

Ticket to the future

The pace of change in ticketing is remarkable and makes it arguably the most dynamic sector in live entertainment. But it is also fragmenting, with a host of newcomers offering variations on a theme, but some pushing boundaries with innovative concepts. **Mike Gartside** reports

Figures released by industry umbrella body UK Music this summer showed that there were 27.5 million attendances at live music events last year, contributing £3.7 billion to the UK economy.

Ticketing companies are at the sharp end of the process, the music fan's first point of contact and so also a disgruntled fan's first point of complaint.

All reputable operators strive to give music fans a good experience, while many belong to the Society of Ticket Agents and Retailers (STAR) and/or work closely with the newly-formed FanFair Alliance to protect music fans from exploitation.

On the other side, ticketing companies collect almost all the money for promoters and venue operators, which then gets distributed to all the other parties involved in live shows, from agents and managers to production companies and marketing folk.

Although the physical ticket still survives, ticketing is no longer about the sale of an embossed piece of paper granting entry to a performance.

Online and mobile phone sales are the norm and data has become king.

The fan's experience, from the moment of hearing about a concert to sharing that knowledge with friends on social media, booking the tickets on a website or app, entry to the gig and beyond is now widely known as the customer journey.

With every online interaction, fans reveal their tastes, travel plans and purchasing patterns, allowing ticket agents and promoters to suggest new purchases, promotional events or even which entrance to queue up at.

This improves the customer experience but it

also drives revenues: UK Music's survey revealed that spending on live music was seven per cent higher last year than in 2014.

Ticketmaster (TM), owned by promoter Live Nation Entertainment, describes itself as the leader in global ticketing, processing more than 530 million primary tickets annually in 27 countries. Its UK website alone attracts 7.7 million visits per month.

"Online remains by far the most dominant sales channel," says TM UK MD Andrew Parsons. "The percentage arriving from mobile devices is growing exponentially. Since the launch of our new iOS and Android apps this February, we have seen sales via this channel grow by over 100 per cent.



"Artistes can sell anything to anyone, in any language, any currency and via any device [via Music Glue]"

Mark Meharry

"Our Manchester-based contact centre remains important but its emphasis has shifted from sales to service."

The best-selling tours it has worked on in the past 12 months were Beyoncé's Formation and Bruce Springsteen, whose onsale, says Parsons, was the fastest ticket-selling hour in the company's history.

"Recently, we opened Ticketmaster's platform to external developers, enabling over 1,500 applications to be built on TM's application programming interfaces [APIs] since January," he reveals.

Last month the company held a competition for app developers, the API DevJam, with the theme of event discovery. The winner, TickX, built a smart app for televisions that identified nearby gigs and played the artistes' most popular songs from Spotify.

"We look forward to hosting more of these DevJams," says Parsons.

While TM has long been the most dominant player in the ticketing world, its supremacy is far from unchallenged as, people who buy tickets for music and sports events also buy general commodities.

So it's no surprise that online operators including Amazon and Sky have entered the market, the latter setting up Sky Tickets three years ago.

While initially focusing on sport, Sky Tickets this year extended its live music presence by purchasing the Una Tickets platform, which describes itself as a transparent ticketing agency.

Art and science

Back in the traditional world of ticketing, TM's main rival is Vivendi-owned See Tickets, which sells about six million units a year and is the sole provider of the ticketing system for Glastonbury (cap. 140,000), last year selling 125,000 of the event's tickets in just 26 minutes.

"Two thousand promoters big and small use our services, notably SJM Concerts whose website [gigsandtours.com] we run and Glastonbury



Rob Wilmshurst

for whom we sell every ticket," says See Ticket's CEO Rob Wilmshurst. "And we recently signed Ministry of Sound."

Selling tickets, he believes, is both a science and an art. "The science is the technology, data gathering, management and its usage and the art remains in the communications and client care," he explains.

"The quality and quantity of the data you hold is very important: the more data sources you have beyond who bought a ticket, the better off you will be. We take multiple data inputs from various music related and consumer services to build and use our profiles."

In spite of the increasing number of technology-based newcomers in the ticketing world, many backed by venture capital, Wilmshurst believes See's well positioned to maintain its market position as one of the leading independents.

"We've been selling tickets profitably for 25 years and remain current," says Wilmshurst. "We are also a safe choice financially, as we are not a loss-making start-up running on funding. Why would a promoter take a risk in putting their cash in an indebted business?"

Technology race

Reckoned to be No 3 in the ticket company hierarchy, the Ticketline Network was founded in 1992 and describes itself as the largest independent primary ticket provider in the UK.

"Ten years ago there were three main primary agents in the UK, now there are more than 70," says Ticketline's James Lee. "But the science behind selling tickets, from faster checkouts to targeting via intelligent marketing tools has ensured that experienced primary agents innovate with technology and promotional strategies."

Events and artistes need an integrated marketing strategy and PR plan built on robust data management, Lee says. "If you target the wrong past purchasers for a completely different event,



James Lee



potential customers on your database will switch off as the information is not relevant to them."

This year the company launched Ticketlight, a system which allows end-to-end management and control of events.

"It's a white label, seamlessly integrated into

the client's website, offering branded e-tickets," explains Lee. "You can market your events easily, and manage your event data to target customers and list your event on our Ticketline and Inner City marketplaces. It allows you to manage and monitor your



Ben Sebborn

event 24/7."

Midlands foundation

The expansion of The Ticket Factory, owned by Birmingham's NEC Group, which runs the Barclaycard Arena (cap. 15,800) and Genting Arena (15,500), demonstrates how far the industry has travelled from the old-fashioned venue box office.

Set up in 2007 to service NEC's needs, the company sells about 2.5 million tickets per year,

with about 40 per cent for NEC arena events and the rest for other clients such as Wolverhampton Civic Hall (3,000) and Cornbury Festival (16,000), as it has expanded its reach.

"The market has switched to e-commerce, software businesses that deliver operational services," says The Ticket Factory's MD Stuart Cain. "We have 15 software developers and 95 per cent of our sales are online. So our web capacity has to be up there with the likes of Amazon. It's not acceptable to have a beautiful website that crashes when there's intense demand.

"Our clients are investing more in bespoke software development as functionality becomes more complex. These include mobile solutions such as apps."

Journey of discovery

Skiddle, which launched in 2001 as a what's on website, based its ticket selling operation on market research suggesting customers were suspicious of ticketing.

Technical director Ben Sebborn says, "The overwhelming response from our customer ►

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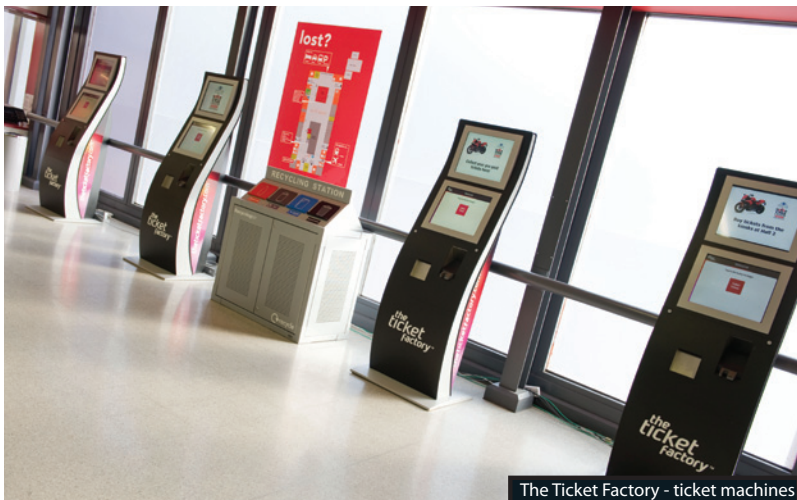
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The Ticket Factory - ticket machines

database, including focus groups, was that customers experienced a lot of friction, even with easier payment methods.

"Ticketing was not enjoyable but something they had to do. At the same time promoters were saying, 'Help us – we're behind in communicating with customers and telling people about events.'"

Sebborn claims Skiddle was the first company to do away with posted paper tickets and has since launched innovations such as its Re:Sell service.

"Sold out events can have a 15 per cent non-attendance due to drop outs. Any customers

Sebborn explains. "We'll offer a 72-hour period where customers are eligible for refunds after they've bought the ticket – but not in the week before the event."

Skiddle works with events such as Wickerman Festival (17,000), Belladrum (17,000) and Lytham Festival (15,000), plus artistes such as Primal Scream, David Gilmour and Wiley. Sebborn says it has up to three million unique visitors, while about 75 per cent of its sales are via mobile.

He reports the company has enjoyed 40 per cent growth year on year and now employs 31

who purchase through Skiddle can resell the ticket at face value," he says.

In the next year Skiddle will also roll out a cooling-off period for ticket buyers. "The retail industry knows that if you offer a refund on recently-bought products, you increase sales substantially,"

staff, compared to 12 two years ago.

Keeping fees fair

Agreeing that ticket buyers are not exactly enamoured with the process, WeGotTickets believes booking fees are often misused.

"We work as if we were all customers ourselves," says marketing campaign manager Steven Endersby. "The public has a negative feeling towards the ticketing industry because of secondary ticketing and high fees from other primary agents, and we try to separate ourselves from that."

"We've never needed to charge more than a 10 per cent booking fee, which covers the transaction fees from our payment providers and all our service, staffing and product development."

"We're renowned for speed when dealing with customer inquiries, and a no fuss attitude to cancelled events and refunds." He believes a fair booking fee underpins good service and there are risks in scrapping it, as some people suggest.

"Ticketing companies whose primary revenue is not booking fees must generate revenue in other ways, such as through marketing and merchandise sales. They are not putting the emphasis



Steven Endersby

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on ticket sales and I anticipate the service they provide will suffer."

With WeGotTickets' focus largely on grass-roots venues and promoters, up to mid-range, Endersby estimates the company sells about 600,000 live music tickets per year.

Technology focus

Launched in the US and expanding internationally, Eventbrite describes itself as a "self-service" ticketing platform. Initially aimed at smaller gatherings including charity and sports events, it now works with live music promoters.

The company handles four million ticket sales per month globally and has 600 staff working in 14 offices worldwide. UK festivals on its books include BoomTown (50,000), WOMAD (40,000), Jersey Live (10,000) and 2000trees (5,000).

"We are growing at double-digit growth rates," says Eventbrite's UK & Ireland marketing director Marino Fresch.

"Our focus is on event technology, particularly wristbands and RFID, which provide all the advantages of paper tickets without the danger of counterfeiting. It offers a seamless at-the-door experience, but, most critically, promoters understand how people are interacting with

their event," says Fresch.

"Not only do they understand pre-event purchasing but, during the festival, they can monitor the movement of people: what happens when a band goes on stage, for example. RFID beacons allow you to see where people are and send them a discount token when they're near the kebab van or move security and staff to manage crowd flow."

Fresch highlights the rapid move to mobile. "Over half of ticket purchases come from mobile devices. They'll see on social media that a friend is going to an event, which prompts them to buy the ticket at that moment.

"It's very different from the desktop purchasing experience, where most people buy between 9am to 5pm. On mobile, people start buying around 7.30am then traffic stays high until 10pm. If you don't have

a mobile-optimised site you're missing sales and effectively closing your box office five hours early."

Gigantic Tickets works with venues of all sizes from 100 capacity to Wembley Stadium (80,000), while live music makes up 85 per cent of its business.

"Our ticket sales so far this year are 27 per cent up on the corresponding stage in ►



Mark Gasson

Guide to buy

Ents24 is a market leader in event listings and claims 22,000 venues on its database, 100,000 forthcoming shows listed and two million monthly users – driving a huge amount of traffic through to primary ticket agents.

"Last year we generated £21 million in ticket revenue," says Ents24 head of marketing Adam Brooks. "The biggest challenge for ticketing companies is the rising expectations of web-savvy consumers. Buying online is second nature to the digital generation, but the ticketing industry is falling behind the web's best when trying to give consumers a great purchasing experience."

"We work closely with all major agents, promoters and third parties to ensure our users have access to presales. For example, our users had early access to 1,500 events last year alone," he says. "The fact that we have 1.3m users tracking artistes and venues means that we can target those offers and presales effectively and precisely.

"Ents24 makes use of algorithms and data to recommend gigs to users, but it's the descriptions of the shows by our writers that really help persuade people to go."

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2015," says founder Mark Gasson. "This year we have worked with over 325 event organisers, up from 259 in the same period last year."

Artistes on sale with Gigantic include Korn & Limp Bizkit, Adam Ant, Ne-Yo and Thunder, while the company also provides the back office systems for national promoter and multi-venue owner DHP Family's Alt-Tickets platform.

Founded in 2007, the company launched a website last year which, says Gasson, "introduced a range of features based around improving sales for promoters, including a waiting list feature and a client service dashboard area, and we have received overwhelmingly positive feedback."

Direct action

Believing artistes should be able to sell direct to their fans and having refined what used to be called bundling (offering a T-shirt or recorded material to a ticket sale), Music Glue allows acts, managers, record labels and merchandising companies to sell tickets, music and other stock direct via a single website.

The company, which works with artistes such as Cypress Hill, Metallica, Jack Savoretti, Bear's Den and Opeth, has over 30,000 vendors while ticket-buying customers spend an average of £19 over and above the ticket purchase, according to

they can buy everything they want, direct from the artiste, without being sent to four different e-commerce sites.

"Artistes can sell anything to anyone, in any language, any currency and via any device."

Known for championing the discovery element of ticket-buying, Songkick merged with artiste-focused ticketing platform CrowdSurge last year and was one of the earliest businesses to broaden ticket-buying across the whole fan experience.



"Since the launch of our new iOS and Android apps ... we have seen sales via this channel grow by 100 per cent."

Andrew Parsons

Paul McCartney, Kenny Chesney, Adele and Metallica are just some of the artistes who have used Songkick to sell tickets direct to their fanbases. The new company combines Songkick's concert-finding service, notifying fans of new shows by their favourite artistes, and CrowdSurge's speciality of selling artiste allocations of tickets.

"The business has grown really well," says

CEO Mark Meharry.

"We bring everything together into one place, so that fans can make purchases direct from the artistes they love, in one simple transaction," says Meharry. "Over five years, we calculate that a fan's email address is worth £53 in merchandise, music and ticket sales."

He believes fans get a better deal purchasing through Music Glue, "Because

Songkick CEO Matt Jones.

"A key problem in this industry is unsold tickets, and we have to try to sell out every show and improve the customer experience.

"We're also addressing the problem of secondary ticketing, making sure tickets end up in the hands of real fans. Our proprietary software reduces scalping by identifying bots [software that harvests tickets for touts]. More and more artistes and their managers want to take control of their tickets and put them through platforms that connect with fans."

What, no fees!

Dice Tickets has ambitions to make a similar impact on ticketing to that of Airbnb or Uber in other markets.

"The notion that all concerts sell out is wrong," says Dice founder and CEO Phil Hutcheon. "We're competing with [online television company] Netflix so we need to be clever about our marketing."

The company, which has worked with Justin Bieber, Adele, Wilderness (10,000) and Park Life (20,000), even believes its business model allows it to make the booking fee redundant.

"If you focus on fans and on mobile technology, you can only grow the industry," says Hutcheon. "We're a tech company with investors who are thinking long-term. We've invested in a beautiful app with an amazing critical path [the customer's journey through the website].

"A no-booking-fees policy creates a transparent atmosphere with fans, who know they're buying the cheapest ticket," explains Hutcheon. "We hate touts and, by being mobile-only, you immediately stop bots. Our machine learning also detects touts, so we can stop suspicious behaviour."

He feels booking the ticket is a small part of the customer experience and deeper engagement with the customer benefits artistes even more.

"Booking the ticket takes two seconds," he ►



Phil Hutcheon



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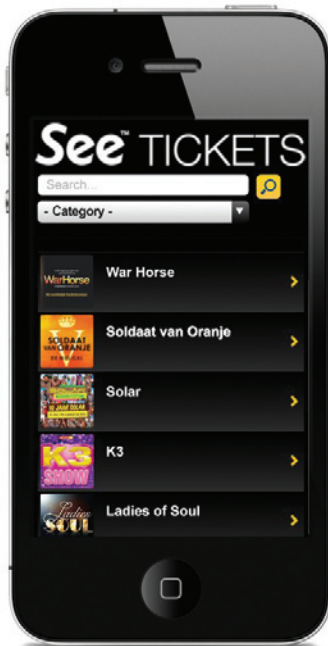
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says. "Now we can send the buyers messages about a new single or artistic collaboration, or recommend the next wave of artistes. We're not telling our future competitors how we will monetise the service but, when we do, we believe the public will say, 'That's cool'."

Brand ambassadors

Street Team uses an entirely different model for selling tickets, inviting fans to become "ambassadors" for events, rewarding them for selling tickets via their social media networks.

"The main reason people go to events is because their friends are going," says Street Team co-founder Liam Negus-Fancey. "You trust your friends and have a two-way relationship with them. We've built software which rewards and motivates ambassadors to drive ticket sales and customer services."

"We now have 200 clients around the world and \$10m [£7.73m] funding."

He says the company has sold 200,000 tickets this year, including 8,000 to Reading (90,000) and Leeds (80,000) festivals and 15,000 to Bestival (55,000), using this peer-to-peer system.

However, Negus-Fancey insists that Street Team is more a marketing company than a ticketing operation.

"At the moment, we carry out the ticket sale but that's not our long-term plan," he says. "We're seeking API integration with ticketing companies' systems. Our fees are performance-based and come from the face value of the ticket, not the booking fee. Working with Eventbrite, for example, we integrate with the promoter's marketing so it's a seamless experience for the customer."

Paper works

Finally, the good old paper ticket still plays a significant role, according to Ticket Zone.

"Telephone sales are not dead," says Wayne Munday, chief operating officer of the Devon-based company. "Traditional acts, the older demographic and high value tickets still make use of call centres to buy tickets."

"Where the price is high, the physical ticket is part of the customer's reward for attending the event."

Primarily business to business, Ticket Zone is an independent ticketing and box office provider working with Wembley Stadium, Disney on Ice producer Feld Entertainment and Strictly Come Dancing Live to optimise ticket sales.

"We have a trade desk with links to 20 different ticket agents across the UK – if a promoter wants to increase their ticketing reach, we take away complexity for dealing with multiple agents," says Munday.

Although the ticketing sector continues to fragment with new entrants emerging almost monthly, the upside is that many of the new ones offer something different to the mix.

Whether it's social media interaction or artiste-to-fan special offers, all the energy is going into selling tickets, which in turn helps promoters, venue operators and artistes make live music events more successful. ■



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