

Ticketmaster, Live Nation and Competition

By Steven Weisz
Founder and CEO, In Ticketing

The proposed merger of Ticketmaster and Live Nation represents the death of free market competition in the music and event industries. For the first time ever, Ticketmaster lost considerable market share with the departure of Live Nation as a client. Live Nation purchased its own ticketing company, which failed in the onsale of Phish tickets, their first major ticketing launch (Rolling Stone, 02/02/09). Both organizations are aware that they are not immune to market conditions and good old fashion American competition. It's about time.

Not only would the proposed merger give the new organization unprecedented access to their competitor's sales and customer data, they would essentially monopolize all aspects of concert and event production, including ticket pricing, venue selection and preferred marketing channels. A merger would enable increased intimidation, driving independent promoters and venues into exclusive deals for booking, ticketing and artist selection.

Independent venues and festival organizers have little recourse when Ticketmaster and Live Nation breach their service agreements or are party to unfair and anti-competitive business practices since Ticketmaster and Live Nation (and increasingly so if they merge), have relatively unlimited legal and financial resources. Anyone challenging them in court would quickly be buried in legal fees, even when their claims are valid. In fact, even writing this letter will expose In Ticketing to added risk of a specious lawsuit. Allowing this merger would permit two companies that already dominate their respective parts of the concert/ticketing ecosystem to increase their control over the entire market, setting in motion an unstoppable juggernaut able to operate outside the law, with little recourse to those crushed in their wake.

Were a single entity to exert unfair influence over the venues, ticketing, exclusive artist deals and preferred marketing channels, there is no practical way to stop it from price fixing and price gouging, the intimidation of independent businesses that are its clients and competitors and the across-the-board monopolization of the concert industry.

Michael Rapino and Barry Diller are in my opinion, extremely intelligent and savvy businessmen, as are many members of their organizations. Contrary to how the situation is being portrayed, however, the U.S. concert industry will not be miraculously "fixed" with these companies coming together. In fact, a merger would paralyze competition on all fronts. The impact on its clients and the public of this proposed merger is being downplayed. For example, the claim is that Ticketmaster/Live Nation do not control ticket prices. This is absolutely not correct. If you own the venue, are the promoter, have the exclusive booking deal with the artist and so forth you most certainly do set the ticket prices. We can only hope that the U.S. government will stand up for what is right and listen to the public and concert and ticketing industry peers on this matter and prevent this, the worst possible scenario, from taking place.