

Case Report

Ticketmaster's Monopoly Undermines Fair Competition in Live Entertainment Ticketing

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Abstract

This study investigates the monopolistic control exerted by Ticketmaster, a subsidiary of Live Nation Entertainment, within the U.S. live entertainment ticketing industry, where it holds approximately 70-80% of the primary ticketing market and 50-60% of the secondary market as of 2022. Ticketmaster's 2010 merger with Live Nation significantly bolstered its dominance, creating a vertically integrated entity that controls artist promotion, venue management, and ticket sales, thereby limiting market competition and consumer choice. Through exclusive contracts with major venues, bundled services, and dynamic pricing practices, Ticketmaster effectively stifles alternative ticketing providers and limits consumers' ability to choose, often resulting in inflated prices and restricted access to popular events. Utilizing a multi-faceted approach that includes market share analysis, antitrust case reviews, consumer testimony, and comparative analyses with countries such as the UK, this paper underscores the challenges posed by Ticketmaster's market concentration. Quantitative analysis, including the Herfindahl-Hirschman Index (HHI), shows post-merger concentration levels that far exceed thresholds for competitive markets, emphasizing the lack of feasible alternatives for consumers. The Taylor Swift "Eras Tour" ticketing controversy is a case in point, illustrating the consumer impact of Ticketmaster's monopoly through reported price inflation, limited availability, and repeated service failures. The paper concludes by proposing regulatory reforms to break up the Ticketmaster-Live Nation merger, cap dynamic pricing practices, and mandate transparent fee disclosures, aiming to curb anti-competitive practices and enhance consumer protections within the ticketing industry, fostering a fairer and more accessible live entertainment ecosystem.

Keywords

Ticketmaster, Monopoly, Live Entertainment, Antitrust, Market Dominance, Taylor Swift, Live Nation, Ticketing Industry

1. Introduction

The live entertainment industry operates through an intricate network of artists, venues, promoters, and ticket sellers, each essential to bringing events to audiences. Ticketing, a pivotal component within this ecosystem, is predominantly controlled by Ticketmaster, a subsidiary of Live Nation Entertainment, which held approximately 70-80% of the primary ticketing market and 50-60% of the secondary market in the

U.S. as of 2022 [1, 3]. This overwhelming market share has fueled concerns about monopolistic practices that hinder competition and limit consumer choice. By entering exclusive contracts with key venues, Ticketmaster prevents competitors from gaining access to significant portions of the market, further entrenching its dominance [4, 5, 9]. Additionally, through bundling various ticketing services, Ticketmaster

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Received: 9 October 2024; **Accepted:** 28 October 2024; **Published:** 13 November 2024



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ensures that consumers, venues, and promoters have limited alternatives, compelling them to engage with its platform on terms set by Ticketmaster itself [10, 11]. Although federal entities like the Department of Justice (DOJ) and Federal Trade Commission (FTC) have periodically intervened to regulate the ticketing industry, these efforts have had limited success in counteracting the embedded structural issues that sustain Ticketmaster's influence [6, 7, 18].

The 2010 merger between Ticketmaster and Live Nation marked a turning point in the live entertainment landscape, cementing Ticketmaster's control over artist promotion, venue management, and ticket sales [2, 12, 13]. As a vertically integrated entity, Ticketmaster has been able to leverage its control over multiple stages of event production and ticket sales, utilizing its market power to negotiate exclusive deals with venues and bundle services that deter other ticketing platforms from entering the market. These practices have significant consequences for smaller or independent ticketing companies, which struggle to secure venue access due to Ticketmaster's exclusivity clauses and bundled pricing arrangements [14, 15]. Dynamic pricing strategies, which adjust prices based on demand, further exacerbate the impact on consumers. High-profile events, such as Taylor Swift's 2022 "Eras Tour," brought widespread attention to Ticketmaster's dynamic pricing practices, with fans reporting issues of inflated ticket costs, limited availability, and system crashes during high-demand ticket sales. This incident highlighted vulnerabilities within Ticketmaster's technological infrastructure, sparking consumer dissatisfaction and renewed calls for regulatory scrutiny [6, 8, 16].

As Ticketmaster's market concentration continues to restrict competition and limit consumer choice, it underscores the urgent need for comprehensive regulatory reform. This paper aims to examine the structural and regulatory factors that have facilitated Ticketmaster's monopolistic power and to assess the broader consequences of its market dominance. Using a multifaceted approach—including quantitative analysis of market concentration, reviews of critical antitrust cases, and an examination of consumer testimonies—the study sheds light on how these practices have diminished competition, heightened prices, and reduced service quality [3, 17, 19]. Proposed regulatory reforms, such as dissolving the Ticketmaster-Live Nation merger, imposing price caps on dynamic pricing, and increasing fee transparency, aim to restore competition and consumer protection within the ticketing industry. These policy interventions are essential to fostering a fairer and more consumer-friendly live entertainment market in the United States [14, 15, 18].

2. Materials and Methods

This study uses a multi-faceted approach to analyze Ticketmaster's monopolistic behavior within the live entertainment industry. The methods employed include:

2.1. Market Data Analysis

Market share data were obtained from multiple sources, including industry reports from the U.S. Government Accountability Office (GAO) and financial disclosures from Live Nation Entertainment. For example, the GAO reported that Ticketmaster controlled approximately 70-80% of the primary ticketing market as of 2022, while its secondary market share ranged between 50-60% [3]. Live Nation's 2022 annual report indicates total revenue of \$14.1 billion, further supporting the scale of the company's operations [1]. The data is used to analyze the degree of market concentration using the Herfindahl-Hirschman Index (HHI), which quantifies the extent of competition in the ticketing industry both before and after the merger with Live Nation.

This study also looks at the evolution of market dominance by comparing historical market shares. Prior to the 2010 merger, Live Nation had independently captured 16.5% [2] of the ticketing market. Post-merger, Live Nation-Ticketmaster's combined market share surged back to 66.4%, as competition diminished [3, 12]. This analysis contextualizes the current state of the industry by comparing pre- and post-merger market conditions [5, 10, 14].

2.2. Legal and Regulatory Case Review

A thorough review of key antitrust cases was conducted to understand how legal frameworks have shaped Ticketmaster's growth and market dominance. The Department of Justice's (DOJ) 2010 antitrust case was particularly critical in evaluating the effects of the Ticketmaster-Live Nation merger [7, 10]. The consent decrees aimed at restricting monopolistic practices were analyzed, focusing on their ability to limit the merger's anti-competitive effects. Additional legal sources include the 2018 report from the U.S. Senate Judiciary Committee, which provided testimony on Ticketmaster's impact on both primary and secondary ticket markets [5, 9].

Historical comparisons were made to other prominent antitrust cases, such as *United States v. Alcoa*, where monopolistic control of the aluminum industry was successfully challenged [4, 14]. The analysis of these cases provides insight into how Ticketmaster's behavior parallels other monopolies and the regulatory challenges in enforcing competitive practices [13, 16].

2.3. Consumer Experience and Stakeholder Testimonies

The study utilized qualitative data drawn from consumer experiences and testimonies provided to various legislative bodies, particularly during U.S. Senate Judiciary Committee hearings on Ticketmaster's market behavior [5, 9]. Specific incidents, such as the 2022 Taylor Swift "Eras Tour" ticketing debacle, were examined to illustrate the practical impacts of Ticketmaster's market control. Public reaction, complaints

from fans, and responses from artists and venues were used to evaluate how Ticketmaster's monopolistic practices affect service quality, ticket availability, and pricing [6, 10, 12].

Several consumer advocacy groups, including the American Antitrust Institute (AAI), provided additional insights into how consumers are disadvantaged by the limited competition in the market [12, 15]. Complaints of hidden fees, dynamic pricing, and poor service were systematically reviewed from public sources, including news reports from CNN and Variety, to gauge the level of dissatisfaction among ticket buyers [6, 8, 16].

2.4. Comparative Market Analysis

A comparative analysis of the live entertainment ticketing market in other countries was conducted to identify alternative models that could foster better competition in the U.S. market [13, 14]. The study reviewed how countries such as the UK, which operates under stricter competition laws, handle ticketing services and what regulatory measures are in place to prevent monopolistic behaviors [14, 17]. Additionally, other industries facing similar monopolistic concerns, such as the telecommunications and healthcare sectors, were examined for insights into possible reforms [15, 18, 19].

2.5. Economic and Statistical Methods

To further quantify the monopolistic control of Ticketmaster, the Herfindahl-Hirschman Index (HHI) was calculated before and after the Live Nation merger, as documented by the NYU Law Journal [2]. An HHI score of 4,710 pre-merger indicated significant market concentration, which increased to 6,000 post-merger [2, 12]. Such figures indicate a substantial lack of competition in the ticketing industry, with the DOJ and the Federal Trade Commission (FTC) labeling industries with scores above 2,500 as "highly concentrated" [7, 10].

Additionally, ticket pricing data was gathered from multiple sources, including Live Nation's financial disclosures and consumer watchdog reports, to examine the effects of dynamic pricing models on ticket prices [1, 8, 15]. Specifically, pricing trends during high-demand events like Taylor Swift's "Eras Tour" were compared to determine the extent of price inflation [6, 16].

3. Results

The study shows that Ticketmaster's monopolistic control over the live entertainment industry, bolstered by its 2010 merger with Live Nation, has stifled competition and limited consumer options. By leveraging exclusive contracts and bundling services, Ticketmaster has maintained dominance in both primary and secondary ticket markets. This has resulted in inflated ticket prices, particularly through dynamic pricing during high-demand events like Taylor Swift's "Eras Tour,"

and frequent service failures. Consumers face higher costs, limited access to tickets, and poor user experiences, underscoring the urgent need for regulatory reform to restore competition and protect consumer interests.

4. Discussion

The findings of this study reveal a deeply entrenched monopolistic structure within the live entertainment ticketing industry, driven primarily by Ticketmaster's aggressive market practices and reinforced through its merger with Live Nation [2, 12]. Since the 1980s, Ticketmaster has steadily expanded its influence through technological innovations and strategic partnerships, positioning itself as the dominant force in both primary and secondary ticket sales [11, 13]. The 2010 merger with Live Nation consolidated this dominance, allowing the company to control not only ticketing but also concert promotion and venue management, thus creating a vertically integrated monopoly that spans across multiple facets of the live entertainment ecosystem [2, 3, 9].

The effects of this monopoly are evident in several key areas: the overwhelming market share that limits competition, exclusionary contracts with venues that restrict market entry for competitors, and pricing practices that exploit consumers through inflated ticket prices [4, 5, 8]. By examining market data, legal cases, and consumer experiences, this study presents a comprehensive picture of how Ticketmaster's market behavior continues to stifle competition, reduce consumer choice, and exacerbate issues of affordability and service quality within the live entertainment sector [6, 14, 16, 19].

4.1. Growth of Ticketmaster's Monopoly

Ticketmaster's path to market dominance began in the 1980s, with the introduction of computerized ticketing, a technology that revolutionized how tickets were sold [11, 13]. This innovation allowed Ticketmaster to rapidly gain control of the ticketing market, capturing over 80% of the primary ticketing market for large venues by 2006 [14]. Ticketmaster's competitive advantage was rooted in its early adoption of technology that improved the consumer purchasing experience and its ability to secure exclusive agreements with venues and promoters [4, 5].

Despite a brief period of competition following Live Nation's entrance into the primary ticket market in 2006, which saw Ticketmaster's market share drop to 66.4%, the subsequent 2010 merger between the two companies reversed these competitive gains [2, 12]. Post-merger, Ticketmaster and Live Nation formed a vertically integrated entity that now controls 60% of the concert promotion market, with exclusive contracts covering 70% of U.S. venues [1, 10, 15]. This merger dramatically increased the concentration of the ticketing industry, with the Herfindahl-Hirschman Index (HHI) jumping from 4,710 to 6,000, reflecting a high level of market concentration and reduced competition [3, 7, 18].

4.2. Monopolistic Practices

Ticketmaster's market power is reinforced by several monopolistic practices that prevent the entry of competitors and limit consumer options [1, 2, 13]:

1. **Exclusionary Contracts:** One of Ticketmaster's most effective strategies has been to sign exclusive long-term contracts with venues, preventing them from using competing ticketing services. This practice has effectively locked many independent venues into deals where Ticketmaster becomes the only platform through which they can sell tickets. Such practices not only reduce competition but also limit innovation, as competing ticketing platforms are unable to offer their services to venues on more favorable terms [3, 9].
2. **Bundling of Services:** Ticketmaster has expanded its reach by bundling ticket sales for concerts, sporting events, and other live performances under one service. This bundling strategy ensures that venues, and ultimately consumers, have little choice but to rely on Ticketmaster for a wide range of events, further entrenching its monopoly [7, 15, 16].
3. **Technological Restrictions:** By controlling the primary ticketing market, Ticketmaster has been able to impose technological restrictions on competitors in the secondary market. These restrictions include preventing third-party resellers from accessing Ticketmaster's ticket inventory, which limits the ability of consumers to seek lower prices or alternatives in the resale market. As a result, Ticketmaster has been able to dominate the secondary market as well, capturing a 50-60% market share by 2022 [6, 11].

4.3. Consumer Impact

The monopolistic control exerted by Ticketmaster has led to several detrimental effects on consumers, who face higher prices, limited choice, and declining service quality [4, 6, 9]:

1. **Inflated Prices:** Ticketmaster's use of dynamic pricing models allows ticket prices to fluctuate based on demand, often leading to significant price increases during high-demand events. During Taylor Swift's "Eras Tour," for instance, fans saw ticket prices surge as high as \$1,400, far beyond the initial listed prices of \$49-\$449 [6]. Such pricing practices create artificial scarcity, pushing many consumers out of the market and leading to a reliance on secondary markets where prices are further inflated by fees.
2. **Service Quality Issues:** Ticketmaster's technological infrastructure has repeatedly failed to meet consumer expectations, as evidenced by the "Eras Tour" ticketing debacle, where the platform crashed due to high demand. These failures have frustrated consumers and raised questions about the company's commitment to improving its systems. Moreover, consumers often face hidden fees and unclear pricing structures, which only

become apparent during the final stages of the purchasing process. These opaque practices erode consumer trust and contribute to the overall dissatisfaction with Ticketmaster's services.

3. **Limited Access to Tickets:** In addition to inflated prices, many consumers are unable to access tickets during high-demand sales events. In the case of Taylor Swift's tour, for example, pre-sale systems failed, and the public sale was eventually canceled due to limited inventory. Consumers who missed out on tickets were forced to turn to secondary markets, where Ticketmaster itself benefits through its control of resale platforms. This practice further inflates prices and reduces consumer choice, as fans are left with no alternatives but to engage with Ticketmaster's secondary market.

5. Conclusions

The results of this study clearly illustrate the monopolistic power that Ticketmaster has accumulated in the live entertainment industry, particularly after its 2010 merger with Live Nation. This dominance has led to inflated prices, restricted access to tickets, and poor service quality for consumers. The company's use of dynamic pricing and exclusive contracts further entrenches its control, stifling competition and innovation. These issues, as highlighted by the Taylor Swift "Eras Tour" ticketing debacle, emphasize the need for reform to protect consumer interests and restore market competition.

To address these concerns, several key reforms are proposed:

1. **Breaking Up the Merger:** Similar to the AT&T breakup in 1982, dissolving the Ticketmaster-Live Nation merger would restore competition and create a more level playing field for independent venues and ticketing companies.
2. **Regulating Dynamic Pricing:** Introducing price caps on dynamic pricing models would curb excessive price hikes during high-demand events.
3. **Improving Transparency:** Mandating clear disclosure of service fees and pricing structures, akin to healthcare price transparency laws, would protect consumers from hidden costs.
4. **Strengthening Independent Oversight:** Establishing an independent ombudsman would handle complaints and disputes related to ticketing, ensuring a fairer process for consumers.

Without these reforms, Ticketmaster's monopolistic grip will continue to harm both consumers and the broader live entertainment ecosystem.

Abbreviations

DOJ	Department of Justice
FTC	Federal Trade Commission

GAO U.S. Government Accountability Office
 HHI Herfindahl-Hirschman Index
 AAI Antitrust Institute
 CNN Cable News Network

Acknowledgments

The author would like to express sincere gratitude to John Summers, Business Professionals of America, and several mentors for reviewing the draft and providing valuable input and feedback. Their support and insights were instrumental in shaping the final version of this paper.

Author Contributions

Archita Ruby Arun is the sole author. The author read and approved the final manuscript.

Funding

This research was not supported by any external funding.

Conflicts of Interest

The author declares no conflicts of interest.

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Biography



Archita Ruby Arun is the founder and CEO of Mission: MathMinds, a nonprofit applying economics and behavioral economics to solve access barriers to math education for girls in disadvantaged communities. By leveraging data-driven strategies, Mission: MathMinds, has empowered over 18,000 girls globally, generating \$884,000 in economic impact. Ruby collaborates with institutions like the UN and Goldman Sachs to design scalable models that address the intersection of education and economics. Her work focuses on reducing systemic inequities through sustainable economic solutions, ensuring long-term access to STEM education.

Research Field

Archita Ruby Arun: Antitrust Law and Policy, Market Competition and Regulation, Consumer Protection, Entertainment Industry Economics.