

If Ticketmaster Botches Beyoncé ‘Renaissance’ Tour, BeyHive (And Congress) Could Sting

Peter Cohan, Feb 6, 2023, (via [Forbes.com](https://www.forbes.com))



LOS ANGELES, CALIFORNIA - FEBRUARY 05: Beyoncé accepts Best Dance/Electronic Music Album

Beyoncé brought her Grammy Award total to 32 wins, more than any other artist, on Sunday. But Queen Bey’s gain could be Ticketmaster’s pain on Monday after tickets to her ‘Renaissance’ tour go on sale.

Despite Ticketmaster’s promises to do a better job than it did with Taylor Swift’s ‘Eras’ tour last fall — when 11.6 million Swifties failed in their efforts to buy tickets — odds are that many ‘Renaissance’ tour ticket buyers will be unhappy.

How so? While 2.4 million ‘Eras’ fans bought tickets, demand exceeded supply by 483%. The comparable figure for the ‘Renaissance’ tickets is “more than 800%,” according to a *Ticketmaster blog post*.

Can parent company Live Nation Entertainment— about which I co-authored *Chokehold* on Live Entertainment — evade the collective sting of the BeyHive (Beyoncé’s fan club) or will Congress take action to boost competition in the live entertainment industry?

Experts I interviewed doubt it would boost competition in the live ticketing industry.

Will Ticketmaster Run A Glitch-Free Process?

The outcome of the ticketing process could determine whether Ticketmaster can avoid government intervention. If it goes badly, there will be more hearings in Congress and more pressure to de-merge Ticketmaster and Live Nation.

Will Ticketmaster’s plan to stagger ticket sales and to do something to fend off bots result in a glitch-free process? Surely there will be many disappointed Beyoncé fans given the massive demand.

Moreover, because Ticketmaster will use a dynamic pricing approach — meaning that the enormous excess demand will send prices soaring — there is a good chance that media will eagerly report on the extremely high prices for those who purchase tickets on the secondary market.

My hypothesis is that there is no way that Ticketmaster will be able to stop the torrent of fan anger and that will result in unwanted attention from the Senate and the DOJ.

Two experts I interviewed suggest that talk about antitrust remedies will fade away unless fan anger seems to threaten the reelections of those in power.

Why Beyoncé went with Ticketmaster

Given what happened to Taylor Swift when she decided to use Ticketmaster for her tour, why did Beyoncé decide to take the chance of a recurrence by partnering with Ticketmaster for her 'Renaissance' tour?

She had no choice because Ticketmaster is owned by Live Nation which runs the venues where she wants to perform. As Yale Associate Professor Florian Ederer told me, "Ticketmaster is the dominant platform for selling concert tickets. That means that there are few alternatives that Beyoncé could have chosen. It is also likely that in light of the Taylor Swift Sales debacle, Beyoncé received further assurance that her sale would proceed without a hitch."

Ederer also speculated that Beyoncé may have negotiated a larger share of ticket revenue from Ticketmaster "as the company attempts to regain consumer confidence."

Impact of January 24 Klobuchar Hearings

Ederer saw significant benefits for consumers from the hearings. As he said, "The Klobuchar hearings further raised awareness of the market dominance of Ticketmaster. The hearings focused both on the lack of reliability and service quality which were at the forefront of the Taylor Swift sales fiasco, and on the exorbitant fees (and lack of transparency surrounding them) charged to consumers."

Another industry expert — David Herlihy, a Full Teaching Professor at Northeastern and coordinator of its Music Industry program, told me, "Those hearings are only grandstanding by politicians to engage in sound bites for the evening news. [The only hope for substantive change in the industry would be] angry Swiftie constituents. Parents with deeply disappointed kids vote. It's all about being reelected."

How will Ticketmaster's 'Renaissance' ticketing process go

It is vitally important for Ticketmaster that it go perfectly. As Ederer said, "A glitch-free auction would not necessarily lower the likelihood of a breakup, but any further mishaps would likely trigger an avalanche of bad press and potentially even further congressional hearings."

That outcome is not likely. "Because the number of verified fans will exceed the number of available tickets, there will be disappointed people. Ticketmaster could help itself by being more transparent. That

means telling fans how many tickets are available at each venue before they go on sale. Ideally there would be a perfect match between supply and demand with no price gouging — but that is fairy tale,” explained Herlihy.

In theory Beyoncé could require that each ticket sold has the owner’s name and a fixed price — like an airline ticket. Herlihy said that this is technically feasible. “Artists always set the price and Ticketmaster’s role in the industry is to get the bad press and to be the fall guy.”

Will Ticketmaster be split off from Live Nation?

Live Nation will not be broken up. “The government cannot easily mandate a breakup. That decision really is in the hands of the DOJ Antitrust division which has launched its own investigation,” said Ederer.

He would welcome more competition in the live event ticketing industry, however, he does not think a breakup will happen in the near future. “Even if such a breakup occurs there are concerns whether the two separate companies would effectively compete with each other by entering each other’s upstream/downstream market... or simply behave like a sequence of quasi-monopolies along the industry value chain,” he concluded.

Herlihy thinks that the best hope for more competition in the live ticketing industry is “angry Swifties” to which I might add a potentially stinging BeyHive.

How Ticketmaster Botched Taylor Swift ‘Eras’ Ticket Sales

Ticketmaster’s efforts to sell ‘Eras’ tickets did not go smoothly. After a glitchy presales process aimed at keeping out bots — software that scoops up tickets so they can be resold at much higher prices on the secondary market — Ticketmaster canceled its so-called public sale.

That cancellation followed glitches with a “presales” process aimed at Verified Fans. Before the cancellation, Ticketmaster botched a process in which those Verified Fans received a special access code and were invited to buy tickets to Swift’s 52 date North American tour beginning next month, according to the *New York Times*.

Few of the applicants obtained tickets. Of the 3.5 million people who registered for the Verified Fan program — by selecting their preferred tour date and location and providing cellphone numbers and other personal information — around 1.5 million received the access code while two million were put on a waiting list.

The *Times* reported that on November 15, two million tickets were sold — more than any other artist in a single day, according to the company, out of 14 million who wanted to buy.

Ticketmaster had planned the public sale of any tickets that remained after the presales process — but canceled the sale on November 17. “Due to extraordinarily high demands on ticketing systems and insufficient remaining ticket inventory to meet that demand,” Ticketmaster announced.

Greg Maffei, the chairman of Live Nation Entertainment blamed Swift’s extreme popularity. As Maffei told the *Times*, “It’s a function of Taylor Swift. The site was supposed to open up for 1.5 million verified Taylor Swift fans. We had 14 million people hit the site, including bots, which are not supposed to be there.”

During this process, some fans suffered through some egregious treatment by Ticketmaster. As a result, in December, 26 Swifties sued Live Nation in the Superior Court of California in Los Angeles County.

The plaintiffs accused Ticketmaster’s parent of “anticompetitive conduct and fraud,” according to the *Times*. Consider the nightmare suffered by the lawsuit’s lead plaintiff, Julie Barfuss.

As she told the *Washington Post*, Ticketmaster charged her a whopping \$14,286.70 for her 41 unsuccessful attempts to complete her ticket purchase. Later Ticketmaster canceled that invoice.

How Senate Hearings Are Pressuring Ticketmaster

The resulting outrage prompted the Senate to hold hearings on January 24. At the hearing, “lawmakers from both parties, smaller entertainment company executives and a musician spoke about how the lack of competition in the ticketing industry hurts artists as well as fans. They fear that will be the case as long as Live Nation remains both the dominant concert promoter and ticket platform in the U.S.,” noted *NPR*.

Congress and the Department of Justice are on Ticketmaster’s case. Senators railed against Ticketmaster’s market power at the hearing and “expressed interest in pursuing antitrust legislation, while the U.S. Justice Department is reported to be investigating” Live Nation Entertainment.

The Senate Judiciary Committee is paying attention to Ticketmaster on the eve of ‘Renaissance’ tickets going on sale. According to *Billboard*, Democratic members of the committee issued a February 2 tweet to Ticketmaster: “we’re watching.”

The tweet “included a clip from a CNN report about the Beyhive keeping a close eye on the ticketing giant in the wake of the disastrous roll-out of tickets for Taylor Swift’s Eras Tour,” noted *Billboard*.

How Ticketmaster Plans To Sell ‘Renaissance’ Tickets

The North American leg of the Renaissance tour — over 45 shows which will begin May 10 in Stockholm, Sweden, and conclude September 27 in New Orleans, according to *CNBC* — is using Ticketmaster’s Verified Fan system and starts with an exclusive sale to BeyHive members, according to *NPR*.

What does it take to become a BeyHive member? *NPR* guesses that is “anyone who signs up for Beyoncé's mailing list through her official website. Sadly for those aspiring to buy a ‘Renaissance’ ticket, some BeyHivers tweeted “that the signup page had disappeared from the site after the tour announcement.”

Ticketmaster's Verified Fan system asks fans to register in advance for their preferred shows and vets them individually.

Ticketmaster uses a lottery system to pick the lucky fans who get an access code for the sale and the unlucky ones who are added to a waitlist. There will be many disappointed fans because “demand drastically exceeds supply,” according to *Ticketmaster's blog*.

Ticketmaster is selling tickets differently for ‘Renaissance’ than it did with ‘Eras.’ Registration is divided into three groups of cities (though Ticketmaster says people can register for multiple groups). Each has its own deadline to register for presale tickets, that started February 2 and will end February 16, according to *NPR*.

‘Renaissance’ tickets went on sale February 2 in the UK. People who did buy tickets reported paying between the equivalent of \$68 to \$245 for standard tickets and as high as \$2,940 for VIP “on stage” seats, according to the *BBC*.

The BeyHive and those Senators will be watching how well Ticketmaster's process works for the rest of Beyoncé's ‘Renaissance’ tour.