

# Ticketmaster rolls out 'dynamic' ticket pricing

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(AP) -- Event tickets seller Ticketmaster said Monday that it is introducing new technology to let artists and sports teams raise or lower ticket prices to reflect demand during the initial sales period - a move it said will crimp the profits of scalpers and boost revenue for performers and teams.

The technology could push up initial prices for front-row seats while reducing prices on less-desirable ones that might have gone unsold otherwise.

[Ticketmaster](#), a division of Live Nation Entertainment Inc., says the change should make it harder for anyone to send prices soaring by buying up all the best tickets and reselling them at substantial profit.

"When the fan experience is not clouded by scalpers grabbing seats, or when there's more options for fans to come to a better show, that has a great impact on our business," Ticketmaster Chief Executive Nathan Hubbard said in an interview.

The company already is testing the system, known as "dynamic pricing," with several professional baseball, basketball and hockey teams.

Ticketmaster plans to roll it out at some North American venues in the middle of the summer concert season this year. A data analysis company called MarketShare helped create the pricing tool.

The San Francisco Giants baseball team started using a dynamic pricing

system created by a company called Qcue Inc. in 2009. The team found that adjusting prices in real time to reflect sales data, league standings and which opposing team was visiting helped sell more tickets.

Qcue, which is not involved with Ticketmaster's dynamic pricing offering, now serves more than 20 teams in pro baseball, hockey, basketball and auto racing.

Its founder and CEO, Barry Kahn, said Ticketmaster's biggest challenge is bringing the system to the music industry, where there has been a "dysfunctional relationship" between artists, their promoters, and venues.

Since Ticketmaster's merger with Live Nation last year, however, the combined company now has all three functions under one roof, meaning the divisions should be able to work together, he said.

StubHub, the world's largest reseller of tickets and a subsidiary of eBay Inc., said dynamic pricing for sports events has not cut into its business. Tickets that command high prices on the initial sale tend to sell at even higher prices on the resale market because they're in limited supply, according to StubHub spokesman Glenn Lehrman.

And, when seats that aren't as good are priced even more cheaply, more tickets get sold, he said.

"Any kind of system that leads to lower prices, that is a good thing for fans," Lehrman said.

Live Nation's revenue fell 9 percent in 2010 as concert ticket sales dropped, even though it tried to get more people through turnstiles by cutting ticket prices. The company has said it expects global ticket sales to be flat in 2011, compared with an 8 percent decline last year, when it sold 120 million tickets.

Live Nation shares fell 14 cents, or 1.4 percent, to close at \$9.73 Monday.

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