

AN OPEN AND TRANSPARENT TICKET RESALE MARKET HELPS CONSUMERS

The National Association of Ticket Brokers (“NATB”), which was formed in 1994, established an industry-wide standard of conduct to protect the public and foster a positive perception of the ticket broker industry. While the goals of NATB are many, its primary objective is to promote an open and transparent secondary ticket market free of fraud and deceit.

Laws with artificial price caps and other restrictions have fallen by the wayside. This is because an open secondary market provides the choice consumers crave and robust competition which serve to establish the most favorable prices, in many instances below the initial sales price. In their place, statutes have been enacted which adopt the consumer protection measures established by NATB and create open markets which ensure consumers can freely transfer their tickets as gifts or to sell them.

Today the number one consumer issue in the secondary market is ticket issuers’ attempts to thwart competition through tactics such as restricted paperless ticketing and hold backs- which limit tickets available for initial sale to the general public. As to restricted paperless ticketing, which prevents any transfer of the ticket, the purported goal is to reduce the ability of “scalpers” to access tickets. However, ticket brokers purchase a small percentage of tickets sold. Indeed, a look into the practice of restrictive paperless ticketing reveals its true profit motive which is to funnel consumers to an exclusive resale marketplace. The resulting lack of competition has adverse consequences on the rights of consumers and the costs of tickets. At its heart, this issue is about whether consumers should have the right to sell or give away their ticket as they see fit.

As for hold backs, NATB believes that consumers should have fair access to tickets at public sale. Thus, NATB supports the clear and prominent disclosure of the number of tickets withheld from public sale. In addition, NATB does not condone the use of automated devices or bots designed to scoop up tickets upon sale.

In the recent past, U.S. Senator Herb Kohl (D-WI), commented “the existence of a fair and vibrant secondary market ... has the potential for substantial consumer benefit ... and ... can work to the advantage of consumers by offering them both a place to sell unwanted tickets and to purchase tickets to sold out events.” He is correct.