

## Ticketmaster's response to the Competition Bureau's Discussion Paper on Pricing Practices

*Ticketmaster welcomes the opportunity to respond to the Competition Bureau's consultation surrounding algorithmic pricing and competition. This submission provides answers to questions 1-4.*

### About Ticketmaster

Ticketmaster has operated in Canada since the 1980s, selling tickets for some of the country's highest-profile events including concerts, sports, theatre, and festivals while also supporting grassroots venues and emerging artists. Headquartered in Toronto and with additional offices in Montreal, Vancouver, Calgary, Winnipeg, and a tech hub in Quebec City, Ticketmaster supports ticket sales for events across the country. Many venue operators and event organizers decide to sell their tickets via Ticketmaster's marketplace because we offer the widest array of ticketing services, making it easier for organizers to manage events and for fans to buy with confidence.

Ticketmaster's secure website and app technology supports fans by ensuring that tickets are authentic, safely stored, and easily accessible when they need them – providing simple ways to enter a venue. Our innovation of digital ticketing and rotating barcodes has been one of the most effective tools in the fight against fraud. And our integrated Verified Resale service allows fans to sell unwanted tickets safely, while new buyers have peace of mind thanks to extra verification steps that ensure each ticket is one-of-a-kind and guaranteed to get them in the door.

### How Ticketing Works on Ticketmaster

While concerts are often singled out in discussions around pricing, all events whether they're sports, music, theater or family productions are priced through the same process. In the primary ticketing market – or where tickets are initially sold – ticket prices are determined by people working for Event Organizers (e.g. artist teams, sports teams, other event producers). Pricing is a very important and personal decision to Event Organizers, and one requiring many judgment calls. The Event Organizers make those judgments themselves. And for all events, Ticketmaster's role is to provide the platform and services to execute the Event Organizer's pricing and distribution strategies. More specifically:

- **Prices are set by Event Organizers:** The people on the Event Organizer's pricing teams consider a number of factors when deciding their pricing strategy, which may include touring costs, event production and staffing, player salaries, anticipated popularity of the event, long-term brand goals, and more.
  - Once prices are decided, Ticketmaster acts as a ticket agent and executes against that plan.
- **Ticket prices on Ticketmaster are set by people, not machines:** Technology provides Event Organizers with many tools to determine the best pricing to meet their goals, but on Ticketmaster those tools inform decisions people make. And while Event Organizers may change their ticket prices, changes are always determined by a human and do not occur automatically.
  - Most often, this occurs when an event has not sold out and the Event Organizer decides to reduce the price to stimulate sales.
- **Enhanced fan communications:** To help consumers better understand pricing of the event they are interested in, we continue to expand our communications. For the most popular events, where fans might wait 30 minutes or more to access the sale, we publish the event's price range upfront, provide updates when lower priced tickets sell out, give estimated wait times and alert them of upcoming sales and/or new or relevant events that may have more tickets.

- **Resale dynamics:** In concert ticketing, many artists choose to price tickets under market value to make them more accessible to their fans. This can create situations, particularly for highly popular shows, where demand significantly outstrips the available supply of tickets at face value. When that happens, resellers often exploit the gap between face value and market value, buying up tickets and relisting them at much higher prices on secondary platforms. This distorts public perception of pricing and fuels frustration, with many fans blaming the artists or Ticketmaster for prices they did not set.

## Response to Discussion Questions

### 1. How algorithmic and dynamic pricing is used in Canada, and how prevalent it is

Algorithmic and dynamic pricing are frequently used to mean the same thing, but they are quite different. Dynamic pricing simply means that the original pricing plan developed by the Event Organizer is subject to change based on information available to the Event Organizer after onsales commence. Algorithmic pricing is an automated way of changing prices, typically through the interaction of real-time demand signals and some kind of mathematical formula. With algorithmic pricing, the decision to change prices is made by computer without the need for human decision-making.

In the discussion paper, the Bureau states “[Algorithmic pricing] is gaining momentum across sectors and industries worldwide, with reports of its use in sectors from hospitality to concert tickets to ridesharing”. The Bureau also uses “concerts” as a scenario in “Example 3”.

It is true that algorithmic pricing tools are available for concerts and sporting events, but not from Ticketmaster. Algorithmic pricing is also more relevant to secondary ticketing, in which the sellers tend to be ticket brokers.

As noted, primary ticket prices are determined by Event Organizers in advance of any onsales, and in the main Event Organizers deliberately choose to price primary tickets below full market value. The choices they make, manually, are based on a general understanding of demand, but since they are choosing not to charge as much as the market might bear, they do not need the real-time information about demand that algorithmic tools offer. Furthermore, when Event Organizers choose to change prices, they still tend to choose pricing that is less than full market value (which by that point in time is likely evident on resale markets).

Secondary markets are different, since ticket brokers are indeed trying to charge as much as the market will bear at any point in time. Algorithmic tools are therefore being market aggressively in secondary ticketing. SeatGeek, for example, offers what it calls “Smart Pricing,” which it describes as follows: “SeatGeek’s Smart Pricing is a feature which gets you the most out of selling your tickets! A multi-faceted algorithm considers various factors (like historical sales, event data, real-time supply and demand data, and more) to actively and automatically re-price your tickets so they sell at the best possible prices without you needing to do any extra work!” Algorithmic pricing tools are also available from technology providers that do not operate ticketing systems.

On Ticketmaster, our services are designed to help humans make informed pricing decisions and are not automated algorithms. Our practices and policies are as follows:

- **We Provide Information to Event Organizers:** Ticketmaster’s role as a ticket agent is to provide data and analytics to support Event Organizers, and then to execute the prices they set.
- **No Algorithmic or Surge Pricing:** Ticketmaster **does not** have automated algorithms or surge pricing that automatically change prices in response to consumer demand.
- **Price Adjustments:** While Event Organizers may occasionally change prices, these changes result from decisions by a human being. Ticketmaster has tools to revise online pricing to implement the Event Organizer’s instructions.

- **No Personalized Pricing:** We **do not have** tools to determine differential pricing where the price of a ticket depends on the characteristics or behaviour of the purchaser.
- **Top Perceptions of Price Increases:** Consumers and press commonly perceive incorrectly that prices have been raised during a high-demand sale. In reality this is typically because:
  - The **least expensive ticket tiers have sold out**, and once sold out, those tiers are removed—leaving only higher-priced options being shown. This creates the false impression that prices are rising, when in fact, some inventory is simply no longer available.
 There are **more price points across a single event than in the past**. Fifteen years ago, most venues had just three to four ticket prices. Today, it's common to see 10 to 30 different pricing tiers for a single high-demand event. In concert ticketing, as touring has become more important to artist income, pricing has become more nuanced to reflect fan demand across different parts of the venue.

It would be incorrect to claim that automated algorithmic pricing is used on Ticketmaster in Canada. Ticketmaster requests that in future papers, the Competition Bureau removes reference its tickets being priced in that manner to avoid potential media misinformation of the topic.

## ***2. Where the data for pricing algorithms comes from***

Ticketmaster does not offer Event Organizers automated algorithms to adjust prices. As such, there is no corresponding data-gathering process for such a purpose. The pricing of tickets is managed at the discretion of the Event Organizers.

The "data" that informs a ticket price is the strategic market assessment made by the Event Organizer, based on factors such as their assessment of demand for the event, event costs, and other market factors. Ticketmaster's role is to provide supporting analysis on the market value of tickets based on its data, and to implement the pricing provided by the Event Organizer.

## ***3. How it [algorithmic pricing] could impact markets and consumers***

Algorithmic pricing is marketed as a way for sellers to set and reset prices at or close to full market value over time. Market value does in fact fluctuate over the course of time, be that the shorter period around when tickets first go on sale or the longer period (often months) between initial onsales and the performance.

We do not believe that algorithmic pricing would materially change primary tickets prices, since artists set prices in advance of any sales and deliberately choose to price primary tickets below full market value. The choices they make manually are well-informed and reflect a judgment not to charge as much as the market might bear. Furthermore, when Event Organizers choose to change prices, they still tend to choose pricing that is less than full market value (which by that point in time is likely evident on resale markets).

Professional resellers would likely find algorithmic pricing attractive since they do seek to sell tickets at full market value.

The most significant negative impacts on consumers and the market do not stem from primary ticket pricing, but from unregulated or under-regulated secondary resale markets. Unlike bad actors in the secondary market, Ticketmaster operates with a high standard of business practice and adheres to all regulatory requirements concerning ticket sales, including those regulations made under provincial consumer protection legislation, such as the Ticket Sales Acts in Ontario, British Columbia, and Alberta.

- **The Role of Bots:** Bots, short for robots, refer to automated scripts deployed to get hold of tickets faster than any human being can. Bad actors use industrial-scale bots to purchase large quantities of tickets from official sellers the moment they go on sale. These tickets are then listed on secondary websites at often exorbitant prices. Ticketmaster invests significantly to combat this, blocking billions of bots globally.
- **Speculative Listing:** A harmful practice known as "speculative posting" involves resellers offering tickets for sale that they do not actually have, often before any tickets have even

been sold. This deceives fans and artificially inflates prices. Ticketmaster has zero tolerance for speculative listings on our site, but this happens widely on other sites.

- **Consumer Harm:** These practices lead to several negative consumer outcomes, impacting all consumers through deceptive practices:
  - **Inflated Prices:** Resale prices for concerts average 200 percent of the price set by the artist. In Canada, the resale of concert tickets is up nearly 300 percent since 2019, with over 80 percent of resale concert tickets being sold for more than 120 percent the face value.
  - **Fan Frustration:** The use of bots and the prevalence of the secondary market make it harder for real fans to buy tickets at face value, leading to a degraded and frustrating experience. The sale of speculative tickets before an official onsale also leads to the general perception of a rigged system, reducing public confidence in the primary ticketing sales process.
  - **Diverted Revenue:** Revenue from inflated secondary market sales goes directly to resellers who take no risk and have no stake in the event, rather than to the Event Organizer and the ecosystem that supports live events.

These unregulated practices in the secondary market present the greatest danger to consumers by distorting prices and creating an unfair purchasing environment.

#### **4. What challenges it [algorithmic pricing] presents for competition authorities**

We do not see algorithmic pricing as presenting any competition issues. It clearly does not with respect to primary ticketing markets since, as already noted, Ticketmaster does not use it and Event Organizers set prices before onsales begin and almost always below full market value. As a general matter, the primary challenge for competition and consumer protection authorities is not the regulation of primary market pricing, which is the product of individual judgments by hundreds of content creators, each of which controls only the pricing for its events. Tickets also remain affordable. For example, in 2024, Event Organizers priced 72 per cent of tickets on our site under \$100 CAD and less than 1 per cent over \$500 CAD.

We do not have a strong opinion on whether algorithmic pricing presents consumer protection issues. The larger problem is ticket scalping, which existed before algorithmic pricing tools came along and will persist with or without those tools. From our perspective, the larger issue is the lack of enforcement of the legislation and regulations already in place to combat illegal and deceptive practices in the secondary market. Specifically:

- **Lack of Enforcement and Resources:** While many provinces have ticket sales legislation in place to protect consumers in the primary and secondary markets, including bans of bots and speculative posting (where sellers *do not* have the tickets they're selling), enforcement of these laws has yet to be fully implemented. Actively enforcing existing consumer protection laws would crack down on all forms of ticket harvesting. The problem is bigger than bots—it's any technology used to intercept tickets meant for real fans. Laws should be broad enough to cover all harvesting methods, not just one tactic.
- **Need for Further Regulation:** To effectively address the scale of the secondary market and the challenges it presents, we encourage governments to consider policies that improve consumer protection, including:
  - **Give Event Organizers full control over resale:** Like in Quebec, legislation should be passed that clearly gives Event Organizers the rights to decide if, when and how their tickets can be resold on secondary markets.
  - **Shut down fake ticket listings and deceptive websites:** Resellers shouldn't be allowed to list tickets they don't actually have or run websites that impersonate official sellers. These tactics mislead fans, especially during high-demand moments. Speculative ticketing should be banned and there should be clear disclosure when tickets aren't in hand or when a site isn't an authorized seller.
  - **Cap concert resale profiteering:** We appreciate that price caps are a remedy of last resort, but given substantial growth in concert resale activity we believe it's time to review. So long as the profit opportunity from ticket scalping remains what it is today,

all these abuses – the bots, the fake accounts, the speculative tickets, etc. – will continue. There should be a 20 per cent cap on concert resale tickets.

Ticketmaster has consistently supported stronger regulation of the resale market and welcomes conversations with governments and regulators to advance protections that safeguard Event Organizers as well as fans and ensure a fair and transparent ticketing ecosystem for all Canadians.

**For further information about Ticketmaster, please contact:**

Shabnum Durrani

Vice President of Public Affairs, Live Nation Entertainment

Phone: 416-452-1699

Email: [shabnumdurrani@livenation.com](mailto:shabnumdurrani@livenation.com)