

Myth vs. Fact: Live Nation-Ticketmaster

What You Need to Know About the Monopoly Ruining Live Events

Live Nation-Ticketmaster makes big claims to protect its market power. Is any of it true? Below are the facts you need to know as you cover the Senate Judiciary's hearing "That's the Ticket: Promoting Competition and Protecting Consumers in Live Entertainment."

MYTH: *Live Nation-Ticketmaster faces intense competition and is not a dominant corporation.*

FACT: In 2010, when Ticketmaster and Live Nation combined, Ticketmaster was already the largest player in the ticketing market. Today, Live Nation-Ticketmaster owns more than 70 percent of the primary ticketing and live event venues market. It also runs a "secondary" market or resale platform, where tickets that were supposedly (although not always) purchased from the primary marketplace can be re-sold, often at a profit. With power in both primary and secondary ticketing as well as artist management, concert promotion, and venue management, Live Nation-Ticketmaster hikes up ticket prices, tack on expensive junk fees, and exploit artists, independent venues, and fans. Though other companies exist in each of Live Nation-Ticketmaster's business lines, including secondary ticketing markets, none of them comes close to reaching Live Nation's level of market share.

Live Nation-Ticketmaster wants the Senate Judiciary Committee and the public to think this hearing is just about ticketing, but it's not. Live Nation is dominant because of its market share in each business line and because of how they use their dominant ticketing market share to coerce live entertainment professionals into using Live Nation venues and concert promotion brands, locking any potential competitors out of the market.

MYTH: *Artists and venues choose Live Nation-Ticketmaster because it offers a better product.*

FACT: Because Ticketmaster has exclusive contracts with so many venues, artists are often forced to choose between working with Ticketmaster or skipping a geographic region entirely. At the same time, because Live Nation promotes so many high profile tours, many venues cannot book prominent artists unless they too are willing to work with Ticketmaster; the DOJ [has found evidence](#) that Live Nation retaliated against venues that chose other ticket providers. As a result, Ticketmaster is used often not by choice, but through coercion or because no real alternative exists. See "[Taylor Swift's tour promoter says it had no choice but to work with Ticketmaster](#)" for more.

MYTH: *The chaos surrounding the Taylor Swift presale is a basic supply vs. demand issue -- not the result of any fundamental issues with Ticketmaster.*

FACT: Taylor Swift is a superstar, but she's actually *not* the problem here. Live Nation-Ticketmaster was well aware of the staggering consumer demand the Taylor Swift tour would generate; they sent out the total number of presale codes needed to access the sale. That their product failed spectacularly is a result of arrogance and monopoly power, not Taylor Swift's popularity. In the same way that monopolies create vulnerabilities in supply chains, having a single point of failure for a massive national tour launch means that if the site goes down, everyone is impacted because there are no alternatives. Live Nation-Ticketmaster as a monopoly also has no incentive to invest in technology to improve the quality of its platform.

The bottom line is Taylor Swift doesn't control Live Nation-Ticketmaster's platform; Michael Rapino does.

MYTH: *Artists make a lot of money touring because they work with Ticketmaster.*

FACT: The vast majority of artists invest an enormous amount of money and energy into their tours but make very little profits. Especially since the pandemic, Live Nation-Ticketmaster has repeatedly shifted financial risk of concert promotion to artists, and many well-known musicians have canceled their tours due to the increasing financial impossibility of making a profit. Just because a handful of global superstars are earning large amounts touring through Live Nation and using Ticketmaster does not mean that most artists are earning significant sums. Furthermore, even global stars are subject to Live Nation-Ticketmaster's enormous bargaining leverage and might not capture as much value from touring as they would if more competitors existed. See "[Taylor Swift's Live Nation Debacle Is Just the Beginning](#)" for more.

MYTH: *High ticket prices are the fault of artists and venues -- not Ticketmaster.*

FACT: While artists can negotiate the face value of the ticket, ticket fees are almost entirely out of their control and are divided up amongst the promoter, the venue and the ticket service provider.

Media reports have found Ticketmaster is charging fees that cost up to [78% of the ticket's base fare](#). And between 1996 and 2003, [the average concert ticket price rose 82 percent](#), while the CPI rose only 17 percent. Evidence suggests Live Nation-Ticketmaster's use of its market power to impose junk fees is the primary driver of these increases.

It is no surprise Live Nation-Ticketmaster supports all-in pricing initiatives that will certainly bring more transparency about price, but will make no structural changes to the industry that would actually reduce costs for fans and artists.

MYTH: *Problems with the Taylor Swift “Eras Tour” were caused by bots. This isn’t an antitrust issue.*

FACT: Live Nation-Ticketmaster itself acknowledged that bots did not infect the sale, noting in a now-deleted blog post that “every ticket was sold to a buyer with a Verified Fan code. Nobody (not even a bot) could join a queue without being Verified. The two million tickets we sold only went to Verified Fans.” Now, Live Nation-Ticketmaster is claiming that even bots blocked from buying tickets still strained the platform and forced them to slow down service.

The BOTS Act, passed in 2016, outlaws the use of ticket bots and the sale or purchase of tickets obtained by bots. Live Nation-Ticketmaster’s testimony suggests the FTC may indeed need more resources to support enforcement of the BOTS Act. But, that alone will not prevent another Taylor Swift fiasco. The larger problem is one platform managing so much demand and subjecting the public to the technological investments of one live entertainment firm. In Live Nation’s own testimony, they admitted to investing only \$1B in technology over the past 12 years. That’s the equivalent of just 20% of **one quarter** of their revenue.

Using antitrust tools to bring more competition to the market will increase Live Nation’s incentive to make effective technological investments and also minimize the harm that bots can impose on any given sale by diffusing their impact across various platforms.

MYTH: *The 2010 DOJ consent decree, renegotiated in 2019, effectively regulates Live Nation-Ticketmaster and has maintained competition in the live entertainment industry.*

FACT: There is no reason to believe the Department of Justice’s existing consent decree with Live Nation-Ticketmaster is preventing anticompetitive conduct. In 2019, [the Department of Justice determined that Live Nation-Ticketmaster had repeatedly violated its consent decree](#), starting almost immediately after the merger was consummated. There exists [ample evidence that these violations are ongoing](#) and [recent reports](#) indicate that the Department of Justice is now actively investigating Live Nation-Ticketmaster and considering litigation to wrestle with its anticompetitive behavior.

MYTH: *Antitrust remedies -- particularly a break up -- will not address the issues discussed in live event ticketing.*

FACT: The truth here is simple: Live Nation-Ticketmaster has too much power -- power it abuses at the expense of artists, venues, promoters, consumers, and its competitors. We have antitrust laws and rules about mergers precisely because we cannot take corporations at their word when they have structural power and the incentives to abuse it. The solution here is straightforward. The Live Nation-Ticketmaster merger should never have been allowed, and the antitrust agencies should break the company up again and regulate the market. Similarly, Congress could also pursue legislation that would impose structural remedies in the market to promote competition.

Live Nation-Ticketmaster got 8 customers, including Garth Brooks, to sign off on their bogus testimony that hides the breadth of their dominance in all aspects of the live entertainment industry. Meanwhile, the Break Up Ticketmaster coalition rallied 100,000 business owners, fans, and workers to tell the Department of Justice to break them up. Antitrust regulators and congressional leaders must listen.