Ticket Recycling, Beyond the Secondary Market

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Managing Vice President, Ticket Sales and Services
Names these Brands.
The Coca-Cola Company
TICKET OAK'S SOLID DEALS

HE’S HANDPICKED SOME GREAT DEALS JUST FOR YOU
Brand is fundamental to any business.
Where do patrons go to purchase their tickets?
First Stop:
First Stop:
The Secondary Market
The Result
The Result

HOW DILUTION WORKS
There is an alternative.
Consignment 101

Everything you've wanted to know about consigning, but didn't know who to ask.
Ticket Recycling
Ticket Recycling is consignment for the Internet Age.
How Ticket Recycling Works in ProVenue®
Enable a Patron to Provision Tickets to the Box Office for Sale

- Supported manually by box offices for many years (pre-dating computerized ticketing)
- Introduced in ProVenue/VANOC code line for the Vancouver Olympics
- (Re-)Introduced as part of the ProVenue Platform in 2014

Consign-Back Set Up Allows:

- Granular permissions to enable the feature for selective patrons/events
- Creation of a special per ticket service charge to provide revenue for the service
- Establishment of a hold code to control how the inventory is handled
EXAMPLE: JOHN BROWN HAS TWO $60 TICKETS TO AN EVENT

Purchased as a part of a package
The current single ticket price for seats in this price level is $100
In a dynamically priced market, the single ticket value could be very volatile

Total purchase cost = $120
Current market value = $200
John cannot attend the event and consigns the tickets back to the box office using his online account

- A separate consign-back offer is created for each ticket (this allows the possibility for them to be repurposed separately rather than locked as a 2-ticket offer only).

### Market Offers

<table>
<thead>
<tr>
<th>John Brown’s Tickets</th>
<th>Market Offer</th>
<th>Market Offer Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ticket #1</td>
<td>Consign-Back</td>
<td>Open</td>
</tr>
<tr>
<td>Ticket #2</td>
<td>Consign-Back</td>
<td>Open</td>
</tr>
</tbody>
</table>
Reporting Implications

- The 2 tickets remain sold on John Brown’s account. All sales reports will continue to show these as tickets sold for $60 each.
Sales Implications

- The 2 seats “appear” to be available. Tickets consigned back to the box office are configured to be logically “available” via a specific hold code (which can be “Open”).

Any channel/agency/user with access to the hold code used for consign-backs can purchase the tickets.
John Brown has an Active Consign-Back Offer for his two $60 Tickets

- If no one purchases the tickets, John Brown will be left with two unused tickets
  - There is no risk to the box office

- Either one or both of the tickets can be purchased in any combination by users with appropriate access
  - Even though the seats are sold, “inventory magic” is applied to make them appear available via best available and the seat map to any user with access to the consign-back hold code
  - Consign-back seats are fully eligible for additional hold code operations. Example: Seats are initially assigned to a “protected” hold code, then moved to Open
On purchase, the ticketing system will create a single transaction to:

- Return the ticket(s) in the original order
- Create a new order for the purchaser
  - The tickets in the new order are sold at current prices
- The new order is indistinguishable from a normal ticket sale
Betty Jones Purchases Both Consign-Back Tickets for the Single Ticket Price of $100

Single Transaction

<table>
<thead>
<tr>
<th>Action</th>
<th>Quantity</th>
<th>Amount</th>
<th>Total Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ticket Returned</td>
<td>(2)</td>
<td>$60.00</td>
<td>$(120.00)</td>
</tr>
<tr>
<td>Add Service Charge</td>
<td>2</td>
<td>$30.00</td>
<td>$60.00</td>
</tr>
<tr>
<td>Create Account Credit</td>
<td>1</td>
<td>$60.00</td>
<td>$60.00</td>
</tr>
</tbody>
</table>

Betty Jones’ Order

<table>
<thead>
<tr>
<th>Action</th>
<th>Quantity</th>
<th>Amount</th>
<th>Total Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ticket Purchase</td>
<td>2</td>
<td>$100.00</td>
<td>$200.00</td>
</tr>
<tr>
<td>Appl. Service Charges?</td>
<td>?</td>
<td>???</td>
<td>$???.??</td>
</tr>
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</table>
The Offer Associated with the Original Tickets is Updated to a Offer Status of ‘Complete’

Market Offers in ProVenue

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</table>
Consign-Back Advantages to the Venue

- No Risk
- A portion of the original ticket revenue is kept by the venue (service charge)
- Potential “lift” in selling the ticket for a higher price than the original ticket
  - A very realistic probability when enabling this feature for season ticket holders and selling it to single ticket buyers

Revenue

<table>
<thead>
<tr>
<th>Transaction Element</th>
<th>Qty</th>
<th>Unit Price</th>
<th>Total</th>
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<tbody>
<tr>
<td>Consign-Back Return</td>
<td>-2</td>
<td>60 $</td>
<td>(120.00)</td>
</tr>
<tr>
<td>Service Charge</td>
<td>2</td>
<td>30 $</td>
<td>60.00</td>
</tr>
<tr>
<td>Consign-Back Sale</td>
<td>2</td>
<td>100 $</td>
<td>200.00</td>
</tr>
<tr>
<td><strong>Total Additional Revenue</strong>*</td>
<td></td>
<td></td>
<td><strong>140.00</strong></td>
</tr>
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* Lift per ticket sold is $40
Promotes Organizational Brand

- Comingling consign-back tickets with other primary market inventory provides patrons with the best options for purchasing seats.
- Ticket sales all occur within a closed loop system, without 3rd party interaction.

Benefit to Season Ticket Holders

- Box office sanctioned method for the resale of unused tickets promotes season ticket holder retention.
- Not all season ticket holders want to post on the secondary market.

Additional Revenue

- Selling a season ticket at single ticket prices produces “lift”.
Consign-Back Offers are Created Through the Ticketing System

- Consign-back action selected just like other actions, allows patron to consign-back tickets
- Tickets on Consign-Back offer can be canceled prior to being locked for sale
- Threshold can be defined at account level to auto-cancel secondary market offer and auto-rollover to consign-back
  - Example: 2 hours prior to the event, if ticket have not sold on secondary market, rollover to consign-back
Introduced Ticket Recycling, Opening Day 2014...
Leveraging the power of the ProVenue® Platform...
Promotes Organizational Brand

- Comingling consign-back tickets with other primary market inventory provides patrons with the best options for purchasing seats via an organization's brand
  - Some of the best seats/tickets consigned back are now available to the general public via the venue’s channels:
    - Internet
    - Mobile
    - Box Office
    - Call Center
    - Kiosk
    - Seat Upgrades via Pogoseat
Benefit to Season Ticket Holders

- Not all season ticket holders want to post on the secondary market
- Simplification
- Ease of Use
Additional Revenue

- Selling a season ticket at single ticket prices produces “lift”
  - Single event tickets typically cost more than season tickets

Same Example Again

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Case Study
The San Francisco Giants
The Inaugural Season Leveraging Ticket Recycling

- Strategy & Approach for 2015
- Season Ticket Holder Focus Groups
- Loaded Value
- Seat Upgrades: Pogoseat
- Adoption
- Near Term Goals
- Metrics
  - Revenue/Lift
- Long Term Goals
- Plans for the 2015 Season
Thank You!

Questions?