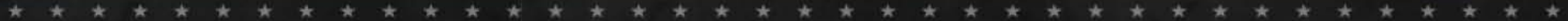


On Consumer Expectations



Consumer Ticketing Issues

- Some ticket industry practices negatively impact consumers
 - **Restrictive Paperless Tickets:** Eliminate or limit consumers' choice and ability to give away, transfer, or resell tickets
 - **Ticket hold-backs and private sales:** Limit ticket supply and deny fans fair access
 - **Automated ticket-buying software (“bots”):** Jump the line to purchase tickets, locking out real fans



The Fan Freedom Project (FFP)

- An independent consumer education and advocacy organization that promotes and defends the fundamental rights of live event patrons.
- We execute public education campaigns, and we provide a consumer voice in the live event and ticket industries, in legislatures and in other government agencies.



We Believe – Because Fans Believe:

- **Ownership.** When fans buy tickets, we own them.
- **Transferability.** Fans determine the best method, time, and price for transferring tickets to other fans.
- **Transparency.** Fans deserve basic information about the purchase environment, including how many tickets are available to the public and how many are held back for VIPs and special customers.
- **Fair Access.** Fans deserve the chance to buy event tickets without unfair competition from automated ticket-buying software that jumps ahead in line.
- **Competition.** Fans benefit from the competitive ticket resale marketplace, as competition provides choice and promotes innovation, better prices, and consumer protection.



FFP Supporters and Partners

- **30,000+ supporters, adding new fans every day**
- **Backed by growing coalition**
 - American Antitrust Institute
 - Computer and Communications Industry Association
 - Consumer Action
 - National Consumers League
 - NetChoice
 - The League of Fans
- Initial funding from StubHub



FFP in the States

- **Connecticut**
- **Minnesota**
- **Arkansas**
- **Tennessee**
- **North Carolina**
- **Massachusetts**
- **New York**
- **New Jersey**



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Six Questions For Fan Freedom Project's Jon Potter

June 21, 2011

By Antony Bruno (@AntonyNBruno) Denver



Consumer groups slam Ticketmaster gambit

'Restrictive paperless tickets' take away consumer choice, critics complain



about the intersection of business, finance, economics, and politics. Prior to joining *The Atlantic*, he wrote for *Forbes*. He also worked as an investment banker and a consultant.

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Will Paperless Change The Face Of The Ticket Industry?

Published: Friday, 1 Apr 2011 | 1:00 PM ET

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By: Darren Rovell
CNBC Sports Business Reporter

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FAN FREEDOM
PROJECT ★ ★ ★

Consumer Research



GENERAL TICKET USERS DEMAND FULL TICKET RIGHTS

INCLUDING CONTROL AND OWNERSHIP

CONTROL

TICKET IS MY PROPERTY

Once I've bought a ticket, it becomes my personal property, and I have full control over what I can do with my ticket, whether I use it myself, give it away or resell it to anyone I choose.



Q26. When thinking about tickets for entertainment or sporting events, which is closer to your view?

VENUE CONTROLS TICKET

Once I've bought a ticket, the original ticket issuer, artist, team or venue still controls the ticket, limiting what I can do with that ticket.

OWNERSHIP

REGULAR COMMODITY

A ticket to an entertainment or sporting event is like any other commodity I purchase – I own it and can use it however I want.



Q27. When thinking about event tickets, which is closer to your view?

LIKE AIRLINE TICKET

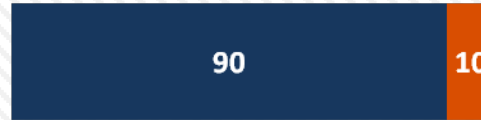
A ticket to an entertainment and sporting event is like an airline ticket – only the ticket issuer can decide what I can do with my ticket.

GENERAL TICKET USERS DEMAND FULL TICKET RIGHTS INCLUDING TRANSFERABILITY

TRANSFER

RIGHT TO TRANSFER

I should have the right to resell or give away tickets that I purchase to anyone I choose.



Q28. Which is closer to your view?

RIGHT TO PROHIBIT

The original ticket issuer should have the right to prohibit me from transferring my tickets (whether as a resale or as a gift).

TRANSFER RESTRICTED

RIGHT TO FREE TRANSFER

I should have the right to transfer tickets freely, to anyone I choose, as a gift or resale through any resale ticket market I choose.



Q29. Which is closer to your view?

RIGHT TO LIMIT TRANSFER

The original ticket issuer should have the right to require ticket resales be made only through their own website or an approved system.



TICKET INDUSTRY SHOULD UPHOLD MARKET PRINCIPLES

PRICE SETTING

DISPLAY SHOWN: Currently, ticket holders can resell their tickets, including the option of reselling for much higher than face value or reselling for much lower.

TICKET MARKET

Fans who use a ticket resale market should determine the prices at which tickets are resold.

67

33

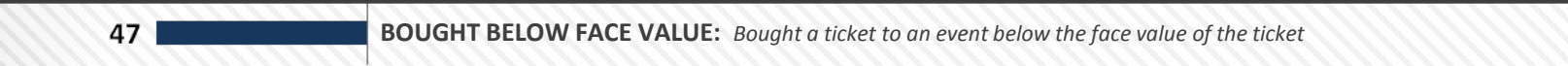
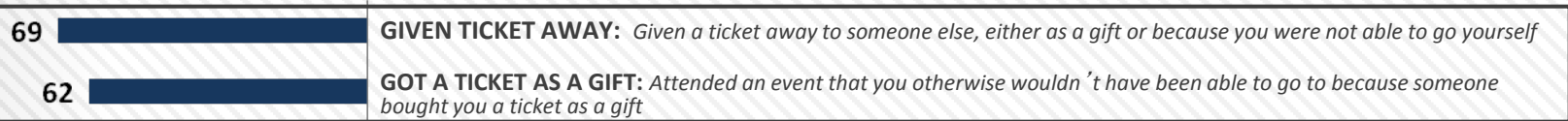
Q31. Which is closer to your view?

TICKET ISSUER

The original ticket issuer should determine the prices at which tickets are resold.

GENERAL TICKET USERS ENJOY THE BENEFITS OF TRANSFERABILITY

**TICKET
ACTIONS
TAKEN**
TOP 3 SHOWN



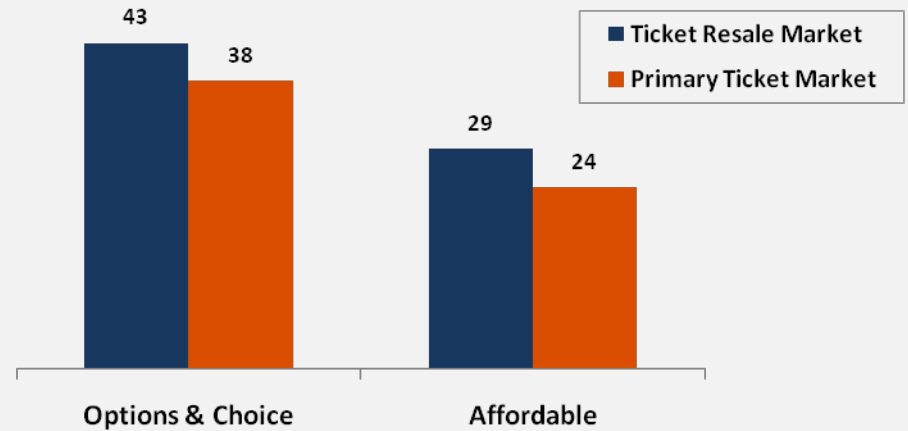
Q16-21. Have you ever done any of the following?



GENERAL TICKET USERS ON THE TICKET RESALE MARKET

OPTIONS & CHOICE AND AFFORDABILITY MORE ASSOCIATED WITH TICKET RESALE MARKET

Q24-25. Which of the following attributes do you think are associated with the primary ticket/ ticket resale market? You may select up to 3 attributes. Multiple responses permitted (up to 3); Ranked by Ticket Resale Market



CONFUSION OVER WHAT IS A PAPERLESS TICKET

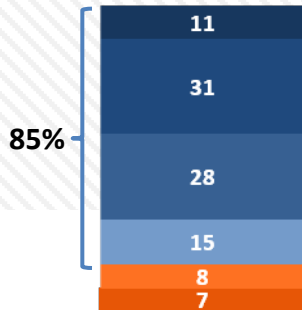
MANY CONFUSE PAPERLESS WITH ELECTRONIC, MOBILE PHONE OR BAR CODE TICKETS

INITIALLY 85% SAY THEY KNOW SOMETHING ABOUT PAPERLESS TICKETS

BUT, AMONG THOSE WHO PROFESS TO KNOW SOMETHING, ONLY 29% CAN GIVE A CORRECT DEFINITION

Q35. How much do you know about "Paperless" ticketing systems?

- Know a lot about it
- Know a fair amount about it
- Know a little about it
- Know very little about it
- Know the name only
- Have not heard of it

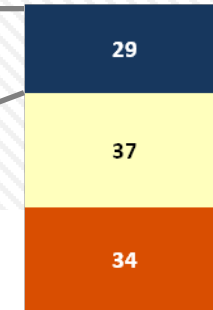


General Ticket User

85%

- Correct Definition
- Confused with Electronic
- Others / Don't know

Q36. In your own words, please describe what you think "Paperless" ticketing systems are. Asked of those who know at least a "very little" about Paperless ticketing systems.



General Ticket User (n=847)

AFTER DESCRIPTION, MORE HAVE NEVER HEARD OF PAPERLESS

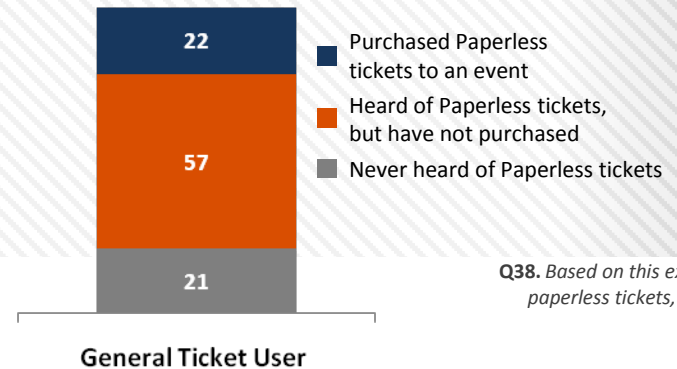
DROP IN PAPERLESS PURCHASE NUMBERS ALSO INDICATES CONFUSION

DESCRIPTION OF PAPERLESS TICKETS SHOWN TO ALL RESPONDENTS

“Paperless tickets” describes a new ticketing technology that has been implemented for some major artists' concerts (e.g., Miley Cyrus) and by some major sports teams (e.g., Cleveland Cavaliers and Houston Rockets). The following describes how the system generally works:

- Tickets must be purchased online and are often non-transferable.
- To gain entry into an event the ticket purchaser swipes the credit card used to purchase the ticket and presents a government issued ID – rather than presenting a physical ticket.
- A receipt with the seat location is printed off and given to the ticket purchaser.
- Once purchased, many paperless tickets cannot be given away or resold.
 - Some ticket issuers allow paperless tickets to be transferred, but only through their own websites, and often the issuers limit resale prices to the original purchase price or impose a price cap or price floor on resellers.
- Paperless tickets cannot be given away or sold or purchased through any other marketplace (e.g. eBay, StubHub, Craigslist) or through ticket brokers.

THOSE WHO HAVE PURCHASED PAPERLESS TICKETS DROPS FROM 40% TO 22%



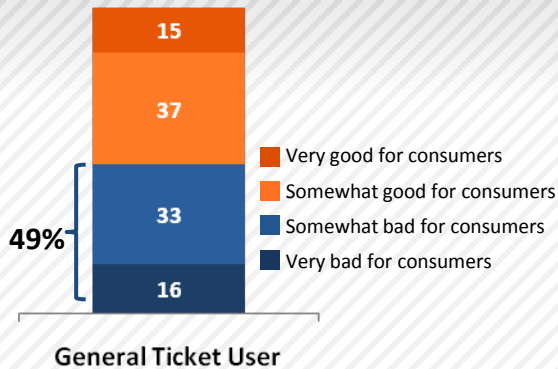
Q38. Based on this explanation of paperless tickets, have you....?

AND NEVER HEARD OF PAPERLESS TICKETS JUMPS FROM 7% TO 21% AFTER READING DEFINITION

OPINIONS ABOUT PAPERLESS TICKETS ARE SPLIT

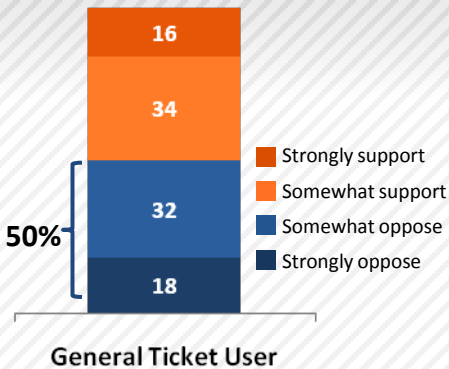
LESS THAN 1 IN 5 THINK PAPERLESS TICKETS ARE VERY GOOD FOR CONSUMERS, STRONGLY SUPPORT PAPERLESS TICKETS, OR ARE VERY LIKELY TO PURCHASE PAPERLESS TICKETS

49% THINK PAPERLESS TICKETS ARE BAD FOR CONSUMERS



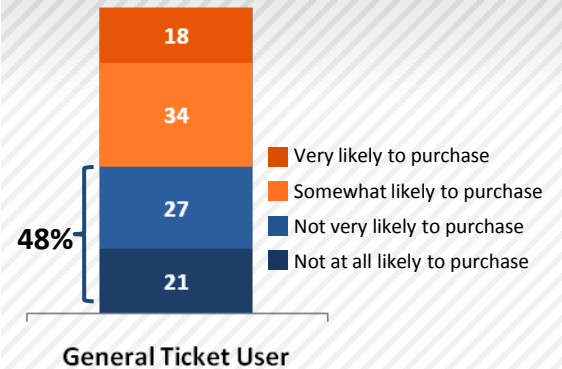
Q39. Based on what you just read, to what extent do you think paperless tickets, as explained above, are good or bad for consumers?

50% OPPOSE PAPERLESS TICKETS



Q40. How strongly do you support or oppose paperless tickets as described above?

48% ARE NOT LIKELY TO PURCHASE PAPERLESS TICKETS



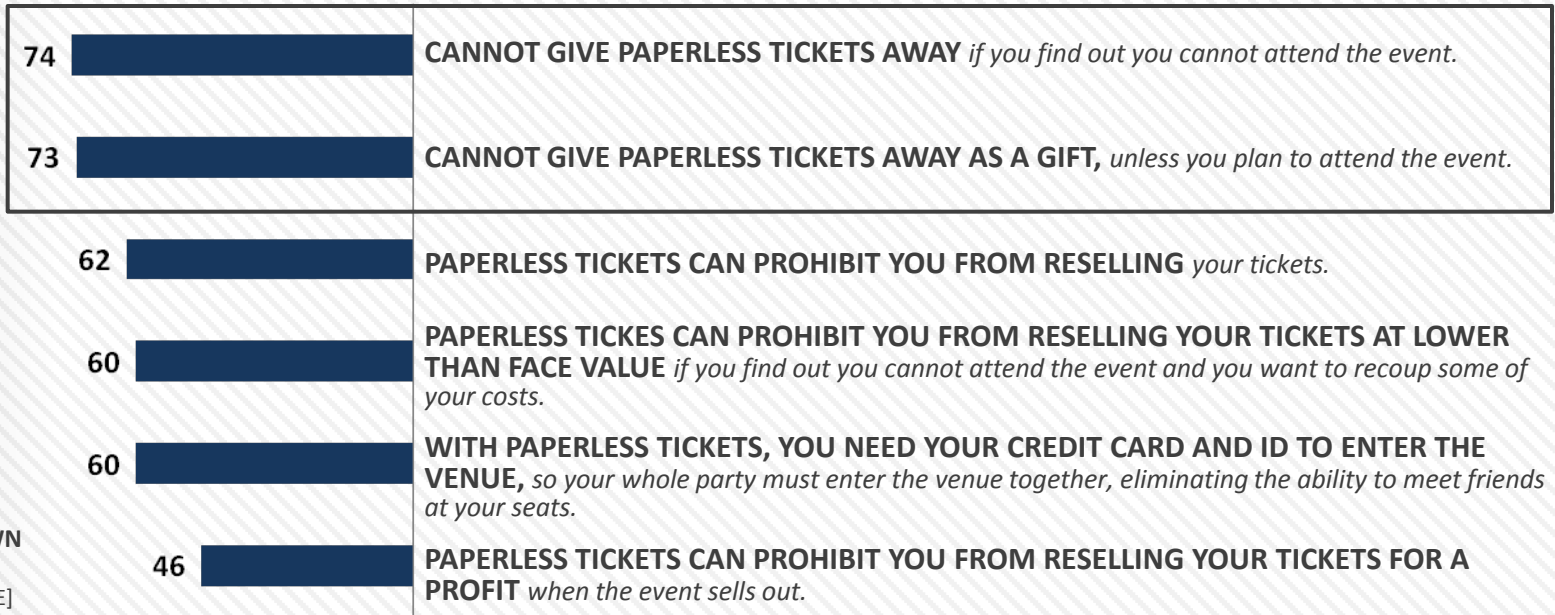
Q41. How likely would you be to purchase paperless tickets as described above?

USERS WORRY ABOUT PAPERLESS TICKET RESTRICTIONS

ESPECIALLY DRAWBACKS AROUND TRANSFERABILITY OF TICKETS

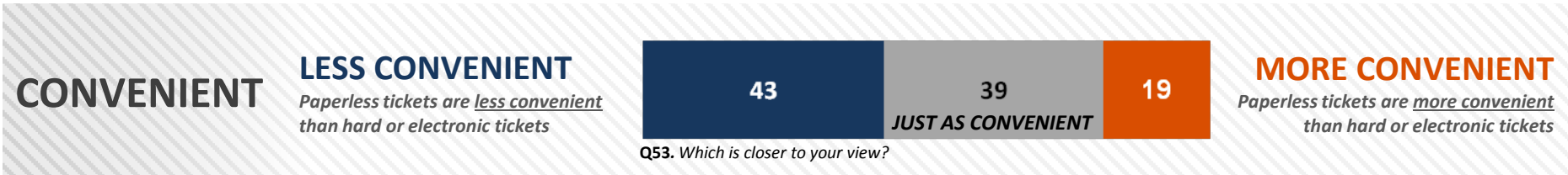
**INABILITY TO
TRANSFER
TICKETS IS
TOP
DRAWBACK**

% LESS FAVORABLE SHOWN
[MUCH LESS FAVORABLE +
SOMEWHAT LESS FAVORABLE]

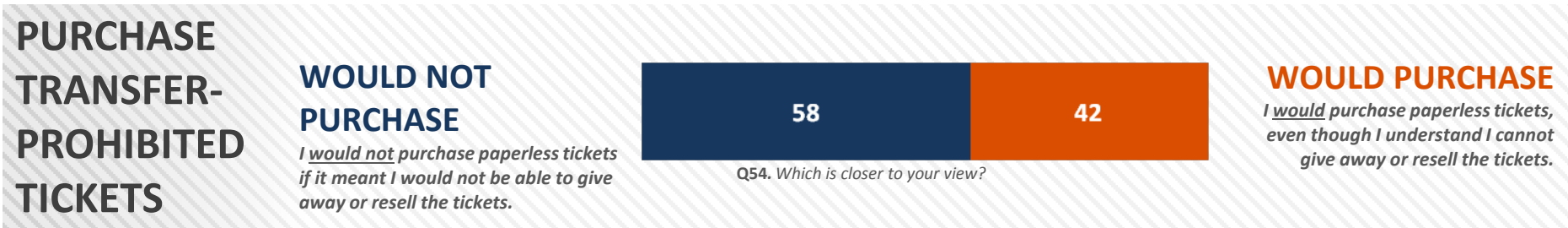


Q42-52. The following is a list of both positive and negative statements that could be made about paperless tickets. Considering each statement, please indicate how the statement influences your favorability of paperless tickets, if at all.

PAPERLESS TICKETS SEEN AS LESS CONVENIENT



AND MOST WOULD NOT PURCHASE IF TRANSFER OR RESALE IS PROHIBITED



TICKET INDUSTRY MANIPULATIONS SHOULD BE TRANSPARENT

TRANSPARENT

SHOULD DISCLOSE

Performing artists, venues and event promoters should disclose the total number of event tickets available to the general public for purchase and how many tickets will be set aside for private sales to VIPs, including sponsors, friends of the promoter and the performer or team.



Q30. Which is closer to your view?

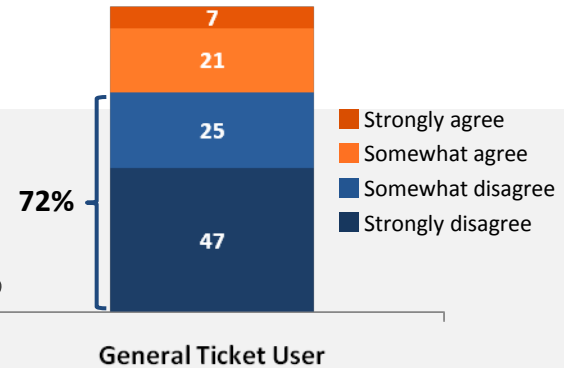
NO NEED TO DISCLOSE

Performing artists, venues and event promoters do not need to disclose the total number of event tickets available to the general public for purchase and how many will be set aside for private sales to VIPs, including sponsors, friends of the promoter and the performer or team.

INCLUDING DISCLOSURE OF RESALE MARKET SCHEMES BY ORIGINAL TICKET ISSUERS

72% DO NOT APPROVE OF ARTISTS OR PRODUCERS SELLING TICKETS THROUGH RESALE MARKETS FOR HIGHER THAN FACE VALUE PRICES

Q32. To what extent do you agree or disagree with the following statement?
Original ticket issuers (such as Ticketmaster, event venues, artists or teams) have the right to ignore face value pricing, and to sell tickets through a resale market for much higher prices.



Survey Says...

- **Consumers confused by ticketing practices and paperless tickets**
 - Need greater awareness/education among consumers, legislators, media
- **Consumers demand ticketing transparency and ownership rights**
 - Opportunity for consumer mobilization and advocacy
 - Legislators should protect consumers and protect the competitive market
- **FFP is uniquely positioned to lead**
 - Many claim to “represent” consumers, but FFP speaks directly with 30,000+ consumers
 - Research confirms what our supporters have been telling us about restrictive paperless ticketing and ticket rights



Consumer Rights Are At Risk...

– **The Story:**

- Ticket issuers' justify restrictive paperless tickets as “pro-fan” because they inhibit scalpers (they blame “the bots”) and reduce fraud

– **The Reality:**

- Primary ticketers are leveraging their market power and utilizing technology to reduce consumer value and unfairly restrict consumer choice by squeezing out resale market competitors



Consumer Rights Are At Risk...

- **Consumers Suffer When Competition is Eliminated**
 - No choice for purchasing or selling
 - Manipulative resale pricing, including caps and floors
 - Higher service fees
 - Loss or limitation of ticket transfer rights
 - Less customer service
 - Less innovation



Consumer Rights At Risk...

- Fortunately, the market and elected officials will listen if consumers mobilize to demand fair value and the benefits of competition**
- But that only works if consumers mobilize**
- Fan Freedom Project can help**



You Can Help the Fan Freedom Project Protect Fans' Rights

– Support FFP (personally)

- Join FFP! Use your smartphone to join right now: www.fanfreedom.org/join-us/
- “Like” FFP and sign the “Fan Bill of Rights” on Facebook
- Follow us on Twitter (@FanFreedom)

– Promote FFP

- Email your customers about FFP with links to a "join FFP" page and Facebook
- Insert "Join FFP" envelope stuffers when shipping tickets to consumers
- Incorporate FFP in a P.S. to your customer emails
- Blog about FFP



FAN FREEDOM
PROJECT ★ ★ ★

The Fan Freedom Project and The Ticket Choice Campaign

A wide-angle photograph of a baseball stadium filled with fans. The crowd is dense, and many are wearing blue caps. The field is visible in the background, and the stadium's architecture, including the seating bowl and outfield fence, is clearly seen. The image is slightly dimmed to make the overlaid text stand out.