

Editorial Board and Staff:

Editor:

*Mark S. Nagel
University of South Carolina*

Associate Editor:

*John M. Grady
University of South Carolina*

Consulting Editor:

*Peter J. Graham
University of South Carolina*

Editorial Review Board Members:

Rob Ammon—Slippery Rock University

*John Bennett—Venue Management
Association, Asia Pacific Limited*

*Chris Bigelow—The Bigelow
Companies, Inc.*

Matt Brown—University of South Carolina

*Brad Gessner—San Diego
Convention Center*

Peter Gruber —Wiener Stadthalle, Austria

Todd Hall—Georgia Southern University

Kim Mahoney—Industry Consultant

*Michael Mahoney—California
State University at Fresno*

*Larry Perkins—RBC Center
Carolina Hurricanes*

Jim Riordan—Florida Atlantic University

Frank Roach—University of South Carolina

*Philip Rothschild—Missouri
State University*

Frank Russo—Global Spectrum

Rodney J. Smith—University of Denver

*Kenneth C. Teed—The George
Washington University*

Scott Wysong—University of Dallas

JOURNAL OF
Venue
& Event
Management

Report From INTIX

Mark S. Nagel, Ed.D., Associate Professor
Department of Sport and Entertainment Management
University of South Carolina

Report From INTIX

The International Ticketing Association (INTIX) held its 34th Annual Conference and Exhibition January 29–31, 2013 at Disney's Contemporary Resort in Orlando, Florida. The conference provides an opportunity to network with attending practitioners and learn about new insights into the current and future practices that ticketing professionals are implementing to address the evolving business environment. Highlights of these key insights are provided.

Regulations Associated with the Patient Protection and Affordable Care Act

One concern that was discussed in depth at a breakout session was the new regulations associated with the Patient Protection and Affordable Care Act (aka ObamaCare). Under ObamaCare, employees who work more than 120 days a year or 28 hours a week would be classified as "full-time employees" who must be provided health insurance by their employer. There was some discussion among attendees regarding an interpretation that would permit a part-time employee to work more than 28 hours in a week as long as over a two-week span that employee did not accrue more than 56-work hours. This was discussed and all attendees were encouraged to check with their human resource offices before making any employment decision for 2013 and beyond.

Though the majority of the new ObamaCare regulations take effect in 2014, many ticket professionals noted that they had been advised that their employment patterns for 2013 would be utilized as a baseline for 2014 assessments. A pattern of 2013 employee attendance could impact how the organization was "legally" perceived in 2014—even if in 2014 employees decreased their work hours below the new minimum hour thresholds. Since most attendees agreed that it costs approximately \$18,000–\$22,000 per full-time employee to provide health insurance (with costs expected to rise dramatically under the new regulations) at their venues, they were actively restricting the number of full-time employees they retained and the number of hours part-time employees were permitted to work. Some conference attendees noted that the new health care regulations would likely result in fewer full-time jobs in the future, with more full-time positions becoming part-time and many part-time positions being staffed with interns.

Generating Revenue Through New and Emerging Technologies

Much like any other sport and entertainment management conference, a consistent theme throughout most sessions was the importance of generating revenues, particularly through new and emerging technologies. In nearly every presentation some aspect of how to monetize new opportunities was presented and discussed. For example, multiple sessions addressed the potential opportunities to create revenue through a customer's use of smart phones and other electronic devices. The use of phones for venue entry creates valuable information regarding ingress patterns that could be utilized to improve entry point flow and focus buying opportunities in selected traffic patterns. The use of phones for purchases of tickets, concessions, and merchandise presents facilities with data that can be utilized for new and enhanced customer relationship management (CRM) initiatives.

Secondary Ticket Market Issues

Potential participation in the secondary ticket market (either through direct channels or by partnering with established organizations that specialize in this area) was a hot topic, but most of the discussions concerned implementation and best practices, whereas—as noted by many conference attendees—in previous years the "rights" or morality of participating in the secondary market were prominent topics. Most of the conference attendees seemed to accept that actively participating in the resale market was the "new normal" and it is wise to manage and generate revenue through the resale market. With the current and next generations of ticket purchasers having diminishing distaste for purchasing resold tickets, the industry will likely continue to see ways to participate in the market, rather than try (and fail) to completely shut it down.

Paperless Ticketing

Despite the resignation that the secondary ticket market is here to stay, there were numerous discussions of paperless ticketing and its use to not only curtail the resale market but also to gather data by "controlling" and "viewing" the ticket transfer after its initial sale. The National Collegiate Athletic Association (NCAA) plans to no longer send a paper ticket to purchasers of the Division I Men's Basketball Final Four until after the event has concluded—essentially making tickets

souvenirs rather than tools to gain event entry. This will help limit scalping and also provide an opportunity to sell additional “souvenir” tickets to fans of participating teams who may or may not have actually attended the games. The NCAA sees potential in selling these souvenir tickets in the future. One concern with distributing the ticket after the event is finished concerns who will receive the ticket. Will the ticket be sent to the person who makes the initial purchase or to the person who makes the final purchase and attends the event? The NCAA initially plans to mail the ticket to the original purchaser but will be evaluating its entire postseason ticketing operations after every event in the 2013–2014 academic year. Certainly, the NCAA and other attendees noted the importance of gathering ticket sale and resale data for incorporation into future CRM activities.

Though conference attendees were typically supportive of moving more events to a paperless environment, one conference attendee noted that large consumers or high-end sponsors (such as prominent financial institutions) that buy multiple season tickets to distribute to clients and employees are now in a ticketing nightmare since they no longer have a series of hard tickets to distribute. Since many paperless tickets will be transferred through a team or school’s website, it can be problematic for sponsors to keep track of tickets, especially if they have 20 or more season tickets for teams participating in the National Basketball Association, Major League Baseball, or National Hockey League. Whereas the sheets of season tickets were once kept in one office for distribution and could be mailed or delivered in person, with the utilization of codes, it can be more difficult to distribute, especially if some “seasoned” consumers are not technologically savvy. For sponsors/buyers of National Football League games, the issues are usually not too difficult to overcome as the games occur only once a week and there is not an internal rush to distribute tickets among dozens or even hundreds of clients and employees. But in cases where the sponsor or large season ticket consumer must distribute paperless tickets to hundreds of different attendees on a nearly daily basis, challenges can occur. Though much of the paperless technology is easy to utilize by buyers/holders of 2–6 tickets, a sponsor that might have 30+ season tickets to the New York Yankees, New York Knicks, Brooklyn Nets, New York Mets, New York Rangers, New Jersey Devils, etc. may have to create a small staff simply to make sure tickets are distributed properly to internal and external stakeholders. Seeking a more streamlined solution to this potential problem will be important for the industry.

Dynamic Ticket Pricing

There were extensive discussions of the present and future of dynamic ticket pricing with most comments focusing on it being part of the present and definitely part of the future even for sports and events that are not typically seen as the most prominent in the sport and entertainment environments. Conference attendees noted that the number of people and number of venues utilizing dynamic pricing had dramatically increased, even since the 2011 INTIX Conference. From the entertainment side, box office managers noted how important it will be to get promoters to strategize and communicate with venues regarding pricing strategies in the future. The “typical” touring pricing problems of the past will need to be addressed for everyone to maximize their revenues in the future. Certainly, continuing education of the public must occur, though more and more ticket consumers likely understand the operation of the dynamic environment.

A relatively new entry to the dynamic ticketing environment is the instant seat upgrade process that many venues are now utilizing. The proliferation of smart phones and increasingly savvy consumers has resulted in a variety of teams experiencing initial success in utilizing technology that allows ticket holders to upgrade their seat upon entry to the facility. Venues have marketed these seat upgrades as “creating lifetime memories” for attendees. A variety of issues still need to be addressed, such as pricing, number of seats made available for each event, use of the technology in a “high-demand” environment versus a “low-demand” environment, and the order and timing in which various inventory is made available. However, given the number of companies that are now offering their services in this area, there is no doubt this ticketing option is only going to expand in the future.

Protecting the Season Ticket Experience

Throughout the conference, there was a discussion point that was reiterated often – no matter what changes are made in ticketing, we must continue to protect the season ticket experience. Even with new technology changing the way people purchase tickets and multiple options now available for accessing single event tickets, the lifeblood of any venue is selling season tickets. A variety of comments were made in presentations about not only providing added value to season ticket (and mini-plan) purchasers, but also remembering to communicate the value to those purchasers. A variety of venues noted they have now implemented mid-season

reports to their season ticket holders explaining how much money they have saved by avoiding the dynamic or secondary ticket marketplaces. Other non-financial benefits (such as access to specific functions, meet the players, meet the orchestra, etc.) or opportunities (first chance to upgrade seats in game) should be explained to the season ticket buyer so that they not only understand but value the season ticket experience.

Certainly, one of the most pressing issues facing the live sport and entertainment industry is the home-consumption of events through high-definition television. While many of the INTIX Conference attendees were box office managers rather than vice presidents of marketing and promotions, everyone associated with the ticketing industry needs to adhere to the overall goal of providing a live experience that cannot be replicated away from the venue.