² We found that an average of [80–100%] and [60–80%] of tickets sold by resellers for our selected events on viagogo and StubHub's website, respectively, were above the face value of a ticket.
20. We therefore consider that the price of tickets sold through primary ticketing platforms is, at the level of individual events, unlikely to constrain the Parties on the buyer side of their platforms and there is no evidence that the prices of tickets sold through primary ticketing platforms and secondary ticketing exchange platforms are converging.

Purchasing behaviour of buyers on the selected events

21. Our analysis of the purchasing behaviour of buyers has been conducted to understand how consumers use primary and secondary channels when buying tickets at the level of an individual event.

²⁹ We have used the median, rather than mean, ticket price to account for the presence of any outliers which may affect the results of our analysis.

³⁰ As with our analysis at the aggregate level, when comparing the price of tickets sold through [X] and the Parties' platforms for our selected events, we dropped transactions where the recorded ticket price was less than £1 and more than £10,000 under the assumption that these transactions were outliers for each event.

³¹ In total, 378 weeks were considered where [X], viagogo and/or StubHub were selling tickets to the same events. There were 356 weeks of those 378 weeks, where both the Parties were selling tickets to the same events.

³² When conducting this analysis, we compared the ticket face values included in the Parties' dataset with the distribution of ticket prices in the [X] dataset. Based on a visual inspection of charts describing the distribution of ticket prices sold through [X] and face values of tickets sold through the Parties' platforms, we found the face value data provided by the Parties to be comparable to the ticket prices included in the data provided by [X].

22. In particular, this analysis tests whether the majority of ticket sales on primary platforms occur in the first days and/or weeks after the first ticket goes on sale.³³ If true, this would mean that consumers will migrate to secondary ticketing exchange platforms as the date of the event approaches, demonstrating that (i) there is a difference in consumer behaviour between primary and secondary ticketing platforms and (ii) there is little or no competitive interaction between primary and secondary ticketing platforms as buyers cannot purchase tickets from primary channels as the event date approaches.
23. We therefore compared the average proportion of tickets sold for our selected events on [X] and the Parties' platforms in both the first week they were made available to buyers and the last week before the date of the event. This is shown in Table C.3 below.

Table C.3: Average proportion of tickets sold for our selected events on [X] and the Parties' platforms

			%
	[X]	viagogo	StubHub
Average proportion of tickets sold for our selected events in the first week they were made available to buyers	[60–80]	[20–40]	[0–20]
Average proportion of tickets sold for our selected events in the last week before the date of the event	[0–10]	[0–20]	[20–40]

Source: CMA analysis.

24. As can be seen in Table C.3, an average of [60–80%] of tickets that were sold for our selected events through [X] platform were purchased in the first week they were made available to buyers. In contrast, an average of [20–40%] and [0–20%] of tickets that were sold for our selected events through viagogo and StubHub's platform, respectively, were purchased in the first week they were made available to buyers.
25. Table C.3 also shows that an average of [0–20%] and [20–40%] of tickets that were sold for our selected events through viagogo and StubHub's platform, respectively, were purchased in the last week before the event. [Less than 5%] of tickets that were sold for our selected events through [X] platform were purchased in the last week before the event.
26. The proportion of tickets sold through [X] platform in the last week before the event is, however, a similar number of tickets sold through the Parties'

³³ [One reseller] suggested that it would buy tickets at the start of the sale but then wait a few weeks for prices to settle before listing. A number of third parties also pointed out that resale listings or transaction tended to take place close to the event, with [X] noting that listings on its US resale site increased in the one to two weeks before an event, while [X] stated that buyer activity peaked in the one to two weeks before an event. [X] stated that increased reseller listing on its resale site from [X] prior to the event date.

platforms in absolute terms. We have therefore compared the median price of tickets sold through [X] and the Parties' platforms in the last week before the event for each of our selected events.³⁴ We have found that the average mark-up over the median ticket price on [X] was [X]% on viagogo and [X]% on StubHub across the [X] events for which [X] sold tickets in the last week before the event. In addition, the median ticket prices on viagogo and StubHub in the last week before the event were higher than those on [X] for nine and seven of these [X] events, respectively.³⁵

27. We therefore consider that the availability of tickets sold through primary ticketing platforms is, at the level of individual events, unlikely to constrain the Parties on the buyer side of their platforms.

'Convergence' of pricing between primary and secondary tickets

28. The Parties have submitted that there is a 'convergence' of pricing between tickets sold through between primary ticketing platforms and secondary ticketing exchange platforms and a 'blurring' of the distinction between primary and secondary tickets as tickets are increasingly available to buyers on both types of platforms. This is because primary ticketing platforms are increasingly using a range of strategies (such as 'dynamic pricing', 'slow ticketing' and 'variable ticketing') that increase the prices and/or the availability for tickets to events sold through primary ticketing platforms relative to secondary ticketing exchange platforms.³⁶
29. However, we have found that primary ticketing platforms make limited use of these strategies. In particular, data obtained from [X] indicated that:³⁷
- (a) 'Dynamic pricing' was applied to [less than 10%] of tickets sold through its platform in 2019, accounting for [less than 10%] of GTV;
 - (b) [X] (a facility for event organisers to vary prices and ticket numbers) was used in the sale of [less than 10%] of tickets through its platform in 2019, accounting for [less than 10%] of GTV;

³⁴ CMA analysis of the Parties' data

³⁵ The CMA does note that the absolute number of tickets on sale on each platform at the same time for the same event should be considered. [X] sold more tickets than viagogo and StubHub's platforms for [X]% and [X]% of weeks considered, respectively. However, as set out in paragraph 18, ticket prices tended to be higher on viagogo and StubHub than on [X] which suggests that, even though [X] is selling more tickets in absolute numbers in some weeks, those tickets are not substitutable for the tickets offered on the Parties' platforms.

³⁶ The Parties argued that the use of dynamic pricing was growing rapidly, but the evidence they put forward suggesting growth of around 66% per year was based on US trends. We have not seen evidence to suggest that there is likely to be a significant increase in the use of dynamic pricing for the foreseeable future in the UK.

³⁷ CMA analysis of data [X].

- (c) 'VIP tickets' accounted for [less than 10%] of ticket sales through its platform in 2019, accounting for [less than 10%] of GTV; and
- (d) Discounting (ie pricing tickets below face value) was applied to [less than 10%] of ticket sales through its platform in 2019, accounting for [less than 10%] of GTV.
30. This is consistent with data obtained from another primary ticketing platform, AXS.³⁸ Data obtained from AXS showed that 'VIP tickets' accounted for [less than 10%] of ticket sales through its platform in 2019 (accounting for [less than 10%] of GTV) and that AXS did not make use of 'dynamic ticketing', 'slow release' and discounting in 2019.
31. In addition, the primary ticketing platforms we contacted told us that, although they were likely to increase their use of some of these strategies in future, the proportion of tickets these strategies would be applied to will not account for a substantial proportion of their sales.
32. [X] told us that, because it does not always control the full 'house' of tickets and that it can only be used at the request of the event organiser, the extent to which it can employ its [X] product is limited in the UK. On its [X] product, [X] said it intends to use this in a wider range and genre of events because it had found its level for the kinds of events it currently is used for as it is only suitable [X]. However, both these products are not used as standard for [X] events ([X]) as [X] requires a relatively high amount of work to implement and [X] is relatively hands-on and [X].
33. AXS said it had been using 'variable pricing' in the US for [X] and that it was due to be introduced into the UK [X]. [X]. AXS told us that 'variable pricing' tends to be used on about 50–100 tickets to seats close to the stage at venues with large capacities, typically accounting for [no more than 10%] of the venue capacity. 'Variable pricing' requires [X], which means that there is a team of people dedicated to managing 'variable pricing'. This limits the ability of AXS to use it across a large number of tickets for an individual event and for a large number of events.

³⁸ CMA analysis of data.

Appendix D: Reseller multi-homing between the Parties' platforms

Introduction

1. This appendix sets out our analysis of the behaviour of the resellers using the Parties' platforms to sell secondary tickets.
2. Understanding how resellers use the Parties' platforms is key for the assessment of the competitive impact of the merger in a static as well as in a dynamic setting. The extent to which resellers tend to use or not to use the Parties' platforms provides a measure of the competitive overlap between the Parties, which in turn is informative about their closeness of competition. In addition, in the context of a two-sided market characterised by indirect network effects (INEs) like this one, how customers on one side of the platforms behave provides information about the possible evolution of the market and the likelihood of 'tipping'.
3. We therefore used this analysis to consider the following:
 - (a) First, we sought to understand whether the resellers trading a significant amount of tickets a year (and then more likely to multi-home) choose both viagogo and StubHub for their sales and, in case they use both, whether they consider both Parties' platforms to be a valuable sale channels or tend to concentrate their sales on one platform, as strong INEs would suggest;
 - (b) Second, more broadly, we considered what the extent of multi-homing we observed may imply for the cost of using multiple platforms for resellers. In particular, a significant level of multi-homing may suggest that the cost of using multiple platforms is low; and
 - (c) Thirdly, assuming we observed multi-homing between the Parties' platforms, we sought to test whether resellers use viagogo and StubHub for different purposes, such that they might not be close substitutes.
4. In summary, we found that a significant proportion of the Parties' largest resellers use both viagogo and StubHub, and the extent to which they do so is substantial. This suggests the Parties' overlap on the reseller side of the platform is substantial and both Parties' platforms are considered a valuable sales channel. In particular:
 - (a) About a quarter of the Parties' top 10% of resellers used both viagogo and StubHub to sell secondary tickets in 2019.

- (b) The multi-homers account for a large proportion of the activity of both platforms: in 2019 this amounted to at least [X]% of viagogo's GTV and at least [X]% for StubHub's GTV.
 - (c) The extent to which the large resellers who multi-home use the other Party's platform is also substantial: overall in 2019, viagogo's resellers that multi-homed represented at least [X]% of StubHub's GTV and StubHub's resellers that multi-homed represented at least [X]% of viagogo's GTV.
5. Further, the evidence indicates that multi-homing was observed across all events included in our sample of large overlap events.
 6. The rest of this appendix is organised as follows. First, we discuss how reseller multi-homing occurs in secondary ticketing, set out our definition of multi-homing and discuss its implications for the competitive assessment. Then, we turn to the actual analysis by outlining our methodology and the data used for the analysis. Results are presented in the last section.

Multi-homing in secondary ticketing

7. The concurrent use of multiple platforms for the same purpose by a user is generally referred to as multi-homing. However, when looking at the reseller side of secondary ticketing exchange platforms, this concurrent use of multiple platforms can be captured in different ways, each looking at different aspects of the reseller's behaviour and hence leading to different estimates of multi-homing.
8. In particular, a ticket holder who would like to resell the tickets online can do each of the following things:
 - (a) Consider multiple platforms to be good alternatives for selling the tickets, before listing them on just one of them;
 - (b) List the tickets on multiple platforms, for example by moving them from one to another until the sale is made or, in cases where the reseller has multiple tickets to sell (potentially even for the same event), by listing a proportion of the tickets on one platform and the rest on another platform; or
 - (c) Sell the tickets through more than one platform (again, where the number of tickets held by the reseller allows the use of more than one platform).

9. In our analysis we assessed reseller multi-homing behaviour by looking at resellers' ticket sales through multiple platforms. In particular, in our baseline analysis we adopted the following definition of multi-homing:
- ‘A reseller is considered to multi-home if they made any sales through the platforms of both the merging Parties in the same calendar year’.
10. We considered also looking at resellers' listing behaviour, but both Parties explained that ticket listing information was not readily available and it would have been time-consuming and burdensome for them to provide. Since resellers may be listing tickets on both Parties' platforms, but making actual sales on only one, we note that our approach provides a conservative estimate of the true level of multi-homing and therefore a lower bound indication of the Parties' competitive overlap.³⁹
11. Moreover, instead of considering all resellers active on the Parties' platforms in a given year, our analysis focuses on the behaviour of the largest 10% of resellers for each Party. We consider this to be a valid approach because:
- (a) The largest 10% resellers account for at least [X]% of the Parties' sales, meaning that the behaviour of the most valuable set of customers for both Parties is captured by the analysis.
 - (b) By selling more tickets, the largest 10% resellers are most likely to be repeated users and to have the opportunity to multi-home.
 - (c) The smaller, often consumer-to-consumer, resellers excluded from the analysis are less likely to multi-home due to the limited number of tickets traded (with the resellers in the Parties' eight bottom deciles selling on average two tickets a year).
 - (d) Ultimately, this approach is likely to result in an underestimate of the overall level of multi-homing and therefore provides a conservative estimate of the competitive overlap between the Parties.⁴⁰
12. Finally, we note that our definition may not directly capture whether multi-homing resellers use the Parties' platforms for the same purpose. However, we consider that in this case the evidence of concurrent use of the Parties' platforms by the same reseller is likely to indicate that many of these resellers

³⁹ As discussed in Appendix G, paragraph 15, resellers have a range of listing and multi-homing strategies, including moving tickets between sites when they are not selling well.

⁴⁰ This is because our estimates of multi-homing are based on the value of sales made by the largest 10% of resellers who multi-homed as a proportion of the total value of sales made by all resellers using the Parties' platforms.

see viagogo and StubHub as close alternatives rather than primarily using them as complementary sales channels serving different purposes or reaching a completely different set of buyers for the following reasons:

- (a) The Parties' service offerings are very similar. They are both uncapped secondary ticketing exchange platforms with a significant presence across a wide breadth of live events, offering similar guarantees to buyers and sellers and with comparable fee structures.
 - (b) The resellers' responses to our questionnaire and interviews indicated that the Parties are generally seen as close competitors, and that their platforms are seen and used as alternative channels by many resellers, with many of the resellers that use both platforms citing reasons that are consistent with the platforms being seen and used as substitutable sales channels.⁴¹
 - (c) Google search, either through paid search advertising or organic search results [X] and buyers are not loyal to one particular platform.⁴²
13. While as noted above we consider that our definition of multi-homing provides an appropriate and conservative indication of the Parties' competitive overlap, we also extended our analysis in order to further assess whether resellers use viagogo and StubHub for different purposes, such that they might not be close substitutes. As detailed in the next section, in order to assess this, we looked at resellers' ticket sales in relation to a defined set of large events, as well as resellers' ticket sales at event level.⁴³

Our assessment of the multi-homing behaviour of resellers across the Parties' platforms

Methodological approach and data

14. Our analysis of resellers' multi-homing behaviour across the Parties' platforms focuses on the behaviour of the largest 10% of resellers on each of the Parties' platforms (based on the annual GTV achieved by each reseller) and consists of two parts:

⁴¹ See Appendix G, paragraphs 22 to 32.

⁴² [X].

⁴³ The fact however that secondary tickets for each specific event are often available in limited numbers also to large resellers suggests that, even if resellers would have been willing to use both Parties to sell the tickets to that specific event, may found impractical to do so in many occasions. This implies that our extended analysis looking at resellers' concurrent use of the Parties' platforms to sell tickets to the same event is likely to provide a conservative estimate of whether the Parties are used interchangeably by resellers and therefore a lower bound indication of the extent they may be seen as substitutes.

- (a) First, we analysed whether the largest 10% resellers on viagogo and StubHub also sold tickets through the platform of the other Party within the same calendar year and, when they did, what proportion of the Parties' sales these resellers represented overall. By looking at resellers' concurrent use of the Parties' platforms in general, this analysis provides a direct indication of resellers multi-homing and therefore a measure of the overlap between the Parties' reseller customer base.
 - (b) Second, in order to further consider the extent to which the Parties' platforms are being used by resellers as substitutes or complements, we have also looked at the multi-homing behaviour of the largest 10% resellers across a sample of large overlap events. The purpose of this analysis is to test whether the multi-homers use viagogo and StubHub for similar purposes (like selling tickets to a similar set of events or even tickets to exactly the same event), a finding which would support that resellers use the Parties' platforms interchangeably rather than seeing them as complements serving different purposes or a different set of buyers.
- 15. To conduct the analysis, we used the following information provided by the Parties:
 - (a) Data on the total value of sales by resellers in 2018 and 2019 for each of the Parties, combined with information on resellers' contact details. This information allowed us to match resellers across the platforms and measure the extent of the reseller overlap in a given year; and
 - (b) Parties' transaction data covering the period 1 January 2018 to 29 February 2020, from which we extracted a sample of large events which overlap.

Matching resellers across the Parties' platforms

- 16. Measuring the extent of multi-homing relies on identifying users across platforms.
- 17. To identify the resellers who sold tickets through both Parties within the same calendar year (according to our adopted definition of multi-homing), we matched resellers across the Parties' platforms based on their contact details.

In doing this, we adopted a conservative approach which is likely to underestimate the real extent of multi-homing.⁴⁴

18. As we focused on the behaviour of the largest 10% of resellers of each of the Parties, the analysis identifies the multi-homers by matching the largest 10% of resellers of one Party with the entire population of resellers who sold tickets through the other Party within the same year. The set of multi-homing resellers is therefore identified separately for each Party and the analysis of the resellers' multi-homing behaviour can deliver different results for viagogo and StubHub, given the set of resellers in the Parties' top decile may not coincide perfectly.

Our sample of events

19. As explained, our reseller multi-homing analysis relies on data on the Parties' annual sales by reseller as well as on ticket sales to a sample of large overlap events extracted from the Parties' transactions data.
20. This sample consists of 96 events chosen from the Parties' top selling events which took place in the UK between 1 January 2019 and 29 February 2020 and which could be confidently identified to be the same across the Parties' datasets.⁴⁵ More information on these 96 events is provided in Annex D1 to this appendix.
21. Based on the transaction data, the secondary tickets to these 96 events sold through the Parties accounted for about [£80–110 million], equally split between the 48 concerts and the 48 sporting events forming the sample. Overall these 96 events represent a significant proportion of the Parties' sales, that is [20–40%] and [20–40%] of viagogo and StubHub's GTV,⁴⁶ respectively.

⁴⁴ The results presented in this appendix rely on just two rounds of matching (one using resellers email address and the other one using information on resellers' name and phone number ie the last seven digits of phone number and the last six characters of the full name) and are only based on matches that we can be fully confident are identifying the same person across platforms (ie perfect matches). By disregarding all possible additional matches identifiable by using fuzzy matching techniques (which allow to identify more matches by overlooking tiny differences in the contact details of the reseller or simply rely on less information), our results should be interpreted as lower bound indication of the Parties' overlap.

⁴⁵ More precisely, our sample of events was selected in two steps. First, the list of the top selling events covering up to 60% of GTV was extracted separately for each Party, leading to [36] events for viagogo and [36] events for StubHub. Then, we identified the common events across these shortlists by matching the events based on the event details (eg event name, date and time, town and venue). This led to the identification of 96 common events across the Parties' transaction datasets.

⁴⁶ GTV derived from the sale of tickets to all UK events taking place between 1 January 2019 and 29 February 2020.

Results

22. When looking at the multi-homing behaviour of the Parties' largest 10% resellers in 2019, we assessed the selling behaviour of [5,000–10,000] resellers on viagogo and [5,000–10,000] resellers on StubHub, covering at least [80–90%] of each of the Parties' annual GTV ([80–90%] for viagogo and [80–90%] for StubHub).
23. As shown in Table D.1, the Parties have a similar distribution of resellers. Indeed, the largest 10% resellers not only capture the vast majority of sales for both Parties, but they are also likely to capture a similar set of users across the Parties' sites, with the top decile in both cases capturing all resellers with annual GTV in excess of c.£1,000.

Table D.1: Parties' reseller distribution by annual sales (GTV) in 2019

	viagogo			StubHub		
Reseller	Prop. (%) of platform sales	Reseller's GTV		Prop. (%) of platform sales	Reseller's GTV	
Decile		Min (£)	Max (£)		Min (£)	Max (£)
1	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
2	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
3	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
4	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
5	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
6	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
7	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
8	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
9	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
10	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Source: CMA analysis.

Reseller multi-homing overall

24. Our analysis of the multi-homing behaviour of the Parties' largest 10% of resellers shows that the largest resellers tend to use both Parties' platforms in a year and the degree to which they do so is substantial. In particular, we found that:
- (a) [X]% of viagogo's GTV in 2019 is attributable to [20–30%] of its largest 10% resellers who multi-homed by selling tickets also through StubHub in the same year. viagogo's multi-homers were also important to StubHub as they accounted for [X]% of StubHub's GTV in 2019; and
 - (b) [X]% of StubHub's GTV in 2019 is due to [20–30%] of StubHub's largest 10% sellers who also used viagogo to sell tickets that year. StubHub's multi-homers were also important to viagogo as they represent [X]% of viagogo's GTV in 2019.

25. As our definition of multi-homing behaviour focuses on resellers' ticket sales rather than ticket listings or even listing considerations, these results are likely to provide a lower bound indication of the actual competitive overlap on the reseller side of the Parties' platforms. As explained above (paragraph 8), this is because resellers may have considered both Parties' platforms before placing inventory on only one (or even listed tickets on both while ultimately making a sale on one), which would clearly point to greater substitutability between the Parties.
26. We conducted the analysis for 2018 and 2019 separately. As shown in Table D.2, our results are broadly consistent across the two years.

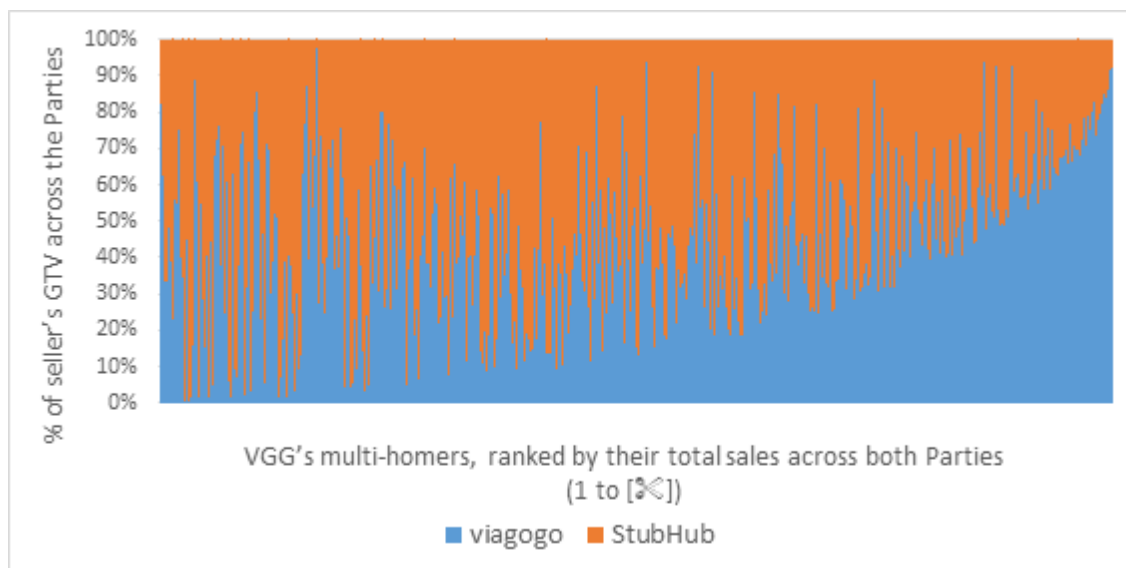
Table D.2: Results of the CMA multi-homing analysis, focused on the behaviour of each of the Parties' largest 10% resellers

	2018	2019
<i>viagogo</i>		
Number of largest 10% resellers	[X]	[X]
Number of multi-homers identified	[X]	[X]
Importance to viagogo of its multi-homers (Prop. of viagogo's GTV)	[X]	[X]
Importance to StubHub of viagogo's multi-homers (Prop. of StubHub' GTV)	[X]	[X]
<i>StubHub</i>		
Number of StubHub's largest 10% resellers	[X]	[X]
Number of multi-homers identified	[X]	[X]
Importance to StubHub of its multi-homers (Prop. of StubHub's GTV)	[X]	[X]
Importance to viagogo of StubHub's multi-homers (Prop. of viagogo' GTV)	[X]	[X]

Source: CMA analysis.

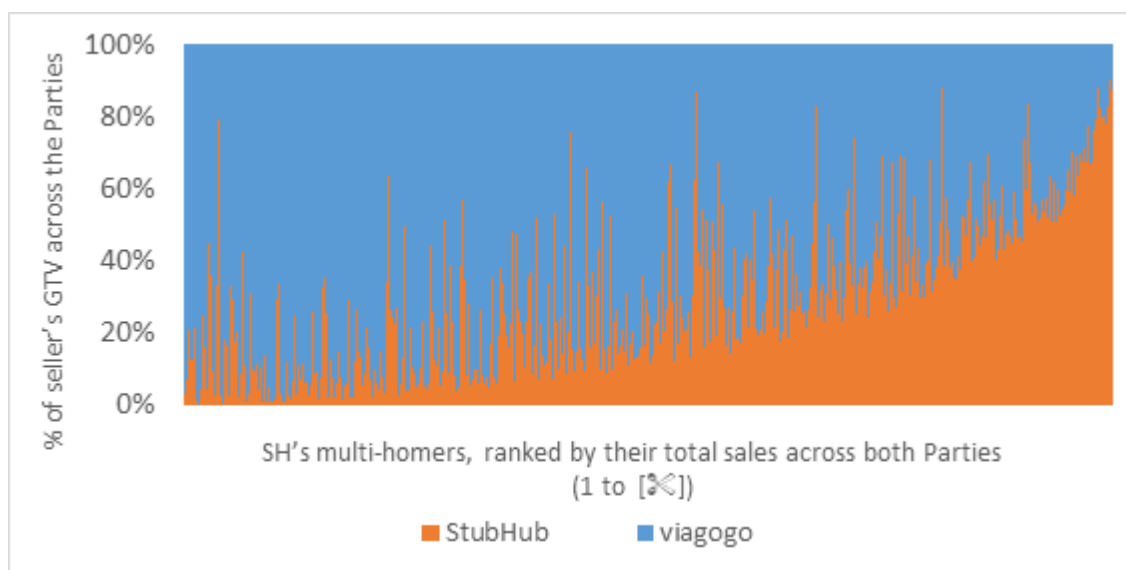
27. To better understand how the multi-homers used the Parties' platforms, we looked at each multi-homing reseller's distribution of sales across the Parties.
28. Consistent with viagogo being approximately twice as big as StubHub in terms of GTV in 2019, our assessment shows that viagogo generally accounted for most of the multi-homers' GTV in 2019. However, we also found that StubHub overall represented about a third of their sales. As shown in Figure D.1 and Figure D.2, the extent to which individual resellers rely on the Parties varies to a significant degree, but StubHub tends to be an important channel of sales, in particular for viagogo's largest multi-homers.

Figure D.1: Distribution of sales (GTV) across the Parties' platforms of the viagogo's large resellers who were found to multi-home and also use StubHub to sell tickets in 2019



Source: CMA analysis of the Parties' reseller activity data.

Figure D.2: Distribution of sales (GTV) across the Parties' platforms of the StubHub's large resellers who were found to multi-home and also use viagogo to sell tickets in 2019



Source: CMA analysis of the Parties' reseller activity data.

Reseller multi-homing on a sample of events, including at event-level

29. When looking at resellers' multi-homing behaviour on a sample of 96 events, we found that at least 700 large resellers sold tickets through both Parties' platforms and that overall the sales by multi-homers accounted for at least 21% of the total GTV achieved by the Parties from the large events selected. The finding of resellers using both viagogo and StubHub when selling tickets

to the large overlap events included in our sample suggests that the large resellers are likely to see the Parties as substitute channels.

30. The analysis of resellers' multi-homing behaviour by category of events confirmed this finding, as a significant degree of multi-homing was observed also when looking at the sales of tickets to two sets of similar large events (ie the 48 sporting events and the 48 music events included in our sample). In particular, we found that:
- (a) In relation to the music events in our sample, at least 345 large resellers, covering at least 23% of the Parties' GTV from these events, had used both viagogo and StubHub to sell tickets to these events; and
 - (b) In relation to the sporting events in our sample, at least 480 large resellers representing at least 18% of the overall GTV to these events through viagogo and StubHub.
31. To further assess the similarity of the Parties' platforms, we also considered whether, when multi-homing, the resellers' concurrent use of the Parties' platforms involved selling tickets to exactly the same event.⁴⁷
32. The results of this event-level assessment are presented by category of events and are reported in Figure D.3 and Figure D.4, representing the extent of multi-homing on each of the music and sporting events in our sample.⁴⁸

Figure D.3: Presence and importance of resellers' concurrent use of the Parties' platforms to sell tickets to the same event [*Analysis of the music-related events included in our sample*]



Source: CMA analysis of the Parties' transaction data.

Figure D.4: Presence and importance of resellers' concurrent use of the Parties' platforms to sell tickets to the same event [*Analysis of the sporting-related events included in our sample*]



Source: CMA analysis of the Parties' transaction data.

33. Overall, we found that the Parties' platforms had been concurrently used to sell tickets to each event in our sample by at least some large resellers,

⁴⁷ We note that this approach is informative about whether resellers use viagogo and StubHub for the same purpose, but it is also likely to underestimate the extent of multi-homing between the Parties. This is because the number of tickets that a reseller may have for each given event is limited, therefore resellers may find more convenient to sell them through only one of the Parties' platforms although both would have been well placed to do so from their perspective.

⁴⁸ The analysis was conducted separately for viagogo and StubHub in order to assess the behaviour of the each of the Parties' large multi-homers at the time, however, since the findings for both Parties were perfectly aligned, we only present one set of results here. The fact that the analysis delivers the same results for viagogo and StubHub confirms that the resellers using both Parties' platforms to sell tickets to the same event are the large resellers belonging to the largest 10% resellers of both viagogo and Stubhub.

although the extent to which they do so varied significantly from one event to the other. In particular:

- (a) When looking at the 48 music events in our sample, the proportion of the event-specific sales covered by resellers selling tickets through both Parties was 26% for the average event, but ranged between 7% and 63% across the music events included in the sample.
 - (b) Similarly, when focussing on the 48 sporting events in our sample, the proportion of sales covered by resellers using both Parties' platforms to sell tickets to the same event was 20% on average, but ranged between 7% and 33% across the sporting events considered.
34. By showing that viagogo and StubHub are used by resellers to sell tickets for similar events (or even for the same event) to buyers who are generally willing to switch between different secondary ticketing platforms,⁴⁹ these findings suggest that the Parties' platforms fulfil the same purpose for resellers and that resellers are then likely to use them as alternative and substitute channels. This finding is also consistent with the resellers' responses to the phase 2 questionnaire which identify the Parties' platforms as the closest and often the only alternatives.⁵⁰

⁴⁹ See paragraph 7.51 and paragraphs 7.130 to 7.134.

⁵⁰ See Appendix G, paragraphs 22 to 32.

Annex D.1: List of large overlap events included in our sample for analysis

1. This annex provides more information on the large overlap events included in our sample used for the analysis. Table D.3 and Table D.4 respectively provide the full list of the music and sport events, including the value of ticket sales achieved by both Parties combined for each event as well as the proportion covered by each of the merging Party.

Table D.3: List of the large overlap music events included in the sample used for further analysis of the resellers' multi-homing behaviour

<i>Event Name</i>	<i>Location</i>	<i>Town</i>	<i>Date</i>	<i>GTV on StubHub (%)</i>	<i>GTV on viagogo (%)</i>	<i>GTV (£) Parties Combined</i>
Bts	Wembley Stadium	London	01/06/2019	[X]	[X]	[X]
Pink	Wembley Stadium	London	29/06/2019	[X]	[X]	[X]
Spice Girls	Wembley Stadium	London	15/06/2019	[X]	[X]	[X]
Fleetwood Mac	Wembley Stadium	London	16/06/2019	[X]	[X]	[X]
Bob Dylan And Neil Young	Hyde Park	London	12/07/2019	[X]	[X]	[X]
British Summer Time Pink	Wembley Stadium	London	30/06/2019	[X]	[X]	[X]
Stevie Wonder And Lionel Richie	Hyde Park	London	06/07/2019	[X]	[X]	[X]
Barclaycard British Summer Time Bon Jovi	Wembley Stadium	London	21/06/2019	[X]	[X]	[X]
Spice Girls	Wembley Stadium	London	14/06/2019	[X]	[X]	[X]
Bts	Wembley Stadium	London	02/06/2019	[X]	[X]	[X]
Pink	Anfield Stadium	Liverpool	25/06/2019	[X]	[X]	[X]
Spice Girls	Wembley Stadium	London	13/06/2019	[X]	[X]	[X]
Barbra Streisand, Bryan Ferry And Kris Kristofferson	Hyde Park	London	07/07/2019	[X]	[X]	[X]
Barclaycard British Summer Time Pink	Principality Stadium	Cardiff	20/06/2019	[X]	[X]	[X]
Elton John	Cardiff City Stadium	Cardiff	15/06/2019	[X]	[X]	[X]
Elton John	Hove County Ground	Hove	09/06/2019	[X]	[X]	[X]
Pink	Hampden Park National Stadium	Glasgow	22/06/2019	[X]	[X]	[X]
Ariana Grande	The O2 Arena	London	17/08/2019	[X]	[X]	[X]
Robbie Williams And Black Eyed Peas	Hyde Park	London	14/07/2019	[X]	[X]	[X]
Barclaycard British Summer Time Billy Joel	Wembley Stadium	London	22/06/2019	[X]	[X]	[X]
Celine Dion, Josh Groban And Claire Richards	Hyde Park	London	05/07/2019	[X]	[X]	[X]
Barclaycard British Summer Time Spice Girls	Etihad Stadium	Manchester	01/06/2019	[X]	[X]	[X]
Post Malone	The O2 Arena	London	13/03/2019	[X]	[X]	[X]
Eric Clapton	Royal Albert Hall	London	16/05/2019	[X]	[X]	[X]

<i>Event Name</i>	<i>Location</i>	<i>Town</i>	<i>Date</i>	<i>GTV on StubHub (%)</i>	<i>GTV on viagogo (%)</i>	<i>GTV (£) Parties Combined</i>
Fleetwood Mac	Wembley Stadium	London	18/06/2019	[X]	[X]	[X]
Metallica	Twickenham Stadium	Twickenham	20/06/2019	[X]	[X]	[X]
Eric Clapton	Royal Albert Hall	London	13/05/2019	[X]	[X]	[X]
Eric Clapton	Royal Albert Hall	London	15/05/2019	[X]	[X]	[X]
Childish Gambino	The O2 Arena	London	24/03/2019	[X]	[X]	[X]
Cardi B And Travis Scott Wireless Festival	Finsbury Park	London	05/07/2019	[X]	[X]	[X]
Drake	The O2 Arena	London	05/04/2019	[X]	[X]	[X]
Spice Girls	Bt Murrayfield Stadium	Edinburgh	08/06/2019	[X]	[X]	[X]
Capital Summertime Ball	Wembley Stadium	London	08/06/2019	[X]	[X]	[X]
Ariana Grande	Utilita Arena Birmingham	Birmingham	14/09/2019	[X]	[X]	[X]
Ariana Grande	The O2 Arena	London	19/08/2019	[X]	[X]	[X]
Travis Scott Wireless Festival	Finsbury Park	London	06/07/2019	[X]	[X]	[X]
The Who	Wembley Stadium	London	06/07/2019	[X]	[X]	[X]
Post Malone	The O2 Arena	London	14/03/2019	[X]	[X]	[X]
Cher	The O2 Arena	London	20/10/2019	[X]	[X]	[X]
Ariana Grande	The O2 Arena	London	20/08/2019	[X]	[X]	[X]
Michael Bublé	The O2 Arena	London	09/12/2019	[X]	[X]	[X]
Travis Scott	The O2 Arena	London	16/07/2019	[X]	[X]	[X]
Drake	The O2 Arena	London	11/04/2019	[X]	[X]	[X]
A\$Ap Rocky Wireless Festival	Finsbury Park	London	07/07/2019	[X]	[X]	[X]
Slipknot And Behemoth	The O2 Arena	London	25/01/2020	[X]	[X]	[X]
Taylor Swift And Sam Smith And The Script Capitals Jingle Bell Ball	The O2 Arena	London	08/12/2019	[X]	[X]	[X]
Ariana Grande	The O2 Arena	London	16/10/2019	[X]	[X]	[X]
Ariana Grande	The O2 Arena	London	15/10/2019	[X]	[X]	[X]
Total				[X]	[X]	[X]

Source: CMA analysis of the Parties' transaction data.

Table D.4: List of the large overlap sporting events included in the sample used for further analysis of the resellers' multi-homing behaviour

<i>Event Name</i>	<i>Location</i>	<i>Town</i>	<i>Date</i>	<i>GTV on StubHub (%)</i>	<i>GTV on viagogo (%)</i>	<i>GTV (£) Parties Combined</i>
Cricket World Cup - Final	Lords	London	14/07/2019	[X]	[X]	[X]
Chicago Bears V Oakland Raiders Nfl London	Tottenham Hotspur Stadium	London	06/10/2019	[X]	[X]	[X]
Cricket World Cup India V Pakistan	Emirates Old Trafford Cricket Ground	Manchester	16/06/2019	[X]	[X]	[X]
Mlb London Series Boston Red Sox V New York Yankees	Queen Elizabeth Olympic Park	London	29/06/2019	[X]	[X]	[X]
Wimbledon Gentlemens Final	Wimbledon - Centre Court	London	14/07/2019	[X]	[X]	[X]
Jacksonville Jaguars V Houston Texans Nfl London	Wembley Stadium	London	03/11/2019	[X]	[X]	[X]
Semi Final 2 Cricket World Cup	Edgbaston Cricket Ground	Birmingham	11/07/2019	[X]	[X]	[X]

<i>Event Name</i>	<i>Location</i>	<i>Town</i>	<i>Date</i>	<i>GTV on StubHub (%)</i>	<i>GTV on viagogo (%)</i>	<i>GTV (£) Parties Combined</i>
Tampa Bay Buccaneers V Carolina Panthers Nfl London	Tottenham Hotspur Stadium	London	13/10/2019	[X]	[X]	[X]
Six Nations Wales V England	Principality Stadium	Cardiff	23/02/2019	[X]	[X]	[X]
Los Angeles Rams V Cincinnati Bengals Nfl London	Wembley Stadium	London	27/10/2019	[X]	[X]	[X]
Cricket World Cup India V Australia	The Kia Oval	London	09/06/2019	[X]	[X]	[X]
Mlb London Series Boston Red Sox V New York Yankees	Queen Elizabeth Olympic Park	London	30/06/2019	[X]	[X]	[X]
Cricket World Cup England V India	Edgbaston Cricket Ground	Birmingham	30/06/2019	[X]	[X]	[X]
Six Nations Wales V Ireland	Principality Stadium	Cardiff	16/03/2019	[X]	[X]	[X]
Wimbledon Gentlemen's Semi Finals	Wimbledon - Centre Court	London	12/07/2019	[X]	[X]	[X]
Nba London Washington Wizards V New York Knicks	The O2 Arena	London	17/01/2019	[X]	[X]	[X]
Six Nations England V Italy	Twickenham Stadium	Twickenham	09/03/2019	[X]	[X]	[X]
Cricket World Cup England V Australia	Lords	London	25/06/2019	[X]	[X]	[X]
Wimbledon Gentlemen's And Ladies Singles 4Th Round	Wimbledon - Centre Court	London	08/07/2019	[X]	[X]	[X]
Ufc Fight Night London Till V Masvidal	The O2 Arena	London	16/03/2019	[X]	[X]	[X]
Wimbledon Gentlemen's Quarter Finals	Wimbledon - Centre Court	London	10/07/2019	[X]	[X]	[X]
Cricket World Cup Pakistan V Bangladesh	Lords	London	05/07/2019	[X]	[X]	[X]
Cricket World Cup Windies V India	Emirates Old Trafford Cricket Ground	Manchester	27/06/2019	[X]	[X]	[X]
Cricket World Cup Bangladesh V India	Edgbaston Cricket Ground	Birmingham	02/07/2019	[X]	[X]	[X]
Wimbledon Ladies Singles Finals	Wimbledon - Centre Court	London	13/07/2019	[X]	[X]	[X]
Cricket World Cup Sri Lanka V India	Headingley Cricket Ground	Leeds	06/07/2019	[X]	[X]	[X]
Quilter International England V Ireland	Twickenham Stadium	Twickenham	24/08/2019	[X]	[X]	[X]
Cricket World Cup Pakistan V South Africa	Lords	London	23/06/2019	[X]	[X]	[X]
Six Nations Scotland V England	Bt Murrayfield Stadium	Edinburgh	08/02/2020	[X]	[X]	[X]
Wimbledon Gentlemen's And Ladies Singles 3Rd Round	Wimbledon - Centre Court	London	06/07/2019	[X]	[X]	[X]
Wimbledon Gentlemen's And Ladies Singles 2Nd Round	Wimbledon - Centre Court	London	04/07/2019	[X]	[X]	[X]
Atp World Tour Finals Final	The O2 Arena	London	17/11/2019	[X]	[X]	[X]
Cricket World Cup South Africa V India	The Ageas Bowl	Southampton	05/06/2019	[X]	[X]	[X]
Six Nations Wales V France	Principality Stadium	Cardiff	22/02/2020	[X]	[X]	[X]
Cricket World Cup New Zealand V Australia	Lords	London	29/06/2019	[X]	[X]	[X]
Quilter International England V Wales	Twickenham Stadium	Twickenham	11/08/2019	[X]	[X]	[X]
Six Nations England V Ireland	Twickenham Stadium	Twickenham	23/02/2020	[X]	[X]	[X]
Wimbledon Gentlemen's And Ladies Singles 3Rd Round	Wimbledon - Centre Court	London	05/07/2019	[X]	[X]	[X]
Wimbledon Gentlemen's And Ladies Singles 1St Round	Wimbledon - Centre Court	London	01/07/2019	[X]	[X]	[X]
Wimbledon Gentlemen's And Ladies Singles 1St Round	Wimbledon - Centre Court	London	02/07/2019	[X]	[X]	[X]
Atp World Tour Finals Semi Finals	The O2 Arena	London	16/11/2019	[X]	[X]	[X]

<i>Event Name</i>	<i>Location</i>	<i>Town</i>	<i>Date</i>	<i>GTV on StubHub (%)</i>	<i>GTV on viagogo (%)</i>	<i>GTV (£) Parties Combined</i>
Wimbledon Gentlemens And Ladies Singles 2Nd Round	Wimbledon Tennis Club Centre Court	London	03/07/2019	[X]	[X]	[X]
Wimbledon Ladies Semi Finals	Wimbledon Tennis Club Centre Court	London	11/07/2019	[X]	[X]	[X]
The Ashes England V Australia 5Th Test Day 2	The Kia Oval	London	13/09/2019	[X]	[X]	[X]
The Ashes England V Australia 5Th Test Day 3	The Kia Oval	London	14/09/2019	[X]	[X]	[X]
Wimbledon Ladies Quarter Finals	Wimbledon - Centre Court	London	09/07/2019	[X]	[X]	[X]
British Open Championship Day Four	Royal Portrush Golf Club	Portrush	21/07/2019	[X]	[X]	[X]
The Ashes England V Australia 5Th Test Day 1	The Kia Oval	London	12/09/2019	[X]	[X]	[X]
Total						[X]

Source: CMA analysis of the Parties' transaction data.

Appendix E: Evidence on viagogo's suspension from Google Ads

Introduction

1. This appendix sets out our assessment of the impact of viagogo's Google Ads suspension which took place from 17 July 2019 to 24 November 2019.
2. Since Google Ads represents a key consumer acquisition channel,⁵¹ viagogo is likely to have lost business over the period during which it could not use Google's paid search advertising service. The Parties submitted that the suspension therefore provides a 'natural experiment' to assess the closeness of competition between the Parties and the competitive dynamics in the sector more widely by looking at where viagogo's lost business diverted to.
3. The Parties submitted two quantitative analyses showing that StubHub benefitted from viagogo's temporary lack of online visibility, but these gains were limited. The Parties argued that this provides evidence that viagogo and StubHub are not each other's closest competitor and StubHub only places a weak constraint on viagogo.
4. We have assessed the Parties' quantitative submissions in detail and tested their arguments by assessing them along with the other quantitative and qualitative evidence gathered during the investigation. This includes evidence from StubHub's internal documents on its competitive reaction to the suspension, third-party views on the impact of the suspension on their business and our quantitative analysis of secondary ticket sales on all of the other secondary ticketing platforms of material size operating in the UK during the period of the suspension.
5. Overall, we found that viagogo is likely to have lost sales as a result of the Google Ads suspension and StubHub appears to have captured a material amount of viagogo's lost business. Although the characteristics of the market (in particular, the ever-changing event landscape and the fact that ticket sales vary significantly from month-to-month) prevent a reliable quantification of the impact, we note that the finding that viagogo is likely to have lost substantial sales and StubHub appears to have attracted a material proportion of these is broadly consistent with the Parties' quantitative submissions. However, our

⁵¹ In 2019, paid search advertising accounted for [over 75%] of viagogo's marketing spend and [over 40%] of unique website visitors a month. The importance of paid search advertising to viagogo is also found when looking at the sources of ticket buyers to viagogo's website in 2019, which shows that [over 50%] of unique monthly visitors who made a purchase through its platform first visited viagogo's website by clicking through an ad shown in the paid search results. See Appendix F, paragraphs 6 to 10.

analysis also found that StubHub is very likely to have attracted far more additional sales in this period than other secondary platforms, indicating that StubHub is a closer competitor to viagogo than other platforms, including Gigsberg, Ticketmaster Exchange and AXS Resale.

6. Further, we found evidence in StubHub's internal documents that StubHub reacted to the suspension because it saw viagogo's lack of online visibility as a major opportunity to grow its position in the UK market. Although the outcome of the targeted initiative was below StubHub's expectations, the reaction and commercial efforts put in place confirm that StubHub perceived viagogo to be a close competitor.
7. Finally, the third-party evidence gathered during the investigation supports the finding that viagogo and StubHub are each other's closest competitor, and that the Parties' economic submissions should be interpreted with caution. Indeed:
 - (a) None of the other primary and secondary ticketing platforms that we spoke to told us that they had materially benefitted from the suspension, in terms of either additional sales or improved performance in paid search advertising. Further, three platforms explained that the lumpy nature of ticket sales and the ever-changing event landscape prevent a like-for-like comparison of sales across different time periods and therefore any reliable quantification of the impact.
 - (b) Professional resellers generally indicated StubHub to be the main beneficiary of the suspension, based on their own behaviour in the period.
8. The rest of this appendix is organised as follows. First, we present the two quantitative analyses submitted by the Parties' economic advisers during the investigation along with our assessment of these analyses. Secondly, we discuss the evidence on how StubHub reacted to the suspension and the impact it had on its own performance. Thirdly, we present the third-party evidence on the suspension, including the competitors' and resellers' perspectives on what happened during the time viagogo was de-listed from Google Ads. The last section presents our quantitative analysis of the impact of the suspension on the sales of the main secondary ticketing platforms.

CRA's submissions on behalf of viagogo

9. To provide evidence on closeness of competition between the Parties' platforms, viagogo submitted two pieces of economic analysis by Charles River Associates (CRA) during the different stages of the investigation. Both analyses use the 'natural experiment' provided by viagogo's temporary

suspension from Google Ads to assess the extent to which viagogo's lost business was captured by StubHub and attempted to infer diversion patterns from this data. In doing so, CRA focused on different metrics and finds different results:

- (a) The CRA analysis provided at phase 1 (**CRA Analysis 1**) used SimilarWeb data on the UK traffic to primary and secondary ticketing platforms to assess the impact on other online ticketing platforms, including StubHub. CRA's results found the diversion of traffic from viagogo to StubHub to be small (in the range of [X%]) and substantially lower than diversion to a number of primary ticketing platforms.
 - (b) The CRA analysis provided at phase 2 (**CRA Analysis 2**) tries to address some of the methodological issues identified by the CMA at phase 1 and uses data on the Parties' monthly ticket sales (GTV) and platform revenue (thus considering the impact of the suspension on the Parties' platforms only). CRA's baseline results indicated that StubHub captured about [X%] of viagogo's lost total sales. The results of the sensitivity analysis however showed that diversion from viagogo to StubHub could range between [X%], depending on the econometric model used for the analysis.
10. From both analyses, CRA concluded that the Parties' platforms compete, but, given the size of the diversion ratios, the degree of competition between them is limited and, in particular, much more limited than [what the Parties' position in] a narrowly defined 'secondary ticketing platform' market would suggest. CRA therefore argued that a competitive assessment based on the Parties' market shares tend to overestimate the extent to which the Parties compete.
11. In general, the CMA considers that an event analysis, like the ones proposed by CRA, can provide a valuable insight into the market competitive conditions as it may show how customers reacted to a sudden change. To provide reliable results, however, it is essential that the studied event occurs at a time when no other significant changes were taking place in the market or, if it occurs in the presence of such changes, that the analysis can appropriately control for them. Only in these circumstances can the specific impact of the event in question be identified and the analysis deliver reliable results for a competitive assessment.
12. Having carefully considered the CRA Analyses, we considered that neither of them can reliably identify the impact of the suspension on the activity of viagogo and of the other platforms, including StubHub. The estimates of diversion ratios provided by CRA are therefore unlikely to be reliable and should be only interpreted as providing some evidence that there is

competitive interaction between the Parties, but not does provide a reliable estimate of the strength of the competitive constraint they exert on each other.

13. We provide a more detailed assessment of the CRA analyses below.

Our assessment of CRA Analysis 1

14. At phase 1, the CMA decided to give only limited evidentiary weight to CRA Analysis 1 because it was found to be affected by important data and methodological limitations and the results to be inconsistent with the other sources of evidence available to the CMA, including the Parties' internal documents and third parties' submissions.⁵²
15. In particular, the CMA considered that CRA Analysis 1 did not provide a reliable indication of the diversion of sales from viagogo to StubHub because:
- (a) The econometric methodology was not able to adequately isolate the effect of the Google Ads Suspension on the traffic of viagogo and other platforms (including StubHub) as it did not control for key drivers of consumer traffic to the platforms like changes in the number and type of events for which tickets are on sale at different points in time, as well as the availability of tickets on different platforms;
 - (b) The analysis focused on generic web traffic data which may not accurately reflect sales diversion from viagogo to other platforms due to differences in the platforms' conversion rates; and
 - (c) The CRA's results (reported in Table E.1) were at odds with the rest of the evidence available to the CMA as they indicated that the main beneficiaries from the suspension were the primary ticketing platforms Eventbrite, See Tickets and Ticketmaster, with estimated diversion ratios equal to [REDACTED]%, [REDACTED]% and [REDACTED]%, respectively.

⁵² See [Phase 1 Decision](#), paragraphs 105 and 106.

Table E.1: CRA's baseline results (CRA Analysis 1)

	%
	<i>Diversion ratios from viagogo to</i>
Eventbrite	[REDACTED]
See Tickets	[REDACTED]
Ticketmaster	[REDACTED]
Ticketweb	[REDACTED]
TicketSwap	[REDACTED]
StubHub	[REDACTED]
MyTicket	[REDACTED]
Double8Tickets	[REDACTED]
WeGotTickets	[REDACTED]
Twickets	[REDACTED]
Billetto	[REDACTED]
Ticket ABC	[REDACTED]
Gigantic	[REDACTED]
Ticketline	[REDACTED]
Eventim	[REDACTED]
The Ticket Factory	[REDACTED]

Source: CRA.

16. Based on the additional body of evidence gathered at phase 2, we also noted that:

- (a) The platform attracting the largest proportion of viagogo's lost traffic, Eventbrite, is a primary ticketing platform operating a different business model and active on a largely different segment of events from viagogo.⁵³ Given this, it seems extremely unlikely that Eventbrite would be the main beneficiary from the suspension in terms of increased ticket sales;
- (b) Our quantitative analysis of the secondary ticketing platforms' sales data, presented below, does not show any significant uptick in the sales of the platforms identified by CRA as winning the largest proportion of viagogo's lost traffic; and
- (c) Responses from the ticketing platforms which CRA Analysis 1 found to have significantly benefitted from the suspension do not indicate that this was the case. They all submitted that the suspension had no material impact on their primary or secondary business and, in general, they do not see themselves as competing with viagogo, as they entirely or mostly focus on primary ticketing.

Our assessment of CRA Analysis 2

17. CRA Analysis 2 estimated the impact of the suspension on viagogo and StubHub's sales using econometric modelling. It used monthly data on the platforms' GTV and revenues, and it focused on the Parties only.

⁵³ [REDACTED]

18. To disentangle to what extent the changes in sales were due to the suspension or to other determinants of sales, CRA's analysis sought to control for platforms' growth trends and seasonality patterns, the number of primary tickets going on sale every month, and the level of each platform's marketing spend. In particular, CRA explained that:
- (a) The number of primary tickets available for sale is included to control for potentially differing impacts that the variation in ticket supply levels may have on the Parties' business; and
 - (b) Paid search advertising spend is a key driver of demand and therefore sales. For the months of the suspension, actual levels of paid search advertising spend are substituted with a forecasted version (based on previous trends and seasonality patterns) for each Party in order to limit the endogeneity issue due to the fact that viagogo's paid search advertising spend was directly affected by the suspension.⁵⁴
19. According to CRA's baseline results using revenue data, StubHub captured about [X]% of viagogo's lost sales. When looking at the value of sales (GTV), CRA's baseline model finds a diversion ratio of [X]%.⁵⁵ The extensive sensitivity analysis reported shows that CRA's estimated diversion ratios could range between [X]%, depending on the specification of the model. In particular, the analysis delivers higher diversion ratios (as high as [X]%) when the model does not control for marketing spend.⁵⁶
20. Although CRA's Analysis 2, unlike the analysis submitted at phase 1, focused on sales instead of website traffic, we considered it is still affected by data and methodological limitations and the results should therefore be interpreted with caution.
21. First, we were concerned with the sample size of the data used by CRA. The analysis is based on a small number of monthly observations (38) while trying to control for many factors (at least 7). The model is therefore likely to be

⁵⁴ viagogo was indeed unable to use Google Ads during the time of the suspension and therefore its level of paid search advertising spent sharply dropped during those months.

⁵⁵ Although overall we do not consider CRA's estimates of diversion to provide a reliable quantification of the quantitative constraint exerted by StubHub on viagogo, we note that GTV may provide a better metric than platform's revenue in this case. This is because, in light of the competitive efforts put in place by StubHub to capture sales from viagogo (eg the offer of discounted reseller fees as discussed at paragraph E27), StubHub's revenue may be more directly affected by the suspension than GTV. This would result in revenue-based estimates of diversion being underestimated.

⁵⁶ As explained below, we considered that the inclusion of marketing spend in the model may be problematic and introduce a bias into the analysis.

overfitted due to a high variable-to-observation ratio and deliver unreliable results.⁵⁷

22. Second, even if the sample size was larger, CRA's Analysis 2 cannot appropriately control for changes in the event landscape over time because it accounts for the quantity of tickets that became available in the primary market every month while the 'quality' of the event landscape (like a particularly popular artist going on tour or the profile of the sporting event happening at a given point in time) is a key determinant of secondary ticket sales.⁵⁸ This factor is not appropriately controlled for in the analysis and could bias the results, especially since the Parties may be affected differently by the event landscape in light of the slightly different event profiles of their platforms.⁵⁹
23. Finally, while CRA argued that controlling for the level of advertising marketing spend in the model has the objective of controlling for the level of demand in the market, we considered that CRA's approach is not without risk. Indeed, to the extent CRA's baseline modelling (based on historic data) does not accurately predict the demand that both Parties would have faced in the counterfactual, CRA's results would be unreliable. For example, if CRA's modelling overestimates viagogo's and StubHub's level of marketing spend which would have occurred during the suspension, the model would underestimate the diversion between the Parties.⁶⁰ Based on the Parties' previous indication that 2019 was characterised by fewer and lower-quality

⁵⁷ This is because when the sample is small the information available for the analysis is limited. A model attempting to control for many aspects in the presence of limited information cannot in practice appropriately disentangle the impact of the various factors, regardless of how ambitious it may be by design. For example, Freedman, DA. (1983) 'A note on screening regression equations' explains how overfitting a model is likely to lead to the identification of spurious correlations between variables rather than providing reliable estimates.

⁵⁸ The fact that sales of online ticketing platforms directly depend on the catalogue of events available at each point in time is unsurprising. However, we note that confirmation of the importance of the ever-changing event landscape for assessing the impact of the suspension on the Parties' sales can be found in third-party responses to our questionnaire (see paragraphs E.38 and E.39) as well as in the volatility of the secondary ticketing sales as displayed by Figure E.2 and Figure E.3.

⁵⁹ In response to the Provisional Findings CRA extended its sensitivity analysis [§] in an attempt to show that potential differences in the quality of the event landscape in 2019 did not significantly affect their estimates of diversion ratios (which remained between [§]%). Having reviewed CRA's submission, we do not consider this extension to represent an improvement for the analysis. In particular, CRA sought to control for changes in the quality of the event landscape in the analysis by including either a dummy for 2019 (the year when the suspension occurred) or an indicator of 'average gross ticket price' sold over the period as a proxy for the 'quality of events', however neither of these approaches is likely to address our concerns about a correct estimation of the counterfactual but may even be problematic for the analysis in practice. This is respectively because (i) including a dummy for 2019 in the model cannot capture the changes in the event and ticket offering during the months of the suspension and (ii) controlling for the average price of the tickets sold is likely to create endogeneity issues (as highlighted by CRA itself). Finally, any attempt of controlling for quality of the event landscape overtime entails asking even more to a model that, as explained above, is already overfitted (38 obs and at least eight controls in a regression) and then unlikely to be able to disentangle the impact on ticket sales of the various factors but the suspension.

⁶⁰ This is because if the level of advertising spend used in the counterfactual is higher than what it would have actually been, CRA's model would lead to an overestimation of viagogo's loss of sales and an underestimation of StubHub's gains.

events than the previous years and evidence in StubHub's internal documents that event landscape was a factor in the lower than expected sales at the time of the suspension,⁶¹ CRA's baseline results are likely to be unreliable.⁶²

24. Because of these data and methodological issues, we were concerned that CRA's results are not reliable and cannot accurately quantify the diversion between viagogo and StubHub. As discussed below (paragraphs 38 and 39), our position also found support in the responses of several third-party platforms which expressed doubts about the possibility of reliably quantifying the impact of the suspension because of the lumpy nature of ticket sales and the ever-changing event landscape which prevents a reliable like-for-like comparison across different time periods and different platforms.
25. Nevertheless, we noted that, by showing that StubHub captured a material proportion of viagogo's lost sales, CRA's results are broadly consistent with the results of our quantitative analysis of secondary ticket sales (see paragraph 48). As explained in further detail below, we considered that both CRA Analysis 2 and our quantitative analysis provide a more meaningful indication of StubHub's competitive constraint on viagogo than the diversion ratios estimated in CRA Analysis 1 and that the results of CRA Analysis 2 indicate that StubHub imposes a significant competitive constraint on viagogo, even if the robust quantification of that constraint is difficult in this context.

StubHub's competitive reaction to the suspension

26. We requested and reviewed internal documents produced by or for senior StubHub management in the context of the Google Ads suspension. These documents provide evidence that StubHub identified the financial and commercial opportunities from the very beginning of the suspension and took steps to capitalise on it across all markets, including the UK.
27. [REDACTED]. However, to capitalise further StubHub structured its competitive reaction along the following lines:

(a) [REDACTED];

⁶¹ [REDACTED].

⁶² This is also supported by the results of the CRA's sensitivity analysis itself, which shows how the estimates of the impact of the suspension on viagogo and on StubHub (and hence the estimates of diversion ratios between the Parties) change depending on whether the model controls or not for the platforms' marketing spend. Indeed, when CRA's modelling does not include the projection of the Parties' paid search advertising spend computed by CRA (or even information on actual budgeted marketing spend for StubHub) in the regression the analysis delivers higher diversion ratios between the parties (about [REDACTED]%) compared to CRA's baseline results (building on CRA's projections of the counterfactual based on historic data) which estimate diversion to be around [REDACTED]% (in terms of GTV).

- (b) [REDACTED];
- (c) [REDACTED];⁶³
- (d) [REDACTED]
- (e) [REDACTED];and
- (f) [REDACTED].

28. [REDACTED]

Figure E.1: [REDACTED]

[REDACTED]

Source: CMA analysis of StubHub's transaction data.

- 29. Moreover, we found evidence in StubHub internal documents that [REDACTED].⁶⁴ [REDACTED].
- 30. In the phase 2 initial submission, the Parties submitted that when put into perspective and compared to viagogo's losses these gains were in fact limited, which indicates that StubHub is only a weak competitor to viagogo.⁶⁵
- 31. At the main party hearing, [REDACTED], explained that the benefit to StubHub from the suspension was below expectations and that therefore StubHub's marketing and commercial efforts, [REDACTED], were relatively short-lived.
- 32. [REDACTED]:
 - (a) [REDACTED];
 - (b) [REDACTED]; and
 - (c) [REDACTED].⁶⁶
- 33. [REDACTED]:
 - (a) [REDACTED];and
 - (b) [REDACTED].
- 34. Therefore, these considerations indicate that, to the extent that StubHub was not as successful as it would liked to have been in benefitting from viagogo's

⁶³ [REDACTED] As also noted in the [Parties' response to the Provisional Findings](#) (parargaph 21, footnote 15) [REDACTED].

⁶⁴ [REDACTED]. It is unclear to the CMA whether this \$[REDACTED] gain relates solely to the UK or to the StubHub international business, including the UK.

⁶⁵ [Parties' phase 2 initial submission](#), paragraph 15.

⁶⁶ In particular StubHub experienced [REDACTED]. For more detail, see Appendix F, paragraphs 15, 16 and 20.

suspension, the facts remain that it did implement a number of strategies designed to attract inventory and capture sales from viagogo in this period and StubHub did gain a material increase in inventory and sales in this period. StubHub management considered that it had learned lessons from this period, was in the process of improving its online marketing strategies and there is evidence that the strength of the constraint from StubHub would have increased absent the Merger.

Third-party views on the impact of the suspension

35. To further assess the competitive dynamics in online ticketing, we asked rival ticketing platforms and resellers for evidence and for their views on the impact of the viagogo suspension on various aspects of their business activity.
36. During the phase 2 investigation, we collected the views of the nine primary and secondary ticketing platforms that the Parties indicated as their main competitors. In order to gather resellers' perspective on the suspension, we also explored the topic with some large ticket resellers who use the Parties' platforms.
37. Overall, we found no evidence that any rival platform (other than StubHub) had significantly benefitted from the viagogo suspension, including those identified as main beneficiaries by CRA Analysis 1. In particular:
 - (a) Most platforms contacted said that the suspension had no discernible impact on their sales (independently of whether in primary or secondary ticketing), or that the impact could not be quantified but it was unlikely to be material in terms of increased sales on their platforms;
 - (b) Most platforms are not active in paid search advertising, therefore did not note a change in their online marketing performance during the suspension. Only two platforms told us that they observed [~~ⓧ~~] in their cost-per-click, however this was small and confined to a limited number of campaigns, while one platform took the view that the absence of viagogo ads from Google search results pages may have helped it to attract traffic through organic search; and
 - (c) Resellers generally noted that StubHub was the main and only clear beneficiary of the suspension as, when inventory was moved away from viagogo, it went to StubHub. No other platform was indicated as increasing its share of the market during that time, based on the actions and views of the resellers that we spoke to.

Other primary and secondary platforms

38. All nine platforms contacted during the investigation were asked to provide views on the impact of the viagogo's Google Ads suspension on their business and on the business of their competitors. In their responses, the platforms only focused on their business (with none providing views about how the suspension may have affected the activity of competitors) and generally discussed the impact of the suspension in relation to two aspects: ticket sales and paid search advertising costs (ie their cost per click on Google Ads). These include:

- (a) [REDACTED];
- (b) Ticketmaster, which CRA Analysis 1 identified among the main beneficiaries of the suspension, said that [REDACTED];
- (c) [REDACTED];
- (d) [REDACTED]. [REDACTED] added that the absence of viagogo ads from Google search results pages may have led to it gaining more traffic through organic search in this period;
- (e) Eventbrite, which the CRA Analysis 1 found was likely to have captured the largest proportion of viagogo's lost business, submitted that the suspension had no discernible impact on its ticketing business or on any of its performance metrics;
- (f) See Tickets, the second largest beneficiary of the suspension based on CRA Analysis 1, [REDACTED];
- (g) TicketSwap said that it saw a close to zero impact on the activity on its platform during the period of the suspension and attributed this to viagogo using an alternative (affiliated) website to bid on AdWords and redirect traffic to the viagogo website; and
- (h) Eventim UK said that it saw no material impact on its business during the period of the suspension and that this is reflected in its sales data.

39. In the light of these responses, we found that the substantial diversion to other platforms indicated by the results of CRA Analysis 1 was not supported by those platforms' experience of changes in sales in the suspension period. We

also found that robust quantitative analysis on this issue is very difficult to conduct.⁶⁷

Resellers

40. We also discussed the viagogo suspension with the six large ticket resellers with whom we had in-depth calls. We asked about the impact the suspension had on their business and whether it affected the secondary ticketing platforms' activity, in particular the Parties' commercial approach during this time.
41. All six resellers knew that viagogo had been suspended from Google Ads for a period in 2019 and noticed that it had occurred. Five of the six resellers explained that this was because of sales moving from viagogo onto StubHub, stating that 'the suspension changed (their) behaviour from listing on viagogo first and StubHub second to listing on StubHub first and viagogo second', and that 'StubHub became the best platform to sell tickets'. The resellers also pointed to a much worse experience on viagogo, saying that sales on the platform 'dramatically decreased' and that they 'took most listings down from viagogo during this period'.
42. The one reseller who did not note sales moving from viagogo onto StubHub said that it continued business as usual, continuing to list on viagogo during the suspension.
43. On the Parties' approach during the suspension, two resellers [REDACTED]. Another reseller stated that 'StubHub did not have to do anything to increase their share of the market' and that 'with viagogo suspended, StubHub became the number one secondary ticketing platform'.
44. When discussing the suspension, two resellers mentioned Gigsberg, [REDACTED]. However, both resellers said this had a minimal impact on Gigsberg, did not materially affect its market position nor changed their listing or selling behaviour.
45. Overall, these resellers noted that, in their views, StubHub did not reach the scale of viagogo during the time of the suspension and it did not recapture all the activity lost by viagogo. However, StubHub was identified as the main and only clear beneficiary of the suspension.

⁶⁷ As explained above, this is because the activity of each platform is driven by the characteristics of the event landscape available at each different point in time and ticket sales tend to be very lumpy. These two aspects together make impossible to carry out a like-for-like comparison in this market and therefore for the analysis to deliver reliable results.

Quantitative analysis of secondary ticket sales

46. To further assess competition in the market, we analysed data on secondary ticket sales over the period from January 2017 to February 2020.
47. While we have not tried to quantify the impact of the suspension on each platform, our analysis aims at identifying viagogo's main competitors by looking at trends in ticket sales and changes in pattern around the time of the suspension. The idea underpinning our approach is simple: given the amount of sales lost by viagogo and its relative size compared to the other secondary platforms, we would expect these lost sales to show up in the sales data of other smaller platforms if they diverted to any of these alternative platforms.
48. Consistent with the lumpy nature of event launches and ticket sales, we found the monthly sales data to be highly volatile. Despite this volatility, the analysis indicated that:
 - (a) viagogo lost a substantial amount of business during the suspension;
 - (b) StubHub is likely to have captured a material amount of viagogo's lost business as it increased its sales over the period from July 2019 to November 2019 compared to previous years – consistent with the Parties' analysis; and
 - (c) No other platform appears to have materially benefitted from the suspension, with other platforms which increased their sales in this period seeing far smaller changes than StubHub.
49. Although the 'lost' sales from viagogo do not appear to have been fully captured by StubHub's gains or by any change in the activity of the other platforms, the relative performance of StubHub does indicate that the Parties compete, and is consistent with StubHub being viagogo's closest competitor.

Our approach and data

50. In order to gain further insights into competition in the market, we looked at trends in the secondary ticket sales of the main secondary platforms active in the UK.
51. We focused on whether the fact that viagogo was banned from Google Ads for about four months had any appreciable impact on the sales of other platforms (including StubHub), but did not seek to precisely quantify the impact of the suspension on the activity of the various platforms. The characteristics of this market (in particular, the lumpiness of event launches and ticket sales and the fact that the commercial activity of the platforms

depends on the event landscape available at each point in time) makes it very difficult to reliably quantify the impact of the suspension on the various platforms based on the information available.

52. We gathered data on platforms' monthly sales of secondary tickets to UK events over the period from January 2017 to February 2020. Our dataset includes information on platforms' value (GTV) and volume of ticket sales for most secondary ticketing platforms. These include the Parties, Gigsberg, Ticketmaster Ticket Exchange, AXS Resale, See Tickets Fan-to-Fan, Eventim UK fanSALE and Twickets.⁶⁸
53. The Parties raised methodological issues with our approach. They argued that our analysis cannot robustly assess closeness of competition between the Parties and other ticketing platforms because:
- (a) It is over-simplistic as it relies on a short time period of data (nine months) and does not control for seasonality or any other factors affecting ticket sales; and
 - (b) It is biased inasmuch as the CMA did not collect data on sales by primary ticketing platforms and other online channels which means no diversion to these rivals can be observed, even though the Parties submitted analysis showing that other ticketing platforms benefitted more from viagogo's Google Ads suspension than StubHub.
54. Given the inherent challenges in controlling for other factors affecting ticket sales explained above and the absence of data prior to 2019 for three out of five of the platforms in our dataset (due to their recent entry in the market),⁶⁹ we focused on observing the change in platforms' ticket sales over a relatively short (and symmetric) period before and during the Google Ads suspension and comparing the magnitude of such change across platforms. For this analysis we focused on sales of other secondary ticketing platforms because our broader evidence strongly suggested that these are likely to be the closest competitors to the Parties, CRA Analysis 1 was found to be problematic in many respects and its findings unlikely to be reliable.⁷⁰ We have investigated closeness and diversion to primary platforms qualitatively through our questionnaires and calls with the main primary ticketing retailers active in the UK. This evidence suggests that primary ticketing platforms do not closely

⁶⁸ In particular, the dataset used for the analysis compiles together the following data submissions from the Parties and third-parties: [X].

⁶⁹ Three platforms entered the secondary ticketing market in the UK during the first months of 2019: [X].

⁷⁰ This is confirmed by the evidence we gathered from a range of third parties, including primary ticketing platforms, during our investigation. Our in-depth assessment of CRA Analysis 1 is provided at paragraphs 14 to 16.

compete with the Parties and primary tickets are often not a close substitute for the secondary tickets sold on the Parties' platforms.

Results

55. Figure E.2 and Figure E.3 show platforms' secondary ticketing sales, by value and volume respectively, over the period from January 2017 to February 2020. The time during which viagogo was suspended by Google Ads is highlighted by the two vertical bars, signalling the beginning and the end of the ban.

Figure E.2: viagogo's and other platforms' secondary ticket value of sales (GTV) over the period January 2017 to February 2020, including the Google AdWords suspension



Source: CMA analysis of secondary ticketing platforms' monthly ticket sales data.

Figure E.3: viagogo's and other platforms' secondary ticket volume of sales (number of tickets sold) over the period January 2017 to February 2020, including the Google AdWords suspension



Source: CMA analysis of secondary ticketing platforms' monthly ticket sales data.

56. The charts show that ticket sales follow a seasonal pattern but are also highly volatile, consistent with the fact that they depend on the events available at different points in time.
57. They also show that viagogo's sales fell during the suspension to then recover after November 2019 although they remained below the level of sales in previous years. StubHub's sales were on an upward trend since April-May 2019 and, during the suspension, they were significantly above viagogo's sales.
58. Only a few other secondary ticketing platforms [✂] showed an increasing trend in ticket sales during the suspension, however this appears to be much lower than was observed for StubHub. In particular, Figure E.4 shows the change in the volume of ticket sales of the Parties and the other secondary ticketing platforms for the four months before, compared with the four months during the suspension.⁷¹

⁷¹ We calculated average monthly sales of each platform during the four-month period before the suspension (ie from March 2019 to June 2019, save for [✂]) and the four months when viagogo was banned from Google Ads (ie August 2019 to November 2019) and compared the difference between these two periods for all the secondary platforms. Although this analysis does not control for the various factors determining the level of sales of the various platforms (like platforms' organic growth, seasonality in ticket sales and changes in the event landscape), it provides an indication of the amount of sales that each of the secondary ticketing platforms may have been able to capture at most during the suspension.

Figure E.4: Change in monthly average sales (number of tickets sold) of StubHub and other secondary ticketing platforms before and during the viagogo's suspension (*monthly average sales calculated over the four month periods before and during the suspension*)

[X]

Source: CMA analysis of secondary ticketing platforms' monthly ticket sales data.

59. As shown in Figure E.4, StubHub is the platform which experienced the largest increase in ticket sales during the period of the suspension compared to the period immediately beforehand, followed by [X].⁷² We note that there could be other factors driving the change in sales for individual platforms that we have not controlled for, and hence do not place significant weight on the individual estimates for each third party. However, notwithstanding these caveats, StubHub's increase in sales was significantly larger than that of the other ticketing platforms.⁷³
60. Finally, to further investigate whether the increase in StubHub's sales observed above was likely to have been due to sales diverting from viagogo to StubHub during the suspension, we looked at the Parties' sales from January to December for the three calendar years (2017–2019) and showed them overlapped on the same chart in an attempt to isolate any impact of the

⁷² We note that a number of these platforms entered the market in early 2019, hence it is likely they were experiencing a period of expansion during the time of the suspension due to organic growth. In response to the Remedies Working Paper [X], the Parties submitted that small new platforms (like [X]) grew significantly and much faster as a result of viagogo's suspension than StubHub did in this period. In their view, this would question the CMA's conclusion that StubHub is a much closer competitor to viagogo than other secondary platforms. We note that while it is particularly difficult for new entrants to disentangle platform's organic growth from the impact of the suspension on their ticket sales due to the fact they may be a substitute to viagogo, both [X] are currently small platforms with less traffic and ticket inventory available on their websites. Even if these platforms had gained some sales as a result of viagogo's suspension from Google Ads, and even if this had contributed to their growth in this period, a comparison of the absolute increase in their sales in this period to those of StubHub is the relevant comparison; not a comparison of growth rates. The relevant question is which platforms accounted for a material share of the 'lost' viagogo sales. Hence, a comparison of the absolute changes to sales on StubHub and on the other secondary ticketing platforms is necessary; not a comparison of their growth rates.

⁷³ In paragraph 26(a) of the [Parties' response to Provisional Findings](#), the Parties submitted that the CMA has been selective in the presentation of the findings of its own graphical analysis. In particular, the Parties argued that instead of focussing on metrics that provide a good proxy of the Parties' incentives (like revenue or value of sales) the CMA's graphical analysis puts more emphasis on the results based on ticket sales in terms of volume. The Parties argued that volume of ticket sales cannot capture the importance of the ticket to viagogo and StubHub (which would indicate the extent of the constraint from StubHub on viagogo) as one high value ticket could represent as much revenue as multiple low value tickets and this would not be reflected in the volume data. We note that our decision to present the findings of the analysis was driven by the fact that assessing the impact of the viagogo's suspension by looking at the change in the volume of ticket sales (as opposed to the value of such sales) allows a more accurate assessment of the sale trends while also being a more favourable approach to the Parties. Indeed, given the capped nature of the majority of the Parties' rivals, assessing the relative performance of the various platforms before and during the suspension in terms of GTV could lead to an underestimation of the constraint exerted by the other secondary platforms. However, as part of our internal robustness checks, we also carried out the analysis by using GTV instead of the volume of ticket sales and the findings remain unchanged.

suspension from the platform's sale seasonality. Figure E.5 and Figure E.6 present this analysis for volumes of tickets sold and GTV, respectively.⁷⁴

Figure E.5: Parties' secondary ticket volume of sales (Number of tickets sold) during the period January to December for three calendar years 2017, 2018 and 2019

[✂]

Source: CMA analysis of the Parties' monthly ticket sales data.

Figure E.6: Parties' value of secondary ticket sales (GTV) during the period January to December for three calendar years 2017, 2018 and 2019

[✂]

Source: CMA analysis of the Parties' monthly ticket sales data.

61. The charts representing ticket sales of both Parties' platforms (first chart of each Figure) show that viagogo's sales in 2019 (solid line) were generally lower than in previous years, but also dropped during the suspension period. When focussing on StubHub only, the analysis shows the opposite trend (second chart of each figure): during the suspension, and even a little before that, StubHub's ticket sales (solid line) were generally higher than during the same months of 2018 (dotted line) and 2017 (dashed line).⁷⁵
62. Although based on this analysis it is not possible to isolate the impact of the suspension from other factors potentially occurring at the same time in the market, we noted that this result is consistent with StubHub capturing a material proportion of the sales lost by viagogo during the suspension.

⁷⁴ As mentioned in the footnote above, in paragraph 26(a) of the [Parties' response to Provisional Findings](#), the Parties submitted that the CMA has been selective in the presentation of the findings of its own graphical analysis and that results in terms of GTV rather than volumes of ticket sold would be more informative. For completeness we present the results of analysis based on both metrics. We note that overall the findings remain unchanged.

⁷⁵ We note that this is particularly the case for the analysis in terms of value of ticket sales (GTV) at Figure E.6.

Appendix F: Consumer acquisition strategies and the source of visitors to ticketing platforms' websites

Introduction

1. This appendix sets out our analysis of the Parties' and other ticketing platforms' consumer acquisition strategies and the source of visitors to ticketing platforms' websites.
2. The Parties submitted that (i) secondary ticketing exchange platforms 'are competing fiercely' with each other to attract buyers to their websites through their consumer acquisition strategies (particularly in relation to the use of paid search advertising) and that (ii) buyers will be redirected to an online website that has tickets available (which could be either a primary ticketing platform or a secondary ticketing exchange platform) when searching online for tickets to an event.
3. We have therefore considered the consumer acquisition strategies of the Parties and other ticketing platforms to understand the nature of competition between the Parties and with other ticketing platforms when attracting buyers to their platforms. We have found that:
 - (a) The Parties compete to attract consumers to their websites by using several channels, such as promoting their websites in organic and paid search results or through advertising events for which they have tickets available on social media platforms. The majority of visits to the Parties' websites come through search (paid or organic), which is consistent with our understanding that most consumers typically start their search for tickets to an event by using a search engine.
 - (b) The importance of search as a consumer acquisition channel is reflected in the Parties' marketing and advertising strategies. viagogo is largely focused on acquiring consumers through paid search advertising to support its growth. While StubHub's strategy has been more diverse (by promoting its brand through 'above-the-line' campaigns and on social media channels), paid search advertising is still an important source of traffic to its website.
 - (c) The marketing and advertising activities of other ticketing platforms are much more limited than that of the Parties, particularly in relation to the use of paid search advertising. Other ticketing platforms are therefore likely to pose a weaker constraint on the Parties' ability to attract customers to their websites through marketing and advertising than viagogo is on StubHub (and vice versa).

4. This appendix sets out the evidence and analysis that supports our findings in turn below.

Marketing and advertising strategies

5. This section sets out the marketing and advertising strategies of the Parties and other ticketing platforms.

viagogo

6. We have found that viagogo largely focused on acquiring consumers when they are searching for tickets online, in particular through its paid search advertising activities. [REDACTED].

Figure F.1: viagogo's annual advertising spend

[REDACTED]

Source: CMA analysis [REDACTED]

7. viagogo told us that [REDACTED] involves a Google Ads campaign. In addition to information provided by Google on the effectiveness of keywords to generate impressions and clicks, the keywords for these campaigns are selected by viagogo [REDACTED].viagogo will [REDACTED].
8. We have found that viagogo bid on [more than 100,000] keywords on average each month in Google Ads auctions in the period January 2018 to February 2020. Our analysis of viagogo's use of Google Ads also shows that:⁷⁶
 - (a) viagogo's monthly spend on Google Ads was [less than £1.5 million] on average in the period January 2018 to February 2020, with the 50 viagogo keywords with the most impressions in each month accounting for [REDACTED]% of this spend. This shows that, while viagogo bids on [more than 100,000] keywords on average each month, a small proportion of those are likely to generate a majority of traffic to its website from Google Ads.
 - (b) Of the keywords bid on by viagogo each month, StubHub also bid on [less than 10%] of these keywords on average in each month of the period January 2018 to February 2020 and Gigsberg also bid on [less than 1%] of these keywords on average in each month of the period April 2019 to February 2020. This is [REDACTED] and [REDACTED] keywords on average each month where viagogo competed head-to-head in Google Ads auctions with StubHub and Gigsberg, respectively.

⁷⁶ More information on our analysis can be found in Annex F.1.

9. In contrast, viagogo's marketing through social media and other online channels (which, as shown in Figure F.1, accounts for [REDACTED]% of its annual advertising spend) is [REDACTED]. viagogo does not engage in offline advertising in the UK, such as 'above the line' advertising campaigns on TV or Radio that aim to increase awareness of its brand to consumers.
10. viagogo's marketing and advertising strategy is reflected in the sources of unique visitors to its website. We have found that, in 2019, [over 40%] of unique monthly visitors first visited viagogo's website by clicking through an ad shown in the paid search results (ie Google Ads); other unique monthly visitors largely first visited viagogo's website directly ([REDACTED]%) or through a link in organic search results ([REDACTED]%). The importance of paid search advertising to viagogo is also found when looking at the sources of ticket buyers to viagogo's website in 2019, which shows that [over 50%] of unique monthly visitors who made a purchase through its platform first visited viagogo's website by clicking through an ad shown in the paid search results.⁷⁷
11. Our analysis of viagogo's marketing and advertising strategy is consistent with its internal documents related to acquiring consumers through marketing and advertising. [REDACTED]viagogo described that this could improve the effectiveness of its paid search advertising strategy: [REDACTED].

StubHub

12. We have found that StubHub's marketing and advertising strategy in the period 2017–2019 aimed to increase awareness of its brand to consumers, both online and offline.
13. StubHub has done this through 'above the line' advertising campaigns ([REDACTED]) and promoting its brand through advertising on Social media platforms. StubHub's spend on these marketing and advertising activities are shown in Figure F.2 below.

Figure F.2: StubHub's annual advertising spend

[REDACTED]

Source: CMA analysis.

14. Also shown in Figure F.2 is StubHub's spend on its paid search advertising activities, which accounted for [at least 50%] of its advertising spend in each year of the period 2017–2019. StubHub creates Google Ads campaign for any

⁷⁷ We consider that these proportions have been affected by viagogo's Google Ads suspension in the period July 2019 to November 2019. For example: when excluding the period July 2019 to November 2019 from our analysis, we found that [over 50%] of unique monthly visitors who made a purchase through its platform first visited viagogo's website by clicking through an ad shown in the paid search results.

events in its catalogue for which it has supply, allowing it to advertise to any potential buyer who demonstrates an interest in tickets to a particular event when searching online. StubHub chooses keywords based on [REDACTED].

15. StubHub said that it changed its paid search advertising strategy [REDACTED]. StubHub had previously been operating its paid search advertising against ROAS targets that [REDACTED]. This meant that StubHub would [REDACTED]. StubHub told us that, when using this strategy during viagogo's Google Ads suspension, [REDACTED]. [REDACTED].
16. StubHub told us that it moved away from this strategy to [REDACTED]. StubHub said that this bidding strategy will allow it to manage its paid search advertising at scale in future. In addition, StubHub told us that its change in paid search advertising strategy will allow it to [REDACTED] that would improve the efficiency of its advertising spend when used with a different attribution model to better understand how buyers find tickets on its platform before making a purchase.
17. We have found that StubHub bid on [28,000–30,000] keywords on average each month in Google Ads auctions in the period January 2018 to February 2020. Our analysis of StubHub's use of Google Ads also shows that:⁷⁸
 - (a) StubHub's monthly spend on Google Ads was [£200,000–400,000] on average in the period January 2018 to February 2020, with the 50 StubHub keywords with the most impressions in each month accounting for [REDACTED]% of this spend. This shows that, while StubHub bids on [28,000–30,000] keywords on average each month, a small proportion of those are likely to generate a majority of traffic to its website from Google Ads.
 - (b) Of the keywords bid on by StubHub each month, viagogo bid on [40–50%] of these keywords on average in each month of the period January 2018 to February 2020 and Gigsberg bid on [less than 5%] of these keywords on average in each month of the period April 2019 to February 2020. This is [8,000–10,000] and [400–600] keywords on average each month where StubHub competed head-to-head in Google Ads auctions with viagogo and Gigsberg, respectively.
18. StubHub's marketing and advertising strategy is reflected in the sources of traffic to its website. We have found that, in 2019, [40–50%] of unique monthly visitors last visited StubHub's website by clicking through an ad shown in the paid search results; other unique monthly visitors largely last visited StubHub's website directly ([REDACTED]%) or through a link in organic search results ([REDACTED]%). When looking at the sources of ticket buyers to StubHub's website in

⁷⁸ More information on our analysis can be found in Annex F.1.

2019, we found that that [30–40%] of unique monthly visitors who made a purchase through its platform last visited StubHub’s website directly and [30–40%] last visited StubHub’s website by clicking through an ad shown in the paid search results.

19. Our analysis of StubHub’s marketing and advertising strategy is consistent with its internal documents related to consumer acquisition from 2019. StubHub documents suggest that it had a greater focus on brand, with documents showing that it has analysed the performance of previous advertising campaigns and commissioned consumer research to inform brand development. For example:

(a) [REDACTED]

(b) [REDACTED]

20. StubHub told us, however, that it currently considers the average buyer to have little brand affinity with secondary ticketing platforms. This is because buyers will purchase a ticket to an event on the platform they are available from and based on their own individual preferences. While increasing awareness of its brand to consumers could attract buyers to its website, StubHub also sees a relationship between the ticketing inventory available on its platform and how it executes its marketing and advertising strategy. For example: [REDACTED].

Other ticketing platforms

21. We have found that the advertising activities of other platforms are much more limited than that of the Parties, particularly in relation to the use of paid search advertising.
22. The Parties have been the ticketing platforms with the largest annual advertising spend in the period 2017–2019. viagogo’s advertising spend in 2019 was [more than £5 million] (which is lower than may have otherwise been the case without its Google Ads suspension) and StubHub’s spend was [more than £5 million]. The Parties and other ticketing platforms’ annual advertising spend in the period 2017–2019 is shown in Figure F.3 below.

Figure F.3: Annual advertising spend of the Parties and other ticketing platforms

[REDACTED]

Source: CMA analysis.

23. AXS told us that it does not currently invest in offline advertising campaigns and uses online marketing to promote the events for which they have tickets to consumers. The online advertising used by AXS includes paid search

advertising, advertising through Social Media channels, direct email marketing and working with its affiliate partners to source traffic to its website. AXS told us that this applies to both its primary ticketing platform and its secondary ticketing exchange platform, AXS Resale, which are both promoted to consumers through the same marketing and advertising strategy. AXS said that it also relies on advertising by the event organisers, promoters or artists, which (when AXS is the official partner to an event) can increase the traffic to its website.

24. Gigsberg said that, while the majority of traffic to its site generally comes through Google search, StereoBoard (a ticketing comparison website) is an important affiliate for attracting traffic to its platform. Around [10–20%] of traffic to Gigsberg's website comes through StereoBoard, but the share of sales from this traffic was higher than for other sources of traffic. Gigsberg also told us that StereoBoard carries out its own paid search advertising, occasionally running Google Ads campaigns for specific events. This helps attract more buyers to StereoBoard and, consequently, to Gigsberg's website for these events. Gigsberg told us that it only undertakes online marketing and advertising activities to attract buyers to its website.
25. [✂]
26. Other ticketing platforms said that they undertake very limited or no marketing and advertising to attract buyers to their websites in the UK. This includes:
 - (a) Eventbrite, which said its customers (ie event organisers) are responsible for marketing the events listed on its platform to buyers.
 - (b) Gigantic, which said it promotes its ticketing inventory to buyers through artist websites, venue websites and social media.
 - (c) SeatGeek, which does not actively advertise in the UK. SeatGeek explained that this is because its clients are responsible for advertising and the promotion of their respective events.
 - (d) See Tickets, which said it does not spend much on advertising and does not advertise on Google or other platforms.
 - (e) Twickets, which said it does not undertake paid marketing and has no strategy in place to do so (nor has it had one) in the past two years.
 - (f) VividSeats, which said it does not actively advertise on traditional media (eg television, radio) and that its digital advertising efforts (particularly related to organic and paid search) result in a small number of UK customers engaging with its platform.

27. We have also found that the Parties have been the ticketing platforms with the largest annual paid search advertising spend in the period 2017–2019. viagogo’s paid search advertising spend in 2019 was [more than £5 million] (which is lower than may have otherwise been the case without its Google Ads suspension) and StubHub’s spend was [more than £5 million]. The Parties’ and other ticketing platforms’ annual paid search advertising spend in the period 2017–2019 is shown in Figure F.4 below.

Figure F.4: Annual paid search advertising spend of the Parties and other ticketing platforms

[REDACTED]

Source: CMA analysis [REDACTED]; [REDACTED].

28. AXS told us it does not have a ‘robust’ ongoing paid search advertising strategy, although it recognises Google Ads is a key marketing tool for selling tickets to live events. This is because, as the keywords which are most used by consumers when searching for tickets require higher bids to be successful in Google Ads auctions, AXS cannot afford to compete with viagogo, StubHub and other uncapped secondary ticketing exchange platforms. AXS said that this means that viagogo is typically at the top of the Google search results page when consumers search for an event that have tickets on AXS’ website.
29. Gigsberg said that it would generally start a Google Ads campaign on events for which it had lots of tickets available at competitive prices (relative to other secondary ticketing exchange platforms) to buyers. The keywords used by Gigsberg typically aim to attract only those consumers who are interested in buying tickets, such as using the characteristics of a particular event (ie the name of the event, city, year) as well as ‘tickets’ or ‘tour’ in search terms. Gigsberg told us that it typically competes with viagogo and StubHub when bidding for keywords in Google Ads auctions.
30. [REDACTED] said its [REDACTED] paid search advertising during 2019 was due to the evolution of the industry. [REDACTED].
31. Other ticketing platforms said that they undertake very limited or no paid search advertising to attract buyers to their websites in the UK. This includes:
- (a) Gigantic, which told us that spending on paid search advertising is not a cost-effective form of consumer acquisition for its platform.
 - (b) See Tickets, which told us that it cannot afford to compete with the Parties in Google Ads auctions as its operating margin is about 6.5% (which is also shared with some promoters).

- (c) Skiddle, which said it cannot compete with viagogo and (to a lesser extent) StubHub's paid search advertising activities and it therefore typically relies on organic Google search results.
- (d) Twickets, which said it does not pay for Google Ads because it cannot afford to use this channel. Twickets explained that it would lose money if it tried to compete with viagogo and StubHub in this way as its fee per ticket is significantly smaller than for viagogo and StubHub.

Visitors to ticketing platforms' websites

- 32. This section sets out our analysis of the visitors to ticketing platforms' websites using data provided by SimilarWeb and comScore.

SimilarWeb data

- 33. We have used data provided by SimilarWeb to analyse the source of visitors to the Parties' and other ticketing platforms' websites.⁷⁹
- 34. The difference in the attribution methods used by the Parties and other ticketing platforms in collecting their own visitor data means that they are not able to be compared on a like-for-like basis.⁸⁰ Visitor data provided by SimilarWeb has been collected using a consistent methodology and allows us to compare visitor numbers across ticketing platforms. We have therefore used data provided by SimilarWeb when comparing the source of visitors to the Parties and other ticketing platforms' websites.
- 35. We found that in 2019:⁸¹
 - (a) The vast majority of visitors to viagogo's website each month arrived either directly or through organic and paid search results; an average of [X]% of monthly visitors to viagogo arrived by clicking through a link in organic search results, [X]% of monthly visitors to viagogo arrived by clicking through a link in paid search results and [X]% of monthly visitors to viagogo arrived by coming directly to its website.⁸²

⁷⁹ SimilarWeb is a provider of data and market insight into the 'online world'. SimilarWeb uses data from website and mobile app owners, data from its partners with 'millions of subscribers', data from public sources and data collected anonymously from its 'contributory network' to measure internet traffic.

⁸⁰ For example: [X]. We have therefore not directly compared the traffic data obtained from the Parties between them or with other platforms.

⁸¹ [X]

⁸² We consider that these proportions have been affected by viagogo's Google Ads suspension in the period July 2019 to November 2019. For example: the average proportion of monthly visitors to viagogo's website who arrived by clicking through a link in paid search results was [40–60%] when excluding the period July 2019 to November 2019 from our analysis.

- (b) The vast majority of visitors to StubHub's website each month arrived either directly or through organic and paid search results; an average of [X]% of monthly visitors to StubHub arrived by clicking through a link in organic search results, [X]% of monthly visitors to StubHub arrived by clicking through a link in paid search results and [X]% of monthly visitors to StubHub arrived by coming directly to its website.
36. When looking at the sources of visitors to Parties and other ticketing platforms' websites in 2019, we have found that the Parties, Gigsberg and SeatGeek typically sourced more than 60% of their monthly visitors from them clicking through organic or paid search results. All other ticketing platforms ([X]) typically sourced less than 50% of their monthly visitors from organic or paid search. This is consistent with the marketing and advertising strategies of the Parties and Gigsberg (that said organic and paid search is an important source of visitors to their websites), as well as [X].

comScore data

37. We have used 'cross-visiting' data provided by comScore to analyse the overlap in unique visitors across ticketing platforms in the period January 2018 to February 2020.⁸³
38. This 'cross-visiting' data can be used to assess consumer behaviour (ie whether they single-home or multi-home) to a certain extent. We have used this data to assess the proportion of unique visitors to a website (ie a ticketing platform) that have also visited other websites (ie another ticketing platform) in a given month. This data does not, however, allow us to observe whether (i) this related to the same search for tickets, the same event or if the consumer ultimately purchased a ticket to an event, or (ii) the visit to a website was by a buyer or reseller of tickets to an event (although we expect the vast majority of unique visitors to be buyers of tickets).
39. We found in our analysis of 'cross-visiting' data provided by comScore platforms (for the period January 2018 to February 2020) that:⁸⁴

⁸³ comScore delivers online audience measurement and is endorsed by UKOM, the body that sets and governs the UK standard for the online industry. comScore records the online activity of panellists across different devices (PC, tablet, mobile) and for different types of content (including page content, apps, video). comScore uses a hybrid approach measuring both panel data and census data which are unified by comScore to produce an overall view of individual consumer behaviour online. The panel are recruited respondents who install metered software on their devices; provides demographic and usage data (UK panel size: desktop – target of 40,000, mobile – around 5,000). Census data is from comScore 'tags' that media owners apply to their content. This data is then adjusted by comScore so that double counting across platforms does not occur.

⁸⁴ comScore MMX Multi-Platform, Total Digital Population, Desktop aged 6+, Mobile aged 13+, January 2018 to February 2020, UK.

- (a) More unique visitors to StubHub also visited viagogo than vice versa. Around 8% of viagogo's monthly visitors also visited StubHub on average over the period, with around 37% of StubHub's monthly visitors also visiting viagogo on average over the period.
- (b) More unique visitors to Twickets also visited viagogo or StubHub than vice versa.⁸⁵ Around 2% and 3% of viagogo and StubHub's monthly visitors, respectively, also visited Twickets on average over the period. In contrast, around 22% and 14% of Twickets' monthly visitors also visited viagogo and StubHub, respectively, on average over the period.
40. We were unable to analyse the overlap in unique visitors of Gigsberg with other ticketing platforms. This is because comScore did not record 'cross-visiting' data for Gigsberg in any month of the period January 2018 to February 2020, likely due to the low number of visitors to its websites in these months.
41. Similarly, we were unable to analyse the overlap in unique visitors of [X] with other ticketing platforms. This is because, as these websites are not recorded in comScore data as they are not distinct to the websites for [X] primary ticketing platforms, we would be unable to differentiate between visits to websites by buyers for primary and secondary tickets.

⁸⁵ comScore did not record 'cross-visiting' data for Twickets in some months of the period January 2018 to February 2020, likely due to the low number of visitors to its website in these months.

Annex F.1: Analysis of Google Ads strategies of uncapped platforms

1. This annex sets out in full our analysis of the current Google Ads strategies of the Parties and Gigsberg.

Background on Google Ads

2. Google Ads (and other forms of paid search advertising) allows a firm to pay for its advert (typically in the form of a text link) to appear next to or above the organic results from a search on Google (or other internet search engines) by a consumer.
3. The selection and targeting of these adverts is based primarily on keywords included in the search terms of consumers.⁸⁶ Firms will bid for their adverts to be displayed when consumers enter particular keywords or phrases. This means that – to be successful in attracting consumers to their websites through Google Ads – firms need to identify the search terms used by consumers (and therefore the keywords to bid on) when searching for its product or service in search engines.
4. Consumers can then click on the text link displayed in the search advertising space of the search results page, as they can with the other organic search results (ie those that have not been paid for).⁸⁷ Search advertising is aimed at driving consumers to firms' websites by clicking the text link shown in the search advertising space. In the vast majority of cases, firms only pay for their adverts when a consumer clicks through the text link of its advert ie they pay on a cost-per-click (CPC) basis.
5. Google Ads (and other paid search advertising providers) uses second-price auctions to set prices for advertising space, where the price paid by the firm that wins the auction (and the right to display the link in relevant search results) is determined in part by the value of the second-highest bid. A key feature of the auctions used in paid search advertising is that outcomes are also partly determined by what is referred to as the 'quality' of the ad, which includes the relevance to the search query of the ad and the underlying content of the advertiser website to which the advertising links (as well as

⁸⁶ The advert shown to a consumer may also be influenced by some limited data about the person such as their location at the time. For example: if a consumer is searching for a 'coffee shop near me', the advert displayed will depend on a combination of which companies have bid for the keywords 'coffee shop' and on which of them are closest to the location of the user to the extent that information is available.

⁸⁷ Firms and their agencies generally buy this search advertising space directly from search providers using the providers' self-service online sales interfaces, such as Google Ads.

certain other factors).⁸⁸ Search engines make an assessment of the ‘quality’ of the ad (and of certain other factors) and use this assessment to weight bids from different firms on a real-time, in-auction basis. Higher quality will mean the search engine places greater weight on the firm’s bid, with the result that its advertising is more likely to appear in search results and at a lower CPC.

6. Google Ads and other platforms offer tools that enable advertisers to control several other auction parameters which can affect the prices paid for adverts by firms and how often their adverts would appear in response to a consumer search. For example: with automated bidding, firms provide a performance goal to Google Ads and then allow it to use algorithms to dynamically set CPC bids to meet the firm’s stated performance goals. These performance goals set by a firm could be to maximise the number of clicks through its adverts by consumers or to maximise the number of ‘conversions’ (ie consumers completing a purchase on a firm’s website) for a given budget. Firms can, however, choose to manually set maximum CPC bid limits for all keywords it bids on or even set different bids for individual keywords.

Importance of online search for the behaviour of consumers and firms

7. As we have found that most consumers typically start their search for tickets to an event by using a search engine, we have looked to better understand the importance of online search for the behaviour of consumers and the implications this may have for our competitive assessment.
8. The CMA has previously considered the importance of online search for the behaviour of consumers.⁸⁹ When reviewing the existing literature on online search, the CMA found that consumers disproportionately focus their attention, clicks and purchases on links at the top of returned search results generated by a number of different search tools (including an entire page of search engine results ie both paid and organic search). On average, the first three links seem to account for 40–65% of the total clicks on desktop devices and more than 70% of the total clicks on mobile devices. The evidence suggests that this is not simply due to the fact that top links are more likely to be relevant to consumers’ searches, but also to the fact that consumers seem to display an inherent bias to click on links in higher positions.

⁸⁸ Both Google and Bing both refer to the ‘quality’ of the consumer experience when describing the relevance of search advertising.

⁸⁹ CMA, April 2017, ‘[Online search: Consumer and firm behaviour – A review of the existing literature](#)’.

9. Organic search results on Google were specifically considered in the EC's Google Shopping decision.⁹⁰ The EC found that organic search results generate significant traffic to a website when ranked within the first three to five organic search results, but that consumers pay little attention to the remaining results. However, the EC decision does not make clear how clicks for organic search compare to paid search, in particular Google Ads, which are typically positioned above the organic search results.
10. Overall, both the CMA's literature review and the EC's Decision indicate that consumers do not tend to click beyond top results shown on a search results page. This implies that if a link to a website does not feature in the top (organic or paid) search results, it is unlikely to attract a significant number of consumers to their website and therefore will be unable to effectively compete with websites that do feature in the top results.

Monthly spend on Google Ads

11. We requested data from the Parties and Gigsberg on their monthly Google Ads spend in the period January 2018 to February 2020. This is shown in Figure F.5 below.

Figure F.5: Monthly Google Ads spend

[X]

Source: CMA analysis.

12. Figure F.5 shows that viagogo spends the most on Google Ads of the three secondary ticketing exchange platforms included in our analysis. viagogo's average monthly spend of [less than £1.5 million] on Google Ads was greater than that of StubHub (£200,000–400,000) in the period January 2018 to February 2020 and that of Gigsberg (£0–200,000) in the period April 2019 to February 2020.
13. We also requested the Google Ads spend on the Parties' 50 keywords with the most impressions (ie displayed most often in Google's paid search results) in each month. We found that these 50 keywords accounted for [X]% and [X]% of viagogo and StubHub's Google Ads spend each month, respectively.

⁹⁰ EC, June 2017, Case AT.39740, [Decision on Google Search \(Shopping\)](#). This decision focuses on the positioning and display by Google, in its general search results pages, of its own comparison shopping service compared to competing comparison shopping services.

Keywords bid on in Google Ads

14. We requested the keywords bid on each month by the Parties and Gigsberg in Google Ads auctions in the period January 2018 to February 2020. The number of keywords bid on by these three secondary ticketing exchange platforms is shown in Figure F.6 below.

Figure F.6: Number of keywords bid on each month in Google Ads auctions

[X]

Source: CMA analysis.

15. Figure F.6 shows that viagogo bid on the most keywords in Google Ads auctions. viagogo bid on [more than 100,000] keywords on average each month in Google Ads auctions, whereas StubHub and Gigsberg bid on [28,000–30,000] and [2,000–4,000] keywords on average each month, respectively.
16. We also analysed the match types used in the keywords bid on by the Parties each month in the period January 2018 to February 2020. This analysis made use of the ‘special symbols’ which indicate the match type of the keywords bid on in Google Ads auctions.^{91,92} We found that:
- (a) viagogo used [X] match type for [50–60%] and [X] match type for [40–50%] of keywords it bid on each month on average in Google Ads auctions. [Less than 10%] of keywords viagogo bid on each month on average in Google Ads auctions used [X] match type.
 - (b) StubHub used [X] match type for [30–40%], [X] match type for [30–40%] and [X] match type for [30–40%] of keywords it bid on each month on average in Google Ads auctions. [Less than 5%] of keywords StubHub bid on each month on average in Google Ads auctions used [X] match type.
 - (c) Gigsberg used [X] match type for [40–50%] and [X] match type for [50–60%] of keywords it bid on each month on average in Google Ads auctions.

⁹¹ See: [About keyword matching options](#), Google Ads Help (access 7 October 2020).

⁹² StubHub also provided information on the match type of keywords in its data submissions.

Overlap in keywords

17. We analysed the overlap in keywords bid on each month by the Parties and Gigsberg in the period January 2018 to February 2020 by matching keywords on a monthly basis.
18. In our analysis, we removed 'special symbols' that indicate the match type of the keywords bid on in Google Ads auctions.⁹³ This means that our analysis compares keywords that perfectly match, in that they include the same words in the same ordering, but may not be included in all Google Ads auctions for the same search term. For example: were Firm A to bid on the keyword 'women's hats' using an exact match type and Firm B to bid on the same keyword using a broad match type, then only Firm B would be included in a Google Ads auction in response to a search for 'winter headwear for women'. However, since our analysis identifies an overlap only when the Parties' keywords (excluding the symbols) are exactly the same, our approach is conservative and our results can only provide a lower bound indication of the level of the overlap in the Parties' paid search bidding activity.
19. Our analysis of the overlap in keywords bid on each month by the Parties and Gigsberg in the period January 2018 to February 2020 found that:⁹⁴
 - (a) Of the keywords bid on by viagogo each month, StubHub also bid on [less than 10%] of these keywords on average in each month of the period January 2018 to February 2020 and Gigsberg also bid on [less than 1%] of these keywords on average in each month of the period April 2019 to February 2020. This is [X] and [X] keywords on average each month where viagogo competed head-to-head in Google Ads auctions with StubHub and Gigsberg, respectively.
 - (b) Of the keywords bid on by StubHub each month, viagogo bid on [40–50%] of these keywords on average in each month of the period January 2018 to February 2020 and Gigsberg bid on [less than 5%] of these keywords on average in each month of the period April 2019 to February 2020. This is [X] and [X] keywords on average each month where StubHub competed head-to-head in Google Ads auctions with viagogo and Gigsberg, respectively.
 - (c) Of the keywords bid on by Gigsberg each month, viagogo bid on [20–30%] of these keywords and StubHub bid on [10–20%] of these keywords on average in each month of the period April 2019 to February 2020. This

⁹³ See: [About keyword matching options](#), Google Ads Help (access 7 October 2020).

⁹⁴ [X].

is [✂] and [✂] keywords on average each month where Gigsberg competed head-to-head in Google Ads auctions with viagogo and StubHub, respectively.

20. The Parties submitted that, based on the logic outlined by the CMA in the recent *Hunter Douglas N.V./247 Home Furnishings Ltd* merger case,⁹⁵ about how to use keyword overlap to interpret closeness of competition, the small proportion of viagogo's keywords bid on also by StubHub shows that StubHub provides only a very limited competitive constraint on viagogo.⁹⁶ In particular, paragraph 55 of Appendix E to the final decision on the *Hunter Douglas N.V./247 Home Furnishings Ltd* merger case reads as follows:

'the extent to which retailers bid on the same search words can, among other factors, inform on closeness of competition between the Parties and also on effectiveness of other retailers as competitors – ie if two retailers largely bid on the same search words, this may suggest that they are particular close competitors, while if this is not the case, it may suggest the two retailers may be more distant competitors'.

21. We note that the analysis of the overlap in the Google Ads keywords undertaken as part of the *Hunter Douglas N.V./247 Home Furnishings Ltd* merger case did not have a prominent role in the overall competitive assessment of the case. The analysis was indeed presented as 'supplementary' in the final decision and, since the extent of the overlap in keywords bid on by the merging parties was similar to the degree of overlap between each party and the other competitors, the CMA agreed with the merging parties that the analysis did 'not give any clear indication that the Parties [were] competing more closely between each other than with other retailers'.⁹⁷ Hence, the analysis did not allow the CMA to draw any clear conclusions with respect to the relative closeness of competition between the merging parties.⁹⁸

22. Consistent with the CMA's position in the *Hunter Douglas N.V./247 Home Furnishings Ltd* merger case, we agree that assessing the paid search marketing strategies of the merging parties and their competitors, including looking at the measure in which the keywords bid on by the Parties overlap, can be, at least in principle, informative about the closeness of competition between the merging parties. However, we note that how determinative such

⁹⁵ See *Hunter Douglas N.V./247 Home Furnishings Ltd*, Final Report (14 September 2020).

⁹⁶ Parties' response to Provisional Findings, paragraphs 31 and 32.

⁹⁷ See *Hunter Douglas N.V./247 Home Furnishings Ltd*, Final Report, paragraph 8.121 (14 September 2020).

⁹⁸ See *Hunter Douglas N.V./247 Home Furnishings Ltd*, Final Report, paragraph 8.78(c) and 8.117 to 8.121 (14 September 2020).

an analysis turns out to be overall for the competitive assessment of a case will depend on many factors (including the range of evidence available, the characteristics of the market in which the parties operate, data quality considerations and the feasibility or informativeness of the analysis itself in a given context) and can therefore vary on a case-by-case basis.

23. In this case, the assessment of the Parties' keyword bidding behaviour represents an additional limb of our analysis which proved challenging to conduct due to the nature of the online ticketing sector in which viagogo and StubHub operate and the data that the Parties were able to provide. In particular:
- (a) In the online ticketing sector the keyword bidding strategies not only have to cover a large number of events⁹⁹ but are also subject to continuous updating because most bidding occurs on keywords relevant to live events that are inherently tied to a specific point in time (ie the event dates). This in turn affects the size of the dataset and the feasibility of the matching keywords across time and across different platforms' keyword data.
 - (b) We also noted that the amount spent on different keywords varied significantly, but we were not able to collect information on spend broken down by keyword due to the difficulties of retrieving this data that were raised by the Parties.
 - (c) Finally, the current status of inactivity of the live events and ticketing industry caused by the Coronavirus (COVID-19) pandemic and the fact that this is a completed merger meant there was no scope for assessing contemporaneous bidding activity by looking at real-time search term results (as opposed to relying on historic data).
24. The analysis of the Parties' Google Ads bidding strategies in this case has therefore necessarily been limited in scope.
25. Despite these challenges our analysis found that viagogo bid on a significant proportion of StubHub's keywords (at least [X] % on average) whereas StubHub bid on at least [X] % of viagogo's keywords. We consider the implications of these results for our competitive assessment at paragraphs 7.144 to 7.155.

⁹⁹ Based on the Parties' data on their platform activity in the month, we note that viagogo sold tickets for more than [X] UK events in a month on average in 2019 whereas StubHub to more than [X]. In 2018, viagogo sold tickets to more than [X] UK events in a month on average which StubHub to about [X] UK events.

Appendix G: Summary of evidence from resellers

Context to the reseller evidence

1. This appendix sets out the evidence we have gathered from secondary ticket resellers, who are important users of the Parties' platforms. We have engaged with these resellers to understand how competition works, the strength of competition between the Parties' platforms and with alternatives and the impact of the Google Ads suspension.
2. We have spoken to a range of resellers and have engaged with resellers in proportion to their importance to the platform, as explained below. Overall, we received RFI responses from 59 resellers, 54 of which are from very large reseller customers of the Parties, as described below.

Approach to gathering evidence from resellers

3. Both Parties have large populations of resellers on each of their platforms – approximately [X] on viagogo and [X] on StubHub in 2019. However, most of the revenue passing through each platform, and hence fees earned by the Parties, comes from a smaller group of the largest resellers. The top decile (that is, the largest 10% of resellers) accounted for [over 80%] of each Party's GTV in 2019 ([X]% and [X]% for viagogo and StubHub respectively).¹⁰⁰
4. Therefore, we focussed on sending 'Requests for Information' (**RFIs**) to the Parties' larger and largest resellers by GTV, as these would be the ones with the most impact on the offering (eg fees and payment terms) of each Party, given that they account for most of the revenue passing through the platforms.
5. We only received one response from a small reseller. These resellers may behave in somewhat different ways from larger resellers aiming to make a profit from ticket sales. However, they are likely to have a more limited impact on the incentives of the Parties in setting fees, payment terms and other parameters of competition.

Methodology for the evidence gathering

6. To get a diverse spread of responses from resellers we carried out a mixed approach of questionnaires and calls.

¹⁰⁰ CMA analysis of Parties reseller data.

7. At phase 1 this involved the CMA contacting resellers provided by the Parties as the largest on their site and asking them to return a questionnaire. At phase 2 another questionnaire was sent to a larger number of resellers, asking more detailed questions. We also spoke with some of the resellers who engaged at phase 1 and discussed their responses more thoroughly.

Phase 1 questionnaire

8. At phase 1 the CMA requested contact details for each of the Parties' top 50 resellers and sent them questionnaires asking about several different topics including their sales activity, alternatives to the Parties, and their views on the merger overall.
9. Due to reseller multi-homing, some of the resellers that appeared were among the largest 50 resellers for both of the Parties. We identified 86 resellers (rather than 100) in practice. Of the 86 resellers that were contacted, the CMA received responses from 24.

Phase 2 questionnaire

10. The phase 2 questionnaire covered the same areas as phase 1, as well as new questions about the acquisition of tickets and pricing. Overall, 478 RFIs were sent at phase 2, and were distributed to very large, mid-sized and small resellers as follows:
 - (a) Very large resellers – for each of the Parties, we selected 150 among the the largest resellers (as measured by GTV) that had not already responded to a phase 1 RFI and for whom we had good contact details. RFIs were sent to all these resellers. Due to reseller multi-homing, some of the resellers appeared in the selections for both Parties and the total number of RFIs sent was less than 300. Thirty responses were received which when added to the 24 responses received at phase 1 resulted in a total of 54 responses from the Parties' largest resellers.
 - (b) Mid-sized resellers – about 150 RFIs were sent, 75 per Party, to resellers with an annual GTV close to the mean for that platform (£[£] and £[£] for viagogo and Stubhub respectively).¹⁰¹ Four responses were received from this reseller group.

¹⁰¹ Note that these resellers were all still in the top decile of the distribution.

(c) Smaller resellers – about 60 RFIs, 30 per Party, were sent to resellers in the fourth decile of the distribution (generating between £[X] and £[X] of GTV in 2019).¹⁰² One response was received from this reseller group.

11. The questionnaires asked what type of involvement resellers had in the secondary ticket market. As a result, we know that in our sample around half of respondents operated as businesses, and over half used ticket resale as their main source of revenue. This highlights that the sample mostly represents resellers who use the platforms repeatedly, rather than just for occasional or one-off transactions.

Calls with resellers

12. We also had calls with six resellers who had given detailed responses at phase 1, where we discussed the issues covered in the written questionnaires, as well as the Google Ads suspension. These calls allowed us to probe resellers' qualitative views on the market and to understand their interactions with the Parties' platforms in more detail. Views and evidence from these calls have been included in our assessment.

Overall responses

13. In total, this approach gathered views from 59 resellers, who collectively accounted for around £[X] million (viagogo) and £[X] million (StubHub) of GTV in 2019, which represented [X]% and [X]% of their total GTV, respectively.¹⁰³ In terms of which types of resellers are represented by these responses, as above, our evidence gathering concentrated on the Parties' largest resellers:
- (a) 58 responses were received from those resellers in each Parties' top decile by GTV (ie each Parties' top 10% of resellers by sales value). This top decile accounts for over 80% of each Parties' GTV; and
 - (b) Within this top decile, 54 of the responses came from resellers that were among the top 200 for each of the Parties. These top 200 resellers accounted for over 50% of each Parties' GTV in 2019 (about [X]% and [X]% of the total GTV of viagogo and StubHub, respectively).

¹⁰² CMA analysis of Parties reseller data.

¹⁰³ CMA analysis of Parties reseller data.

Main themes of the reseller evidence

Behaviour of resellers

14. 28 out of 35 resellers who we spoke with told us that they source primary tickets directly from the main primary platforms. On the rare occasions, 7 out of 35, where other sources were used, they were used exclusively, because these resellers had arrangements with event organisers or other owners of tickets like debenture holders.
15. In terms of listing, 50 out of 59 resellers said that they listed on multiple platforms; the rest, 9 out of 59, used only a single channel in 2019. 25 out of 59 resellers said that they would sometimes list the same ticket on multiple platforms, mostly just on the Parties' sites (15), but also (in fewer cases) with [X]. Six said that they would not multi-home with the same ticket because they did not want to risk a double sale or 'over complicate things'. It was noted by one reseller that they would list the same ticket at the same time 'if struggling to sell tickets via one platform'. It was also noted by a reseller that they would not list tickets concurrently on different sites, but instead would move tickets between sites if they were not selling well.
16. 28 out of 59 respondents only sold on the Parties' platforms in 2019, with 10 out of 59 supplementing their use of the Parties with other online channels. 51 out of 59 respondents named the Parties as their first and/or second most used channels, with only one using an alternative secondary platform more than they use either of the Parties (this was [X]).¹⁰⁴ This highlights the prominence of the Parties in the sales of the resellers that responded to our questionnaires.
17. When it came to pricing, it was clear that there was a mix of factors which different resellers placed weight on to set prices for their tickets. 29 out of 35 (the question was not included in the phase 1 questionnaire) pointed to simple supply and demand factors, such as the popularity of an event, the location of the seat and the number of other events of the same nature as that one. Many indicated that they would adjust prices to match demand and make their tickets competitive, with this often resulting in prices being dropped as events got closer and they remained unsold.
18. The general message from resellers in our sample was that prices could be above or below face value depending on these factors, which matches with our other evidence on pricing (see Chapter 7). However, it was evident that

¹⁰⁴ The other seven resellers who used another channel more than either of the parties pointed to their own sites or 'offline' sales, such as through travel agencies.

the resellers mostly did sell at prices above face value, as they estimated, on average, that 58% of their tickets were sold with at least a 10% mark-up. The resellers who we spoke to in calls highlighted how this mark-up would be put on the overall cost of the ticket (ie including any fees from the primary site) rather than the actual 'face value', to reflect what they paid for the ticket.

19. Overall though, the calls did suggest that the reseller preference was to sell at a mark-up, suggesting that they would be looking for profits in the first instance. In terms of prices between the Parties, there was also some differences: While resellers suggested that they would price lower on StubHub due to earlier payments, others said that they might price lower on viagogo because of the greater number of resellers competing there. This does not tell us much about general prices on each of the platforms, though this topic is explored further in the main text.

Views on the Parties

20. In the questionnaires there were opportunities to express views on each of the Parties, and this was also a main topic of conversation during the calls. Overall, the views backed up the conclusions on closeness of competition between the Parties (see Chapter 7), and told us some more about how the Parties attract buyers and sellers.

viagogo

21. The resellers we spoke with generally suggested that viagogo was the dominant secondary ticket platform, stating, for example, that it 'is the market leader in the UK' and is 'the best by a country mile'.
22. 43 out of 59 resellers recognised viagogo as an alternative to StubHub, most of which (28) viewed viagogo as the only alternative. Only three resellers provided alternatives without including viagogo.
23. The resellers also rated viagogo very highly as this alternative; when asked to give ratings out-of-5 for how strong an alternative an option was, viagogo were given an average rating of 4.6-out-of-5. This was the highest average rating given in the questionnaires.
24. One common theme noted by the resellers was that viagogo has a significant presence on Google search. One reseller suggested that 'it put a lot more time and effort to get its marketing right to push demand to its website', while others pointed to viagogo spending a 'lot on Google Advertisement' and 'marketing aggressively'. This view is backed up well by other evidence we have seen on advertising, as explained in Appendix F.

25. However, there were also several negative comments about viagogo, with resellers saying that they had received poor customer service and, for example, that viagogo 'do not provide a good service for the buyer or the seller'. This was echoed by other resellers who said that viagogo had a 'poor reputation'. Another point mentioned by resellers regarding viagogo is that they had always been paid after an event takes place when using the platform.
26. Overall though, the resellers in our sample clearly viewed viagogo as a very strong option for reselling secondary tickets.

StubHub

27. The views on StubHub generally reflected their position as a smaller option in the market, as it was identified by many of the resellers as the 'second biggest platform' and 'a site which takes some business away from viagogo'. However, 46 out of 59 respondents saw StubHub as an alternative to viagogo, and although they were rated lower, at 3.2-out-of-5 on average, this was still the second highest average rating for any resale option. Some resellers mentioned that StubHub had a similar functionality or 'profile' to viagogo as well.
28. Some resellers suggested that they prefer dealing with StubHub. Three pointed to superior customer service, while others (eight) said that StubHub provide better payment terms to sellers and [X]. One reseller suggested that they had arranged a better deal with StubHub, as a result of competition between the two Parties.
29. This direct competition between the Parties was recognised by several other resellers, saying that StubHub is 'the only serious competitor to viagogo' and 'the only viable alternative', and one saying they are 'each other's main competitor'.
30. Overall, the resellers that responded to our questionnaires generally saw StubHub as an alternative to viagogo, and the closest competitor to viagogo. Although pointing to some weaknesses, like a lower advertising budget and poor technology, StubHub was generally seen as a good option for reselling secondary tickets.

Resellers' reasons for using both Parties

31. The Parties questioned our interpretation of resellers' responses in a number of areas, arguing that:

- (a) Reseller responses to the question of whether the Parties were ‘alternatives’ did not demonstrate that they were close competitors, nor did they justify a finding of an SLC;¹⁰⁵ and
- (b) Resellers that were using both platforms may be using them as either complements or as substitutes, but the CMA had not engaged with resellers on the issue.¹⁰⁶

32. As set out above (paragraphs 21 to 30), reseller responses indicated that they considered the Parties to be ‘strong or close alternatives’ and much closer than other platforms and sales channels. Many resellers also provided reasons to support their assessment of the extent to which the Parties and other platforms and sales channels were strong or close alternatives. Focussing on those resellers that used both Parties’ platforms, their comments on the Parties and, among multi-homing resellers, their explanations for why they used both Parties’ platforms showed a mix of responses. However, they supported the view that, for many of these multi-homing resellers, the Parties’ platforms were being used as substitutable platforms rather than as complementary routes to reach different pools of potential buyers. In particular:

- (a) Seventeen of the Parties’ multi-homing resellers gave responses which indicated that they viewed (and used) the Parties’ platforms as substitutes, eg noting that StubHub ‘competes well with Viagogo for most events.... Having two major platforms in the industry means that sellers have options of where to list their inventory. Should the payment or selling terms of one platform not be to their liking, a seller can list his or her tickets elsewhere’, although a number of these resellers also noted some differences in each Parties’ focus on the buyer side.¹⁰⁷ A number of these resellers provided reasons why, while using both platforms, they preferred one over the other or moved tickets between them, including payment terms, and customer service.
- (b) Twelve multi-homing resellers gave responses which indicated that they viewed (and used) the Parties’ platforms as complements, eg ‘I listed the same tickets on both ... as I perceived they appeal to different markets. ... StubHub appeals more to US customers, viagogo more to Europe’, while another noted that ‘viagogo clearly achieves greater sales, but does reach different markets to StubHub’.

¹⁰⁵ Parties’ response to Provisional Findings, paragraph 71.

¹⁰⁶ Parties’ response to Provisional Findings, paragraph 12.

¹⁰⁷ For example: [X] described StubHub as providing ‘competition to market leader, maintains competitive user offerings’, while also noting that ‘StubHub can perform better on American sports, NBA, NFL, etc’.

- (c) Many resellers, when asked why they used the Parties' platforms, responded that they used both to reach a greater number of buyers. This suggests that some resellers see the Parties as reaching some different buyers – such as StubHub reaching more US-based buyers or football fans, or viagogo reaching a greater number of buyers overall, with some noting its advertising spend, in particular on Google Ads. However, these responses do not support the contention that the two platforms are both used by resellers to reach and access different pools of buyers, as the Parties have argued.¹⁰⁸
- (d) Remaining reseller responses were either ambiguous as to their reasons for multi-homing (17), eg saying that they will move tickets to another site if they are selling badly, or that tickets sell better on one than the other, or did not include any relevant comments over and above their basic response on which platforms were considered to be 'close alternatives'.

Competition with uncapped sites

33. We asked resellers about alternative ways in which they could sell secondary tickets (other than on the Parties platforms), the closest of which being other uncapped sites. Gigsberg was the only alternative of this type mentioned by the resellers we spoke with, and when it was mentioned, it was viewed as a weak alternative.
34. 20 out of 59 resellers noted Gigsberg as an alternative to the Parties, but this was with an average rating strength of 1.4-out-of-5. This is a much lower rating than was given for either of the parties (4.6 and 3.2). Furthermore, only a small number (7 out of 59) had actually used Gigsberg in 2019, and never for more than 10% of sales, suggesting that it was not seen as a practical alternative at that time for the majority of resellers' ticketing sales.
35. The free text responses about Gigsberg were consistent with this, as many respondents referred to its recent entry to the UK and its small presence in the market. One reseller rated Gigsberg highly (4-out-of-5), and stated that it 'looked promising', but had never actually used the platform. The reseller calls echoed this, with one mentioning that 'Gigsberg's payment terms are currently better' than the Parties but that 'its brand recognition and reach is still nothing in comparison' and that it 'was not a credible alternative to the Parties, either now or in the future'.
36. This evidence overall points to Gigsberg as a company which, although holding some potential, operates at a scale nowhere near the Parties and one

¹⁰⁸ [Parties' response to Provisional Findings](#), paragraphs 13 to 15.

which does not, and would not in the next few years, constrain a merged entity.

Competition with capped sites

37. We also gathered the views of resellers on the strength of the capped platforms as another alternative to the Parties' platforms. This includes both the secondary sites which are connected to primary ticketing outlets (like Ticketmaster Exchange or AXS Resale) and the standalone capped platforms (like Twickets or TicketSwap).
38. Overall, these capped sites were only mentioned by a small number (12 out of 59) of resellers as alternatives to the Parties, although they were given an average rating of 2.1-out-of-5, which is higher than for Gigsberg but lower than for the Parties. This rating did differ somewhat when splitting the two types of platform though, as those connected to the primary sites had an average rating of 2.5, while the standalone ones only scored 1.7-out-of-5.
39. Compared with Gigsberg, more resellers used these capped platforms (15 out of 59) than listed them as alternatives (12 out of 59), and this may verify the view that they are used to complement the other sites, and only as substitutes when a mark-up was not possible. Many resellers gave an indication of this, stating that they used these sites 'to dispose of unsold inventory' and 'when tickets did not sell on uncapped platforms' or 'would not make that much profit'. One reseller explained on a call that the capped sites are present but that they are not suitable alternatives for resellers.
40. Another point made in relation to the capped sites is that those connected to the primary ticketing agents are restrictive in that you can only resell tickets bought on that platform on the site. Some resellers suggested that this made them less attractive alternatives. The standalone capped sites, as seen earlier, were overall viewed as less attractive than these, and in some instances resellers had never heard of sites like TicketSwap.
41. This evidence fits with our view that the capped sites do provide an option for buying secondary tickets but that they are not a close alternative to the Parties' platforms for the selling of secondary tickets.

Competition with other third parties

42. The other options for buying and selling secondary tickets online, such as through social media or classified advertising sites, were discussed with the resellers in our sample too, but these were found to be used by fewer than the capped secondary platforms (10 out of 59).

43. The reasons given for why resellers did not use these sites included that there is 'more aggravation and time wasters using social media', 'a lot of fraud' and no 'buyer safeguards or guarantees' which makes the sites unattractive to buyers. Moreover, when these alternative sites are used, it is in very specific circumstances such as to 'dispose of tickets no longer available to list on resale sites' or 'to update existing clients of new announcements'.
44. The limitations of these sites as an option for selling tickets was highlighted further by the fact that a very small number of resellers (2 out of 59) indicated that these could be considered alternatives to the Parties, both referring to Gumtree. This means that nearly all the resellers we spoke to, even if aware that they would be able to sell tickets through these channels, do not consider them viable alternatives for carrying out their activities.

Competition with offline channels

45. The final option for selling tickets explored with resellers was selling offline, which can include selling to friends and family in person or selling outside a venue on the day of an event.
46. The views on these channels were largely negative, with the 34 out of 41 (phase 2 RFI responses and telephone calls) resellers stating that they had never used them. As with social media, offline channels were generally only used in specific circumstances, such as when a reseller already had a large established client base or was 'providing tickets between friends and family but not for business purposes'.
47. Those who did not use offline channels gave consistent views as to why, pointing to the lack of guarantees, protections and visibility of tickets. The resellers who we spoke to on calls explained further the limitations of the offline option, and two said that they would exit the market if offline was the only option. This supports the view that offline channels are not a close alternative to the Parties' platforms.

Competition with primary sellers

48. We also explored the constraint imposed by the primary ticket platforms, where the reseller views were consistent with other evidence.¹⁰⁹ Resellers in our sample recognised that primary sites offer a strong alternative for attracting ticket buyers, giving them an average strength rating of 3.8-out-of-5.

¹⁰⁹ We asked resellers: how their pricing related to their tickets' face values; whether their listed resale prices tended to change over time; and what, if any, impact the availability and pricing of primary tickets had on their sales and pricing (question 8 of the phase 2 RFI questionnaire).

Reasons for these high ratings included that primary platforms ‘will always be the ‘go to’ venue for people purchasing tickets’ and that they are the largest ticketing companies. However, they were rated lower for attracting ticket resellers (2.6-out-of-5), matching the score given to them as an alternative for selling on in paragraph 38 above. This reflects the concerns of resellers about the cap on resale prices that applies to listings on the primary ticketing platforms’ resale facilities.

49. There were also some comments from resellers about the impact that primary sales had on their secondary business. For example, one reseller stated that ‘the primary market has changed significantly over the last few years’ and that they may be ‘put off buying tickets for resale for an event’ because there are more unknown variables like tickets being held back by the primary seller to then be added to the market at dynamic prices at some point in the future. This was echoed by another reseller who explained that primary ticket sellers now more frequently ‘drip-feed supply into the market’, and that they would ‘be less likely to be involved in reselling tickets for events where dynamic pricing is used’.
50. Overall this indicates that the primary ticket platforms’ attempts to restrict the supply of tickets to resellers has had some impact on the secondary market. However, there is no evidence that this has strengthened the competitive constraints on the Parties’ uncapped secondary ticketing platforms, even if it may have had an impact on some resellers’ behaviour.

Views on the Merger

51. We also asked resellers whether they had ‘any concerns about the impact on competition of viagogo’s acquisition of StubHub’.
52. In response, 35 resellers said they had concerns, 21 had no concerns and three were unsure. Most went on to provide an explanation of the response.

Those who did have concerns

53. Reasons for concern were as follows:
 - (a) 26 said there would be less competition in the market overall, 20 saying that competition would be lost completely (ie the Merger would create a monopoly). For example, resellers said that there would be ‘no competition’, with others adding that this would allow the merged entity ‘complete control’ to do ‘whatever it wants’.

- (b) 14 resellers said that the Merger would lead to a worsening service for buyers, pointing to the fact that viagogo provide a poor offering to customers. This is explained by viagogo creating a 'poor purchase experience for buyers' where 'consumer protection will be flouted'.
 - (c) A similar number (12) said that the offer would become worse for resellers, pointing to higher fees and the ability of the merged platform to set terms and quality of service without regard to competition. One reseller said that the Merger creates a 'monopoly where viagogo could increase fees for buyers and resellers and another that it would offer 'less flexible terms' for resellers.
54. These concerns were reflected in the calls we had with resellers, one respondent stating that 'there are currently no viable alternatives' and another stating that the Merger would lead to a 'monopoly which would not be in resellers' or consumers' interests'.

Those who did not have concerns

55. Twenty-one resellers indicated that they did not have competition concerns about the Merger. Of these:
- (a) Six gave no explanation.
 - (b) Two said the Merger would not affect them.
 - (c) Two suggested that the Merger would benefit ticket buyers by decreasing ticket prices, suggesting there would be increased competition between resellers on the platform of a merged entity.
 - (d) Three pointed to other benefits that could arise for buyers, such as providing a 'good source and protection for the tickets for buyers', and making it easier by putting everything in one place.
 - (e) Two referred to improvements that viagogo would make to StubHub, saying that StubHub could create 'as useful web interface for selling big amount of tickets as viagogo has' and that viagogo 'can only improve things' as it has consistently outsold other channels.
 - (f) Two suggested that the market dynamics would stay the same, as 'there are only a certain number of resellers operating in any volume' and 'the marketplace sets the prices'.
 - (g) One said that it would have more advertisement for its tickets.

- (h) One said that there would still be two options in viagogo and Gigsberg, and also added the point about competition between resellers pushing prices down.
 - (i) Finally, two resellers suggested that the Merger would be fine if there were 'sufficient oversight' and because both sites would remain active.
- 56. Overall, although there were mixed views on what the impact of the Merger will be on competition, the majority of resellers, 35 out 59, we spoke to did have concerns about the Merger and generally gave reasoned responses on why they they held that view.

Appendix H: Parties' surveys of viagogo resellers and buyers

CMA's approach to gathering evidence from customers

1. As part of the phase 1 merger investigation, the CMA collected evidence from a number of the Parties' larger resellers. Based on each Party's 50 largest resellers, questionnaires were sent to a total of 86 resellers.¹¹⁰ Evidence from 24 responses to these questionnaires formed part of the CMA's decision to refer the Merger for an in-depth phase 2 investigation.¹¹¹
2. As part of our evidence gathering at phase 2, the CMA sent an expanded questionnaire to just under 500 of the Parties' resellers, again with a focus on those with the highest value of sales, but also with questionnaires sent to a number of the Parties' smaller resellers. In total, across phase 1 and phase 2, we received 59 responses. Our approach and the evidence collected are set out in Appendix G.

Parties' surveys

3. In response to the Provisional Findings, the Parties requested access to the CMA's reseller questionnaire and the responses from resellers. The relevant questions from the questionnaire that was sent to the Parties' resellers at phase 2 were disclosed to the Parties in November 2020.
4. As set out below, as part of their response to the CMA's Remedies Working Paper, the Parties set out a number of criticisms of the CMA's reseller evidence and referred to the results of two surveys of viagogo resellers and buyers that the Parties had conducted. The survey report setting out the results and further details of the surveys were submitted to the CMA in response to follow-up questions.
5. The Parties conducted their surveys of viagogo resellers and buyers in [REDACTED]. We note that the Parties did not inform the CMA that it was planning to conduct any surveys, nor did they consult the CMA about their methodology or the substantive issues to be covered, although our guidance on the conduct of surveys in merger cases is clear that this is desirable.¹¹² As such, the case team had no opportunity to comment on any aspect of the surveys before the survey was submitted. We have assessed the overall methodology

¹¹⁰ Appendix G, paragraphs 9 and 10.

¹¹¹ See, for example, paragraph 60(b)–(d) and footnote 71 of the CMA's [Phase 1 Decision](#).

¹¹² [Good practice in the design and presentation of customer survey evidence in merger cases \(CMA78\)](#), paragraph 1.18.

and approach taken by the Parties at a high level, and we have considered the Parties' interpretation of the results in support of their further arguments in relation to the competitive assessment of the Merger. However, due to the survey evidence being submitted very late in the timetable, we have not been able to conduct an analysis of the underlying survey data so we have not been able to test the accuracy of the Parties' results. Below we set out our assessment of the Parties' results and their interpretation of those results.

Buyer survey

6. The Parties sent emails to all viagogo buyers who had purchased a ticket to a live event in the UK in the year prior to March 2020. Emails were sent to [X] buyers on [X]. Responses were received from [X] buyers, with the Parties reporting response rates of [0–5%] of those contacted, [5–10%] of those that opened the email, and [60–70%] of those that clicked through to the questionnaire.
7. The main results indicated that:
 - (a) Previous purchases of tickets to UK live events were made mainly from primary sellers, with Ticketmaster ([60–70%]), Eventbrite ([20–30%]), direct from the venue or sports club ([20–30%]), and Live Nation ([10–20%]) all having been used by more respondents than StubHub ([10–20%]).
 - (b) In relation to their most recent purchase on viagogo, when asked what they would have done if viagogo had closed down permanently (the 'forced diversion' question), [70–80%] responded that they would have searched for tickets elsewhere.
 - (c) On where they would 'most likely' have purchased tickets instead, Ticketmaster ([50–60%]) and direct from the venue or sports club ([10–20%]) were the most popular options, with StubHub next ([5–10%]) and other options attracting few responses, but together accounting for diversion of [10–20%], four times that to StubHub. For example, other primary sellers (AXS, Seetickets and Eventbrite) each accounted for [0–5%] of responses, with social media and classified ads websites also attracting few responses, but together a similar proportion as that to StubHub ([0–5%] responded Facebook, [0–5%] Gumtree, [0–5%] Twitter).
 - (d) Of those that said they would switch to a different platform/source to purchase tickets, most respondents stated that they had checked one of ticket prices on the other platform ([20–30%]), ticket availability ([10–

20%]) or both price and availability ([30–40%]), with [20–30%] responding that they did not check either.

8. Interpreting these results and their implications for our assessment of the Merger, the Parties argued that the ‘CMA has dismissed the possibility of substitution by buyers to alternatives other than secondary marketplaces without any robust buyer-side substitution analysis or any buyers’ views. viagogo’s buyer survey demonstrates the flaws in this approach: in reality there are significant constraints to viagogo on the buy-side from platforms other than StubHub – and in particular from Ticketmaster, which dominates the entire ticketing supply chain’.
9. They pointed to the results that:
 - (a) [70–80%] of buyers would have searched/purchased elsewhere if the viagogo platform had been closed down at the time their last transaction, with only [0–5%] of buyers selecting StubHub as their most likely alternative, compared to [50–60%] choosing Ticketmaster/Live Nation, [10–20%] direct from venue/sports club, [0–5%] AXS and [10–20%] others.¹¹³
 - (b) The majority of these buyers also said that they had checked prices and/or availability of tickets at the alternative platforms or channels selected, including [60–70%] for buyers that had responded that they would have most likely used Ticketmaster and [70–80%] of those that would have most likely used Facebook. Given this, the Parties argued that ‘dismissing the constraint from primary on the basis of price differentials or availability [was] not supported by the evidence’.

CMA view

10. We have a number of concerns about this survey evidence.
11. First, there are a number of reasons to expect a poor response rate to a survey of this nature of buyers in this sector, especially at this time. Given the timing of this survey ([X]), for many of the buyers in question their last purchase of a ticket for a UK live event that actually went ahead ([X]) will have been many months previously and could be up to 21 months ago (the survey was of buyers who had purchased a ticket on viagogo in the year [X]) and may have little salience, particularly for infrequent or one-off users. This is

¹¹³ The Parties pointed out that these shares are even lower when expressed as a percentage of all viagogo buyers responding to the survey, with StubHub only account for [0–5%] of those buyers, compared to [40–50%] choosing Ticketmaster/Live Nation, [10–20%] choosing direct from venue/sports club, [0–5%] AXS and [10–20%] others [X].

confirmed by the low overall response rate of [0–5%]. This falls quite a long way short of the 5% threshold that the CMA normally considers necessary for surveys to be considered robust. The CMA’s ‘Good practice in the design and presentation of survey evidence in merger cases’ states that ‘unless there is evidence that the achieved sample is representative of the target population, the CMA is generally cautious about giving full evidential weight to surveys that achieve a response rate below 5%’.¹¹⁴

12. Second, the length of time between the timing of the survey ([X]) and the last ticket purchase on Viagogo is likely to be between [X] for most respondents. This is likely to affect buyers’ recollection of their thinking and actions at the time they made their last purchase on viagogo and therefore the quality and reliability of their responses.
13. Third, the vast majority of the Parties’ buyers only make one transaction in a given year, with a very small minority making more than two transactions in a year.¹¹⁵ This infrequent use is another reason to expect a long gap between a buyer’s most recent ‘normal’ transaction and their responding to the Parties’ survey. This problem is, of course, exacerbated by the cancellation or postponement of live events as a result of the Coronavirus (COVID-19) pandemic. Again, we had concerns about how this would affect response rates and respondents’ recall of their last relevant transaction.
14. Fourth, some tickets purchased may have been for events that were subsequently cancelled as a result of the pandemic, in which cases responses may be affected by this, and by the experiences of buyers in seeking refunds.
15. Fifth, the live events sector is characterised by a high degree of seasonality (in terms of mix of events and volume of ticket sales) and ‘lumpiness’ (sales in a given week may be heavily skewed towards a particular event, tour, festival or sporting tournament). As such, achieving a representative sample of buyers may require a sample that extends over a whole year of ticket purchases, which would be challenging for reasons set out above.
16. Finally, the survey is limited to customers of viagogo and therefore only provides evidence about one side of the competitive interaction between the merging Parties. The Parties in their submissions more generally have focussed on the question of whether StubHub imposes a constraint on

¹¹⁴ [Good practice in the design and presentation of customer survey evidence in merger cases \(CMA78\)](#), paragraph 4.38(g).

¹¹⁵ For viagogo, [over 80%] of its buyers had just a single transaction in the 26-month period January 2018 to February 2020. See paragraph 7.132.

viagogo.¹¹⁶ Their surveys also focus only on the competitive constraints faced by viagogo, ignoring the competitive constraints on StubHub. As set out in the Final Report, even if there were strong evidence of an asymmetric constraint pre-Merger, ignoring the competitive constraint that viagogo imposes on StubHub seeks to ignore an important part of the rivalry between the two platforms. The Parties' focus on viagogo customers only is likely, by their own logic, to understate the overall extent of competition between the Parties pre-Merger.

17. In relation to the results of the buyer survey, many of the results confirm, or are consistent with, the CMA's evidence base and our conclusions. In particular:
 - (a) That most buyers had previously bought tickets from the large primary seller or direct from the venue or sports club is unsurprising, and not informative of the constraints on the sales of secondary tickets on viagogo's platform; and
 - (b) If, at the time of their last transaction, viagogo had been unavailable, most buyers would have searched for tickets elsewhere.
18. On the questions of where buyers would have searched, had the viagogo platform not been available at the time of their last purchase, and whether they had actually checked price and/or availability on these alternative platforms and sales channels, we note that:
 - (a) As above, it is unsurprising that, in response to this hypothetical 'forced diversion' question,¹¹⁷ most respondents said that they would look elsewhere and many of these then responded that they would 'most likely' have checked on the same primary sources (Ticketmaster, direct from venue, etc) that they had previously used.
 - (b) Buyers responded that many had checked the availability or the price (or both) on alternative platforms and sales channels. However, there was no indication that these buyers found that substitutable tickets were available on alternative platforms or websites. As set out in the Final Report, the evidence on price differentials for the vast majority of sales on the viagogo platform and the equivalent primary tickets indicates that closely substitutable primary tickets are typically not available, whether buyers have checked the relevant primary sources or not.

¹¹⁶ See, for example, [Parties' response to Provisional Findings](#), paragraphs 2, 5, 6, 41 and 75.

¹¹⁷ [Good practice in the design and presentation of customer survey evidence in merger cases \(CMA78\)](#), paragraph 3.41.

Reseller survey

19. The Parties sent emails to all 'active' viagogo 'broker/B2C' resellers, where 'active' was defined as resellers that had sold a ticket in the year prior to March 2020 and 'broker' resellers categorized as a company in viagogo's data. Emails were sent to [X] resellers in the week beginning [X]. Responses were received from [X] resellers, with the Parties reporting response rates of [10–20%] of those contacted, [10–20%] of those that opened the email and [70–80%] of those that clicked through. These resellers accounted for between [20–30%] (2019) and [30–40%] (2020) of viagogo's total GTV in UK events and between [30–40%] (2019) and [30–40%] (2020) of tickets sold to UK events.
20. The main results indicated that:
 - (a) A large majority of respondents ([70–80%]) had also used StubHub alongside viagogo in the last year, with other platforms being used by smaller numbers of respondents, eg Gumtree ([20–30%]), Gigsberg ([10–20%]), Facebook ([10–20%]).
 - (b) On how resellers used more than one platform, among resellers that had responded that they used both StubHub and viagogo, [30–40%] listed the same ticket(s) on more than one platform, [40–50%] listed tickets for the same event on more than one platform, and [50–60%] listed tickets to different events on more than one platform.
 - (c) On why they used more than one platform, among resellers that had responded that they used StubHub and viagogo, [60–70%] of these responded that it was to 'reach/access different customers through different platforms', [50–60%] responded that 'different platforms are stronger for different events', [30–40%] said that they wanted 'to sell a ticket on the platforms with more favourable terms (eg lower fees)', and [20–30%] responded that their reason was 'less competition from other resellers on other platforms'.
 - (d) When asked if they competed for buyers with primary ticket sellers: [20–30%] of resellers responded that they did not compete at all, while [20–30%] responded that they competed 'but only to a limited extent', [10–20%] responded that they competed 'fairly' or 'very strongly', while [20–30%] responded that they competed but that it depended if tickets were available on primary sites.
 - (e) Of those resellers that responded that they did compete for buyers with primary sellers, when asked 'what proportion of tickets that you sell are primary tickets for the same event still available at the time of sale?':

- (i) [10–20%] responded '0–10%';
 - (ii) [5–10%] responded '11–20%';
 - (iii) [10–20%] responded '21–30%';
 - (iv) [5–10%] responded '41–50%';
 - (v) [10–20%] responded '51%+'; and
 - (vi) [40–50%] preferred not to say or didn't know.
- (f) When asked about the impact on the number of tickets sold of primary pricing when primary tickets for the same event are still available at the time of sale, [30–40%] of resellers responded that this had a 'material impact', [40–50%] responded that it had 'some impact' and [10–20%] thought it had 'no noticeable impact'.
- (g) When asked about the impact on their own pricing when primary tickets for the same event are still available at the time of sale, [30–40%] thought that it had a 'material impact', [40–50%] thought it had 'some impact' and [5–10%] thought it had 'no noticeable impact'.
- (h) When asked about the impact on their sales volume of a 10% price reduction in primary tickets (again, where these were available for the same event at the same time), [20–30%] of resellers responded that this would lead to a 'significant loss in sales (20% or more sales loss)', [20–30%] responded that it would lead to a 'moderate loss in sales' (10–20%), [10–20%] a 'small loss' (up to 10%), [10–20%] thought it would have no impact and [5–10%] thought it would increase sales.
- (i) When asked whether they compete for buyers with tickets sold on ticket exchanges or capped price platforms (eg Ticketmaster Resale, AXS Resale, Eventim Fansale), [20–30%] responded that they did not compete at all, [30–40%] responded that they competed 'but only to a limited extent', while [10–20%] responded that they competed 'fairly' or 'very strongly'.
- (j) When asked what the impact on their tickets sales would be if the number of buyers looking for tickets on viagogo were to decrease by 10%, most resellers responded that it would result in a loss in sales, with [10–20%] responding that it would be 'significant' (20% or more), [20–30%] that it would be 'moderate' (10–20%) and [20–30%] that it would be 'small' (up to 10% of sales loss), while [5–10%] thought it would have no impact and [0–5%] thought it would lead to an increase in sales.

21. Drawing on these results, the Parties made a number of arguments.
22. First, they argued that they were submitting their own survey ‘as a means of illustrating the flaws in the CMA’s evidence gathering process’ and pointed to the higher share of GTV accounted for by respondents to the Parties’ reseller survey compared to the CMA’s ‘limited and biased sample’ of the CMA’s reseller questionnaire.
23. Second, the Parties pointed to the results which they argued demonstrated that many resellers were competing for buyers with primary sellers, in particular:
 - (a) Only [20–30%] of resellers indicated that they did not compete for buyers with primary sellers at all, while [10–20%] competed fairly or very strongly and a further [20–30%] competed strongly if tickets were available on primary (see paragraph 20(d), above).
 - (b) Almost a third of resellers indicated that at least [30–40%] of their tickets faced competition from primary for the same event, with the average proportion of tickets that faced competition from primary being [30–40%]. As such, the extent of overlap between viagogo tickets and primary tickets (used by the CMA to exclude primary as a constraint) is the same as the extent of non-overlapping events ([X]) between viagogo and StubHub (which was ‘ignored by the CMA’ in its Provisional Findings, while the CMA subsequently found viagogo and StubHub overlapped on only around 50% of events).
 - (c) On the constraint on reseller pricing and sales: [70–80%] of resellers indicated that primary availability had an impact on the number of tickets sold, while [80–90%] indicated that it impacted their pricing.
24. Third, the survey asked viagogo resellers about the impact of a 10% fall in buyer numbers on the platform, with [40–50%] responding that it would lead to a fall in sales of at least 10%, with a further [20–30%] thinking it would lead to a fall of up to 10%. The Parties argued that, given strong constraints on the buyer side and the strong indirect network effects, a loss of buyers to resellers using viagogo, thus leading to a loss in viagogo revenue, supports a ‘demonstrable indirect constraint on viagogo’s offer to resellers’.
25. Finally, the responses on why resellers that used both viagogo and StubHub used more than one platform (see paragraph 20(c), above) ‘compellingly show that resellers are using the platforms as complements and only to a limited extent as substitutes’, with a majority of viagogo resellers indicating that they use the platforms as complements.

CMA view

26. As set out above in relation to the survey of viagogo buyers, conducting a survey of the customers of only one of the merging Parties only provides a partial picture of the competitive interaction between them, and is inherently likely to understate the loss of competition as a result of the Merger.
27. On a reseller survey, rather than conducting or commissioning a quantitative survey of the Parties' resellers, we extended our approach from phase 1, sending an RFI with an expanded questionnaire to additional resellers. Some of the issues we considered in deciding against a survey of resellers are pertinent to our interpretation of the Parties' reseller survey:
 - (a) The impact of the Coronavirus (COVID-19) pandemic meant that for many resellers it was likely to be many months between the last transaction a reseller made on the platform that was not for an event that was subsequently cancelled. This may have impacted on recall and the quality of survey responses.
 - (b) The seasonality of live events meant that the sample needed to cover a whole year prior to March 2020, accentuating the potential for recall issues.
 - (c) Many resellers would have needed to go through the refund process for events that were cancelled due to the pandemic and this experience may have coloured their responses.
28. In relation to the results of the Parties' reseller survey, many of the results confirm, or are consistent with, the CMA's evidence base and our conclusions. In particular:
 - (a) StubHub is by far the most used other platform among viagogo's resellers, with some also using social media and classified listings websites, as well as Gigsberg, as the CMA's reseller evidence also indicated (Appendix G, paragraph 27);
 - (b) On multi-homing across the two platforms, the results point to most resellers splitting their inventory between the two platforms rather than always selling the same tickets on both, as we also concluded from our reseller evidence (Appendix G, paragraph 15);
 - (c) On the reasons for reseller multi-homing across the Parties' platforms, as with our reseller evidence, the responses pointed to a mixture of different reasons, with some pointing towards more complementary use and some

more towards substitutability between the Parties (Appendix G, paragraphs 31 and 32);

(d) On competition for buyers from primary sellers, with many resellers indicating that they don't compete with primary sellers (a quarter), another quarter stating that it depends on primary ticket availability, while only [10–20%] indicated that they competed 'fairly' or 'very strongly' with primary sellers. (Appendix G, paragraphs 48 to 50);

(e) A 10% fall in buyer numbers on viagogo would, in resellers' views, negatively impact their sales on the platform. The importance of indirect network effects for the Parties' platforms and how constraints on one side impact competition for users on the other are dealt with at paragraphs 6.14, 7.29 and 7.128.

29. The Parties argue that their results in relation to the extent to which primary sellers constrain reseller pricing contradicts our provisional findings in relation to market definition and the constraint from primary sellers on secondary sales and prices.
30. First, we note that the results do not appear to support a strong constraint from primary tickets, with primary tickets for the same event being available for a minority of the time and with many resellers not knowing whether primary tickets were available or not. Even where primary tickets are available, only a minority of resellers considered this to have a 'material impact'.
31. Second, the interaction between primary and secondary tickets has been assessed in detail, drawing not just on the CMA's reseller questionnaire responses, but also on the Parties' own data and that of primary sellers. Consistent with these survey findings, we concluded that, even for high-demand events, primary tickets were often available for the event at the same time as secondary sales were taking place on the Parties' platforms. We also found that for, most transactions on the Parties' platforms, resale prices were above face value and often substantially so. However, this was not always the case and some sales on both Parties' platforms were below face value – again, consistent with the Parties' survey results.
32. Finally, and also as set out in paragraph 6.35, even where some resellers, for some of their sales, take account of primary availability and pricing, it does not follow that this constrains the Parties in setting their fees and terms to resellers. In particular, it is not clear that this constraint is so strong such that the loss of competition between the Parties would have no effect on the merged firm's incentives post-Merger.

Appendix I: Third party views on remedy options

Introduction

1. As part of our assessment on whether any action should be taken to remedy, mitigate or prevent the SLC that has been identified, or any adverse effects resulting from the SLC, we sought views on possible remedies. In particular, we sought responses on full or partial divestiture of StubHub or viagogo. We also invited views on other practicable remedies to address the SLC and any resulting adverse effects, including any behavioural remedies that could be required to support the effectiveness of a divestiture.
2. The details of our remedy process are set out in Chapter 10, where we consider:
 - (a) The process we undertook in considering remedy options
 - (b) The framework for our consideration of remedies
 - (c) the effectiveness of a full divestiture of either StubHub or viagogo
 - (d) the effectiveness of a partial divestiture of StubHub
 - (e) the effectiveness of a partial divestiture of viagogo
 - (f) the proportionality of effective remedies.
3. In Chapter 10, we provide summaries of views provided to us by third parties. This appendix can be read as a supplement to Chapter 10. The purpose of this appendix is to provide further detail on the points raised by third parties in response to the various remedy options.
4. This appendix is structured as follows:
 - (a) First, we provide a summary of our remedy consideration process with regards to third party views;
 - (b) Next, we detail third party views on the effectiveness of a full divestiture of either StubHub or viagogo;
 - (c) Following this, we set out third party views on the effectiveness of a partial divestiture of StubHub. In this section, we split the third-party comments out to address the key elements of the remedies proposed by StubHub (eg brand, platform, scope);

- (d) Lastly, we provide a summary of third party views on the effectiveness of a partial divestiture of viagogo.

Our remedy consideration process: third party views

5. We published the Remedies Notice together with our Provisional Findings on 22 October 2020.
6. Following this, we held calls with 12 third parties (a mix of UK and non-UK ticketing platform operators, and resellers) to discuss potential remedy options, and sent a questionnaire to 25 third parties, receiving 12 responses. In particular, we sought views on the remedy proposal offered by the Parties in the Remedies Notice (the **Initial Remedy**). These responses were incorporated into a working paper which we shared with the Parties (the **Remedies Working Paper**) which was prepared after consideration of written and oral responses received from the Parties and those third parties noted above.
7. In response to the working paper, the Parties submitted an 'Enhanced Remedy' proposal (the **'Enhanced Remedy'**). We discussed aspects of the Enhanced Remedy on calls with a further four third parties.
8. We consider that the views of third parties may be influenced to some extent by commercial or other incentives. We considered all submissions carefully and with regard to this possible influence, and we judged the extent to which evidence available to us supports the views submitted. Where appropriate, we sought further information to ensure that our conclusions are evidence based.

Full divestiture of StubHub or viagogo

9. This remedy would involve the Parties unwinding in full the completed Merger. This would involve either divesting all of the StubHub companies purchased by viagogo, or the companies owned by Pugnacious Endeavours Inc that own the assets and carry out the operations of the viagogo business. In the event of full divestiture, in line with usual practice we would expect the senior management team to transfer with the business.
10. In accordance with our guidance, either divestiture would represent a starting point for identifying a divestiture package, as each would restore the pre-Merger situation in the market where we have found an SLC.¹¹⁸

¹¹⁸ [Merger remedies guidance CMA87](#), paragraph 5.6.

Effectiveness

11. Of the eight third parties that we spoke to regarding full divestiture, all eight told us that they consider the full divestiture of either StubHub or viagogo to be an effective means to remedy the SLC.
12. Of the third party responses to the questionnaires we received, five stated that a full divestiture would be effective, with a further three providing a qualified response. Of these, two suggested that it should be accompanied with behavioural remedies such as a restriction on the Google Ad spend of viagogo in the UK. The remaining one stated that its perception was that StubHub's European operations were in decline prior to the crisis and given viagogo had a significantly higher market share in the UK it would be better to divest viagogo. The other four questionnaire responses we received did not comment on the effectiveness of the full divestiture.
13. [X] told us that a full divestiture of either StubHub or viagogo is the only option that it can see as viable. [X] told us that full divestiture of StubHub or viagogo would seem to be 'the more reliable route' to an effective remedy. [X], considered that full divestiture of StubHub or viagogo to be 'the only real option' in remedying the SLC. [X]. [X] told us that it considers that a full divestiture of either StubHub or viagogo would represent a comprehensive solution. [X] told us that it considers that a full divestiture of StubHub or viagogo could solve the issues identified with regards to the merger. [X] told us that a full divestiture of StubHub or viagogo would 'resume the status quo'.
14. A reseller that we spoke to said that a full divestiture of StubHub or viagogo would provide a comprehensive solution. It told us that 'you need to have a company that is competitive with the other company' and that 'it needs to be something along those lines, a full divestiture or prohibition to keep the market competitive and to tackle the SLC'.
15. [X] did not express a strong opinion on the effectiveness of full divestiture. It told us that it does not see any advantage of a full divestiture compared to the partial divestiture, which it considered effective.
16. Two of the third parties that we spoke to told us that behavioural remedies should be implemented alongside a divestiture. [X] told us that a divestiture would need to be accompanied by behavioural remedies. Similarly, [X] told us that:
 - (a) there should be open distribution and that all marketplaces should have access to a full set of ticketing inventory, ie that ticketing carve-outs/exclusivity agreements should not be allowed;

- (b) that viagogo should be prevented from making any other acquisitions as it has a large market share in the UK and in Europe more generally;
 - (c) that viagogo should be prevented from operating multiple consumer brands in Europe; and
 - (d) that there should be full transparency around pricing when customers purchase tickets, for example in relation to fees charged.
17. With regard to whether a potential purchaser of a fully divested business would continue to operate in the UK, [X] told us that [X]. With regard to the current proposition, [X] told us that ‘anybody who owns StubHub will want to develop expansion as part of the strategy’. [X] continued that StubHub has ‘hit a point where it needs to expand geographically, and the UK is the next place to go after North America’. [X] told us that ‘the UK is a very attractive market’ and that ‘somebody buying all of StubHub would want to invest globally’.

Purchaser suitability

18. Four of third parties that we spoke to told us that they may be interested in purchasing the StubHub business. [X], expressed a strong interest in purchasing a fully divested StubHub business. The other third parties that we spoke to expressed some interest in purchasing a fully divested StubHub business, but told us that the decision would likely [X] noted that it would be interested but its interest would be contingent on the price. [X] told us that it considers a purchase of a fully divested StubHub [X]. [X], which did not express an interest in any of the remedy options, noted in its response to the questionnaire that StubHub was likely to be a more attractive option due to its size and also the fact the US market in which it operates ‘doesn’t suffer from the negativity affecting the secondary ticketing market elsewhere in the world’. [X].
19. [X]
20. None of the parties that we spoke to expressed an interest in purchasing a fully divested viagogo business. Four third parties [X] told us or indicated that the reputation associated with viagogo’s brand was a key reason for not being interested.

Taking account of the Coronavirus pandemic

21. Three of the third parties that we held calls with provided a timeframe for how long they considered that the due diligence process might take, ranging

between two and six months. [X] told us it would likely take up to two months but that this would be an intense timeframe requiring the ‘top technical people’. [X] and [X] considered this to be at the shorter end of a potential timeframe, with [X] telling us that ‘assuming everyone is incentivised to move quickly then it could be done at a minimum of two months, but it is not uncommon for that to turn to six months.’ Similarly, [X] told us that it would expect it to take ‘at least ten weeks’ but that this would be at the low end. [X] told us that the Coronavirus (COVID-19) pandemic could impact some of the due diligence process (ie in terms of face-to-face meetings and reviews of documents and processes) so ‘in a COVID-19 world the process could potentially extend to a minimum of four months’.

Partial divestiture of StubHub (the Initial Remedy and the Enhanced Remedy)

22. In response to our Remedies Notice, the Parties proposed the Initial Remedy – a divestiture of StubHub’s international operations comprising the primary and secondary ticketing business in all the geographies that StubHub operates including its UK operations but excluding its North American operations. A description of the Initial Remedy can be found in Appendix J.
23. We sent the Parties the Remedies Working Paper which, among other things, set out a number of concerns we had with the scope, risk profile and effectiveness of the Initial Remedy. In response to our Remedies Working Paper, the Parties submitted the Enhanced Remedy proposal, which included the operations within Initial Remedy and additional assets and behavioural undertakings. A description of the Enhanced Remedy can be found in Chapter 10.

Third-party views on the partial divestiture of StubHub

24. This section details the third-party views on the various elements of the Initial Remedy and the Enhanced Remedy. It is structured as follows:
 - (a) Effectiveness
 - (b) Scope
 - (c) Platform
 - (d) Brand
 - (e) Profitability and track record

(f) Potential purchaser

Effectiveness

25. We asked eight third parties about the effectiveness of a partial divestiture of the international business based on the Parties' Initial Remedy. Three of the third parties that we spoke to noted that they did not consider the partial divestiture to be an effective remedy:
- (a) [X] considers a number of issues make the remedy ineffective, in particular relating to the technology stack, usage and ownership of the brand, customer confusion and employee knowledge transfer.
 - (b) [X] told us that it does not consider that the partial divestiture would be of short- or long-term benefit to the UK market. It explained that being part of the overall global business gave StubHub's international (and UK) operations 'more clout', and that if that were to be removed, then StubHub becomes a smaller and less relevant company.
 - (c) [X] told us that it does not consider that a partial divestiture would represent a comprehensive solution to all aspects of the SLC we have found. It told us that it does not consider the proposed divested business to be [X] told us that if the businesses within the divestiture were carved out [X].
26. Two of the third parties that we spoke to suggested that the partial divestiture could be an effective solution:
- (a) [X] told us that it considers that the partial divestiture could solve the issues identified with regard to the Merger (and may be the most 'appropriate' option) but, as mentioned at paragraph 16, told us that any remedy option would require behavioural remedies alongside.
 - (b) [X] told us that in the case of a partial divestiture, the main issue would be the ability of a purchaser to move forward with the business successfully. It told us that the purchaser would need to be an established ticketing or marketplace business in order for them to be able to take the purchase forward effectively and noted that this limits the number of parties that would be able to purchase the divested business.
 - (c) [X] told us that the partial divestiture would keep competition in the market 'more or less in the same way that it was before' (ie pre-Merger). [X] told us that it 'does not see a better solution', so it thinks 'the Parties' proposal is ok'.

27. Of the questionnaire responses we received, five stated that they did not think that the Initial Remedy would be an effective divestiture remedy. These respondents, in particular, cited:
- (a) The loss of brand after three years and the lack of recognition of the Ticketbis brand in the UK.¹¹⁹
 - (b) The possibility of the Merged Entity re-entering the UK market with the StubHub brand after four years.¹²⁰
 - (c) The divestiture of the least profitable part of StubHub allowing the Merged Entity to retain the most profitable part of the business and leverage this to invest substantially in marketing to the detriment of the competition.
 - (d) The risk associated with the carve out of the business particularly given their view that the platform was already substantially inferior to viagogo's and concerns that the business had deteriorated due to restructuring and the impact of Coronavirus (COVID-19).
28. A further two respondents gave qualified answers stating the remedy could work but only if the purchaser had experience of the UK secondary ticketing market or if the purchaser could move to a new platform given the respondents experience of the current StubHub Platform in comparison to viagogo.
29. Four respondents (all of whom had expressed interest to the Parties in the divested business) stated that the remedy would be effective in addressing the SLC (and one noted that a more extensive divestment would be 'disproportionate'). In particular, they cited the following reasons:
- (a) The business has sufficient scale with the addition of the International operations to the UK business.
 - (b) The reduced operational complexity and funding requirements of the divested business would allow the business to sustain itself more easily in the current crisis.
 - (c) The remedy provides significant growth opportunities through [X].

¹¹⁹ Note that the concern regarding the loss of the ability to use the StubHub brand after three years is superseded by the Enhanced Remedy proposal, where the Parties offer the use of the StubHub brand for ten years.

¹²⁰ Note that the concern regarding re-entry after four years is superseded by the Enhanced Remedy proposal.

- (d) Synergies are available [X] that could result in the divested business competing more effectively if combined with these businesses.
 - (e) Issues relating to brand, platform, profitability and track record and US customers are either of no significance or capable of being mitigated.
30. We later spoke to four third parties about the Enhanced Remedy, one of whom had previously indicated that the Initial Remedy would be an effective solution, and one of whom had noted that the Initial Remedy would be an ineffective solution.
31. In terms of whether the Enhanced Remedy changed consideration of the effectiveness of the divestment, three of the third parties that we spoke to about the Enhanced Remedy generally regarded it as an improvement on the Initial Remedy and noted a potential interest in purchasing a partially divested StubHub business.
32. In contrast, [X] (which had told us the Initial Remedy proposal was not a comprehensive solution to all aspects of the SLC) continued to suggest that the partial divestiture would be ineffective. [X] told us that the Enhanced Remedy proposal 'dismisses the underlying fundamentals' of the business, and that it does not consider that there would be a competitive marketplace if the Enhanced Remedy were the solution to the SLC identified.

Scope

Importance of Scope

33. During our discussion of the Initial Remedy, we asked the eight third parties that we spoke to about the importance of scope. Most of the third parties we spoke to told us that scale was important for:
- (i) geographic reach;
 - (ii) data and technology;
 - (iii) financial resilience; and
 - (iv) network effects.
34. Considering firstly geographic reach, [X] suggested that StubHub's scale allows it to attract customers to events on an international basis (ie US customers to UK events). It told us that some events held in the UK have global interest, in particular sporting events such as US baseball or NFL games held at Wembley. [X] noted that StubHub currently has 'a huge reach'

in selling tickets for these UK events to US fans. [X] said that if StubHub's global reach was removed (ie in the case of the partial divestiture), then they consider that this could have a significant impact on the divested business, suggesting that 'well over 90% of trade for some of the large US sports events which occur in the UK would be gone'.

35. [X] told us that there are three dimensions to running a consumer ticketing platform where scale matters:
- (a) **Ensuring the marketplace can offer ticket buyers and sellers enough liquidity.** [X] explained that it considers that liquidity in ticketing marketplaces is a local phenomenon and so to ensure marketplace liquidity, scale matters at the country-level.
 - (b) **Continuously making improvements to the technology and seller and buyer experience.** [X] told us that this greatly benefits from scale as having larger scale gives the company operating the marketplace more data to identify and test new product features. It told us that this means it will be able to improve its website and apps more quickly than competitors.
 - (c) **Attracting customers to the platform.** [X] told us that online marketing (used to attract customers to the platform) is becoming increasingly data and technology dependent and so benefits from the same gains from scale as at point (b).
36. [X] noted potential financial difficulties related to the partial divestiture. [X] told us that the divested business would see an increase in costs because the business would be required to take on the fixed costs (eg people (such as finance, legal, HR), office space, cloud storage, technical resources, and marketing) that are currently spread across the entire StubHub revenue base. [X] told us that resource would be required to get the divested business in a position that would allow it to compete with viagogo, and that these financial pressures as a result of reduced scale would result in the market being left with a weaker competitor than prior to the merger.
37. [X] told us that scale is 'hugely important', and that there are significant network effects in the market, meaning that it is a more compelling business for buyers when there are more sellers, and it is more compelling for sellers when there are more buyers. [X] told us that the more scale a business such as this has, then the more profitable it is, and the more it is able to spread its fixed costs. Moreover, [X] told us that companies with more scale (and brand awareness) get more click-through [on Google ads], 'so even if they pay a little less, they get more clicks at a lower cost per click'.

38. [X] also noted that scale enables ‘you to invest more in developing and improving the platform as it allows you to spread the cost of developers which is expensive over a broader base’.
39. Some responses to questionnaires from those who expressed an interest in the divested business stated that whilst scale was important, in their view the divested business had sufficient scale to operate effectively. Other responses from those who expressed an interest stated that it was not scale that was the issue but the high cost base of the business.
40. The Parties proposed to address a number of the concerns raised with regards to the scope of the Initial Remedy proposal in the Enhanced Remedy. In particular, the Enhanced Remedy (as detailed in Chapter 10) introduced proposals covering (i) redirection; (ii) advertising of UK events; (iii) inventory export management; and (iv) the mobile app.
41. We spoke to four third parties about the elements related to scope in the Enhanced Remedy. We consider the views of these four third parties on each of these points in turn.

Redirection

42. [X] told us that the Enhanced Remedy proposal with regards to redirection is ‘great for the buyer and the owner of the divested business’. It explained that the redirection process ensures free traffic and customers to the divested business which can be built up over the five-year period.

• Redirection: impact on buyers

43. Two of the third parties that we spoke to noted that redirection disrupts the customer journey and that it is likely there will be some attrition as a result.
44. [X] told us ‘that redirection would result in customers dropping out of the process at a relatively high rate’ and that ‘there is a high probability that a proportion of revenue would be lost as a result’. [X] told us that, as a result of this, ‘the value of the business is therefore less compelling’, but also noted that the redirection element of the Enhanced Remedy Proposal is ‘perhaps the most pragmatic remedy that you could have.’ In terms of what a customer would do if they dropped out of the redirection process, [X] explained that a portion of customers begin the purchasing process with StubHub because they have previously been StubHub US customers, so they go to that site first. In the case of redirection, [X] explained that the customer may drop out and move to the likely next best alternative (eg Google search), meaning that

ticket providers will be competing based on paid advertising or organic listings.'

45. [X] echoed the concerns of [X], noting that any type of friction in the customer journey results in some drop off of customers. It explained that customers do not want to engage with multiple pages between the event page and the checkout, therefore businesses want to get the customer to the checkout page as soon as possible. [X] told us that 'anything that throws sand in the works in terms of [getting the customer from] A to B is a problem, and something most companies look to reduce friction in in e-commerce'.
46. [X] was less concerned with attrition as a result of the redirection process and told us that it would expect the redirection process to result in some attrition on the buyer side but not a huge amount. It noted that it does not consider the redirection process to be the key to building a customer base in the US or to the success of the divested business. Instead, any buyer would need to compete by building up its own presence in the US. It noted that it helps in providing the divested business with customer information and data, but that the historical information does not necessarily indicate future customers.
47. [X] told us that redirection 'is useful for an initial period of time'. It explained that customers in the US pay higher premiums than those in the UK, therefore even if only a small number of tickets are sold through the redirection process, it considers that since the revenue generated from those tickets was meaningful to StubHub previously, then it would remain meaningful for the divested business. [X] referred to the fact that consumers operate in a globalised world and noted that it is therefore 'useful to have the cross-border redirection'. In terms of attrition, basing its expectations on trade prior to the COVID-19 (Coronavirus) pandemic, it considered that approximately 60% to 80% of customers would be redirected (ie 20% to 40% of customers would be lost as a result of the process).
48. Two of the third parties that we spoke to highlighted potential customer confusion in the redirection process. [X] told us that the redirection process could create further confusion and interconnectivity between both the Merged Entity and the divested business. It explained that a customer may be transferred from StubHub.com or .ca to another 'StubHub' branded website but may not be clear that this is a different entity. [X] noted that a rebrand of the business could assist in resolving confusion relating to the redirection, noting that it would 'help a customer to understand the process more clearly' and that a redirection to a differently branded site would mean the customer 'would be more likely to understand the change that had occurred.'

49. [X] noted that that customers like to be able to go directly to sites to make bookings as redirections can make them feel like they are being charged extra (as a result of more companies being involved in the process). Therefore, [X] consider the redirection proposal to be most effective if it were to redirect to a differently branded site.

- *Redirection: timing of redirection of buyers*

50. [X] noted that a key consideration is the point at which the customer is redirected. It told us that the closer a customer is to checking out, the more valuable it becomes. As such, [X] suggested that it may be appropriate to take the customer up to the specific event on the StubHub NorAm website, but that it would not necessarily suggest showing specific listings and seats for the event prior to redirection.

- *Redirection: completeness and accuracy of listings*

51. Two of the third parties that we spoke to noted potential difficulties in US customers reaching a point at which they would be redirected to the divested entity's website, if the Parties were prohibited from listing inventory for UK events, noting that there may not be a location from which the redirection would occur.

52. [X] told us that a possible solution would be for the Parties to create generic landing pages which would create the redirection opportunity. [X] suggested the use of landing pages for common 'corridors', for example US customers to London West End Shows, or to Premier League football games, which would redirect customers to the relevant landing page on the Enhanced Remedy website.¹²¹

53. [X] echoed similar concerns, in particular how to incentivise the Parties to keep listings to UK events on its website, and to keep the relevant webpages well-maintained. It highlighted concerns with regards to how the Parties would be aware of which UK events to advertise in the absence of inventory, noting that 'while a platform is likely to be aware of larger scale mainstream events and would be conscious to present listings for these events, the awareness of smaller-scale events often comes down to the reseller.' Therefore, if the

¹²¹ Note that this point is addressed per the Enhanced Remedy proposal. In order to ensure that UK live events listings are complete and current on the StubHub North American websites, despite no inventory being listed, the parties would undertake to mirror the UK live event catalogue that was held on viagogo's UK site and would be willing for this to be overseen by a Monitoring Trustee.

Parties did not have a relationship with resellers to UK events, then it may not have knowledge of the event and consequently listings may be missed.¹²²

- *Redirection: impact on sellers*

54. Similarly, [X] told us that it considers the redirection of resellers to be more key than the redirection of customers (who, it noted, are more likely to forget who they previously dealt with). It noted that reseller data is potentially more important than the redirection of resellers, and that building a reseller base is how the pipeline of the market can be penetrated and therefore ensuring the reseller is aware of the redirection and the new divested entity is most important. [X] also highlighted that resellers are financially incentivised and as a result will be aware of the redirection process, meaning that it will be successful in remedying the problem.
55. [X] noted that it is not certain on whether the redirection remedy would be enough to encourage US resellers to sell in the UK but noted that they will use the platform 'if it suits them' and that it considers that 'there would be almost no leakage and that resellers will all just come.'

Advertising

56. With regards to the effectiveness of the divested business utilising paid Google Search for UK live events, [X] highlighted the difficulties of geographical restrictions based on the global nature of the internet. It noted that in terms of delineating between geographic territories, it may have successfully occurred in the past with tangible goods but that there is the chance of confusion in this context. [X] noted that, as new entity on Google, the divested business may not have a bidding ability nor quality score (past on past activity) that would allow it to be competitive and appear on the first page of ad results.
57. [X] noted that the ability for the divested entity to use the StubHub brand in paid search in the United States 'is useful' and that the use of the brand 'is important in operating within paid search in the intermediate term.' It noted, however, that the usefulness of this reduces over time. In terms of effectiveness of advertising, [X] told us that the use of paid search for the divested entity would be expensive. It noted that the search budgets invested by the Parties are significantly larger than what the divested entity would be able to invest. [X] concluded that the divested entity would need to be

¹²² As with the point raised by [X], elements of these concerns raised by [X] are addressed by the Enhanced Remedy proposal's offer to mirror the UK live event catalogue held on viagogo's UK site.

selective in its advertising, and that it would not necessarily earn high return on advertising spend (ROAS).

Inventory export management

58. Three of the parties commented on the 'open market' element of the inventory export capability and the ease with which resellers could cross-list. [X] noted that the proposal moves the market towards an 'open market' concept which makes it easier for resellers to cross-list and because of this, resellers are more likely to list on multiple platforms.
59. [X] noted that this is 'great because you get the inventory you need' and that this is key as you 'can't be a live events business without inventory'. [X] noted this creates an environment in which customers make decisions based on price, availability and service levels, rather than who has proprietary inventory.
60. [X] noted that there are three barriers to a seller listing on an alternative platform, being:
- (a) How much effort is required to list on the alternate platform;
 - (a) Whether there are any constraints (either formal or informal) which discourage sellers from using other platforms; and
 - (b) Whether the other platforms are places that the seller would want to list based on whether they think their tickets would sell.
61. It continued by noting that it considers that the proposal regarding the inventory export capability would help resolve point (a), but that points (b) and (c) remain unresolved.
62. [X] expressed a preference to open the inventory export management up more broadly across the market, noting that relying on the divested business doing so under the current proposal and being successful in competing with viagogo long-term is a 'shaky prospect'.
63. Taking a different approach, [X] highlighted concerns with the inventory export capability. It reiterated its point with regards to ensuring only legitimate/credible resellers would be allowed to operate on the divested entity's platform if it were to be operated by [X], and that the ability to vet these tickets may be reduced in the case of an automatic export.
64. [X] noted that it would want to be able to decline certain listings/resellers in the case of this proposal. With regards to the inventory export capability, [X]

noted that it comes back to the point that [X] would like to ensure that only credible companies would resale tickets to consumers on its site. It noted that an automatic export link would have to provide for that option, to be able to decline certain listings/resellers. [X] concluded by noting that it would be more focused on ensuring credible resellers were on the platform than on 'tools' such as the inventory export capability.

Mobile app

65. One of the third parties we spoke to highlighted that it does not consider the incentive proposition to be effective. [X] noted that that it does not consider the \$[X] incentive for the mobile app as per the Enhanced Remedy Proposal to be particularly effective and that other promotional offers that customers can obtain from downloading apps 'tend to be much more compelling.' It suggested that a better alternative would be for the Parties to pay the purchaser of the divested business, or to discount from the sale price, an amount per app user. It explained that the new entity will need to acquire new users through paid app install campaigns and therefore, rather than trying to encourage users through a discount, it may be more effective to pay the purchaser who will in turn be utilising marketing in order to rebuild the app's installed base.¹²³
66. Similarly, [X] noted that the cost of running the app may be more substantial than a \$[X] per consumer incentive. It noted that customers may not be interested in platform-specific ticketing apps, rather an app that allows them to search of any ticket across a suite of platforms.
67. [X] told us that the mobile app proposition and the requirement for the customer to download a new app results in similar concerns to those raised regarding redirection more widely, particularly with regards to friction in the customer journey.
68. [X] expressed limited interest in the mobile app proposition. It told us that it recognised the potential for the app to be important for holding the ticket (as opposed to customers obtaining a physical ticket), but that it does not have significant plans to operate within the mobile app space.

¹²³ Note that per the Enhanced Remedy proposal, the Parties propose the financial incentive would be paid as a lump sum to the purchaser and would be calculated based on the number of unique UK users of the app from its introduction in 2012 until completion of the sale of the divested business.

Platform

69. We initially spoke to eight third parties about the platform element of the Initial Remedy proposal. Based on the Initial Remedy proposal, third parties raised concerns around:
- (a) Staffing: third parties queried whether there would be enough staff left in the divested business, with relevant historic knowledge and expertise to ensure the ongoing maintenance and development of the platform. Further, they noted the lengthy period of time required to bring new developers / engineers up to speed.
 - (b) Potential risks in the replication process: third parties raised concerns around the level of care that StubHub would take in replicating the platform, and the risk that data pertaining to the divested business could be retained.
 - (c) Underlying complexity of the platform: third parties noted the proprietary nature of secondary ticketing platforms. Further, concerns around the level of documentation that would come with the platform were noted, and third parties highlighted the general underlying complexity of the platform (eg with third party inputs etc). Third parties also noted that platform developments may be required as a result of the Coronavirus (COVID-19) pandemic. This emphasised concerns around risks in replication of the platform and a potential loss of staffing.
 - (d) Competitors working from the same platform: some third parties noted the potential negative impact on competition that two competitors working from the same base platform could result in.
70. A number of the concerns raised with regards to the Initial Remedy (as noted above) were addressed in the Enhanced Remedy proposal, in particular the proposal to sell the platform to the divested business, and to increase the staff available to the purchaser. We spoke to four third parties about the updated proposition on platform per the Enhanced Remedy proposal. These four third parties generally noted that this was a positive enhancement to the divestiture package.
71. [X] told us that the proposal is a 'move in the right direction.'
72. [X] told us that the most important element of the enhanced remedy with regards to the platform is the expansion of personnel that would transfer to divested entity. It noted that having the ability to make decisions as the purchaser with regards to staff, ie understanding the business and working out which staff are best suited where without being confined by the purchase

agreement 'is good'. It noted that it would not know the correct / required team at this stage in the process, or whether it would need to hire externally, but that being able to choose engineers itself would ensure that the purchaser could pick the right people for the right job.

73. [X] told us that it was previously sceptical of the proposal regarding the platform. It told us that the proposition is better under the Enhanced Remedy Proposal now that the full platform would be sold, it would be hosted by Google, and the number of staff transferred has increased. However, [X] noted that it would still result in the porting of a very complicated architecture, and complicated technology which causes a lot of overhead expenditure. It noted that the purchaser would end up with an expensive architecture to operate and would be required to pay a large number of staff. [X] noted that the same concerns as those raised in relation to the earlier remedy proposal remain, in that the platform element of the divested business would incur a significant amount of costs, with only one key element of the business generating profits (being the UK).
74. [X] told us that the proposal is mildly better than the option of licensing the platform, but that the Enhanced Remedy Proposal does not resolve the core underlying problems of high expenses and complexity within the platform.
75. [X] told us that 'anything that would need to be bought in to assist in servicing the platform is currently widely available.' It noted that it would expect more 'true hardware' than is currently offered by the proposal, but that this may be mitigated by the platform's transition to the cloud. Further, [X] highlighted two acquisition risks with regards to the platform proposal:
- (a) A risk regarding a lack of documentation of the platform code software, noting that this would be required in any purchase of the platform; and
 - (b) That some core staff on the North America side of the business may need to be available to provide support to the divested entity.

Brand

76. During our discussion of the Initial Remedy, we asked the eight third parties that we spoke to about the importance of brand. All eight participants told us that brand was an important asset within the secondary ticketing sector.
77. [X] told us that brand is 'very important, mainly down to reputation' and that 'brand is everything'. [X] told us that brand is 'tremendously important' and that having a strong brand is largely how StubHub built its business. Similarly, [X] told us that brand is 'highly important'.

78. [X] told us that brand is 'one of the most important assets', and that brand awareness in this market is the single biggest driver of business success. It explained that strong branding allows ticketing businesses to bring customers to their websites, and that it is once customers come to the website that they tend to convert at a higher rate.
79. [X] told us brand is 'hugely important' and that StubHub's value today (and the reason viagogo paid \$4 billion dollars for it) is because it has a strong brand, and a lot of consumers know that brand. [X] said that greater brand awareness increases the likelihood of an improved click-through rate on Google paid search. [X] noted that customers have an awareness and trust in the brand and that brand perception and trust are 'really the number one asset StubHub has'.
80. [X] explained that brand is important because it is customers' familiarity and trust in the brand that drives how much traffic a ticketing business can draw onto its site and then convert into sales.
81. [X] told us that brand is 'the most important factor'. It explained that over the past 20 years or so, StubHub has made consumers in the US more at ease with secondary ticket purchasing, and that as a result of this StubHub has developed a strong brand; [X] told us that the name recognition of StubHub is very attractive to a purchaser. [X] told us that in order to make Google Ads spend worthwhile, a business needs repeated customers and that brand awareness is what generates this repeat custom. [X] explained that the main aim is to build a brand strong enough to bring customers directly to the website, through the use of brand, as opposed to paying for Google Ads.
82. [X] told us that if a customer really wants a particular ticket then they will not necessarily be focused on brand, but explained that brand can be important in reassuring people, in particular when they are spending a significant amount of money for a ticket.
83. Of the respondents to the questionnaire eight told us that brand was important in this industry whilst four stated that it was unimportant. Those that stated it was important noted the important role it played in consumer trust that the ticket they purchase would allow them access to an event whilst one noted that it served to reduce the cost of customer acquisition and reliance on paid search.
84. The four questionnaire respondents who stated that brand was not important in this industry stated that instead it was Google Ad search that was the key to customer acquisition.

85. Some noted that the StubHub brand was ‘very strong’ and that it would take considerable time and expense to replace this. Others however were of the view that migration from another brand would be relatively straightforward from their experience, and that it would take two years. They also thought there was some value in the Ticketbis brand.
86. We also asked the eight third parties that we held calls with about the effectiveness of the Initial Remedy proposal on brand (which allowed for the use of the StubHub brand for three years, plus one blackout period). One third party that we spoke to raised no concerns with the Initial Remedy brand proposal. One firm noted that the use of the StubHub brand could help foster competition. The other third parties highlighted concerns, particularly around:
- (a) The idea of investing in the brand for a period of time before giving the brand back to the Parties;
 - (b) The amount of work and investment required to build a new brand, particularly within a 3-year timeframe; and
 - (c) Customer confusion.
87. Some third parties provided comment on the potential for the StubHub brand to be sold as part of the divested business and then licensed back. [X] told us that from purely a brand perspective, that would be a much better and much more interesting proposal. [X] Can Y noted that it would be more valuable to get a perpetual licence but that they do not think it makes a difference to the potential viability of the business.
88. [X], stated that the divested business should hold the UK licence in perpetuity and that the merged entity should not be allowed to use it in the UK.
89. In response to some of the concerns raised in the Initial Remedy, as noted above, the Enhanced Remedy proposal looked to resolve issues on brand, in particular by extending the period during which the purchaser could use the StubHub brand to ten years.¹²⁴ We spoke to four third parties about the updated proposition on brand per the Enhanced Remedy proposal. Some of the third parties echoed similar concerns to those raised under the three-year proposal, while others considered that the options provided under the Enhanced Remedy proposal were an effective solution. Below, we consider

¹²⁴ Note that a more detailed description of the Enhanced Remedy proposal can be found in Chapter 10.

the views of these third parties on each of the brand options under the Enhanced Remedy proposal in turn.

Use of the StubHub brand for 10 years

90. [X] told us that the updated proposition was ‘a move in the right direction’ and noted that it would be ‘key to maintaining the current business and is a welcome move that makes the offer more attractive.’ It continued that the Enhanced Remedy proposal allows the purchaser time to stabilise the business before potentially migrating to another brand as the end of the ten-year horizon comes closer.’
91. [X] noted that if it were to purchase the business then it would prefer to keep the StubHub brand. It explained that using another brand name would likely result in a significant drop in revenue, and that without the StubHub brand the divested business becomes significantly less attractive.
92. Conversely, [X] told us that the proposition ‘appears strange’ as the purchaser would have to return any investments made in the brand during its time of use to the Parties. [X] explained that ‘this creates a paradox in which the purchaser is both incentivised and disincentivised to invest in its own brand’ and that ‘this is not an attractive solution.’ It noted that ‘with the absence of the long-term use of the brand, the collapse of the business is fairly certain.’
93. Further, [X] explained that there could be confusion for the consumer where policies differ across the Merged Entity and the divested business. It told us that it would be hard for the companies to co-exist, particularly considering that the internet is global and not regional.
94. [X] expressed a similar opinion, noting that there is some concern that consumers in the United States would become confused as there would be both ‘StubHub’ (the Parties) and the ‘other StubHub’ (the divested business), operating in the same area [albeit not selling tickets to the same events]. [X] told us that it is important for consumers to be clear on which entity it is that they have contracted with.

Use of the viagogo brand in perpetuity

95. [X] told us that the use of the viagogo brand in perpetuity may be compelling in the long-term but is problematic in the short term. It noted that changing the brand of the divested business would represent ‘tremendous risk’ in the ability to continue generating revenues at the same level as it did previously, and that a brand name change could mean the divested business would incur

higher costs in attracting new customers. Further, [X] noted that while viagogo is a well-known brand, it does not appear to be a loved brand, therefore there may be interest in moving away from the viagogo brand.

96. [X] echoed this concern, noting that it considers the viagogo brand to be tarnished in the UK, the EU, New Zealand, Australia and Ireland. Based on this, [X] told us that it does not have any interest in purchasing or using the viagogo brand.
97. Alternatively, [X] noted its preference for the viagogo brand. It noted that a brand which differs from StubHub would be most effective as part of the redirect process. [X] told us that it considers the viagogo brand to be strong in Europe, and that it would rather be part of a 'brand swap' than try to rejuvenate the Ticketbis brand or develop a new brand. It explained that it would look to transition brands within 18 to 24 months of purchase.

Rebranding to an alternate brand

98. [X] noted that rebranding to a different brand raises the question of the reason for the purchase of the divested business in the first place. It noted that the option to use Ticketbis is not comparable to the use of StubHub as it is an inferior brand. [X] explained that the StubHub brand generates reliability and safety in the mind of the consumer, and therefore drives demand. It told us that creating a new brand and building a reputation from that is an uncertain proposition.
99. [X] noted that if it could not use the viagogo brand, then it would either rejuvenate the Ticketbis brand, or build a new brand.
100. More generally with regards to brand, [X] highlighted the investment costs of rebranding the business as a potential acquisition risk.

Profitability and track record

101. Five of the eight third parties that we spoke to regarding the Initial Remedy proposal told us their opinions on how profitability and track record of the divested business may impact the effectiveness of the divestiture package.
102. Two of the third parties suggested that a track record of profitability would not be important with regards to the potential divestiture. [X] told us that a track record of profitable operations is relevant for investors but is not something the customer sees so it will not be interested as long as they receive good service. [X].

103. Three of the parties that we spoke to referenced outstanding liabilities within the StubHub business and suggested that these could have an impact on the sale of the business to be divested. [X] referred to the proposal from the Parties which noted that viagogo would retain responsibility for liability of events cancelled during the Coronavirus (COVID-19) pandemic. [X] noted that many events have been moved as opposed to being cancelled, suggesting that this may leave any liability coverage for these events with the purchaser, and noted that this 'needs to be taken into account by a potential purchaser. [X] also referred to the Coronavirus (COVID-19) pandemic and noted that StubHub has focused on providing credit rather than refunds, meaning that 'there is now a significant credit liability hanging over the business'. More generally and without reference to Coronavirus (COVID-19), [X] told us that in the context of any remedy, viagogo should retain responsibility for all financial, legal and supplier responsibilities, explaining that it expects these liabilities to be 'very large' and considers that the handling of them would impact how a consumer would feel about the divested business going forward, thus potentially hindering the ability for the divested business to attract new users and retain its existing customers.
104. One of the four third parties that we spoke to about the Enhanced Remedy proposal, who had previously expressed concerns around the profitability and track record of the international business in response to the Initial Remedy proposal, did not consider that the Enhanced Remedy resolved its concerns. [X] told us that the Enhanced Remedy proposal did not address its concerns regarding the cost structure of the divested business, noting that it 'does not see how the divested business could launch with the cost / revenue problem it faces.'

Potential purchaser

Suitable purchaser

105. We asked the eight third parties that we initially held calls with for their views on what would be required of a potential purchaser of the divested business, for example what skillsets they may require and whether a particular type of buyer (eg a trade buyer compared to a financial buyer) would be most suitable.
106. [X] told us that a potential purchaser would need to know what they are doing, to have experience in the industry, and to have financial resources, particularly in order to be able to compete with viagogo spending so much on Google Ads.

107. [X] does not think a financial buyer would be suitable. [X] noted that the type of process they follow (eg buying the business, compressing costs, extracting margin and selling) would not work in this case, particularly considering he does not think the StubHub International business is profitable. [X] noted that there are also many complexities and a partial divestiture would mean you would need somebody with the skills and experience to figure out these complexities. [X] does not believe that anybody would be able to figure this out in the case of partial divestiture, but that if there was a buyer who could figure it out it would likely be a strategic buyer, not a financial buyer. [X] told us that maybe the most likely entity would be somebody already in the ticketing business, but that partial divestiture creates too many insurmountable challenges.
108. [X] told us that 'it depends to some extent how much viagogo would want to get for the StubHub International business', but that for the right price it is an 'interesting offering' and it considers that there will be a lot of people interested in buying it. It told us that while it has no doubt that a purchaser can make StubHub sustainable and profitable, it needs to be done by somebody who knows the industry. It noted that it considers that a financial institution would feel uncomfortable with it.

Operation in UK

109. During our initial remedy calls, we asked the parties whether they consider a purchaser of a partially divested StubHub business would continue to operate in the UK. [X] told us [X], and would try to build a marketplace that would allow them to sell directs to fans directly [X]. As per paragraph 114, [X] noted that it is [X], hence why the divested business is something it considers to make sense.
110. When we spoke to third parties about the Enhanced Remedy proposal, two additional parties noted that they would plan to continue to operate the business in the UK.

Purchase interest

111. We asked third parties whether they had an interest in purchasing the international business (during both the Initial Remedy and Enhanced Remedy calls).
112. When considering the potential purchase of the international business, [X] noted that the UK element could be interesting, but that it would depend on the long-term perspective, particularly the regulatory environment surrounding secondary ticketing, for example whether uncapped sales would be

prohibited. [X] explained that if the secondary ticketing market in the UK was to be capped and it were required to convert StubHub to a capped marketplace, then that could end up 'exhausting the economic resources of a business they had just purchased'.

113. [X] explained that it considers the international business to be moderately attractive, but what makes it potentially less so is [X] perception that the business itself has struggled for a while. However, it noted that it would be able to use the strong StubHub brand and would have access to customer data which it could use to try and re-engage customers, which it considers to be a compelling proposal. Further, [X] told us that it is interested in exploring the divestiture package further and that it would be interested in trading using the StubHub brand, but noted its focus on ensuring that the market is a 'level playing field' in terms of access to inventory, and that viagogo retains responsibility for liabilities incurred by the divested business.
114. [X] expressed some interest in potentially purchasing the international business. It noted that its [X] and that it is conscious that secondary markets are not 'as engrained in the culture' in the UK market, but that it is working hard to acquire business in the UK and that the opportunity of the potential purchase of the international business is something it 'thought worth considering because it makes sense'.
115. [X] implied some interest but noted that it was less interesting than the full divestiture opportunity. It told us that in order to become an interested bidder it would need to have more certainty about when live events are returning. It also told us that it considers that 'the current climate means that it is a tough time to be taking on a business such as StubHub' and noted that even strong companies are having a uniquely challenging time right now.
116. [X] all stated that they had an interest in acquiring the international business.
117. [X]. [X] rationale would be to [X]. It states it would plan to continue to compete in the UK and [X]. It would also plan to [X]. [X] told us that any deal has a number of risks but that it feels comfortable in its capabilities and experience, and with the prospect of 'propping up' the international business and keeping it as an ongoing business. It noted that an alternative purchaser, which did not have a wider business to 'prop' the international business may be more concerned around the viability of the business long term 'when there is a large global player out there trying to eat market share' (ie the Merged Entity).
118. [X] stated an interest in the acquisition of the divested business. [X]. [X] plans [X] with its primary interest the UK market then the wider European

market. It states it would focus [X] appeal to UK consumers. [X]. Its management team [X].

119. [X] expressed an interest in purchase. [X]. [X] plans to leverage this experience and its experience of carve-outs and turnarounds. [X]. It states it plans to grow [X]. It plans to act globally but to prioritise and base itself in UK [X].
120. [X] also expressed an interest in purchase. [X]. [X].
121. [X] expressed an interest in purchasing a divested StubHub business. It told us that if it were to operate the business, it would become part of a pan-European business with international extensions, and would therefore have the support to allow it to become more competitive on search advertising, particularly in the secondary ticketing market.
122. [X] 'has zero interest in the business if it is split in two' (ie partial divestiture).

Partial divestiture of viagogo

123. While we have found that a full divestiture of viagogo would represent an effective remedy, we also considered whether a partial divestiture could also be effective. The Parties have not suggested a partial divestiture of viagogo as a remedy, and accordingly have not provided any detail about what such a divestiture package might contain and how any such divestment would be structured and effected.¹²⁵
124. Of the third parties we contacted, [X] noted that a remedy such as the partial divestiture of viagogo would have the same issues as those identified in the partial divestiture of StubHub International, being a shared tech stack and employees spread across geographies, and therefore that it would not work effectively. [X] noted the same point, telling us that in the case of a partial divestiture of viagogo, there would be the same issues as with the partial divestiture of StubHub.
125. A number of the parties that we spoke to highlighted concerns with the viagogo brand name, with [X].[X].[X] explained that it would not be interested in pursuing a relationship with viagogo as a result of the way viagogo has run its business, 'not operating in a consumer-friendly way'. [X] told us that it would approach an acquisition of viagogo with a reasonable amount of scepticism due to concerns around the brand. It noted that viagogo

¹²⁵ [Merger remedies guidance CMA87](#), paragraph 4.57 says that the CMA may consider its own remedy proposals.

has a challenging reputation both with customers and regulators, particularly in the UK, as well as with ticket sellers due to onerous payment terms relative to the North American market. It continued that, to the best of its knowledge, viagogo is the only company whose conduct has resulted in an international suspension from Google AdWords.

126. However, one of the third parties told us that in the short term the partial divestiture of viagogo would be a better remedy. They explained that 'viagogo is the market leader in uncapped resale in the UK, so for a certain amount of time, things would keep going as they are'.

Appendix J: Summary of Initial Remedy proposed by the Parties

Introduction

1. Set out below is a summary of the Initial Remedy proposed by the Parties to address the concerns raised by the CMA in the Provisional Findings and Notice of Possible Remedies.¹²⁶

Summary of remedy

Legal entities

2. The merged entity proposes to divest the stock of Viagogo Luxembourg Holding Company S.à.r.l. and the subsidiaries that sit within that holding company, which together operate StubHub's international primary and secondary ticketing operations. The entities sitting under the holding company are all pre-existing entities dedicated to the international primary and secondary ticketing businesses.
3. Under this proposal, only the StubHub Inc. entity and its subsidiaries will be retained by viagogo. These entities carry out the secondary ticketing business in the US and Canada (together 'NorAm').

Customers

4. The merged entity proposes that the divestiture will cover StubHub buyers and resellers registered outside NorAm, irrespective of the location of events. Active listings and inventory (customer and transaction data) are owned by the StubHub International operations and will be provided to the purchaser. The divestiture will therefore provide the purchaser with a customer base that encompasses historical and current buyers and resellers registered with an address outside NorAm, regardless of event location or legal entity contracted with.
5. Excluded from the proposal are customer and transaction data concerning transactions where both customers (StubHub resellers and buyers) are registered with a NorAm address. However, for NorAm-registered buyers purchasing a ticket from an International reseller, both the customer and the transaction data will be provided to the International Divestment business (as

¹²⁶ See [Provisional Findings](#) and [Notice of possible remedies](#) (22 October 2020).

one party is within the International perimeter). For NorAm-registered resellers, the customer data for international buyers to whom they sell tickets will be provided to the International Divestment business.

6. Further, the retained StubHub business would be prevented from marketing directly to UK customers and would not carry out any SEM on Google.co.uk.

Ticketing platform

7. The current global StubHub secondary ticketing platform also forms part of the International Divestment business. The platform is [REDACTED], in line with StubHub's pre-merger business plans. This [REDACTED] will be complete before the divestiture. Once the global platform has been [REDACTED] two versions of the platform will be created. The purchaser will obtain an original version of the entire global platform (both software and customer data), from which data pertaining to the NorAm business will be removed. A duplicate instance of the platform will be retained by the merged entity (minus the data relating to the International Divestment business customers).
8. The purchaser will also receive a worldwide, irrevocable, royalty-free, exclusive license to all the intellectual property of the secondary ticketing platform.
9. In terms of primary ticketing, the purchaser will receive all of the platforms currently used by StubHub's international operations, together with all associated partnership agreements and primary content rights holder contracts.

Staff and support

10. All of the vendor licences/contracts used in the international operations will be provided to the purchaser. This includes the vendor licences/contracts which are currently held by the entities forming part of the divestment business and the software licences that are currently held by StubHub Inc. These latter licences will either be assigned to Viagogo Luxembourg Holding Company S.à.r.l. or provided via short-term TSA contracts (depending on the purchaser's existing set-up and requirements). With respect [REDACTED] ensure that the benefit is provided to the purchaser.
11. In terms of staffing, the proposed remedy will include all staff currently working in the international operations during the current Coronavirus

(COVID-19) pandemic period. The staff to be transferred are all currently employed by the entities to be divested. Additionally, [✂]. These staffing levels have been designed specifically to avoid imposing additional costs and risks on the purchaser during this period of uncertainty. To the extent the purchaser wishes to take on the support and staffing required to operate the international divestment business at pre-Coronavirus (COVID-19) pandemic levels, this option can be a part of the remedy offer.

Brand

12. The proposed remedy will include use of the StubHub UK brand for a period of three years, plus a one-year blackout where the neither the purchaser nor the merged entity can use the StubHub brand in the UK. In addition, the purchaser will obtain the Ticketbis brand and Ticketbis global domains.

Liabilities

13. The proposed remedy will encompass a mechanism to ensure that financial responsibility for the current liabilities of StubHub's international business in relation to cancelled events will not be transferred to the purchaser.

Glossary

Act	Enterprise Act 2002 .
Buyers	Buyers of tickets on primary and secondary sites. Also referred to as ‘ticket buyers’ – especially when mentioning for the first time in a section.
Capped Secondary Ticketing Platform	Online ticketing platforms for the sale and purchase of secondary tickets on which the resale price of a ticket is capped at face value or a fixed increment above it.
CMA	Competition and Markets Authority.
Coronavirus (COVID-19)	See the GOV.UK website .
CPC	Cost per click. The amount an advertiser pays every time an internet user clicks their online ad.
CTR	Click Through Rate. The number of clicks an ad receives divided by the number of times an ad is shown.
Dynamic pricing (and VIP tickets)	The practice of selling tickets at different times at varied prices reflecting changes in demand.
Face value	Original price on primary tickets (excluding fees).
Funnel	<p>An online marketing concept which refers to a way of organising a firm’s online advertising strategy and monitoring the impact of its campaigns. ‘Upper-funnel’ campaigns typically relate to improving consumers’ awareness and opinion of its business and product offering whereas ‘lower-funnel’ (or ‘bottom of the funnel’) campaigns are targeted at attracting prospective buyers to its website and converting leads into sales.</p> <p>In the context of paid search advertising in this sector, an ‘upper-funnel’ approach involves bidding on more generic search terms that may be used by a potential customer in the early stage of a search (for example to discover whether a certain artist is touring in the UK or not), whereas a ‘bottom of the funnel’ approach</p>

	involves bidding on keywords that relate to searches for tickets to a specific events.
Google Ads	Google Ads (formerly Google AdWords) is an online advertising platform developed by Google, where advertisers bid to display brief advertisements, service offerings, product listings, or videos web users.
GTV	Gross Transaction Value, which is a measure equal to the number of tickets sold multiplied by the price collected.
Keyword bidding (PPC bidding)	A bid placed in a pay-per-click auction to secure ad placement at the top of search results.
Merger	Defined term for the acquisition by viagogo of StubHub .
Multi-homing	The practice of resellers or buyers using more than one platform, eg resellers spreading an inventory of tickets across multiple Secondary Ticketing Exchange Platforms .
Non-specialist channels and social media	Platforms used to by some reseller and buyers such as Gumtree and Facebook. These are not specifically designed for the exchange of secondary tickets.
Offline Channels	Channels used by some buyers which are not online such as box office return outlets and ticket touts outside venues.
Parties	Throughout this document we refer to viagogo and StubHub collectively as 'the Parties'.
Primary Ticketing Platform	Online platforms for the sale of primary tickets .
Primary tickets	Tickets that are sold for the first time, usually directly by the official ticket seller at a face value set by event providers and content rights holders.
Reseller(s)	People/companies who resell tickets in the secondary market (individuals, brokers, etc). Sometimes colloquially known as 'ticket touts'.

RFI	Request for Information.
ROAS	Return on advertising spend.
Secondary Ticketing Exchange Platform	Online exchange platforms for the sale and purchase of secondary tickets.
Secondary tickets	Tickets to live events that are resold and bought on online ticketing platforms.
SEM	Search Engine Marketing. Internet-based marketing that endeavours to direct traffic from internet searching to a particular website.
SLC	Substantial lessening of competition.
StubHub	Collectively, StubHub Inc, StubHub (UK) Limited, StubHub Europe S.a.r.l., StubHub India Private Limited, StubHub International Limited, StubHub Taiwan Co Limited, StubHub GmbH and Todoentradas SL.
Switching in	Platform users that previously resold or purchased tickets on one platform that then move to using another platform.
Ticketing Platform	Online platforms for the sale of tickets. Covering both primary and secondary.
Traders	Resellers that sell more than 100 tickets per year on a given secondary platform.
Uncapped Secondary Ticketing Platform	Secondary Ticketing Platforms where the resale price of a ticket is not capped at Face Value or an increment above it (eg the Parties).
Unique visitors	Distinct individuals visiting a page.
viagogo	Pugnacious Endeavors Inc subsidiary: PUG LLC (viagogo).