

## The Ticketing Tides Are Turning For The Secondary Market



The secondary ticketing market has been a problematic feature of the music industry for ages, with online technology transforming it into a multi-billion industry. Now, however, the ticketing industry is on the cusp of a massive transformation which could disrupt things for the secondary ticketing market.

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Guest post by **Sergey Bludov**

*Sergey Bludov, SVP of the Media & Entertainment Practice at [DataArt](#), compares ticketing and retail markets and their attitude toward returns as customer expectations shift dramatically in the digital ecosystem.*

For many decades, event organizers strongly opposed ticket resales, fighting hard to prevent scalpers from purchasing large quantities of tickets with the sole intent of selling the tickets outside the venue on the day of the game or concert. However, official ticket outlets failed to comprehensively satisfy consumer demand, making ticketing scalping profitable and perpetuating this illegitimate marketplace.

Fast forward to today, and we see a radically different environment as the development of online technology has revolutionized the secondary ticket market into a multi-billion-dollar industry, with a wealth of opportunities for all who embrace the change.

Why does a secondary ticketing market continue to exist? The simple reason is the genuine need expressed by fans. At this point, it's clear that fighting resale won't work. We must all accept the reality that the lack of legitimate resale options and the mindboggling complexities involved in returning and transferring tickets is the reason that scalpers prosper. Conversely, official ticket operators can invest in the incredible value of this consumer need by bringing the primary and secondary markets together, thereby greatly reducing scalping and fraud in the ticketing industry.

## What the Ticketing Market Can Learn from Retail



The current retail landscape would have been virtually unrecognizable twenty or even ten years ago. The rise of e-commerce has altered the manner in which consumers view their purchases. Returns are now considered a certainty by the majority of today's shoppers. The overstock supply company [B Stock estimates](#) that the value of retail returns hit \$400 billion in 2017, a 53% increase from 2015. Does that mean \$400 billion in losses? Not quite. The wisest of retailers are doing their best to meet the rising expectations of modern consumers to improve the customer journey, leading to long-term loyalty and sparking new monetization methods.

*“An online return is a critical moment in the customer journey. Retailers have an opportunity to impress and delight customers, especially high-value segments like millennials and affluent shoppers. These are digital natives who treat returns as a natural part of the buying process and have come to expect convenience and transparent communication. If retailers can meet these high expectations, they can use returns to improve customer satisfaction, inspire loyalty and fuel new revenue streams.”*  
– Amit Sharma, CEO of Narvar.

The results of a recent [Narvar study](#) bring this point to the forefront, further illustrating the importance for retailers of making the most of this radical change by turning the expectation for returns into a competitive advantage. Narvar discovered that 40% of shoppers purchase multiple items online with the plan to keep their favorite items and return the others, while more than 50% of millennials choose to return online purchases in-store to allow for an immediate refund or to shop for other products at the same time.

Although the consumer expectation for no-hassle returns is high, the study also found that retailers do not always satisfy their customers, as 48% of millennials describe the returns process as being problematic. However, some companies are doing an excellent job of keeping consumers happy, such as the Amazon and Kohl's partnership program that allows Amazon customers to return “eligible Amazon products” at 82 stores in Los Angeles and Chicago at no charge. Even customers who shop online at Kohl's don't have access to this perk, and there's no question that finding innovative ways to satisfy today's shoppers is the key to long-term success. With such a customer-friendly approach and the willingness to go that extra mile, it is no surprise that Amazon is nearly monopolizing the U.S. e-commerce market; online sales at the retail giant are expected to reach 49% of the total online retail spend in the country, as [reported by TechCrunch](#).

## **How does all this relate to ticketing?**

In much the same fashion that e-commerce has transformed retail purchases, the digital economy has affected the ticketing market. People getting tickets to a local gig or sporting event are mostly the same people shopping online in Amazon. Customer expectations for easy hassle-free returns apply to tickets as much as to any other commodity. The ticket market even has its own near monopolist – Live Nation's Ticketmaster is estimated to hold over 80% of the U.S. market share. However, the ticketing market has yet to offer the same courtesy to music and sports fans as online retailers do to their buyers. Now is the time to make a massive change in attitude and infrastructure and put control of the secondary ticketing sector in the hands of legitimate industry players that can accommodate evolving consumer expectations.

## **The Future of Ticketing is Customer-Centric**

The ticketing industry is on the cusp of a monumental transformation, as its current model cannot satisfy consumer demand. Both market leaders and competitors need to invest in improving the customer experience, including ongoing developments in mobile-only tickets, bot mitigation to prevent illegitimate sales, smart contracts, face recognition, biometric authentication and more.

The expanding adoption of new models to fix the broken aspects of the secondary ticketing marketplace inspires hope that all members of the ecosystem, from musicians and sports teams to venues and ticket aggregator platforms, may come together to create a trustworthy and convenient resale environment that can be enjoyed by fans around the world.

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