

## SECTOR FOCUS

# Ticket to t

While secondary ticketing is undoubtedly the most controversial issue facing the live music industry, the primary ticketing sector is also undergoing rapid and widespread change, as new technology and the internet continually present new opportunities. **Chas de Whalley reports**

Buy their latest album online and go to the head of the queue for tickets when the band announces its tour dates.

That's the offer Ticketmaster, the UK's largest primary ticket agent, has put together with iTunes round the new Foo Fighters album.

Early purchasers of *Echoes, Silence, Patience and Grace* will be emailed a code which they can use on [Ticketmaster.co.uk](http://Ticketmaster.co.uk) when the presale is announced later this year.

Ticketmaster UK MD Chris Edmonds says this should be the first of many new online initiatives designed to consolidate the company's position in a rapidly changing market.

"The internet has radically altered our relationships not just with the public, but with promoters and artistes too," he says. "Simply providing tickets to events won't sustain our business in the future. We already offer hotel packages to West End theatre shows and Thames Clipper tickets to The O2, but we need to be looking at new ways to enhance our core offer."

The announcement coincides with the news that Ticketmaster and Live Nation are to part company in the US in 2008 (see *Audience*, issue

91) and comes as many in the UK are questioning the booking fees charged by ticket agencies.

Now that barcodes on a mobile handset can be read on the door and registration details emailed to purchasers to print at home are rapidly becoming the norm, the days when traditional agencies put pre-printed tickets in the post are clearly numbered.

Consequently, established players like Ticketmaster and See Tickets are under threat from new companies seeking to challenge the practices upon which the sector has been built over the last 20 years.

One such is eTickets, based in Richmond, Surrey, and hailed as one of the most innovative new businesses of the year by online business magazine *Startups*. Its new software package enables promoters to sell and deliver tickets directly to the public through their own websites, while retaining all the cash from the transactions too.

"With eTickets it will only cost promoters 60p a ticket, plus the percentage they have to pay to process credit cards, whether they want to sell 10 tickets or 10,000 tickets. That means they can cut back on booking fees so the public gets to benefit too," says eTickets' Matt McNeill, who co-founded



Chris Edmonds



Matt McNeill



Mobiqu mobile ticket

# the future

the company in August 2006 and has already seen his service successfully adopted by Yorkshire's Tribfest (5,000) and South London-based Lily Events, which co-promoted Serbia's Exit Festival (60,000).

McNeill adds that his DIY system enables promoters to "own the relationship with the consumer and add value to their business" by the creation of their own customer databases.

**Simply providing tickets to events won't sustain our business in the future**

Chris Edmonds

## Seamless services

In February 2007, secureTickets from Stockbridge in Hampshire launched an "end-to-end system" named Celebratio which, according to sales and marketing manager Paul Walker, "not only processes ticket sales, but also allows promoters to manage all the finances of an event

and settle all third party payments the moment the curtain goes up."

Charging a standard installation fee of £2,000 plus a small percentage payment per event, secureTickets is targeting middle-ranking promoters and venue owners who believe the internet can allow them to take care of all their own business. It already numbers such as the Cambridge Folk Festival and the Godalming Theatre (300) among its satisfied clients.

However, as See Tickets MD Nick Blackburn points out, selling tickets is one thing, but delivering the kind of seamless service which today's concertgoers have come to expect is quite another.

"It's easy to sell-out a few big events, but you've got to keep open all year round, because this is a



Paul Walker



Nick Blackburn

Parlaying relationships with major promoters like Metropolis Music and SJM Concerts built up during years as senior events manager at See Tickets, Gasson can offer tickets to shows by such as Klaxons and Arcade Fire at venues ranging from the Manchester Evening News Arena (14,000) to The Fez Club (500) in Reading. After only five months he reports that Gigantic is "already exceeding its targets massively".

In a further bid to cement its credibility with the younger, tech-savvy rock audience, Gigantic.com pledges to donate 10 per cent of booking fees to environmental charity Global Cool.

Meanwhile former Goldman Sachs media and telecoms analyst Mark McLaughlin is the architect of another new agency Ticket Text, which signed an exclusive deal with Ryanair in July to offer tickets to music, theatre and sporting events, via SMS text messages and print-at-home options, to the budget airline's 52m customers.

Ticket Text's management team includes former Sony BMG European head of marketing Tim Delaney and senior ticketing manager at the Athens Olympics Ronan Kitching. Taking a distinctly internationalist view, they have so far linked with Live Nation over Rod Stewart and Take That shows in Spain, as well as selling tickets for Bill Clinton's recent appearance at The O2/Indigo (2,300) in London.

"We don't charge fees to promoters, because our yield management model is based on ticket purchase being the basis for selling other goods and services," explains McLaughlin. "Our scanners at participating venues can print out special offer coupons, not just for beer or popcorn, but for discounts at clothes stores like Top Shop."

## Grassroots appeal

Sophisticated secondary revenue streams such as these are unlikely to appeal to promoters at smaller pub and club venues like London's 100-capacity Windmill in Brixton or Riffs (200) in Blackpool, who regularly use the online system offered by Oxford-based WeGotTickets.com.

"The bottom end of the market has expanded as dramatically as the top end over the last couple of years," says WeGotTickets business development director Dave Newton. "Rather than have to get there early and queue on the night, fans now want guaranteed entry to even the smallest pub gig, before they leave the house."

It used to be too expensive to offer a £5 ticket in advance, Newton recalls. Now, using WeGotTickets' system, the online buyer can be emailed a reference number to quote when he or she arrives at the venue. As touting can be as



Kimsa



Mark Gasson



Ticketmaster mobile phone barcode

Long Tail business," he explains. "Our average margin is 12 per cent, which is not excessive for any industry. From that we have to pay for the back office, the call centres, the teams of people we send to the big festivals to handle on-site enquiries, as well as make refunds in the event of cancellations. So I'll be very interested indeed if anybody can make money charging less."

However, the news that Ticketmaster founder Fred Rosen has come out of retirement to join Canadian software developer AudienceView may yet send a shiver down Blackburn's spine.

Over the last three years AudienceView has sold its "white label" sales management application - capable of processing 60,000 tickets in under 90 minutes - to a long list of football clubs and entertainment venues, including Birmingham's NEC (12,300), Sheffield's Hallam FM Arena (12,000) and, most recently, the new Wembley Stadium (70,000) and soon-to-be-opened Liverpool Echo (10,600) complex.

"Our business is built on the concept of the 3 Cs," says AudienceView CEO Kevin Kimsa from the company's HQ in Toronto. "That's Content, Concrete and Consumer. The acts and the audience may change, but you can't put an event on without a venue."

AudienceView's traditional approach of licensing self-operable versions of its basic platform is to be upgraded to a comprehensive S&S (software and service) model, which will replicate the customer care offered by the most trusted agencies.

"Fred coming on board has given us a real shot in the arm," continues Kimsa. "We believe that the time is ripe for venues to take back control they've lost to promoters and ticket agencies. It's now wet clay time over who should own the profit margin from a ticket sale."

## Cool alternative

Nevertheless there are many who still believe there is life in the old model yet and are ready to take on See Tickets and Ticketmaster at the old game. One such is Gigantic.com which went live in April of this year as "the fresh and friendly face of internet ticketing".

"There is definitely room in the market for agencies who are not trying to be all things to all men," says Gigantic MD Mark Gasson.

# mobiqua

## mobile ticketing solutions

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