

**DIRECTORATE FOR SCIENCE, TECHNOLOGY AND INNOVATION  
COMMITTEE ON CONSUMER POLICY**

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**Roundtable on Secondary Ticket Markets**

**Summary of discussion**

**OECD, Paris  
11 April 2019**

This document summarises a Roundtable on secondary ticket markets that was held by at the 97<sup>th</sup> meeting of the Committee on Consumer Policy (CCP) on 11 April 2019. It highlights some of the key themes and issues raised during the discussions. The final agenda for the roundtable is attached as Annex A.

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## *Summary of Roundtable on Secondary Ticket Markets*

### **Background**

1. As part of its 97th Session, on 11 April 2019, the Committee on Consumer Policy (CCP) held a roundtable exploring the consumer challenges associated with secondary ticket markets. At the event, delegates were invited to address the following questions:

- What are the main consumer issues raised by secondary ticketing?
- What is the extent of the consumer detriment caused?
- How should policy makers determine whether and how to intervene in secondary ticket markets?
- What policy considerations are relevant?
- What are the most effective and efficient policy options for addressing consumer detriment in the secondary ticketing market?
- What is the role of enforcement?

2. The following provides a summary of the main points discussed by the Committee, which were informed by a general overview of market structure, trends and issues, provided by the Secretariat (Dries Cuijpers), as well as presentations from the delegates of Belgium (Ms Dominique Lemaigre), France (Ms Héloïse Duriez), Japan (Ms Ayako Terauchi) and the United Kingdom (Mr Jason Freeman). The final agenda for the roundtable is attached as an Annex.

### **Main points**

3. Ticket selling is a growing market around the world, with an estimated global value of USD 171 billion in 2021 (Technavio, 2016<sup>[1]</sup>). It is composed of the primary ticket market, on which vendors sell tickets to consumers on behalf of artists, performers and sports clubs, and the secondary ticket market, where tickets that are purchased by companies on the primary market are generally sold at a higher price.

#### ***The interplay between the primary and secondary ticket markets***

4. The roundtable showed the importance of understanding the incentives and the interdependence of the primary and secondary ticket markets.

5. In most jurisdictions, tickets sold on the primary ticket are under-priced, and their availability for many events is below demand. Such ticket scarcity is often justified by the need for primary ticket sellers to sell out quickly, to broaden an audience in the long term, to create short-term liquidity, to make events accessible to a specific fan base, or to earn substantial revenues from complementary goods sold at events. In addition, primary ticket sellers sometimes deliberately sell tickets to the secondary market to limit the availability of tickets around an event for reputation purposes.

6. Secondary ticket sellers, on the other hand, tend to set ticket prices for more than their face value. They often buy tickets on the primary market quickly and in large quantities, sometimes using buying (“bot”) software, which reduces the availability of

tickets for consumers. While secondary ticket sellers may have no incentive to undermine primary ticket sellers in the long run (considering their dependence on the primary market), short-term business considerations might sometimes lead them to engage in rent-seeking behaviour, which may render pricing strategies of primary sellers ineffective. Moreover, some ticket sellers act as primary sellers for one event and as secondary sellers for another, which can blur the interests and responses of both sides of the market.

7. According to some studies, economic efficiency in the ticket market benefits from the existence of the secondary ticket market. However, this is generally to the detriment of consumers as there is a transfer in welfare from consumers to suppliers in the secondary ticket market.

### *Policy issues and approaches*

8. In addition to ticket scarcity and high prices, consumers have reported a number of issues associated with: counterfeit tickets; tickets not being delivered; misrepresentations about tickets' availability, the identity of the seller, seat numbers and positioning; as well as inadequate disclosures about, and misleading practices relating to, price and fees (including drip pricing), and cancellation policies. In a number of jurisdictions, the following options and objectives have been or are being considered to protect consumers:

- Allowing an unhindered secondary ticket market aiming for maximisation of total welfare.
- Putting in place restrictions on resales, through, for example, price caps, to notably protect performers against reputational damage from high prices, or to ensure access to cultural and sporting events for the general public.
- Enforcing consumer protection legislation and providing consumer education.
- Allowing for market-based solutions, such as self-regulation.
- Banning secondary ticket sales.

9. Delegates noted that primary ticket sellers do not always reveal the rationale behind their pricing strategies, which can challenge regulators and enforcers' ability to determine whether and how to intervene. They pointed to the limits of ticket resale bans, which are hard to enforce in practice, especially in a cross-border context. The use of consumer protection legislation on misleading trade practices and disclosures was generally regarded as more effective, despite a lack of cooperation mechanisms for enforcing consumer protection across borders. Delegates discussed the possibility to require online search engines to remove paid-for advertising by secondary sellers that violate a resale ban, or any other enforcement decision or court order. Some delegates suggested that sellers on the primary ticket market could do more to prevent secondary ticket sales, for example by making automated or bot buying on their websites harder. They also stressed that primary ticket sellers, when trying to limit secondary sales, should apply solutions that do not affect consumers, such as cancelling resold tickets and denying access to events.

### *A competition perspective*

10. Delegates acknowledged the complementarity of consumer protection and competition law enforcement, noting that some issues, such as excessive prices on the secondary ticket market, or low supply of tickets, could potentially be the result of anti-competitive behaviour. A ticketing business with a dominant position on the market could,

for example, be in a position to unilaterally limit supply or increase prices. Concerns were also expressed about vertical cooperation and possible integration within the ticket supply chain. For example, long-term exclusive selling agreements between primary and secondary market players, or mergers between them, may have the potential to negatively affect competition. The same could apply to the integration of ticket vendors with other market players, such as venue operators and ticket aggregators. Some delegates indicated that they had initiated or completed investigations in the ticket market in relation to competition law violations, sometimes in conjunction with consumer protection violations.

## Summary of delegates' presentations

### *Belgium*

11. The delegate of Belgium (**Ms Dominique Lemaigre**) pointed to legislation adopted in 2013, which prohibited the reselling of tickets, and aimed to: i) ensure access to cultural and sports events for all; ii) prevent secondary ticket sellers from creating artificial scarcity on the ticket market; and iii) prevent high prices on the secondary market. Under the law, disclosure of ticket prices should be made upfront (including during the advertising stage) and be clearly visible on tickets, including those provided at zero price. Regular purchasing and reselling of tickets is prohibited (except for seller accredited by the primary vendor or for organisations, such as fan clubs), as is the resale of tickets before they are officially on sale (speculative tickets), or sales of free or gift tickets. Sanctions include reimbursing those buyers of resold tickets with the overcharge that they paid; criminal sanctions, such as the repeal of an authorisation to resell tickets; and judicial sanctions whereby those organisers that notice mass reselling can ask the judiciary to prosecute the reseller.

12. Ms Lemaigre noted that following its adoption, the legislation had been challenged before the Belgian Constitutional Court by online platforms involved in the selling of second hand products, including secondary tickets. The court upheld the legislation, arguing that the restrictions of free movement of services was justified by the general interest that was served by the restriction. The European Commission decided in favour of the legislation based on a similar reasoning. Ms Lemaigre noted however that while the law had helped to facilitate the control of sales by individuals, sellers or digital platforms based in Belgium, it had hit a limit when it came to controlling ticket resales by digital platforms within the European Union. Ms Lemaigre also added that different interpretations by other national consumer protection authorities had made effective enforcement of the Belgian rules difficult. She concluded, however, that the recent adoption of an EU-wide prohibition on the resale of tickets acquired by bots might help to enhance Belgium's cross-border enforcement.

### *France*

13. The French delegate (Ms H elo ise Duriez) pointed to France's anti-scalping act from 27 June 1919, which prohibits the resale of state sponsored tickets for more than face value, and sets out a criminal prohibition to resell tickets without the authorisation of the organiser. Ms Duriez indicated that the legislation aims to prevent excessive ticket prices and the selling of tickets for speculative purposes, and to ensure general access to cultural events while protecting pricing strategies and the reputations of performers. Ms Duriez indicated that the French legal framework, which applies to ticket resales via the internet, had been challenged before the Constitutional Council on the basis that it could restrict entrepreneurial freedom. The Council, however, upheld the legislation, which, it noted, does not impose an outright ban on tickets sales and allows for resale between consumers.

14. Ms Duriez reported on recent investigations, which revealed problems associated with: inadequate disclosures about terms and conditions, prices and fees; unfair terms; ticket prices above face value; handling fees; consumers not receiving tickets; counterfeit tickets; unfavourable and undisclosed seating arrangements; and denial of access to events for which consumers had tickets. The authorities also observed offers for tickets before the official launch of tickets sales on the primary market and large-scale purchasing of tickets on the primary market by secondary sellers. The investigations resulted in a follow-up court order against *Viagogo*, an online ticket marketplace for ticket resale, which was required to end its misleading practices in relation to pricing and limited time to buy a ticket.

15. In conclusion, Ms Duriez noted that the primary ticket market should adapt to how tickets are being purchased and sold by secondary sellers. For example, organisers could limit the number of tickets that can be purchased by one buyer or sell tickets over a longer period of time to make large-scale purchasing harder.

### *Japan*

16. The delegate of Japan (**Ms Ayako Terauchi**) provided an overview of the ticketing market in Japan, which was estimated at USD 4.2 billion in 2017, and is steadily growing. Ms Terauchi indicated that about 1800 consumer complaints regarding concert tickets had been filed in Japan in 2017. Such complaints related to consumers' inability to access an event with a secondary ticket, the difficulty to resolve issues with secondary ticket sellers, and fraudulent practices involving counterfeit tickets or consumers not receiving their purchased tickets.

17. Ms Terauchi then reported on recent initiatives conducted in Japan in the run-up to the 2020 Tokyo Olympics to address the consumer issues associated with secondary ticket markets. She presented legislation enacted in December 2018 to ban the resale of tickets for more than face value, along with the purchase of tickets for the purpose of scalping. The law, which came into force on 8 June 2019, has been promoted by national and local authorities to inform consumers about the risks associated with ticket markets. An article developed by the Government's public relations office about the new requirements, which was made available online for 3 days, was viewed 40 000 times, and generated 7000 retweets, showing clear consumer interest in the issue. Businesses have since taken measures to address the problems through, for example, the introduction of e-tickets to prevent unauthorised sales, and the establishment of official secondary ticket websites on which tickets can only be resold for face value.

18. Ms Terauchi also indicated that Japan had recently organised a stakeholder meeting on ticket markets where participants shared information on issues related to the commercial practices of *Viagogo*. She finally reported on the results of an online survey regarding the online purchase of tickets conducted in February 2019, which targeted 500 Japanese consumers and, which revealed that while 30% of respondents did not experience any problems, 40% had not been able to buy a good seat, and 35% could not win a ticket lottery. Furthermore, of about 25% of respondents who had bought a ticket on the secondary market, more than half had purchased a ticket for more than face value. The survey also showed that 20% of respondents would be willing to pay 50% more for a ticket, while another 10% would accept paying 100% more for a ticket.

### *United Kingdom*

19. The UK delegate (**Mr Jason Freeman**) reported on the United Kingdom's enforcement experience in the secondary ticket market. He first referred to the importance

of understanding the difference between the face value and the market value of a ticket. He noted that standard economic theory argues that a consumer willing to pay the most for a ticket will get it. He added that such theory however does not consider issues of equity and ability to pay (e.g. someone with a lower income may be willing to pay a larger percentage of her income for a ticket than a wealthier person, but if this is less in absolute terms, she may not get the ticket). He then noted that primary sellers could do more to limit ticket resales, via, for example, identity checks, or efforts to prevent bot-buying.

20. Mr Freeman stressed that bans on resales are not considered effective and may have unintended consequences, and impede personal freedoms. Individuals should not be limited in what they can do with their property, and a prohibition may not end resales; it may just make them harder to control. Likewise, blacklisting resellers may be easy to circumvent, and the possibility to cancel the transferability of tickets may lead to a reduction of transparency in the secondary market with resellers no longer disclosing seat numbers to avoid ticket cancellation. He pointed to efforts to enhance transparency on the secondary ticket market. For example, under recent undertakings and a court order, *Viagogo* was required to disclose information about sellers (identity, affiliation), the ticket (seat number, face value – the latter encountering a lot of resistance), the price (full upfront pricing), the risks (cancellation) and the fairness of the platform’s guarantees. He noted that platforms should be responsible for checking issues associated with ticket resale (such as resale conditions and ticket availability on a primary seller’s website before advertising ticket resales). Mr Freeman observed, however, that while increased transparency is expected to help reduce ticket fraud and lower prices on the secondary ticket market, secondary ticket sellers and platforms may move slowly to comply with the measures and are likely to continue to advertise aggressively and deploy pressure selling. He finally indicated that enforcement is generally difficult in a cross-border context where resellers can easily move abroad or provide false misleading information about themselves.

### Possible next steps

21. The CCP Chair invited the Committee to consider possible next steps for the project. It was agreed that in addition to preparation of this summary, the topic of secondary ticket markets may be revisited in the future, as appropriate, through, for example, policy-related updates from delegates at CCP meetings<sup>1</sup>. Delegates could also share any such information within the framework of the International Consumer Protection and Enforcement Network (ICPEN), including through the ICPEN intranet. Finally, it was agreed that the Secretariat would contact the OECD’s Competition Committee to inquire whether they had developed any work on secondary ticket markets-related issues.<sup>2</sup>

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<sup>1</sup> The Chair, intervening as the US delegate, indicated that the US Federal Trade Commission mentioned would organise an event on ticketing on 11 June 2019, for which it would welcome input.

<sup>2</sup> Following the roundtable, the Secretariat was informed that the Competition Committee has not developed any work on secondary ticket markets.

## *Annex A. Agenda for the roundtable on secondary ticket markets*

### **Introduction**

In the past, consumers bought paper tickets at their local sports club or the box office. Nowadays, the vast majority of consumers buy tickets for sports and music events online (United States Government Accountability Office, 2018<sup>[2]</sup>). Online vendors offer convenience. No waiting in line, tickets are purchased and distributed electronically. Online ticket aggregators offer possibilities to search and compare tickets for a large range of events offering considerable choice (Courty, 2017<sup>[3]</sup>). As a result, the ticketing business has developed into an industry with a global worth of an estimated USD 171 billion in 2021 (Technavio, 2016<sup>[1]</sup>), with many ticketing businesses operating internationally and some globally.

The market has also developed in complexity. Today's ticketing process involves many actors such as the artists or sports clubs, promoters, venues, primary ticketing vendors, and businesses and consumers that resell tickets. Generally, the term primary market refers to sales of tickets by performers directly or by vendors on their behalf. The term secondary market refers to the sales of tickets that are bought on the primary ticket market to be resold with the aim of making profits. The markets for the primary and secondary sales of tickets are interdependent and partly integrated. Vendors can be primary sellers for one event and secondary sellers for others (Australian Government - The Treasury, 2018<sup>[4]</sup>) (Europe Economics, 2009<sup>[5]</sup>).

Although many consumers resell tickets directly to other consumers (or through online platforms) on the secondary market (Europe Economics, 2009<sup>[5]</sup>), peer-to-peer transactions are not the focus of this roundtable. Instead, it will focus on the secondary ticketing market players that buy tickets on a large scale with the aim of reselling them for a profit, a practice known as scalping, touting, brokering, reselling or secondary selling tickets. Some of the business practices of this part of the secondary ticket market have caused discontent among consumers (FanFiar Alliance, 2017<sup>[6]</sup>) (CHOICE, 2017<sup>[7]</sup>), sometimes eliciting strong emotions, leading to unfavourable press and political outcry. Tickets on the secondary market are often more expensive than tickets sold through the primary market, and many consumers blame secondary ticket markets for creating scarcity on the primary market. Some consumer agencies have brought enforcement actions against resellers that mislead consumers in the purchasing process. In addressing these issues, OECD countries have undertaken different approaches that can be divided into three categories: (i) legislation or rules banning ticket resales or the use of bots; (ii), the implementation of price caps on resale margins, and (iii) enforcement actions against fraudulent and misleading practices.

The roundtable aims to identify and discuss the main consumer issues in relation to the secondary ticket market. As background, this agenda (i) provides a brief overview of the economics of the secondary market, (ii) outlines the main consumer issues, and (iii) presents a number of regulatory options, and related enforcement considerations for addressing consumer problems. The Committee's Consumer Policy Toolkit, which provides a comprehensive six-step process for decision making, provides a reference point for the roundtable discussion.

## The economics of the secondary ticket market

As the Toolkit emphasises, it is important to understand the market in order to identify situations where markets are failing to produce good outcomes for consumers, and where government intervention can improve those outcomes.

The secondary ticketing market is large. Due to the sensitivity of the information, figures on the value of the secondary ticket markets are hard to obtain (Europe Economics, 2009<sup>[5]</sup>). The United States Government Accountability Office refers to a market value of USD 9 billion for both the primary and secondary ticket market together. It does not further specify the value of the two markets (United States Government Accountability Office, 2018<sup>[2]</sup>). A 2008 report for the US-market predicted the value of the secondary market to be USD 4,5 billion, 20% of the primary market value that was estimated to be USD 22 billion (Sucharita Kodali, 2008<sup>[8]</sup>).

Performers, their promoters and vendors that sell tickets on the primary market often do not set ticket prices in a way that is economically efficiently in the short term. They may under-price tickets for several reasons: to sell out quickly and avoid reputational risk, to broaden an audience in the long-term, to create short-term liquidity, to shift risks, to make events accessible to a specific fan base, to meet social or political pressure or to earn substantial revenues from complementary goods sold at events (such as food, beverages, parking and merchandise) (United States Government Accountability Office, 2018<sup>[2]</sup>) (Europe Economics, 2009<sup>[5]</sup>) (Australian Government - The Treasury, 2018<sup>[4]</sup>) (Waterson, 2018<sup>[9]</sup>). The United States Government Accountability Office adds that event organisers may unintentionally under-price concert tickets because of imperfect information about what consumers are willing to pay. Tickets are also priced based on the prices and sales of the artist's (or similar artists') past tours, but demand can be hard to predict (United States Government Accountability Office, 2018<sup>[2]</sup>).

The under-pricing in the primary market creates reselling opportunities and a secondary ticket market that focusses on maximising short-term profits. This rent-seeking behaviour or seeking short-term profits in the secondary market leads to ticket prices that are often higher than face value. Studies report estimated average mark-ups of around 40% to 50%, with a wide distribution of margins from less than 5% up to 7000% in exceptional cases. The differences in margins are explained by factors like the type and popularity of the event and the seat quality (Philip Leslie, 2014<sup>[10]</sup>) (New York State Attorney General, 2016<sup>[11]</sup>). The United States Government Accountability Office found Some tickets are sold on the secondary market below face value, which could mean that resellers make a loss (Philip Leslie, 2014<sup>[10]</sup>) (Europe Economics, 2009<sup>[5]</sup>).

A 2014 study looked into the economic effects of the secondary ticket market in United States of America. It suggested that resale markets are overall welfare-improving, because the gains of the allocative efficiency outweighing the additional transaction and rent-seeking costs. The study noted that resellers seem to capture most of the surplus, with the surplus for consumers being narrowed by resales (Philip Leslie, 2014<sup>[10]</sup>).

## Consumer issues raised by the secondary ticket market

The Consumer Policy Toolkit also counsels that policy makers should identify areas where consumer problems are apparent and understand the sources of detriment. One consumer issue related to the selling and reselling of tickets is fraud. Inevitably, ill-motivated individuals or collectives will try to deceive consumers by selling fake tickets, through

various and constantly changing schemes. These practices are harmful to both consumers as well as genuine ticket sellers, promoters and artists. Law enforcement agencies as well as the ticketing industry participants regularly undertake efforts to prevent and terminate fraudulent behaviour. For example, Google implemented a certification system for advertisements for tickets sales on its search engine<sup>3</sup>. It is not clear, however, how widespread outright fraud (as opposed to deceptive marketing practices) is on the secondary ticket market (United States Government Accountability Office, 2018<sup>[2]</sup>). Moreover, it is not clear what effects the existence of a secondary market has on fraud. Some argue that banning the secondary market might force secondary ticket sales underground, creating more opportunities for fraud<sup>4</sup>.

Because the primary market generally under-prices tickets (Australian Government - The Treasury, 2018<sup>[4]</sup>) (Europe Economics, 2009<sup>[5]</sup>), tickets on the secondary market are generally more expensive, especially for popular and exclusive events (United States Government Accountability Office, 2018<sup>[2]</sup>) (New York State Attorney General, 2016<sup>[11]</sup>). Generally, consumers seem to dislike the high mark-ups. They feel ripped-of and have little trust in the secondary market. (CHOICE, 2017<sup>[7]</sup>) (FanFiar Alliance, 2017<sup>[6]</sup>). Some argue that the mark-ups on the secondary market are not justified by the value added by the secondary market (Europe Economics, 2009<sup>[5]</sup>). As mentioned above, one study shows that higher prices on the secondary market seem to benefit the overall economic welfare, but may squeeze consumer surplus (Philip Leslie, 2014<sup>[10]</sup>). Finally, it should be noted that high prices on the secondary ticket market could also be the result of the impediments to competition between resellers, such as a reseller having a dominant position on the market.

Another consumer issue is the low availability of tickets on the primary market. Primary ticket sellers often sell tickets through restricted pre-sales for sponsors, loyalty members (such as members of an artist's fan club or certain credit card holders), and season ticket holders, with practices varying per sector. This reduces the supply of tickets available for sale to the general public. One report estimated that 10 to 30 percent of tickets for major concerts typically are offered through presales, although it can be as high as 65 percent of tickets for major artists performing at large venues. In addition, venues, promoters, agents, and artists commonly hold back a small portion of tickets from public sale for media outlets, high-profile guests, or friends and family of the artist (United States Government Accountability Office, 2018<sup>[2]</sup>) (Australian Government - The Treasury, 2018<sup>[4]</sup>) (New York State Attorney General, 2016<sup>[11]</sup>). Furthermore, primary sellers aim to sell out quickly. They sometimes do so by creating the impression of scarcity, or by deliberately selling tickets to the secondary market directly ( (Australian Government - The Treasury, 2018<sup>[4]</sup>), (Europe Economics, 2009<sup>[5]</sup>). The sophisticated use of bots by secondary sellers to quickly buy large quantities of tickets on the secondary market may also be a reason for limited availability of tickets (Koebler, 2017<sup>[12]</sup>), but does not seem to lead to completely sold out shows (CHOICE, 2017<sup>[7]</sup>). Some observers estimate that, on average, approximately 20% of tickets are sold on the secondary market (Horowitz, 2017<sup>[13]</sup>) (Sucharita Kodali, 2008<sup>[8]</sup>).

A final set of consumer issues involves misleading practices such as drip pricing (additional fees, surcharges, etc.) and disclosures (on issues like face value, additional fees, availability of tickets, seat location, cancellation policy and the identity of the seller). It may also be misleading for a reseller to create a false impression of scarcity of tickets or a false

<sup>3</sup> See: <https://support.google.com/adspolicy/answer/7577050?hl=en>.

<sup>4</sup> See: <https://www.acm.nl/nl/publicaties/publicatie/15897/ACM-ziet-geen-aanleiding-voor-verder-onderzoek-naar-doorverkoop-kaarten>.

impression of being the primary seller. Another issue is that a subset of secondary ticketing sites, known as “white-label” sites, which often appear as paid results of Internet searches for venues and events, often charge higher fees than other ticket websites—sometimes in excess of 40 percent of the ticket price—and use marketing practices that might mislead users to think they were buying tickets directly from the venue. In addition to paying higher prices, some consumers that believe that white-label ticketing sites are the official venue site, leading them to accept high fees (United States Government Accountability Office, 2018<sup>[2]</sup>). Studies show that consumers indeed experience confusion and a sense of being misled because of these practices (FanFiar Alliance, 2017<sup>[6]</sup>) (CHOICE, 2017<sup>[7]</sup>). Other potential misleading practices include: i) false or misleading representations about the location of the seat sold or the face value of the ticket ii) so-called ‘speculative tickets’ which are tickets that appear for sale on the secondary market before they are available for sale to the public through a primary seller iii) cancellation policies that offer very limited or no reimbursement in case of cancelled shows and iv) practices that affect the invalidity of tickets or access restriction that result from the (unauthorised) resales of tickets or selling seats multiple times. Enforcement agencies in many OECD countries currently pursue or have pursued cases involving one or more of these misleading practices.

### Policy options and enforcement considerations

The Consumer Policy Toolkit also provides a recommended structure for identifying a range of policy options to address and evaluating the costs and benefits, as well as potential effectiveness, of the policy options. The ticketing market has multiple players and there is integration and overlap between the primary and secondary market. Hard data on the secondary market may not be easy to obtain and there are differences from country to country. Against this backdrop, a first priority in policy-making could be an in-depth assessment of the different economic effects of the secondary ticket market and the level of consumer detriment arising from this market, as multiple OECD countries have done (OECD, 2010<sup>[14]</sup>). A next step could be to identify the different policy objectives that are at play in the debate on the secondary ticketing market. One prominent objective is consumer protection, such as creating transparency and ending misleading practices. Another consideration is easy access to cultural and sports events for the general public. This consideration could be a reason for policy makers to choose to cap resale prices and prohibit the use of bots. It could have the effect of redistributing wealth from the secondary market towards consumers and performers. In economic terms this consideration boils down to whether policy making in the ticketing market should serve welfare-optimisation, welfare distribution purposes or a balanced trade-off between the two.

The next step would be to determine whether intervention is necessary, and whether existing laws and rules are sufficient or whether new laws or rules could be developed to achieve the policy objectives. This could entail the assessment of the effects of different proposed regulatory solutions, such as price caps or bans, restrictions on the transferability of tickets, and prohibitions of bots, as well as the assessment of market developments that could potentially offer solutions (in the long-run), such as the use of blockchain technology (OECD, 2010<sup>[14]</sup>). It also requires an analysis of the specific features of proposed regulatory solutions. For example, ideally resale prices would be capped in such a way that it allows for the secondary market to function, while at the same time leading to the desired price reductions for tickets on the secondary market. Because mark-ups differ across market segments, policy makers might consider whether different caps are required. Policy makers might also consider how to develop caps in a way that they can easily be changed in response to market developments. Another example are considerations around the

effectiveness of bots. An insider questions the effectiveness of bans on bots to increase the chances of consumers obtaining tickets over resellers. Resellers have other critical advantages over consumers such as extensive knowledge about ordering and payment procedures on the vendor's website, password testing, fan club memberships, pre-sales access etc. (Koebler, 2017<sub>[12]</sub>). Another closely related issue is the possibility of effective self-regulatory solutions in this sphere. Primary ticket vendors seem to try to limit or prohibit the large scale buying by resellers (Ticketmaster, 2017<sub>[15]</sub>).

Finally, apart from regulatory solutions, consideration should be given to the role of enforcement. The OECD Policy Toolkit explains that the success of consumer policy in promoting consumer interests depends critically on the interpretation, implementation, and enforcement of policies by enforcement authorities. It is therefore useful to ask whether enforcers can deal with the secondary ticketing market by enforcing consumer laws prohibiting deceptive and misleading practices or whether separate or additional laws or rules are required. If so, are the proposed regulatory solutions easy to enforce? What are the effects of cross-border tickets sales on enforceability of the solutions? Which entity is responsible for oversight and consumer education and business outreach over secondary ticketing markets? Does that entity have sufficient expertise, powers and funds to perform its tasks effectively?

## Roundtable Agenda

Consumer policy makers and authorities in a number of countries have engaged the issues associated with secondary ticket markets. This Roundtable will provide an opportunity for interventions by CCP delegates to discuss national experiences, including both successes and challenges. Several countries have volunteered to provide lead interventions (see below) but all delegations are encouraged to participate in the roundtable discussion. At the conclusion of the Roundtable, delegates will be invited to discuss possible follow-up work in this area.

### Discussion Questions

1. What are the main consumer issues raised by secondary ticketing? (e.g. fraud and misleading practices; low availability of tickets on the primary market; high prices for tickets). What is the extent of the consumer detriment caused?
2. How should policy makers determine whether and how to intervene in secondary ticket markets? What policy considerations are relevant?
3. What are the most effective and efficient policy options for addressing consumer detriment in the secondary ticketing market? What is the role of enforcement?

## Lead Interventions

- **Belgium**
- **France**
- **Japan**
- **United Kingdom**

## Conclusions and Possible next steps

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