

**Completed acquisition by PUG LLC (viagogo) of the  
StubHub business of eBay Inc.**

**Appendices and glossary of the provisional findings report**

*Appendices*

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## Appendix A: Terms of reference

1. In exercise of its duty under section 22(1) of the Enterprise Act 2002 (the **Act**) the Competition and Markets Authority (**CMA**) believes that it is or may be the case that:
  - (a) a relevant merger situation has been created, in that:
    - (i) enterprises carried on by Pugnacious Endeavors, Inc (**viagogo**) have ceased to be distinct from enterprises carried on by StubHub, Inc., StubHub (UK) Limited, StubHub Europe S.à.r.l., StubHub India Private Limited, StubHub International Limited, StubHub Taiwan Co., Ltd., StubHub GmbH, and Todoentradas, S.L. (together, **StubHub**); and
    - (ii) the condition specified in section 23(2)(b) of the Act is satisfied; and
  - (b) the creation of that situation has resulted, or may be expected to result, in a substantial lessening of competition within a market or markets in the United Kingdom for goods or services, including the supply of online exchange platforms for selling and buying secondary tickets (Secondary Ticketing Exchange Platforms) in the United Kingdom.
2. Therefore, in exercise of its duty under section 22(1) of the Act, the CMA hereby makes a reference to its chair for the constitution of a group under Schedule 4 to the Enterprise and Regulatory Reform Act 2013 in order that the group may investigate and report, within a period ending on 9 December 2020, on the following questions in accordance with section 35(1) of the Act:
  - (a) whether a relevant merger situation has been created; and
  - (b) if so, whether the creation of that situation has resulted, or may be expected to result, in a substantial lessening of competition within any market or markets in the United Kingdom for goods or services.

**Andrea Gomes da Silva**  
**Executive Director, Mergers and Markets**  
**Competition and Markets Authority**  
**25 June 2020**

# Appendix B: Industry background on the supply of tickets in the UK

## Introduction

1. This appendix describes the ticketing industry in the UK. In the first instance, all tickets to live events are made available in what is commonly called the primary market. Tickets sold at this stage of the supply chain are commonly called primary tickets. Some tickets sold in the primary channel may then be resold. Tickets available for resale are listed in secondary ticket channels. We refer to those who sell tickets in secondary ticket channels as resellers and tickets sold through any of these channels as secondary tickets. We discuss first the primary supply of tickets before focussing on secondary ticketing, which is where the Parties primarily overlap.

## The primary supply of tickets

2. Tickets sold on the primary market are those tickets sold initially by the venue, event organiser or other primary channel. This is the source of tickets that may later be made available for resale on the secondary market, where viagogo and StubHub mainly operate.
3. The primary market for tickets to live events in the UK contributes to and affects the secondary market. The activity in the primary market influences the availability and price of tickets available for sale on the secondary market. In this section, we provide background on the primary market to help explain how tickets become available on the secondary market.
4. The process of pricing, selling and distributing tickets in the primary market is composed of several stages and varies across events. The content rights holders, such as artists, venues and promoters of events, set the price<sup>1</sup> and choose a channel for selling primary tickets.<sup>2</sup> Tickets are typically sold initially on primary ticketing platforms and through other channels, such as the venue (eg the National Theatre), event organisers (eg Glastonbury) or sports clubs (eg an individual football club).
5. This process varies across live music, sports and theatre events.

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<sup>1</sup> [REDACTED].

<sup>2</sup> [REDACTED].

## **Music**

6. Music concert tickets are typically sold through primary ticketing platforms and other channels, including the artist's or venue's website.
7. Generally, the artist and its agent choose a promoter to arrange an event or tour and find venues. While the price of tickets is usually decided by the artist and its agent, promoters and venues distribute most tickets. Tickets are allocated between the venue, promoter and (to a lesser degree) the artist. Multiple channels are used to distribute tickets, including primary ticketing platforms.<sup>3</sup> Primary ticketing platforms may also be involved in pricing discussions and may make recommendations on pricing strategies.<sup>4</sup>
8. Music festivals, where a combination of artists perform, typically follow a different process to music concerts that is more akin to sports. The festival organiser controls the ticketing inventory, though tickets may be sold through several primary channels.<sup>5</sup>

## **Sports**

9. Tickets to most major sports events are typically organised together as part of a league or tournament. The respective sporting organisation or team initially control the ticketing inventory and administer how tickets for events are packaged for sale. Sports organisations typically sell tickets through their own box office or work with a primary ticketing platform to decide this service. They may also decide to work with a secondary ticketing partner or decide to handle returns and resales themselves.<sup>6</sup>
10. Tickets are typically made available to groups, such as season ticket holders, sponsors, debenture seat holders, corporate hospitality providers, schools, corporate sponsors, and those who are closely connected with the organisation. For very popular events, it is usual for specific groups, such as season ticket holders, to have priority when it comes to purchasing tickets.<sup>7</sup>

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<sup>3</sup> [Independent review of consumer protection measures concerning online secondary ticketing facilities](#), 2016, paragraphs 1.7 to 1.10.

<sup>4</sup> [§]

<sup>5</sup> [Independent review of consumer protection measures concerning online secondary ticketing facilities](#), 2016, paragraph 1.14.

<sup>6</sup> [Independent review of consumer protection measures concerning online secondary ticketing facilities](#), 2016, paragraph 1.3-1.4.

<sup>7</sup> [Independent review of consumer protection measures concerning online secondary ticketing facilities](#), 2016, paragraph 1.3-1.4.

## **Theatre**

11. The process for pricing, selling and distributing theatre tickets is more akin to music events than sports events. Event organisers work with a manager to select the venue and organise the event.

## **Evolving practices**

12. The way primary tickets are priced, sold and distributed has evolved over recent years. In this section, we discuss two key practices, dynamic pricing and digital ticketing, that are used by primary ticketing platforms and appear to impact the secondary ticketing market. While the decision on whether to employ such practices is typically made by event organisers and content rights holders, primary ticketing platforms are influential in their adoption.

### ***Dynamic pricing***

13. Dynamic pricing is used to vary the price of tickets over time in response to changes in demand and consumer's willingness to pay. This contrasts to a traditional model, where the price of a ticket would remain constant throughout the period for which it is on sale. Primary ticket sellers use dynamic pricing to maximise the revenue obtained from each ticket.
14. Primary ticketing platforms may recommend using dynamic pricing for certain events where it is likely to be an effective strategy in maximising revenue from ticket sales. Generally, events with very high demand are more likely to have dynamically priced tickets. Ultimately, the decision on whether to dynamically price is made by the event organisers.
15. Dynamic pricing has existed in the UK ticketing sector since 2007 through Ticketmaster's 'Platinum' series of tickets. Ticketmaster now has two products through which it offers dynamic pricing:
  - (a) "Platinum" – [redacted].<sup>8</sup>
  - (b) "Pricemaster" – [redacted].<sup>9</sup> [redacted].<sup>10</sup>
16. Customers may have some indication of dynamically priced tickets with some labelled "in demand" or "best at current time", but it is at the content rights

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<sup>8</sup> [redacted].  
<sup>9</sup> [redacted].  
<sup>10</sup> [redacted].

holder's discretion whether they want to make the customers aware that tickets are dynamically priced.<sup>11</sup>

17. More recently, other primary ticketing platforms have started to offer similar products and advanced analytics tools have further enabled dynamic pricing.<sup>12</sup>
18. In the US, dynamic pricing is prevalent in the primary ticketing market. This is especially the case for certain sports leagues, where some primary ticketing platforms have had dynamic pricing (with caps and floors to maintain a 'reasonable price') fully adopted by nearly all NFL and MLB teams.<sup>13</sup>
19. By contrast, dynamic pricing is still limited to a low number of events and most primary tickets are sold at face value in the UK.<sup>14</sup> Several of the main primary ticketing platforms indicated that dynamic pricing is only applicable to a small proportion of their sales.<sup>15</sup>

### ***Digital ticketing***

20. The increased use of digital ticketing is another significant development in the industry. This is where tickets are made available digitally for attendees to download onto smart phones and show to gain entry to an event. According to the Parties, the use of tickets on a smartphone app by primary ticketing platforms has [REDACTED] of all tickets sold in the UK over the past 2 years.<sup>16</sup>
21. The increased use of digital ticketing is attributable to several advantages over traditional paper (or PDF) tickets. It helps prevent counterfeit tickets, can instantly be sent to the buyer, provides primary sellers with additional marketing data and opportunities, and facilitates contactless entry and contact tracing.<sup>17</sup>
22. [REDACTED]<sup>18</sup>

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11 [REDACTED].  
12 [REDACTED].  
13 [REDACTED].  
14 [REDACTED].  
15 [REDACTED].  
16 [REDACTED].  
17 [REDACTED].  
18 [REDACTED].

## ***Size of primary ticket sector***

23. The Parties submitted that primary ticket sales in the UK was worth around £5-6 billion in 2018.<sup>19</sup> Last year over 35 million primary tickets were sold to UK events.
24. The data that we have available indicates that the primary ticket sector in the UK from third party distributors was worth at least £1.5 billion in 2019. By event type, we estimate this as:
- (a) £1.3 billion for concerts;
  - (b) £84.5 million for sport; and
  - (c) £256.8 million for theatre.<sup>20</sup>
25. However, this does not include sales direct from venues or non-distributors (eg sporting clubs or bodies) and so the overall figure for primary tickets is likely to be much higher.
26. The largest Primary Ticketing Platforms selling tickets to UK events are Ticketmaster, See Tickets and AXS. Other platforms include Eventbrite, Eventim UK and Gigantic. The Parties presence in primary ticketing is relatively small.
27. viagogo sells a small proportion of its ticket sales ([REDACTED]) on the primary market on behalf of event organisers and content rights holders such as sports teams. Of the [REDACTED] tickets sold for UK venues in 2019 only [REDACTED] related to primary tickets sales of which the vast majority ([REDACTED]) related to sports events<sup>21</sup>. These are mainly sold through partnerships with sports teams who allocate a small portion of their tickets for viagogo to sell on its platform.<sup>22</sup>
28. StubHub's primary ticket sales account for [REDACTED]% of GMS revenue in the UK. Most ([REDACTED]%) relate to sporting events, with [REDACTED]% for theatre and comedy and less than [REDACTED]% for concerts.<sup>23</sup> The sales occur through partnerships with content rights holders and promoters, such as Everton FC, Aviva Rugby

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<sup>19</sup> The data that we have available indicates that the primary ticket sector in the UK from third party distributors was worth at least £1.5 billion last year. However, this does not include sales direct from venues or non-distributors (eg sporting clubs or bodies) and so the true figure is likely to be much higher.

<sup>20</sup> CMA Analysis of primary ticketing platforms' ticket sales data. The dataset used for the analysis compiles together the following Parties' and third-parties' data submissions: [REDACTED]; [REDACTED]; [REDACTED]

<sup>21</sup> [REDACTED]

<sup>22</sup> [REDACTED].

<sup>23</sup> [REDACTED]

## The secondary supply of tickets

### *Introduction to channels for secondary tickets*

29. Although there are restrictions on the ability of a ticket holder to resell tickets that they acquired in the primary ticket channel, some tickets sold in the primary channel may then be made available for resale. Tickets available for resale are listed in secondary ticket channels. We refer to those who sell tickets in secondary ticket channels as resellers. The main channels for selling secondary tickets are:
- (a) uncapped secondary ticketing platforms;
  - (b) capped secondary ticketing platforms;
  - (c) non-specialist channels and social media; and
  - (d) offline channels.
30. We outline each below.

### *Secondary ticketing platforms*

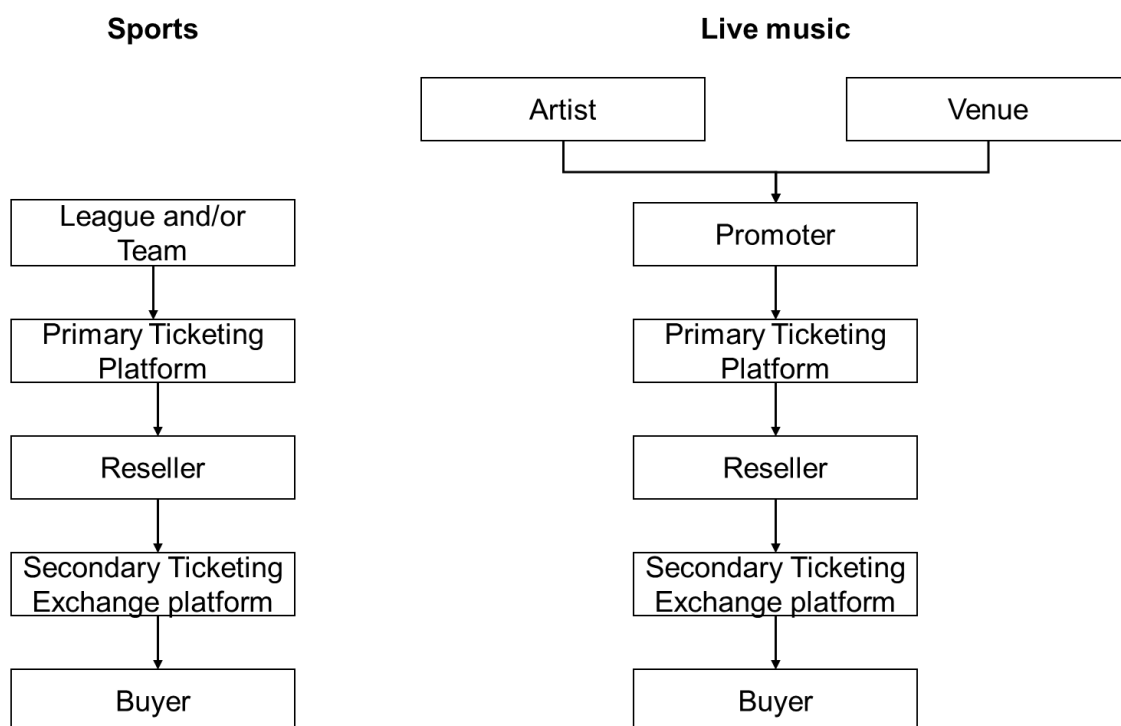
31. Secondary ticketing platforms are ‘two-sided’ online platforms that enable buyers and resellers to buy and resell the tickets they have bought for music, sports, theatre and other live events (as illustrated by figure 1). The platforms are made up of a set of technical functionalities, marketplace policies and back office support.<sup>25</sup> They do not at any point take ownership of the ticket inventory and only facilitate the buying and reselling of tickets.

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<sup>24</sup> [redacted]  
<sup>25</sup> [redacted].



**Figure 1: How tickets arrive on Secondary Ticketing Exchange Platforms, by sports and live music**



Source: CMA analysis

32. Resellers choose from a catalogue of pre-populated events on a secondary ticketing platform and enter their ticket details, including the location of the seat. Resellers set their ‘take home fee’ or the amount they will be paid after charges.
33. Prospective buyers can then see a range of tickets under an event, with details of specific tickets such as its location. Once buyers have selected and paid for a ticket, the platform will arrange for the fulfilment or delivery of their ticket (depending on whether it is a physical or electronic ticket).
34. There are four main types of resellers that use secondary ticketing platforms:
  - (a) fan resellers - generally individuals with a small number of tickets to sell often for events for which they are no longer able to attend;
  - (b) professional resellers - resellers who buy tickets in bulk on the primary ticket market with a view to selling them for a profit on the secondary ticketing market;<sup>26</sup>

<sup>26</sup> Some professional resellers also operate their own website for selling secondary tickets, see [X].

- (c) authorised ticket resellers - similar to professional resellers, this group are agents who have a direct relationship with primary ticket sellers or event organisers who are used by them to widen distribution and are often given a bulk allocation by them to resell; and
- (d) event organisers – the organisers of events who may also use secondary ticket markets to widen distribution for their tickets or in order to sell discounted tickets for events that for which there is low demand.

### *Uncapped and capped secondary ticketing platforms*

- 35. An important distinction within this group is whether the platform imposes a cap on the price at which tickets can be resold.
- 36. Uncapped secondary ticketing platforms, such as those operated by viagogo and StubHub, allow resellers to list tickets for a wide range of events at any price. As a result, buyers may purchase a ticket significantly above face value. This makes the platforms particularly attractive to professional resellers focused on maximising returns, as opposed to casual fans only looking to recoup the money spent on a primary ticket.<sup>27</sup> The Parties submitted that [redacted]% of tickets on secondary ticketing platforms are listed by professional resellers.<sup>28</sup>
- 37. viagogo and StubHub are the largest suppliers in the UK secondary ticketing platform market, representing 80-90[redacted]% in terms of value in 2019.<sup>29</sup> Gigsberg is another uncapped secondary ticketing platform, though is much smaller in comparison with the Parties.<sup>30</sup>
- 38. The bulk of tickets on viagogo’s platforms are for concerts and festivals with a significant minority being for sports events and theatre performances.<sup>31</sup> In 2019, [redacted]% of tickets sold for UK events were for concerts and festivals, [redacted]% for sports events and [redacted]% for theatres.<sup>32</sup>
- 39. On StubHub, the bulk of secondary ticket sales by GMS relates to sports ([redacted]%) with concerts and festivals accounting for a significant minority ([redacted]%) and a small amount ([redacted]%) relating to theatre.<sup>33</sup>

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<sup>27</sup> For example, [redacted].

<sup>28</sup> [redacted].

<sup>29</sup> CMA analysis of Parties’ and third parties’ sale data.

<sup>30</sup> CMA analysis of Parties’ and third parties’ sale data.

<sup>31</sup> [redacted].

<sup>32</sup> [redacted].

<sup>33</sup> [redacted].

40. Capped secondary ticketing platforms (or 'fan-to-fan' platforms) only allow tickets to be sold at face value or with a fixed increment.<sup>34</sup> The cap is typically the face value of the ticket plus a small amount to cover booking fees. Some may also restrict resellers from pricing below face value. These platforms are typically used by fans who bought primary tickets and then realise they can no longer attend the event.<sup>35</sup>
41. Capped secondary ticketing platforms comprise:
  - (a) platforms for buying and reselling tickets for different events (such as Twickets and TicketSwap);
  - (b) platforms for buying and reselling tickets initially sold through a specific primary ticketing platform (Ticketmaster Ticket Exchange, AXS Official Resale, Eventim fanSALE, Gigantic and See Tickets Fan-to-Fan);
  - (c) specialised platforms for a specific venue or sport (eg most English Premier League teams have their own internal ticket exchange);<sup>36</sup>
42. Capped secondary ticketing exchange platforms make up a small proportion of the market for secondary ticketing markets, representing about 10% of the market in terms of value in 2019.<sup>37</sup>

#### *Fees charged by secondary ticketing platforms*

43. Secondary ticketing exchange platforms active in the UK typically charge fees based on completed transactions to one or both of the seller and the buyer. Some also charge a delivery fee to cover the handling, transaction and/or postage fees which are typically fixed amounts (ie do not vary with the price of the ticket). None of the platforms charge a joining or membership/subscription fee or a listing fee.
44. Table B.1 shows the average level of reseller fees, buyer fees and delivery fees charged by the main secondary ticketing platforms. It shows that uncapped platforms typically have higher fees than those of the capped platforms:
  - (a) Uncapped secondary ticketing platforms typically have seller fees between 5 and 15% and buyer fees of 15-20%.

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<sup>34</sup> [REDACTED].

<sup>35</sup> [REDACTED].

<sup>36</sup> [REDACTED].

<sup>37</sup> CMA analysis of Parties' and third parties' sale data.

- (b) Capped secondary platforms operated by the primary platforms charge seller fees of 0-10% and buyer fees of 10-15%.
- (c) Other capped secondary platforms charge seller fees of 0-5% and buyer fees of 8-15%.

**Table B.1 – Fee structure adopted by the main secondary ticketing platforms**

	Seller Fee	Buyer Fee	Delivery Fee
<i>Uncapped secondary ticketing platforms</i>			
Viagogo	[REDACTED]	[REDACTED]	[REDACTED]
StubHub	[REDACTED]	[REDACTED]	[REDACTED]
Gigsberg	[REDACTED]	[REDACTED]	[REDACTED]
GetMeIn (up to Nov'18)	[REDACTED]	[REDACTED]	[REDACTED]
SeatWave (up to Nov'18)	[REDACTED]	[REDACTED]	[REDACTED]
<i>Capped secondary ticketing platforms operated by primary platforms</i>			
Ticketmaster Ticket Exchange	[REDACTED]	[REDACTED]	[REDACTED]
AXS Resale	[REDACTED]	[REDACTED]	[REDACTED]
Eventim UK FanSALE	-	[REDACTED]	[REDACTED]
See Tickets Fan-to-fan	[REDACTED]	[REDACTED]	[REDACTED]
Gigantic	[REDACTED]	[REDACTED]	[REDACTED]
<i>Other capped secondary ticketing platforms</i>			
TicketSwap	[REDACTED]	[REDACTED]	[REDACTED]
Twickets	[REDACTED]	[REDACTED]	[REDACTED]

Source: CMA questionnaire responses from main and third parties.

45. For viagogo, there have been no significant changes in percentage fees charged to sellers since 2017, with overall 'take rate' (seller and buyer fees combined) remaining at roughly [REDACTED]% since 2009, and the seller fee accounting for 'approximately [REDACTED]% of that overall amount'.<sup>38</sup> In mid-2018, the buyer fee was increased by [REDACTED].
46. Overall fees on viagogo are set globally and applied uniformly across all countries where viagogo is active. The variation in fees primarily reflects how the fees are practically and logistically implemented in different countries or because of the different buyer/seller VAT status'.<sup>39</sup> Ticket delivery fees vary between countries, both for physical delivery (which is based on an estimate of the cost to viagogo plus a 'buffer') and for e-ticket delivery.<sup>40</sup>

<sup>38</sup> [REDACTED]  
<sup>39</sup> [REDACTED].  
<sup>40</sup> [REDACTED].

47. viagogo noted that some event organisers had negotiated bespoke fees (including buyer, seller and delivery fees), but these were on a case-by-case basis and were unique to the event organiser in question.<sup>41</sup>
48. Similarly, StubHub charges the reseller and buyer a fee based on the sale value of the ticket. StubHub charges fan resellers [redacted]%, professional resellers [redacted]%, and buyers [redacted]% of the ticket price.<sup>42</sup> StubHub sometimes reduces the reseller fees. For non-UK buyers of tickets for UK events, StubHub also charges a fee of [redacted]% in addition to its standard base fee to cover increased shipping costs.<sup>43</sup>
49. We have found that some secondary ticketing exchange platforms will occasionally reduce fees for a limited time in a promotion to attract resellers. For example, Gigsberg stated that '[redacted]'.<sup>44</sup>
50. The reseller receives the amount a buyer pays for a ticket on a secondary ticketing exchange platform less the platform's fees. This is illustrated by the StubHub example in Figure 2. Depending on the platform, resellers receive their payment once tickets have been delivered or after the event has taken place.

[redacted]

### ***Non-specialist channels and social media***

51. Secondary tickets are also bought and sold through online channels that do not specialise in tickets, such as classified advertising websites and social media.
52. The Parties submitted that online marketplaces and social media websites like Facebook and Gumtree have large numbers of users and provide opportunities to buy and resell tickets.<sup>45</sup>
53. However, tickets bought on secondary ticketing platforms generally come with greater protections for the buyer than those bought through other online channels, such as social media.<sup>46</sup>

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<sup>41</sup> [redacted]

<sup>42</sup> Both fees are inclusive of VAT. [redacted].

<sup>43</sup> [redacted].

<sup>44</sup> [redacted].

<sup>45</sup> [redacted].

<sup>46</sup> [Independent review of consumer protection measures concerning online secondary ticketing facilities](#), 2016, paragraph 15.

## **Offline channels**

54. Primary tickets may also be made available for resale through offline channels. Buyers purchase tickets through offline travel agents, hospitality providers, ticket wholesalers, and their personal networks (eg friends and family). Tickets are also sold at box offices at event venues, ticket booths (eg in Leicester Square), and individual ticket resellers or ‘touts’ outside of the event venue offering secondary tickets.<sup>47</sup>

## **Size of secondary ticket sector**

55. The Parties submitted that anywhere between [X]% and [X]% of primary tickets sold are resold through secondary channels, although this varies considerably between types of event.<sup>48</sup> According to estimates provided by the Parties, secondary ticketing accounted for around £1.5-2.5 billion in the UK in 2018.<sup>49</sup>
56. We think that is a considerable overestimate. In 2019, there were about 1.9 million secondary tickets sold which is 5-6% of the number of primary tickets sold.<sup>50</sup> Based on data provided from all the main secondary ticketing platforms in the UK, we think that the value of secondary tickets sold last year through online ticketing platforms was about £350 million (although this does not include sales which occur outside of online platforms).<sup>51</sup>

This is also within the range referenced in the Waterson Review in 2016,<sup>52</sup> which estimated that the secondary ticketing market was between 3-7% of the size of the primary ticketing market in terms of ticket numbers, though this was clearly higher for major venues.<sup>53</sup>

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<sup>47</sup> [X].

<sup>48</sup> [X].

<sup>49</sup> [X].

<sup>50</sup> CMA analysis of Parties’ and third parties’ sale data.

<sup>51</sup> CMA analysis of Parties’ and third parties’ sale data.

<sup>52</sup> The ‘Waterson Review’ is an independent review by Professor Michael Waterson published in 2016 that assesses the consumer protection measures applying to resale of tickets for sporting, entertainment and cultural events in the UK through secondary ticketing facilities. See [Independent review of consumer protection measures concerning online secondary ticketing facilities](#), 2016.

<sup>53</sup> We acknowledge that the industry data that formed the basis for this estimate dates back several years and was published in the Waterson Review in 2016. [Independent review of consumer protection measures concerning online secondary ticketing facilities](#), 2016, paragraph 5.19.

## Appendix C: Analysis of transactions on primary and secondary platforms

1. This Appendix sets out our analysis of transactions on primary ticketing platforms and secondary ticketing exchange platforms.
2. The Parties submitted at Phase 1 that they are constrained by primary ticketing platforms on the buyer side of their platforms as the prices of tickets sold through primary ticketing platforms and secondary ticketing exchange platforms are converging.<sup>54</sup> This convergence, the Parties argue,<sup>55</sup> means the CMA's finding in *Ticketmaster/Seatwave* that primary tickets do not impose a constraint on the secondary market due to the difference in prices of tickets sold through primary ticketing platforms and secondary ticketing exchange platforms is no longer appropriate.<sup>56</sup>
3. In assessing the constraint from primary ticketing platforms on the buyer side of the Parties' platforms, we have tested whether (i) there are large differences in the price of tickets sold through primary ticketing platforms and secondary ticketing exchange platforms and (ii) the purchasing behaviour of buyers differs between primary ticketing platforms and secondary ticketing exchange platforms for selected individual events. We have provisionally found that:
  - (a) At the aggregate level, the average resale price of event tickets sold through the Parties' platforms was well above their face value. Our analysis found that most tickets sold through the Parties' platforms in the period January 2019 – February 2020 had a mark-up over their face value of more than 50%.
  - (b) The prices of tickets purchased by buyers and the purchasing behaviour of buyers are different between primary ticketing platforms and secondary ticketing exchange platforms for a number of selected individual events. Our analysis found that the majority of tickets to these events were sold through [X] (a primary ticketing platform) in the first week they were

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<sup>54</sup> The Parties submitted analysis which estimated that the average price difference between viagogo and Ticketmaster Platinum was [X]% (FMN, paragraph 89). This was based on the listings of 15 events for one day in December 2019 (Annex 99 to the FMN, viagogo s.109 (l), paragraph 4.1). Ticketmaster Platinum tickets are Ticketmaster's premium tickets, priced at market-driven prices (i.e. 'dynamically priced'). Tickets sold through Ticketmaster Platinum do not include any additional VIP or hospitality elements ([Ticketmaster, What are Official Platinum Tickets?](#), 8 June 2020).

<sup>55</sup> FMN, paragraph 147.

<sup>56</sup> 'The CMA understands that, while for some events there may still be primary tickets available when secondary tickets go on sale, these will often be at a much lower price (for popular events) or a much higher price (for unpopular events)' [Source: [Ticketmaster/Seatwave](#), paragraph 43].

made available to buyers, whereas tickets for these events were typically sold through the Parties' platforms closer to the date of the event and at a higher price than on [X].

(c) Primary ticketing platforms make limited use of a range of strategies (such as 'dynamic pricing' or 'variable pricing') that, as argued by the Parties, contribute to the convergence of pricing of tickets sold through primary ticketing platforms and secondary ticketing exchange platforms. We therefore consider that these strategies would have a limited impact on the ticket prices set by resellers on the Parties' platforms and the availability of tickets for buyers on the Parties' platforms.

4. This Appendix sets out the analysis that supports our findings in turn below.

***Analysis at the aggregate level***

5. We conducted an analysis on the price of tickets sold through the Parties' platforms in the period January 2019 – February 2020. The aim of this analysis is to test whether primary ticketing platforms constrain the Parties on the buyer side of their platforms, in particular whether prices of tickets sold through primary ticketing platforms and secondary ticketing exchange platforms are converging as the Parties have submitted.

6. Our analysis first measured the average mark-up and median mark-up over face value for tickets sold through the Parties' platforms. This analysis compared the face value information provided by resellers when listing a ticket on the Parties' websites with the price the tickets were sold at in each transaction.<sup>57</sup> The results of this analysis are set out in Table C.1.

**Table C.1: Mark-up over face value for tickets sold through the Parties' platforms**

	viagogo	StubHub
Average mark-up of ticket prices over face value	[X]	[X]
Median mark-up of ticket prices over face value	[X]	[X]

Source: CMA analysis of Parties' data.

7. Table C.1 shows that the price of tickets sold through the Parties' platforms are typically much higher than the face value of the ticket when purchased from a primary ticketing platform. In particular, tickets sold through viagogo and StubHub's platform had a median mark-up over face value of [X] and [X], respectively.

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<sup>57</sup> We have therefore not included any transaction information where the face value or ticket price was not submitted by the Parties. In addition, we have not included transaction information where the face value or ticket price was likely to be unreliable (i.e. when these values were less than £1 or more than £10,000).



8. We then looked at the distribution of mark-ups over face value for tickets sold through the Parties' platforms. The results of this analysis (set out in Table C.2) show that 80-100% [X] and 60-80% [X] of tickets sold through viagogo and StubHub's platform were sold at more than 20% above face value.<sup>58</sup> In addition, the results of this analysis show that only a small proportion of tickets sold through viagogo 0-20% [X] and StubHub 20-40% [X] were below face value.

**Table C.2: Distribution of mark-up over face value for tickets sold through the Parties' platforms**

	viagogo	StubHub
Less than 0%	[X]	[X]
0-20%	[X]	[X]
20-50%	[X]	[X]
50-80%	[X]	[X]
80-100%	[X]	[X]
100-150%	[X]	[X]
150-250%	[X]	[X]
250-500%	[X]	[X]
More than 500%	[X]	[X]

Source: CMA analysis of Parties' data.

9. We therefore consider that the sale of tickets sold through primary ticketing platforms is, at the aggregate level, unlikely to constrain the Parties on the buyer side of their platforms and that the prices of tickets sold through primary ticketing platforms and secondary ticketing exchange platforms are not converging.

### ***Analysis of selected events***

10. In addition to our analysis at the aggregate level, we analysed (i) the purchasing behaviour of buyers as well as (ii) the prices of tickets purchased by buyers on primary ticketing platforms and secondary ticketing exchange platforms for selected individual events.
11. This analysis was conducted to test the results of our analysis at the aggregate level for selected individual events, as well as to corroborate the evidence we have gathered to date on the purchasing behaviour of buyers. After providing some background on the events included in our analysis, these are discussed in turn below.

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<sup>58</sup> On a conservative basis, we focus on the proportion of tickets that are sold at more than 20% above face value to allow for resellers covering the cost of primary booking fees and delivery costs.

### *Background on the selected events*

12. The selected events were chosen by requesting transaction data from [REDACTED] (a primary ticketing platform) for 21 of the Parties' top revenue-generating events in 2019.<sup>59</sup> [REDACTED] sold tickets to 13 of these 21 events and were provided with the 'full ticket manifest' by the event organiser for [REDACTED] of the 13 events; [REDACTED]'s allocation of tickets for the other [REDACTED] events were allocated to them by the venue where the event was held rather than the event organiser.<sup>60</sup>
13. These 13 events accounted for 0-10% [REDACTED] and 0-10% [REDACTED] of viagogo and StubHub's GTV in 2019, respectively, and less than 5% [REDACTED] of [REDACTED]'s GTV in 2019.<sup>61</sup> The sample of 13 events is not intended to be representative of all events tickets sold through the Parties' platforms in 2019 since it comprises only large/popular events. Consistent with the CMA's findings in *Ticketmaster/Seatwave*, we expect the price of tickets for the most popular events to be lower on primary ticketing platforms than on secondary ticketing exchange platforms.<sup>62</sup> While this may have inflated the results of our analysis of ticket prices for the selected individual events, we have found the results of our analysis of ticket prices at the aggregate level and for selected events to be comparable.
14. [REDACTED].

### *Primary and secondary ticket prices on the selected events*

15. This analysis of primary and secondary ticket prices has been conducted to test the extent of any constraint the Parties face from primary ticketing platforms.<sup>63</sup>
16. In theory, the availability of tickets for an event being sold at a lower price (i.e. their face value) on primary ticketing platforms could place downward pressure on the ticket prices charged by resellers for the events listed on the Parties' platforms. This could therefore restrict the merged entity's ability to profitably increase the fees charged to buyers and resellers (if these are passed-through to the ticket prices paid by buyers) as buyers could switch

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<sup>59</sup> [REDACTED]. This included [REDACTED] observations that were refunds or did not include ticket prices, which accounted for less than 10% [REDACTED] of the transactions submitted by [REDACTED] for our selected events. These observations are not included in the data set we use in our analysis.

<sup>60</sup> The transaction data provided by [REDACTED] did not include any sales of secondary tickets to buyers on its secondary ticketing exchange platform.

<sup>61</sup> CMA analysis of Parties' data.

<sup>62</sup> *Ticketmaster/Seatwave*, paragraph 43.

<sup>63</sup> This analysis makes use of the following data submissions: [REDACTED].

away from the Parties' platforms to primary ticketing platforms when tickets are available for the event at a lower price.

17. The first part of this analysis compared the median price of tickets sold through [redacted] and the Parties' platforms for each of our selected events.<sup>64</sup> When comparing the median price of tickets sold through [redacted] and the Parties' platforms, we found that:<sup>65</sup>
  - (a) The median ticket prices on viagogo were higher than those on [redacted] for all of our selected events, with an average mark-up over the median ticket price on [redacted] of [redacted] across all 13 events.
  - (b) The median ticket prices on StubHub were higher than those on [redacted] for 12 of our 13 events, with an average mark-up over the median ticket price on [redacted] of 60-80% [redacted] across all of our selected events.
18. We then estimated the proportion of tickets that were sold through the Parties' platforms above their face value.<sup>66</sup> We found that an average of 80-100% [redacted] and 60-80% [redacted] of tickets sold by resellers for our selected events on viagogo and StubHub's website, respectively, were above the face value of a ticket.
19. We therefore consider that the price of tickets sold through primary ticketing platforms is, at the level of individual events, unlikely to constrain the Parties on the buyer side of their platforms and that the prices of tickets sold through primary ticketing platforms and secondary ticketing exchange platforms are not converging.

#### *Purchasing behaviour of buyers on the selected events*

20. Our analysis of the purchasing behaviour of buyers has been conducted to understand how consumers use primary and secondary channels when buying tickets at the level of an individual event.
21. In particular, this analysis tests whether the majority of ticket sales on primary platforms occur in the first days and/or weeks after the first ticket goes on

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<sup>64</sup> We have used the median, rather than mean, ticket price to account for the presence of any outliers which may affect the results of our analysis.

<sup>65</sup> As with our analysis at the aggregate level, when comparing the price of tickets sold through [redacted] and the Parties' platforms for our selected events, we dropped transactions where the recorded ticket price was less than £1 and more than £10,000 under the assumption that these transactions were outliers for each event.

<sup>66</sup> When conducting this analysis, we compared the ticket face values included in the Parties' data set with the distribution of ticket prices in the [redacted] data set. Based on a visual inspection of charts describing the distribution of ticket prices sold through [redacted] and face values of tickets sold through the Parties' platforms, we found the face value data provided by the Parties to be comparable to the ticket prices included in the data provided by [redacted].

sale.<sup>67</sup> If true, this would mean that consumers will migrate to secondary ticketing exchange platforms as the date of the event approaches, demonstrating that (i) there is a difference in consumer behaviour between primary and secondary ticketing platforms and (ii) there is little or no competitive interaction between primary and secondary ticketing platforms as buyers cannot purchase tickets from primary channels as the event date approaches.

22. We therefore compared the average proportion of tickets sold for our selected events on [redacted] and the Parties' platforms in both the first week they were made available to buyers and the last week before the date of the event. This is shown in Table C.3 below.

**Table C.3: Average proportion of tickets sold for our selected events on [redacted] and the Parties' platforms**

	[redacted]	Viagogo	StubHub
Average proportion of tickets sold for our selected events in the first week they were made available to buyers	[redacted] 60-80%	[redacted] 20-40%	[redacted] 0-20%
Average proportion of tickets sold for our selected events in the last week before the date of the event	[redacted] 0-10%	[redacted] 0-20%	[redacted] 20-40%

Source: CMA analysis of Parties' data.

23. As can be seen in Table C.3, an average of 60-80% [redacted] of tickets that were sold for our selected events through [redacted] platform were purchased in the first week they were made available to buyers. In contrast, an average of 20-40% [redacted] and 0-20% [redacted] of tickets that were sold for our selected events through viagogo and StubHub's platform, respectively, were purchased in the first week they were made available to buyers.
24. Table C.3 also shows that an average of 0-20% [redacted] and 20-40% [redacted] of tickets that were sold for our selected events through viagogo and StubHub's platform, respectively, were purchased in the last week before the event. Less than 5% [redacted] of tickets that were sold for our selected events through [redacted]'s platform were purchased in the last week before the event.
25. The proportion of tickets sold through [redacted]'s platform in the last week before the event is, however, a similar number of tickets sold through the Parties'

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<sup>67</sup> One reseller suggested that they would buy tickets at the start of the sale but then wait a few weeks for prices to settle before listing [See [redacted] response]. A number of third parties also pointed out that resale listings or transaction tended to take place close to the event, with [redacted] noting that listings on its US resale site increased in the 1-2 weeks before an event ([redacted]), while [redacted] stated that buyer activity peaked in the 1-2 weeks before an event ([redacted]). [redacted] stated that increased reseller listing on its resale site from [redacted] prior to the event date ([redacted]).

platforms in absolute terms. We have therefore compared the median price of tickets sold through [X] and the Parties' platforms in the last week before the event for each of our selected events.<sup>68</sup> We have found that the average mark-up over the median ticket price on [X] was [X] on viagogo and [X] on StubHub across the [X] events for which [X] sold tickets in the last week before the event. In addition, the median ticket prices on viagogo and StubHub in the last week before the event were higher than those on [X] for 9 and 7 of these [X] events, respectively.

26. We therefore consider that the availability of tickets sold through primary ticketing platforms is, at the level of individual events, unlikely to constrain the Parties on the buyer side of their platforms.

### ***'Convergence' of pricing between primary and secondary tickets***

27. The Parties have submitted that there is a 'convergence' of pricing between tickets sold through between primary ticketing platforms and secondary ticketing exchange platforms and a 'blurring' of the distinction between primary and secondary tickets as tickets are increasingly available to buyers on both types of platforms. This is because primary ticketing platforms are increasingly using a range of strategies (such as 'dynamic pricing', 'slow ticketing' and 'variable ticketing') that increase the prices and/or the availability for tickets to events sold through primary ticketing platforms relative to secondary ticketing exchange platforms.<sup>69</sup>
28. However, we have found that primary ticketing platforms make limited use of these strategies. In particular, data obtained from [X] indicated that:<sup>70</sup>
- (a) 'Dynamic pricing' was applied to less than 10% [X] of tickets sold through its platform in 2019, accounting for less than 10% [X] of GTV;
  - (b) [X] (a facility for event organisers to vary prices and ticket numbers) was used in the sale of less than 10% [X] of tickets through its platform in 2019, accounting for less than 10% [X] of GTV;
  - (c) 'VIP tickets' accounted for less than 10% [X] of ticket sales through its platform in 2019, accounting for less than 10% [X] of GTV; and

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<sup>68</sup> CMA analysis of Parties' data.

<sup>69</sup> The Parties argued that the use of dynamic pricing was growing rapidly, but the evidence they put forward suggesting growth of around 66% per year was based on US trends. We have not seen evidence to suggest that there is likely to be a significant increase in the use of dynamic pricing for the foreseeable future in the UK.

<sup>70</sup> CMA analysis of [X] data.

(d) Discounting (i.e. pricing tickets below face value) was applied to less than 10% [redacted] of ticket sales through its platform in 2019, accounting for less than 10% [redacted] of GTV.

29. This is consistent with data obtained from another primary ticketing platform, AXS.<sup>71</sup> Data obtained from AXS showed that ‘VIP tickets’ accounted for less than 10% [redacted] of ticket sales through its platform in 2019 (accounting for less than 10% [redacted] of GTV) and that AXS did not make use of ‘dynamic ticketing’, ‘slow release’ and discounting in 2019.
30. In addition, the primary ticketing platforms we contacted told us that, although they were likely to increase their use of some of these strategies in future, the proportion of tickets these strategies would be applied to will not account for a substantial proportion of their sales.
31. [redacted] told us that, because it does not always control the full ‘house’ of tickets and that it can only be used at the request of the event organiser, the extent to which it can employ its [redacted] product is limited in the UK.<sup>72</sup> On its [redacted] product, [redacted] said it intends to use this in a wider range and genre of events because it had found its level for the kinds of events it currently is used for as it is only suitable [redacted]. However, both these products are not used as standard for [redacted]’s events [redacted] as [redacted] requires a relatively high amount of work to implement and [redacted] is relatively hands-on and [redacted].
32. AXS said it had been using ‘variable pricing’ in the US for [redacted] and that it was due to be introduced into the UK [redacted].<sup>73</sup> AXS told us that ‘variable pricing’ tends to be used on about 50-100 tickets to seats close to the stage at venues with large capacities, typically accounting for no more than 10% [redacted] of the venue capacity. ‘Variable pricing’ requires [redacted], which means that there is a team of people dedicated to managing ‘variable pricing’. This limits the ability of AXS to use it across a large number of tickets for an individual event and for a large number of events.

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<sup>71</sup> CMA analysis of [redacted] data.

<sup>72</sup> [redacted].

<sup>73</sup> [redacted].

# Appendix D: Reseller multi-homing between the Parties' platforms

## Introduction

1. This appendix sets out our analysis of the behaviour of the resellers using the Parties' platforms to sell secondary tickets.
2. Understanding how resellers use the Parties' platforms is key for the assessment of the competitive impact of the merger in a static as well as in a dynamic setting. On one hand, the extent to which resellers tend to use or not to use the Parties' platforms provides a measure of the competitive overlap between the Parties, which in turn is informative about their closeness of competition. On the other hand, in the context of a two-sided market characterised by indirect network effects (INEs) like this one, how customers on one side of the platforms behave provides information about the possible evolution of the market and the likelihood of 'tipping'.
3. We therefore used this analysis to consider the following:
  - (a) First, we sought to understand whether the resellers trading a significant amount of tickets a year (and then more likely to multi-home) choose both viagogo and StubHub for their sales and, in case they use both, whether they consider both Parties' platforms to be a valuable sale channels or tend to concentrate their sales on one platform, as strong INEs would suggest;
  - (b) Second, more broadly, we considered what the extent of multi-homing we observed may imply for the cost of using multiple platforms for resellers. In particular, a significant level of multi-homing may suggest that the cost of using multiple platforms are low; and
  - (c) Thirdly, assuming we observed multi-homing between the Parties' platforms, we sought to test whether resellers use viagogo and StubHub for different purposes, such that they might not be close substitutes.
4. In summary, we found that a significant proportion of the Parties' largest resellers use both viagogo and StubHub and the extent to which they do so is substantial. This suggests the Parties' overlap on the reseller side of the platform is substantial and both Parties' platforms are considered a valuable sales channel. In particular:
  - (a) About a quarter of the Parties' top 10% resellers at least used both viagogo and StubHub to sell secondary tickets in 2019;

- (b) The multi-homers account for a large proportion of the activity of both platforms: in 2019 this amounted to at least [X]% of viagogo's GTV and at least [X]% for StubHub's GTV;
  - (c) The extent to which the large resellers who multi-home use the other Party's platform is also substantial: overall in 2019 viagogo's resellers that multi-homed represented at least [X]% of StubHub's GTV and StubHub's resellers that multi-homed represented at least [X]% of viagogo's GTV.
- 5. Further, the evidence indicates that multi-homing involved all events included in our sample of large overlap events which is consistent with resellers using the Parties' platforms interchangeably rather than for different purposes.
- 6. The rest of this appendix is organised as follows. First, we discuss how reseller multi-homing occurs in secondary ticketing, set out our definition of multi-homing and discuss its implications for the competitive assessment. Then, we turn to the actual analysis by outlining our methodology and the data used for the analysis. Results are presented in the last section.

## **Multi-homing in secondary ticketing**

- 7. The concurrent use of multiple platforms for the same purpose by a user is generally referred to as multi-homing. However, when looking at the reseller side of secondary ticketing exchange platforms, this concurrent use of multiple platforms can be captured in different ways, each looking at different aspects of the reseller's behaviour and hence leading to different estimates of multi-homing.
- 8. In particular, a ticket holder who would like to resell the tickets online can do each of the following things:
  - (a) Consider multiple platforms to be good alternatives for selling the tickets, before listing them on just one of them;
  - (b) List the tickets on multiple platforms, for example by moving them from one to another until the sale is made or, in cases where there are multiple tickets, by listing a proportion of the tickets on one platform and the rest on another platform; or
  - (c) Sell the tickets through more than one platform (again, number of tickets and simultaneously listing on more than one platform permitting).
- 9. In our analysis we assessed reseller multi-homing behaviour by looking at resellers' ticket sales through multiple platforms. In particular, we adopted the following definition of multi-homing:



*A reseller is considered to multi-home if they made any sales through the platforms of both the merging Parties in the same calendar year.*

10. We considered also looking at resellers' listing behaviour, but both Parties explained that ticket listing information was not readily available and it would have been time-consuming and burdensome for them to provide. Since resellers may be listing tickets on both Parties' platforms, but making actual sales on only one, we note that our approach provides a conservative estimate of the true level of multi-homing and therefore a lower bound indication of the Parties' competitive overlap.<sup>74</sup>
11. Moreover, instead of considering all resellers active on the Parties' platforms in a given year, our analysis focuses on the behaviour of the top 10% resellers for each Party. We consider this to be a valid approach because:
  - (a) The top 10% resellers account for [X] of the Parties' sales, meaning that the behaviour of the most valuable set of customers for both Parties is captured by the analysis;
  - (b) By selling more tickets, the top 10% resellers are most likely to be repeated users and to have the opportunity to multi-home;
  - (c) The smaller, often consumer-to-consumer, resellers excluded from the analysis are less likely to multi-home due to the limited number of tickets traded (with the resellers in the Parties' eight bottom deciles selling on average two tickets a year);
  - (d) Ultimately, this approach is likely to result in an underestimate of the overall level of multi-homing and therefore provides a conservative estimate of the competitive overlap between the Parties.
12. Finally, we note that our definition may not directly capture whether multi-homers use the Parties' platforms for the same purpose. However, we consider that in this case the evidence of a concurrent use of the Parties' platforms by the same reseller is likely to indicate that resellers see viagogo and StubHub as close alternatives rather than using them as complements serving different purposes or a different set of buyers for the following reasons:
  - (a) The Parties' service offerings are very similar. They are both uncapped secondary ticketing exchange platforms with a significant presence across

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<sup>74</sup> As discussed in Appendix G: Summary of evidence from resellers, paragraph 17, resellers have a range of listing and multi-homing strategies, including moving tickets between sites when they are not selling well.

a wide breadth of live events, offering similar guarantees to buyers and sellers and with comparable fee structures;

(b) The resellers' responses to our questionnaire and interviews indicated that the Parties are close competitors and their platforms are seen and used as alternative channels by resellers;<sup>75</sup>

(c) Google search, either through paid search advertising or organic search results, [REDACTED],<sup>76</sup> [REDACTED] and buyers are not loyal to one particular platform;<sup>77</sup>

13. While as noted above we consider that our definition of multi-homing provides an appropriate and conservative indication of the Parties' competitive overlap, we also extended our analysis in order to further assess whether resellers use viagogo and StubHub for different purposes, such that they might not be close substitutes as detailed in the next section.<sup>78</sup>

## **Our assessment of the multi-homing behaviour of resellers across the Parties' platforms**

### ***Methodological approach and data***

14. Our analysis of resellers' multi-homing behaviour across the Parties' platforms focuses on the behaviour of the top 10% of resellers on each of the Parties' platforms (based on the annual GTV achieved by each reseller) and consists of two parts:

(a) First, we analysed whether the top 10% resellers on viagogo and StubHub also sold tickets through the platform of the other merging Party within the same calendar year and, when they did, what proportion of the Parties' sales these resellers represented overall. By looking at resellers' concurrent use of the Parties' platforms in general, this analysis provides a direct indication of resellers multi-homing and therefore a measure of the overlap between the Parties' reseller customer base.

(b) Second, in order to further consider the extent to which the Parties' platforms are being used by resellers as substitutes or complements, we

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<sup>75</sup> See Appendix G: Summary of evidence from resellers, paragraphs 22-32.

<sup>76</sup> See Appendix F: Consumer acquisition evidence, and the source of visitors to ticketing platforms' websites.

<sup>77</sup> [REDACTED].

<sup>78</sup> The fact however that secondary tickets for each specific event are often available in limited numbers also to large resellers suggests that, even if resellers would have been willing to use both Parties to sell the tickets to that specific event, may found impractical to do so in many occasions. This implies that our extended analysis looking at resellers' concurrent use of the Parties' platforms to sell tickets to the same event is likely to provide a conservative estimate of whether the Parties are used interchangeably by resellers and therefore a lower bound indication of the extent they may be seen as substitutes.

have also looked at the multi-homing behaviour of the top 10% resellers across a sample of large overlap events. The purpose of this analysis is to test whether the multi-homers use viagogo and StubHub for similar purposes (like selling tickets to a similar set of events or even tickets to exactly the same event), a finding which would support that resellers use the Parties' platforms interchangeably rather than seeing them as complements serving different purposes or a different set of buyers.

15. To conduct the analysis, we used the following information provided by the Parties:
  - (a) Data on the total value of sales by resellers in 2018 and 2019 for each of the Parties, combined with information on resellers' contact details (including email address, name, address and phone number).<sup>79</sup> This information allowed us to match resellers across the platforms and measure the extent of the reseller overlap in a given year; and
  - (b) Parties' transaction data covering the period 1<sup>st</sup> January 2018 to 29<sup>th</sup> February 2020,<sup>80</sup> from which we extracted a sample of large events which overlap.

#### *Matching resellers across the Parties' platforms*

16. Measuring the extent of multi-homing relies on identifying users across platforms.
17. To identify the resellers who sold tickets through both Parties within the same calendar year (according to our adopted definition of multi-homing), we matched resellers across the Parties' platforms based on their contact details. In doing this, we adopted a conservative approach which is likely to underestimate the real extent of multi-homing.<sup>81</sup>
18. As we focused on the behaviour of the top 10% of resellers of each of the Parties, the analysis identifies the multi-homers by matching the top 10% of resellers of one Party with the entire population of resellers who sold tickets through the other Party within the same year. The set of multi-homing

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<sup>79</sup> [REDACTED].

<sup>80</sup> [REDACTED].

<sup>81</sup> Please note that matching is often conducted in multiple re-iterative rounds, each relying on different information and leading to additional matches potentially characterised by decreasing level of accuracy. However, the results presented in this appendix rely on just two rounds of matching (one using resellers email address and the other one using information on resellers' name and phone number – i.e. the last 7 digits of phone number and the last 6 characters of the full name) and are only based on matches that we can be fully confident are identifying the same person across platforms (i.e. perfect matches). By disregarding all possible additional matches identifiable by using fuzzy matching techniques (which allow to identify more matches by overlooking tiny differences in the contact details of the reseller or simply rely on less information), our results should be interpreted as lower bound indication of the Parties' overlap.

resellers is therefore identified separately for each Party and the analysis of the resellers' multi-homing behaviour can deliver different results for viagogo and StubHub, given the set of resellers in the Parties' top decile may not coincide perfectly.

### *Our sample of events*

19. As explained, our reseller multi-homing analysis relies on data on the Parties' annual sales by reseller as well as on ticket sales to a sample of large overlap events extracted from the Parties' transactions data.
20. This sample consists of 96 events chosen among the Parties' top selling events which took place in the UK between 1<sup>st</sup> January 2019 and 29<sup>th</sup> February 2020 and could be confidently identified to be the same across the Parties' datasets.<sup>82</sup> More information on these 96 events is provided in the Annex to this appendix.
21. Based on the transaction data, the secondary tickets to these 96 events sold through the Parties accounted for about £[redacted] 80-110 million, equally split between the 48 concerts and the 48 sporting events forming the sample. Overall these 96 events represent a significant proportion of the Parties' sales, that is 20-40% [redacted] and 20-40% [redacted] of viagogo and StubHub's GTV,<sup>83</sup> respectively.

### **Results**

22. When looking at the multi-homing behaviour of the Parties' top 10% resellers in 2019, we assessed the selling behaviour of 5,000-10,000 [redacted] resellers on viagogo and 5,000-10,000 [redacted] resellers on StubHub, covering at least 80-90% [redacted] of each of the Parties' annual GTV (80-90% [redacted] for viagogo and 80-90% [redacted] for StubHub).
23. As shown in Table D.1, the Parties have a similar distribution of resellers. Indeed, the top 10% resellers not only capture the vast majority of sales for both Parties, but they are also likely to capture a similar set of users across the Parties' sites with the top decile in both cases capturing all resellers with annual GTV in excess of c.£1,000.

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<sup>82</sup> More precisely, our sample of events was selected in two steps. First, the list of the top selling events covering up to 60% of GTV was extracted separately for each Party, leading to [redacted] events for viagogo and [redacted] events for StubHub. Then, we identified the common events across these shortlists by matching the events based on the event details (e.g. event name, date and time, town and venue). This led to the identification of 96 common events across the Parties' transaction datasets

<sup>83</sup> GTV derived from the sale of tickets to all UK events taking place between 1<sup>st</sup> January 2019 and 29<sup>th</sup> February 2020.

## Table D.2 - Parties' reseller distribution by annual sales (GTV) in 2019

[REDACTED]

Source: CMA analysis

### *Reseller multi-homing overall*

24. Our analysis of the multi-homing behaviour of the Parties' top 10% of resellers shows that the largest resellers tend to use both Parties' platforms in a year and the degree to which they do so is substantial. In particular, we found that
- (a) [REDACTED]% of viagogo's GTV in 2019 is attributable to 20-30% ([REDACTED]) of its top 10% resellers who multi-homed by selling tickets also through StubHub in the same year. viagogo's multi-homers were also important to StubHub as they accounted for [REDACTED]% of StubHub's GTV in 2019; and
- (b) 41% of StubHub's GTV in 2019 is due to 20-30% [REDACTED] of StubHub's top 10% sellers who also used viagogo to sell tickets that year. StubHub's multi-homers were also important to viagogo as they represent [REDACTED]% of viagogo's GTV in 2019.
25. As our definition of multi-homing behaviour focuses on resellers' ticket sales rather than ticket listings or even listing considerations, these results are likely to provide a lower bound indication of the actual competitive overlap on the reseller side of the Parties' platforms. As explained above (paragraph 8), this is because resellers may have considered both Parties' platforms before placing inventory on only one (or even listed tickets on both while ultimately making a sale on one), which would clearly point to greater substitutability between the Parties.
26. We conducted the analysis for 2018 and 2019 separately and, as shown in Table D.2. Our results are broadly consistent across the two years.

**Table D.2: Results of the CMA multi-homing analysis, focused on the behaviour of each of the Parties' top 10% resellers**

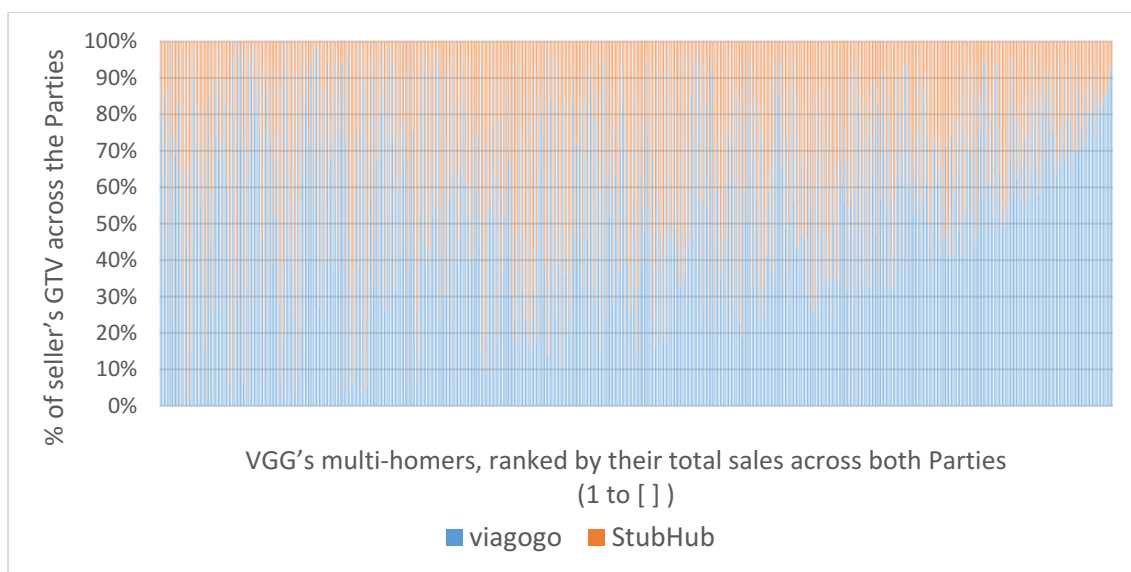
<i>viagogo</i>	2018	2019
Number of top 10% resellers	[REDACTED]	[REDACTED]
Number of multi-homers identified	[REDACTED]	[REDACTED]
Importance to viagogo of its multi-homers (Prop. of viagogo's GTV)	[REDACTED]	[REDACTED]
Importance to StubHub of viagogo's multi-homers (Prop. of StubHub' GTV)	[REDACTED]	[REDACTED]

<i>StubHub</i>	2018	2019
Number of StubHub's top 10% resellers	[X]	[X]
Number of multi-homers identified	[X]	[X]
Importance to StubHub of its multi-homers (Prop. of StubHub's GTV)	[X]	[X]
Importance to viagogo of StubHub's multi-homers (Prop. of viagogo' GTV)	[X]	[X]

Source: CMA analysis

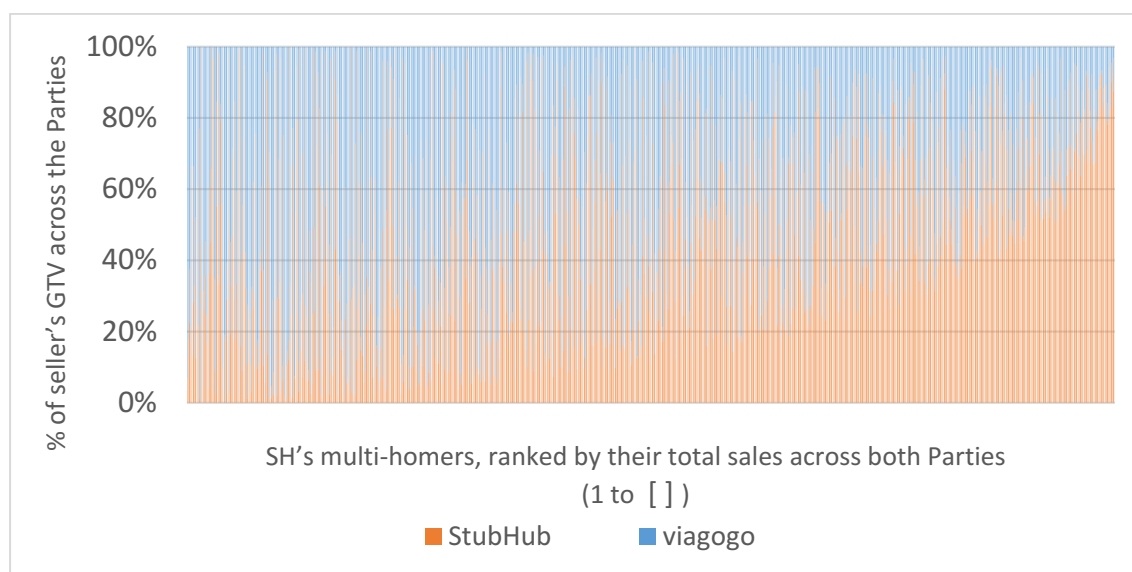
27. To better understand how the multi-homers used the Parties' platforms, we looked at each multi-homing reseller's distribution of sales across the Parties.
28. Consistent with viagogo being approximately twice as big as StubHub in terms of GTV in 2019, our assessment shows that viagogo generally accounted for most of the multi-homers' GTV in 2019. However, we also found that StubHub overall represented about a third of their sales. As shown in Figure D.1 and Figure D.2, the extent to which individual resellers rely on the Parties varies to a significant degree, but StubHub tends to be an important channel of sales, in particular for viagogo's largest multi-homers.

**Figure D.1 – Distribution of sales (GTV) across the Parties' platforms of the viagogo's large resellers who were found to multi-home and also use StubHub to sell tickets in 2019**



Source: CMA Analysis of the Parties' reseller activity data

**Figure D.2 – Distribution of sales (GTV) across the Parties’ platforms of the StubHub’s large resellers who were found to multi-home and also use viagogo to sell tickets in 2019**



Source: CMA Analysis of the Parties’ reseller activity data

*Reseller multi-homing on a sample of events, including at event-level*

29. When looking at the resellers’ multi-homing behaviour on a sample of 96 events, we found that at least 700 large resellers sold tickets through both Parties’ platforms and that overall the sales by multi-homers accounted for at least 21% of the total GTV achieved by the Parties from the large events selected. The finding of resellers using both viagogo and StubHub when selling tickets to the large overlap events included in our sample suggests that the large resellers are likely to see the Parties as substitute channels.
30. The analysis of the resellers’ multi-homing behaviour by category of events confirmed this finding, as a significant degree of multi-homing was observed also when looking at the sales of tickets to two sets of similar large events (i.e. the 48 sporting events and the 48 music events included in our sample). In particular, we found that:
  - (a) In relation to the music events in our sample, at least 345 large resellers, covering at least 23% of the Parties’ GTV from these events, had used both viagogo and StubHub to sell tickets to these events; and
  - (b) In relation to the sporting events in our sample, at least 480 large resellers representing at least 18% of the overall GTV to these events through viagogo and StubHub.

31. To further assess the similarity of the Parties' platforms, we also considered whether, when multi-homing, the resellers' concurrent use of the Parties' platforms involved selling tickets to exactly the same event.<sup>84</sup>
32. The results of this event-level assessment are presented by category of events and are reported in Figure D.3 and Figure D.4, representing the extent of multi-homing on each of the music and sporting events in our sample.<sup>85</sup>

**Figure D.3 – Presence and importance of resellers' concurrent use of the Parties' platforms to sell tickets to the same event** (Analysis of the music-related events included in our sample)

[✂]

Source: CMA Analysis of the Parties' transaction data

**Figure D.4 – Presence and importance of resellers' concurrent use of the Parties' platforms to sell tickets to the same event** (Analysis of the sporting-related events included in our sample)

[✂]

Source: CMA Analysis of the Parties' transaction data

33. Overall, we found that the Parties' platforms had been concurrently used to sell tickets to each event in our sample by at least some large resellers, although the extent to which they do so varied significantly from one event to the other. In particular,
  - (a) When looking at the 48 music events in our sample, the proportion of the event-specific sales covered by resellers selling tickets through both Parties was 26% for the average event but ranged between 7% and 63% across the music events included in the sample.
  - (b) Similarly, when focussing on the 48 sporting events in our sample, the proportion of sales covered by resellers using both Parties' platforms to

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<sup>84</sup> We note that this approach is informative about whether resellers use viagogo and StubHub for the same purpose, but it is also likely to underestimate the extent of multi-homing between the Parties. This is because the number of tickets that a reseller may have for each given event is limited, therefore resellers may find more convenient to sell them through only one of the Parties' platforms although both would have been well placed to do so from their perspective.

<sup>85</sup> The analysis was conducted separately for viagogo and StubHub in order to assess the behaviour of the each of the Parties' large multi-homers at the time, however, since the findings for both Parties were perfectly aligned, we only present one set of results here. The fact that the analysis delivers the same results for viagogo and StubHub confirms that the resellers using both Parties' platforms to sell tickets to the same event are the large resellers belonging to the top 10% resellers of both viagogo and Stubhub.



sell tickets to the same event was 20% on average but ranging between 7% and 33% across the sporting events considered.

34. By showing that viagogo and StubHub are also used by resellers to sell tickets to the same events, this finding suggests that the Parties' platforms fulfil the same purpose for resellers who are then likely to use them as alternative and substitute channels. This finding is consistent with the resellers' responses to the Phase 2 questionnaire which identify the Parties' platforms as the closest and often the only alternatives.<sup>86</sup>

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<sup>86</sup> See Appendix G: Summary of evidence from resellers, paragraphs 22-32.

## Annex – List of large overlap events included in our sample for analysis

35. This annex provides more information on the large overlap events included in our sample used for the analysis. Table D.3 and Table D.4 respectively provide the full list of the music and sport events, including the value of ticket sales achieved by both Parties combined for each event as well as the proportion covered by each of the merging Party.

**Table D.3 – List of the large overlap music events included in the sample used for further analysis of the resellers’ multi-homing behaviour**

Event Name	Location	Town	Date	GTV on StubHub %	GTV on viagogo %	GTV - £ Parties Combined
Bts	Wembley Stadium	London	01/06/2019	[X]	[X]	[X]
Pink	Wembley Stadium	London	29/06/2019	[X]	[X]	[X]
Spice Girls	Wembley Stadium	London	15/06/2019	[X]	[X]	[X]
Fleetwood Mac	Wembley Stadium	London	16/06/2019	[X]	[X]	[X]
Bob Dylan And Neil Young British Summer Time	Hyde Park	London	12/07/2019	[X]	[X]	[X]
Pink	Wembley Stadium	London	30/06/2019	[X]	[X]	[X]
Stevie Wonder And Lionel Richie Barclaycard British Summer Time	Hyde Park	London	06/07/2019	[X]	[X]	[X]
Bon Jovi	Wembley Stadium	London	21/06/2019	[X]	[X]	[X]
Spice Girls	Wembley Stadium	London	14/06/2019	[X]	[X]	[X]
Bts	Wembley Stadium	London	02/06/2019	[X]	[X]	[X]
Pink	Anfield Stadium	Liverpool	25/06/2019	[X]	[X]	[X]
Spice Girls	Wembley Stadium	London	13/06/2019	[X]	[X]	[X]
Barbra Streisand, Bryan Ferry And Kris Kristofferson Barclaycard British Summer Time	Hyde Park	London	07/07/2019	[X]	[X]	[X]
Pink	Principality Stadium	Cardiff	20/06/2019	[X]	[X]	[X]
Elton John	Cardiff City Stadium	Cardiff	15/06/2019	[X]	[X]	[X]
Elton John	Hove County Ground	Hove	09/06/2019	[X]	[X]	[X]
Pink	Hampden Park National Stadium	Glasgow	22/06/2019	[X]	[X]	[X]
Ariana Grande	The O2 Arena	London	17/08/2019	[X]	[X]	[X]
Robbie Williams And Black Eyed Peas Barclaycard British Summer Time	Hyde Park	London	14/07/2019	[X]	[X]	[X]
Billy Joel	Wembley Stadium	London	22/06/2019	[X]	[X]	[X]
Celine Dion, Josh Groban And Claire Richards Barclaycard British Summer Time	Hyde Park	London	05/07/2019	[X]	[X]	[X]
Spice Girls	Etihad Stadium	Manchester	01/06/2019	[X]	[X]	[X]
Post Malone	The O2 Arena	London	13/03/2019	[X]	[X]	[X]

Eric Clapton	Royal Albert Hall	London	16/05/2019	[X]	[X]	[X]
Fleetwood Mac	Wembley Stadium	London	18/06/2019	[X]	[X]	[X]
Metallica	Twickenham Stadium	Twickenham	20/06/2019	[X]	[X]	[X]
Eric Clapton	Royal Albert Hall	London	13/05/2019	[X]	[X]	[X]
Eric Clapton	Royal Albert Hall	London	15/05/2019	[X]	[X]	[X]
Childish Gambino	The O2 Arena	London	24/03/2019	[X]	[X]	[X]
Cardi B And Travis Scott Wireless Festival	Finsbury Park	London	05/07/2019	[X]	[X]	[X]
Drake	The O2 Arena	London	05/04/2019	[X]	[X]	[X]
Spice Girls	Bt Murrayfield Stadium	Edinburgh	08/06/2019	[X]	[X]	[X]
Capital Summertime Ball	Wembley Stadium	London	08/06/2019	[X]	[X]	[X]
Ariana Grande	Utilita Arena Birmingham	Birmingham	14/09/2019	[X]	[X]	[X]
Ariana Grande	The O2 Arena	London	19/08/2019	[X]	[X]	[X]
Travis Scott Wireless Festival	Finsbury Park	London	06/07/2019	[X]	[X]	[X]
The Who	Wembley Stadium	London	06/07/2019	[X]	[X]	[X]
Post Malone	The O2 Arena	London	14/03/2019	[X]	[X]	[X]
Cher	The O2 Arena	London	20/10/2019	[X]	[X]	[X]
Ariana Grande	The O2 Arena	London	20/08/2019	[X]	[X]	[X]
Michael Bublé	The O2 Arena	London	09/12/2019	[X]	[X]	[X]
Travis Scott	The O2 Arena	London	16/07/2019	[X]	[X]	[X]
Drake	The O2 Arena	London	11/04/2019	[X]	[X]	[X]
A\$Ap Rocky Wireless Festival	Finsbury Park	London	07/07/2019	[X]	[X]	[X]
Slipknot And Behemoth	The O2 Arena	London	25/01/2020	[X]	[X]	[X]
Taylor Swift And Sam Smith And The Script Capitals Jingle Bell Ball	The O2 Arena	London	08/12/2019	[X]	[X]	[X]
Ariana Grande	The O2 Arena	London	16/10/2019	[X]	[X]	[X]
Ariana Grande	The O2 Arena	London	15/10/2019	[X]	[X]	[X]

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**Total** [X]

Source: CMA Analysis of the Parties' transaction data

**Table D.4 - List of the large overlap sporting events included in the sample used for further analysis of the resellers' multi-homing behaviour**

Event Name	Location	Town	Date	GTV on StubHub %	GTV on viagogo %	GTV - £ Parties Combined
Cricket World Cup - Final	Lords	London	14/07/2019	[✂]	[✂]	[✂]
Chicago Bears V Oakland Raiders Nfl London	Tottenham Hotspur Stadium	London	06/10/2019	[✂]	[✂]	[✂]
Cricket World Cup India V Pakistan	Emirates Old Trafford Cricket Ground	Manchester	16/06/2019	[✂]	[✂]	[✂]
Mlb London Series Boston Red Sox V New York Yankees	Queen Elizabeth Olympic Park	London	29/06/2019	[✂]	[✂]	[✂]
Wimbledon Gentlemens Final	Wimbledon - Centre Court	London	14/07/2019	[✂]	[✂]	[✂]
Jacksonville Jaguars V Houston Texans Nfl London	Wembley Stadium	London	03/11/2019	[✂]	[✂]	[✂]
Semi Final 2 Cricket World Cup	Edgbaston Cricket Ground	Birmingham	11/07/2019	[✂]	[✂]	[✂]
Tampa Bay Buccaneers V Carolina Panthers Nfl London	Tottenham Hotspur Stadium	London	13/10/2019	[✂]	[✂]	[✂]
Six Nations Wales V England	Principality Stadium	Cardiff	23/02/2019	[✂]	[✂]	[✂]
Los Angeles Rams V Cincinnati Bengals Nfl London	Wembley Stadium	London	27/10/2019	[✂]	[✂]	[✂]
Cricket World Cup India V Australia	The Kia Oval	London	09/06/2019	[✂]	[✂]	[✂]
Mlb London Series Boston Red Sox V New York Yankees	Queen Elizabeth Olympic Park	London	30/06/2019	[✂]	[✂]	[✂]
Cricket World Cup England V India	Edgbaston Cricket Ground	Birmingham	30/06/2019	[✂]	[✂]	[✂]
Six Nations Wales V Ireland	Principality Stadium	Cardiff	16/03/2019	[✂]	[✂]	[✂]
Wimbledon Gentlemens Semi Finals	Wimbledon - Centre Court	London	12/07/2019	[✂]	[✂]	[✂]
Nba London Washington Wizards V New York Knicks	The O2 Arena	London	17/01/2019	[✂]	[✂]	[✂]
Six Nations England V Italy	Twickenham Stadium	Twickenham	09/03/2019	[✂]	[✂]	[✂]
Cricket World Cup England V Australia	Lords	London	25/06/2019	[✂]	[✂]	[✂]
Wimbledon Gentlemens And Ladies Singles 4Th Round	Wimbledon - Centre Court	London	08/07/2019	[✂]	[✂]	[✂]
Ufc Fight Night London Till V Masvidal	The O2 Arena	London	16/03/2019	[✂]	[✂]	[✂]
Wimbledon Gentlemens Quarter Finals	Wimbledon - Centre Court	London	10/07/2019	[✂]	[✂]	[✂]
Cricket World Cup Pakistan V Bangladesh	Lords	London	05/07/2019	[✂]	[✂]	[✂]
Cricket World Cup Windies V India	Emirates Old Trafford Cricket Ground	Manchester	27/06/2019	[✂]	[✂]	[✂]
Cricket World Cup Bangladesh V India	Edgbaston Cricket Ground	Birmingham	02/07/2019	[✂]	[✂]	[✂]
Wimbledon Ladies Singles Finals	Wimbledon - Centre Court	London	13/07/2019	[✂]	[✂]	[✂]
Cricket World Cup Sri Lanka V India	Headingley Cricket Ground	Leeds	06/07/2019	[✂]	[✂]	[✂]
Quilter International England V Ireland	Twickenham Stadium	Twickenham	24/08/2019	[✂]	[✂]	[✂]
Cricket World Cup Pakistan V South Africa	Lords	London	23/06/2019	[✂]	[✂]	[✂]
Six Nations Scotland V England	Bt Murrayfield Stadium	Edinburgh	08/02/2020	[✂]	[✂]	[✂]
Wimbledon Gentlemens And Ladies Singles 3Rd Round	Wimbledon - Centre Court	London	06/07/2019	[✂]	[✂]	[✂]
Wimbledon Gentlemens And Ladies Singles 2Nd Round	Wimbledon - Centre Court	London	04/07/2019	[✂]	[✂]	[✂]
Atp World Tour Finals Final	The O2 Arena	London	17/11/2019	[✂]	[✂]	[✂]

Cricket World Cup South Africa V India	The Ageas Bowl	Southampton	05/06/2019	[X]	[X]	[X]
Six Nations Wales V France	Principality Stadium	Cardiff	22/02/2020	[X]	[X]	[X]
Cricket World Cup New Zealand V Australia	Lords	London	29/06/2019	[X]	[X]	[X]
Quilter International England V Wales	Twickenham Stadium	Twickenham	11/08/2019	[X]	[X]	[X]
Six Nations England V Ireland	Twickenham Stadium	Twickenham	23/02/2020	[X]	[X]	[X]
Wimbledon Gentlemens And Ladies Singles 3Rd Round	Wimbledon - Centre Court	London	05/07/2019	[X]	[X]	[X]
Wimbledon Gentlemens And Ladies Singles 1St Round	Wimbledon - Centre Court	London	01/07/2019	[X]	[X]	[X]
Wimbledon Gentlemens And Ladies Singles 1St Round	Wimbledon - Centre Court	London	02/07/2019	[X]	[X]	[X]
Atp World Tour Finals Semi Finals	The O2 Arena	London	16/11/2019	[X]	[X]	[X]
Wimbledon Gentlemens And Ladies Singles 2Nd Round	Wimbledon Tennis Club Centre Court	London	03/07/2019	[X]	[X]	[X]
Wimbledon Ladies Semi Finals	Wimbledon Tennis Club Centre Court	London	11/07/2019	[X]	[X]	[X]
The Ashes England V Australia 5Th Test Day 2	The Kia Oval	London	13/09/2019	[X]	[X]	[X]
The Ashes England V Australia 5Th Test Day 3	The Kia Oval	London	14/09/2019	[X]	[X]	[X]
Wimbledon Ladies Quarter Finals	Wimbledon - Centre Court	London	09/07/2019	[X]	[X]	[X]
British Open Championship Day Four	Royal Portrush Golf Club	Portrush	21/07/2019	[X]	[X]	[X]
The Ashes England V Australia 5Th Test Day 1	The Kia Oval	London	12/09/2019	[X]	[X]	[X]
<b>Total</b>						[X]

Source: CMA Analysis of the Parties' transaction data

# Appendix E: Evidence on viagogo's suspension from Google Ads

## Introduction

1. This appendix sets out our assessment of the impact of viagogo's Google Ads suspension which took place from 17 July 2019 to 24 November 2019.
2. Since Google Ads represents a key consumer acquisition channel,<sup>87</sup> viagogo lost a significant amount of business during the period it could not use Google's paid search advertising service. The Parties submitted that the suspension therefore provides a 'natural experiment' to assess the closeness of competition between the Parties and the competitive dynamics in the sector more widely by looking at where viagogo's lost business diverted to.
3. The Parties have submitted two quantitative analyses showing that StubHub benefitted from viagogo's temporary lack of online visibility, but these gains were limited. The Parties argued that this provides evidence that viagogo and StubHub are not each other's closest competitor.
4. We have assessed the Parties' quantitative submissions in detail and tested their arguments by assessing them along with the other quantitative and qualitative evidence gathered during the investigation. This includes evidence from StubHub's internal documents on its competitive reaction to the suspension, third-party views on the impact of the suspension on their business and our quantitative analysis of secondary ticket sales on all of the other secondary ticketing platforms of material size operating in the UK during the period of the suspension.
5. Overall, we found that viagogo is likely to have lost sales as a result of the Google Ads suspension and StubHub appears to have captured a material amount of viagogo's lost business. Although the characteristics of the market (in particular, the ever-changing event landscape and the fact that ticket sales are lumpy) prevent a reliable quantification of the impact, we note that these basic factual points - that viagogo is likely to have lost substantial sales and StubHub appears to have attracted a material proportion of these - are consistent with the findings of the Parties' quantitative submissions. However,

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<sup>87</sup> In 2019, paid search advertising accounted for over 75% ([redacted]) of viagogo's marketing spend and over 40% [redacted] of unique website visitors a month. The importance of paid search advertising to viagogo is also found when looking at the sources of ticket buyers to viagogo's website in 2019, which shows that over 50% [redacted] of unique monthly visitors who made a purchase through its platform first visited viagogo's website by clicking through an ad shown in the paid search results. See Appendix F – Consumer acquisition evidence, and the source of visitors to ticketing platforms' websites, paragraph 10.

our analysis also found that StubHub attracted far more additional sales in this period than other secondary platforms, indicating that StubHub is a closer competitor to viagogo than other platforms, including Gigsberg, Ticketmaster Exchange and AXS Resale.

6. Further, we found evidence in StubHub's internal documents that StubHub reacted to the suspension because it saw viagogo's lack of online visibility as a major opportunity to grow its position in the UK market. Although the outcome of the targeted initiative was below StubHub's expectations, the reaction and commercial efforts put in place confirm that StubHub perceived viagogo as a close competitor.
7. Finally, the third-party evidence gathered during the investigation supports the finding that viagogo and StubHub are each other's closest competitor and the Parties' economic submissions should be interpreted with caution. Indeed,
  - (a) None of the other primary and secondary ticketing platforms that we spoke to told us that they had materially benefitted from the suspension, in terms of either additional sales or improved performance in paid search advertising. Further, three platforms explained that the lumpy nature of ticket sales and the ever-changing event landscape prevent a like-for-like comparison of sales across different time periods and therefore any reliable quantification of the impact;
  - (b) Professional resellers generally indicated StubHub to be the main beneficiary of the suspension, based on their own behaviour in the period.
8. The rest of the appendix is organised as follows. First, we present the two quantitative analyses submitted by the Parties' economic advisers during the investigation along with our assessment of the analyses. Secondly, we discuss the evidence on how StubHub reacted to the suspension and the impact it had on its own performance. Thirdly, we present the third-party evidence on the suspension, including the competitors' and resellers' perspective on what happened during the time viagogo was de-listed from Google Ads. The last section presents our quantitative analysis of the impact of the suspension on the sales of the main secondary ticketing platforms.

### **CRA's submissions on behalf of viagogo**

9. To provide evidence on closeness of competition between the Parties' platforms, viagogo submitted two pieces of economic analysis by Charles River Associates (CRA) during the different stages of the investigation. Both analyses use the 'natural experiment' provided by viagogo's temporary suspension from Google Ads to assess the extent to which viagogo's lost

business was captured by StubHub and attempted to infer diversion patterns from this data. In doing so, CRA focused on different metrics and finds different results:

- (a) The CRA analysis provided at Phase 1 ('CRA Analysis 1') used SimilarWeb data on the UK traffic to primary and secondary ticketing platforms to assess the impact on other online ticketing platforms, including StubHub. CRA's results found the diversion of traffic from viagogo to StubHub to be small (in the range of 2-7%) and substantially lower than diversion to a number of primary ticketing platforms;
  - (b) The CRA analysis provided at Phase 2 ('CRA Analysis 2') tries to address some of the methodological issues identified by the CMA at Phase 1 and uses data on the Parties' monthly ticket sales (GTV) and platform revenue (thus considering the impact of the suspension on the Parties' platforms only). CRA's baseline results indicated that StubHub captured about 18-22% of viagogo's lost total sales. The results of the sensitivity analysis however showed that diversion from viagogo to StubHub could amount to 25-30%, depending on the econometric model used for the analysis.
10. From both analyses, CRA concluded that the Parties' platforms compete, but, given the size of the diversion ratios, *the degree of competition between them is limited and, in particular, much more limited than* [what the Parties' position in] *a narrowly defined "secondary ticketing platform" market would suggest.*<sup>88</sup> CRA therefore argued that a competitive assessment based on the Parties' market shares tend to overestimate the extent to which the Parties compete.
11. In general, the CMA considers that an event analysis, like the ones proposed by CRA, can provide a valuable insight into the market competitive conditions as it may show how customers reacted to a sudden change. To provide reliable results, however, it is essential that the studied event occurs at a time when no other significant changes were taking place in the market or, if it occurs in the presence of such changes, that the analysis can appropriately control for them. Only in these circumstances can the specific impact of the event in question be identified and the analysis deliver reliable results for a competitive assessment.
12. Having carefully considered the CRA Analyses, we considered that neither of them can robustly identify the impact of the suspension on the activity of viagogo and of the other platforms, including StubHub. The estimates of diversion ratios provided by CRA are therefore unlikely to be reliable and should be only interpreted as providing some evidence that there is

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<sup>88</sup> [REDACTED]



competitive interaction between the Parties, but not does not provide a reliable estimate of the strength of the competitive constraint they exert on each other.

13. We provide a more detailed assessment of the CRA Analyses below.

#### ***Our assessment of CRA Analysis 1***

14. At Phase 1, the CMA decided to give only limited evidentiary weight to CRA Analysis 1 because it was found to be affected by important data and methodological limitations and the results to be inconsistent with the other sources of evidence available to the CMA, including the Parties' internal documents and third parties' submissions.<sup>89</sup>
15. In particular, the CMA considered that CRA Analysis 1 did not provide a reliable indication of the diversion of sales from viagogo to StubHub because:
  - (a) The econometric methodology was not able to adequately isolate the effect of the Google Ads Suspension on the traffic of viagogo and other platforms (including StubHub) as it did not control for key drivers of consumer traffic to the platforms like changes in the number and type of events for which tickets are on sale at different points in time, as well as the availability of tickets on different platforms;
  - (b) The analysis focused on generic web traffic data which may not accurately reflect sales diversion from viagogo to other platforms due to differences in the platforms' conversion rates; and
  - (c) The CRA's results (reported in Table 1) were at odds with the rest of the evidence available to the CMA as they indicated that the main beneficiaries from the suspension were the primary ticketing platforms Eventbrite, See Tickets and Ticketmaster, with estimated diversion ratios equal to 33%, 16% and 9%, respectively.

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<sup>89</sup> See Phase 1 Decision, paragraphs 105-106

**Table 3 – CRA’s Baseline Results (CRA Analysis 1)**

	<b>Diversion ratios from viagogo to</b>
Eventbrite	33%
See Tickets	16%
Ticketmaster	9%
Ticketweb	8%
TicketSwap	5%
StubHub	4%
MyTicket	4%
Double8Tickets	4%
WeGotTickets	3%
Twickets	3%
Billetto	3%
Ticket ABC	3%
Gigantic	3%
Ticketline	1%
Eventim	0%
The Ticket Factory	0%

16. Based on the additional body of evidence gathered at Phase 2, we also noted that:
- (a) The platform attracting the largest proportion of viagogo’s lost traffic, Eventbrite, is a primary ticketing platform operating a different business model and active on a largely different segment of events from viagogo.<sup>90</sup> Given this, it seems extremely unlikely that Eventbrite would be the main beneficiary from the suspension in terms of increased ticket sales;
  - (b) Our quantitative analysis of the secondary ticketing platforms’ sales data, presented below, does not show any significant uptick in the sales of the platforms identified by CRA as winning the largest proportion of viagogo’s lost traffic; and
  - (c) Responses from the ticketing platforms which CRA Analysis 1 found to have significantly benefitted from the suspension do not indicate that this was the case. They all submitted that the suspension had no material impact on their primary or secondary business and, in general, they do not see themselves as competing with viagogo, as they entirely or mostly focus on primary ticketing.

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<sup>90</sup> [REDACTED].

## ***Our assessment of CRA Analysis 2***

17. CRA Analysis 2 estimated the impact of the suspension on viagogo and StubHub's sales using econometric modelling. It used monthly data on the platforms' GTV and revenues, and it focused on the Parties only.
18. To disentangle to what extent the changes in sales were due to the suspension or to other determinants of sales, CRA's analysis sought to control for platforms' growth trends and seasonality patterns, the number of primary tickets going on sale every month, and the level of each platform's marketing spend. In particular, CRA explained that:
  - (a) The number of primary tickets available for sale is included to control for potentially differing impacts that the variation in ticket supply levels may have on the Parties' business; and
  - (b) Paid search advertising spend is a key driver of demand and therefore sales. For the months of the suspension, actual levels of paid search advertising spend are substituted with a forecasted version (based on previous trends and seasonality patterns) for each Party in order to limit the endogeneity issue due to the fact that viagogo's paid search advertising spend was directly affected by the suspension.<sup>91</sup>
19. According to CRA's baseline results using revenue data, StubHub captured about 18-22% of viagogo's lost sales. When looking at the value of sales (GTV), CRA's baseline model finds a diversion ratio of 23%. The extensive sensitivity analysis reported shows that CRA's diversion ratios could amount to 25-30%, depending on the specification of the model. In particular, the analysis delivers higher diversion ratios (25-30%) when the model does not control for marketing spend.<sup>92</sup>
20. Although CRA's Analysis 2, unlike the analysis submitted at Phase 1, focused on sales instead of website traffic, we considered it is still affected by data and methodological limitations and the results should therefore be interpreted with caution.
21. First, we were concerned with the sample size of the data used by CRA. The analysis is based on a small number of monthly observations (38) while trying to control for many factors (at least 7). The model is therefore likely to be

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<sup>91</sup> viagogo was indeed unable to use Google AdWords during the time of the suspension and therefore its level of paid search advertising spent sharply dropped during those months.

<sup>92</sup> As explained below, we considered that the inclusion of marketing spend in the model may be problematic and introduce a bias into the analysis.

overfitted due to a high variable-to-observation ratio and deliver unreliable results.<sup>93</sup>

22. Second, even if the sample size was larger, CRA's Analysis 2 cannot appropriately control for changes in the event landscape over time because it only accounts for the quantity of tickets that became available in the primary market every month while the 'quality' of the event landscape (like a particularly popular artist going on tour or the profile of the sporting event) is a key determinant of secondary ticket sales. This factor is not controlled for in the analysis and could bias the results, especially since the Parties may be affected differently by the event landscape in light of the slightly different event profiles of their platforms.
23. Finally, while CRA argued that controlling for the level of advertising marketing spend in the model has the objective of controlling for the level of demand in the market, we considered that CRA's approach is not without risk. Indeed, to the extent CRA's modelling overestimates viagogo's and StubHub's level of marketing spend which would have occurred during the suspension, the model would underestimate the diversion between the Parties.<sup>94</sup> Based on the Parties' previous indication that 2019 was characterised by fewer and lower-quality events than previous years and evidence in StubHub's internal documents that event landscape was a factor in lower than expected sales at the time of the suspension,<sup>95</sup> CRA's baseline results are likely to be unreliable.<sup>96</sup>
24. Because of these data and methodological issues, we were concerned that CRA's results are not reliable and cannot accurately measure the diversion between viagogo and StubHub. As discussed below (paragraphs 38 and 39), our position also found support in the responses of several third-party platforms which expressed doubts about the possibility of reliably quantifying the impact of the suspension because of the lumpy nature of ticket sales and the ever-changing event landscape which prevents a reliable like-for-like comparison across different time periods and different platforms.

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<sup>93</sup> This is because when the sample is small the information available for the analysis is limited. A model attempting to control for many variables in the presence of limited information cannot appropriately disentangle the impact of the various factors and is therefore likely to identify spurious correlations between variables. For example, see Freedman, DA. (1983) 'A note on screening regression equations.'

<sup>94</sup> This is because if the level of advertising spend used in the counterfactual is higher than what it would have actually been, CRA's model would lead to an overestimation of viagogo's loss of sales and an underestimation of StubHub's gains.

<sup>95</sup> [REDACTED]

<sup>96</sup> This is also supported by the results of the CRA's sensitivity analysis involving the use of no paid search spend (or even actual budgeted marketing spend for StubHub) in the model instead of including CRA's projection of paid search spend which indeed deliver higher estimates of the diversion ratios between the parties (about 30%) .

25. Nevertheless, we noted that, by showing that StubHub captured a material proportion of viagogo’s lost sales, CRA’s results are broadly consistent with the results of our quantitative analysis of secondary ticket sales (see paragraph 48). As explained in further detail below, we considered that both CRA Analysis 2 and our quantitative analysis provide a more meaningful indication of StubHub’s competitive constraint on viagogo than the estimated diversion ratios in the CRA first analysis and the results of CRA Analysis 2 indicate that StubHub imposes a significant competitive constraint on viagogo, even if the robust quantification of that constraint is difficult in this context.

## StubHub’s competitive reaction to the suspension

26. We requested and reviewed internal documents produced by or for senior StubHub management in the context of the Google Ads suspension. These documents provide evidence that StubHub identified the financial and commercial opportunities from the very beginning of the suspension and took steps to capitalise on it across all markets, including the UK.

27. [REDACTED].<sup>97</sup> However, to capitalise further StubHub structured its competitive reaction along the following lines:

(a) [REDACTED];<sup>98</sup>

(b) [REDACTED]<sup>99</sup> [REDACTED]<sup>100</sup>

(c) [REDACTED]<sup>101</sup>

(d) [REDACTED]<sup>102</sup>

(e) [REDACTED];<sup>103</sup>

(f) [REDACTED].<sup>104</sup>

28. [REDACTED].

[REDACTED]

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97 [REDACTED]  
98 [REDACTED]  
99 [REDACTED]  
100 [REDACTED]  
101 [REDACTED]  
102 [REDACTED]  
103 [REDACTED]  
104 [REDACTED]

29. Moreover, we found evidence in StubHub internal documents that [REDACTED],<sup>105</sup> [REDACTED].<sup>106</sup>
30. In the Phase 2 initial submission, the Parties submitted that when put into perspective and compared to viagogo's losses these gains were in fact limited, which indicates that StubHub is only a weak competitor to viagogo.<sup>107</sup>
31. At the hearing, [REDACTED], explained that the benefit to StubHub from the suspension was below expectations and that therefore StubHub's efforts, [REDACTED], were relatively short-lived.<sup>108</sup>
32. [REDACTED]:
- (a) [REDACTED];<sup>109</sup>
  - (b) [REDACTED].<sup>110</sup>
  - (c) [REDACTED].<sup>111</sup> [REDACTED]<sup>112</sup> [REDACTED]<sup>113</sup>
33. [REDACTED]:
- (a) [REDACTED]<sup>114</sup> [REDACTED]<sup>115</sup>
  - (b) [REDACTED]<sup>116</sup>
34. Therefore, these considerations indicate that, to the extent that StubHub was not as successful as it would liked to have been in benefitting from viagogo's suspension, the facts remain that it did implement a number of strategies designed to attract inventory and capture sales from viagogo in this period and StubHub did gain a material increase in sales in this period. StubHub management considered that it had learned lessons from this period, was in the process of improving its online marketing strategies and there is evidence

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<sup>105</sup> [REDACTED]. It is unclear to the CMA whether this [REDACTED] gain relates solely to the UK or to the StubHub international business, including the UK

<sup>106</sup> [REDACTED]

<sup>107</sup> [REDACTED]

<sup>108</sup> [REDACTED]

<sup>109</sup> [REDACTED]

<sup>110</sup> [REDACTED]

<sup>111</sup> In particular StubHub experienced [REDACTED] For more detail, see Appendix F - Consumer acquisition strategies and the source of visitors to ticketing platforms' websites, paragraphs 15, 16 and 20.

<sup>112</sup> [REDACTED]

<sup>113</sup> [REDACTED]

<sup>114</sup> [REDACTED]

<sup>115</sup> [REDACTED]

<sup>116</sup> [REDACTED]

that the strength of the constraint from StubHub would have increased absent the merger.

### **Third-party views on the impact of the suspension**

35. To further assess the competitive dynamics in online ticketing, we asked rival ticketing platforms and resellers for evidence and for their views on the impact of the viagogo suspension on various aspects of their business activity.
36. During the Phase 2 investigation, we collected the views of the nine primary and secondary ticketing platforms that the Parties indicated as their main competitors. In order to gather resellers' perspective on the suspension, we also explored the topic with some large ticket resellers who use the Parties' platforms.
37. Overall, we found no evidence that any rival platform (other than StubHub) had significantly benefitted from the viagogo suspension, including those identified as main beneficiaries by CRA Analysis 1. In particular,
  - (a) Most platforms contacted said that the suspension had no discernible impact on their sales (independently of whether in primary or secondary ticketing) or that the impact could not be quantified but it is unlikely to be material in terms of increased sales on their platforms;
  - (b) Most platforms are not active in paid search advertising, therefore did not note a change in their online marketing performance during the suspension. Only two platforms observed [REDACTED] in their cost-per-click, however this was small and confined to a limited number of campaigns, while one platform took the view that the absence of viagogo ads from Google search results pages may have helped it to attract traffic through organic search;<sup>117</sup> and
  - (c) Resellers generally noted that StubHub was the main and only clear beneficiary of the suspension as, when inventory was moved away from viagogo, it went to StubHub. No other platform was indicated as increasing its share of the market during that time, based on the actions and views of the resellers that we spoke to.

### ***Other primary and secondary platforms***

38. All nine platforms contacted during the investigation were asked to provide views on the impact of the viagogo's Google Ads suspension on their

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<sup>117</sup> [REDACTED]

business and on the business of their competitors. In their responses the platforms only focused on their business (with none providing views about how the suspension may have affected the activity of competitors) and generally discussed the impact of the suspension in relation to two aspects: ticket sales and paid search advertising costs (ie their cost per click on Google Ads). These include:

- (a) [REDACTED];<sup>118</sup>
- (b) Ticketmaster, which CRA Analysis 1 identified among the main beneficiaries of the suspension, said that [REDACTED].<sup>119</sup> [REDACTED];<sup>120</sup>
- (c) [REDACTED];<sup>121</sup>
- (d) [REDACTED],<sup>122</sup> [REDACTED]. [REDACTED] added that the absence of viagogo ads from Google search results pages may have led to it gaining more traffic through organic search in this period;<sup>123</sup>
- (e) Eventbrite, which the CRA Analysis 1 found was like to have captured the largest proportion of viagogo's lost business, submitted that the suspension had no discernible impact on its ticketing business or on any of its performance metrics;<sup>124</sup>
- (f) See Tickets, the second largest beneficiary of the suspension based on CRA Analysis 1, [REDACTED];<sup>125</sup>
- (g) TicketSwap said that it *saw a close to zero impact on the activity on its platform during the period of the suspension* and attributed this to *viagogo using an alternative (affiliated) website to bid on AdWords and redirect traffic to the viagogo website*;<sup>126</sup> and
- (h) Eventim UK said that it saw no material impact on its business during the period of the suspension and that this is reflected in its sales data.<sup>127</sup>

39. In the light of these responses, we found that the substantial diversion to other platforms indicated by the results of CRA Analysis 1 was not supported by

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118 [REDACTED]  
119 [REDACTED]  
120 [REDACTED]  
121 [REDACTED]  
122 [REDACTED]  
123 [REDACTED]  
124 [REDACTED]  
125 [REDACTED]  
126 [REDACTED]  
127 [REDACTED]



those platforms' experience of changes in sales in the suspension period. We also found that robust quantitative analysis on this issue is very difficult to conduct.<sup>128</sup>

## **Resellers**

40. We also discussed the viagogo suspension with the six large ticket resellers with whom we had in-depth calls. We asked about the impact the suspension had on their business and whether it affected the secondary ticketing platforms' activity, in particular the Parties' commercial approach during this time.
41. All six resellers knew that viagogo had been suspended from Google Ads for a period in 2019 and noticed that it had occurred. Five of the six resellers explained that this was because of sales moving from viagogo onto StubHub, stating that *'the suspension changed (their) behaviour from listing on viagogo first and StubHub second to listing on StubHub first and viagogo second'*<sup>129</sup>, and that *'StubHub became the best platform to sell tickets'*<sup>130</sup>. The resellers also pointed to a much worse experience on viagogo, saying that sales on the platform *'dramatically decreased'*<sup>131</sup> and that they *'took most listings down from viagogo during this period'*.<sup>132</sup>
42. The one reseller who did not note sales moving from viagogo onto StubHub said that they continued business as usual, continuing to list on viagogo during the suspension.<sup>133</sup>
43. On the Parties' approach during the suspension, two resellers [REDACTED]. Another reseller stated that *'StubHub did not have to do anything to increase their share of the market'* and that *'with viagogo suspended, StubHub became the number one secondary ticketing platform'*<sup>134</sup>.
44. When discussing the suspension, two resellers mentioned Gigsberg, [REDACTED]. However, both resellers said this had a minimal impact on Gigsberg, did not materially affect its market position nor changed their listing or selling behaviour.

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<sup>128</sup> As explained above, this is because the activity of each platform is driven by the characteristics of the event landscape available at each different point in time and ticket sales tend to be very lumpy. These two aspects together make impossible to carry out a like-for-like comparison in this market and therefore for the analysis to deliver reliable results.

<sup>129</sup> [REDACTED]

<sup>130</sup> [REDACTED]

<sup>131</sup> [REDACTED]

<sup>132</sup> [REDACTED]

<sup>133</sup> [REDACTED]

<sup>134</sup> [REDACTED]

45. Overall, these resellers noted that, in their views, StubHub did not reach the scale of viagogo during the time of the suspension and it did not recapture all the activity lost by viagogo. However, StubHub was identified as the main and only clear beneficiary of the suspension.

### **Quantitative analysis of secondary ticket sales**

46. To further assess competition in the market, we analysed data on secondary ticket sales over the period from January 2017 to February 2020.
47. While we have not tried to quantify the impact of the suspension on each platform, our analysis aims at identifying viagogo's main competitors by looking at trends in ticket sales and changes in pattern around the time of the suspension. The idea underpinning our approach is simple: given the amount of sales lost by viagogo and its relative size compared to the other secondary platforms, we would expect these lost sales to show up in the sales data of other smaller platforms if they diverted to any of these alternative platforms.
48. Consistent with the lumpy nature of event launches and ticket sales, we found the monthly sales data to be highly volatile. Despite this volatility, the analysis indicated that:
- (a) viagogo lost a substantial amount of business during the suspension;
  - (b) StubHub is likely to have captured a material amount of viagogo's lost business as it increased its sales over the period from July 2019 to November 2019 compared to previous years – consistent with the Parties' analysis; and
  - (c) No other platform appears to have materially benefitted from the suspension, with other platforms which increased their sales in this period seeing far smaller changes than StubHub.
49. Although the 'lost' sales from viagogo do not appear to have been fully captured by StubHub's gains or by any change in the activity of the other platforms, the relative performance of StubHub does indicate that the Parties compete, and is consistent with StubHub being viagogo's closest competitor.

### ***Our approach and data***

50. In order to gain further insights into competition in the market, we looked at trends in the secondary ticket sales of the main secondary platforms active in the UK.

51. We focused on whether the fact that viagogo was banned from Google Ads for about four months had any appreciable impact on the sales of other platforms (including StubHub), but did not seek to precisely quantify the impact of the suspension on the activity of the various platforms. The characteristics of this market (in particular, the lumpiness of event launches and ticket sales and the fact that the commercial activity of the platforms depends on the event landscape available at each point in time) makes it very difficult to reliably quantify the impact of the suspension on the various platforms based on the information available.
52. We gathered data on platforms' monthly sales of secondary tickets to UK events over the period from January 2017 to February 2020. Our dataset includes information on platforms' value (GTV) and volume of ticket sales for most secondary ticketing platforms. These include the Parties, Gigsberg, Ticketmaster Ticket Exchange, AXS Resale, See Tickets Fan-to-Fan, Eventim UK fanSALE and Twickets.<sup>135</sup>

## **Results**

53. Figure E.2 and figure E.3 represent platforms' secondary ticketing sales, by value and volume respectively, over the period from January 2017 to February 2020. The time during which viagogo was suspended by Google Ads is highlighted by the two vertical bars, signalling the beginning and the end of the ban.

**Figure E.2 – viagogo's and other platforms' secondary ticket value of sales (GTV) over the period January 2017 to February 2020, including the Google AdWords suspension**

[✂]

**Figure E.5 - viagogo's and other platforms' secondary ticket volume of sales (number of tickets sold) over the period January 2017 to February 2020, including the Google AdWords suspension**

[✂]

54. The charts show that ticket sales follow a seasonal pattern but are also highly volatile, consistent with the fact that they depend on the events available at different points in time.
55. The analysis also showed that viagogo's sales fell during the suspension to then recovered after November 2019 although they remained below the level of sales in previous years. StubHub's sales were on an upward trend since

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<sup>135</sup> In particular, the dataset used for the analysis compiles together the following data submissions from the Parties and third-parties: [✂].

April-May 2019 and, during the suspension, they were significantly above viagogo's sales.

56. Only a few other secondary ticketing platforms [✂] showed an increasing trend in ticket sales during the suspension, however this appears to be much lower than what we observed for StubHub. In particular, Figure E.4 shows the change in the volume of ticket sales of the Parties and the other secondary ticketing platforms for the four months before compared with the four months during the suspension.<sup>136</sup>
57. As shown in the chart, StubHub is the platform which experienced the largest increase in ticket sales during the period of the suspension compared to the period immediately beforehand, followed by [✂]. We note that there could be other factors driving the change in sales for individual platforms that we have not controlled for, and hence do not place significant weight on the specific estimates. However, notwithstanding these caveats, StubHub's increase in sales was significantly larger than that of the other ticketing platforms.

**Figure E.6 - Change in monthly average sales (number of tickets sold) of StubHub and other secondary ticketing platforms before and during the viagogo's suspension (monthly average sales calculated over the four month periods before and during the suspension).**

[✂]

58. Finally, to further investigate whether the increase in StubHub's sales observed above was likely to have been due to sales diverting from viagogo to StubHub during the suspension, we looked at the Parties' sales from January to December for the last three calendar years (2017-2019) and showed them overlapped on the same chart in an attempt to isolate any impact of the suspension from the platform's sale seasonality. Figure E.5 presents this analysis.

**Figure E.5 - Parties' secondary ticket volume of sales (Number of tickets sold) during the period January to December for three calendar years 2017, 2018 and 2019**

[✂]

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<sup>136</sup> We calculated average monthly sales of each platform during the four-month period before the suspension (i.e. from March 2019 to June 2019, save for [✂]) and the four months when viagogo was banned from Google Ads (i.e. August 2019 to November 2019) and compared the difference between these two periods for all the secondary platforms. Although this analysis does not control for the various factors determining the level of sales of the various platforms (eg ticket availability, number and quality of the event on sales overtime), it provides an indication of the amount of sales that each of the secondary ticketing platforms may have been able to capture at most during the suspension.

59. The chart representing ticket sales of both Parties' platforms shows that viagogo's sales in 2019 (solid line) were generally lower than in previous years, but also dropped during the suspension period. When focussing on StubHub only, the analysis shows the opposite trend (second chart): during the suspension, and even a little before that, StubHub's ticket sales (solid line) were generally higher than during the same months of 2018 (dotted line) and 2017 (dashed line).
60. Although based on this analysis it is not possible to isolate the impact of the suspension from other factors potentially occurring at the same time in the market, we noted that this result is consistent with StubHub capturing a material proportion of the sales lost by viagogo during the suspension.

## Appendix F: Consumer acquisition strategies and the source of visitors to ticketing platforms' websites

### *Introduction*

1. This Appendix sets out our analysis of the Parties' and other ticketing platforms' consumer acquisition strategies and the source of visitors to ticketing platforms' websites.
2. The Parties submitted that (i) secondary ticketing exchange platforms 'are *competing fiercely*'<sup>137</sup> with each other to attract buyers to their websites through their consumer acquisition strategies (particularly in relation to the use of paid search advertising) and that (ii) buyers will be redirected to an online website that has tickets available (which could be either a primary ticketing platform or a secondary ticketing exchange platform) when searching online for tickets to an event.<sup>138</sup>
3. We have therefore considered the consumer acquisition strategies of the Parties and other ticketing platforms to understand the nature of competition between the Parties and with other ticketing platforms when attracting buyers to their platforms. We have provisionally found that:
  - (a) The Parties compete to attract consumers to their websites by using several channels, such as promoting their websites in organic and paid search results or through advertising events for which they have tickets available on social media platforms. The majority of visits to the Parties websites come through search (paid or organic), which is consistent with our understanding that most consumers typically start their search for tickets to an event by using a search engine.
  - (b) The importance of search as a consumer acquisition channel is reflected in the Parties' marketing and advertising strategies. viagogo is largely focused on acquiring consumers through paid search advertising to support its growth. While StubHub's strategy has been more diverse (by promoting its brand through 'above-the-line' campaigns and on social media channels), paid search advertising is still an important source of traffic to its website.
  - (c) The marketing and advertising activities of other ticketing platforms are much more limited than that of the Parties, particularly in relation to the use of paid search advertising. Other ticketing platforms are therefore

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<sup>137</sup> [REDACTED].

<sup>138</sup> [REDACTED].

likely to pose a weaker constraint on the Parties' ability to attract customers to their websites through marketing and advertising than viagogo is on StubHub (and *vice versa*).

(d) Consistent with its marketing and advertising strategy, viagogo was visited by many more unique visitors than StubHub or other secondary ticketing exchange platforms on average in the period July 2018 – June 2020. Only [REDACTED] and [REDACTED] were typically visited by more unique visitors in any month than viagogo, with the majority of other ticketing platforms typically being visited by fewer than 500,000 unique visitors each month.

4. This Annex sets out the evidence and analysis that supports our findings in turn below.

### **Marketing and advertising strategies**

5. This section sets out the marketing and advertising strategies of the Parties and other ticketing platforms.

#### *viagogo*

6. We have found that viagogo largely focused on acquiring consumers when they are searching for tickets online, in particular through its paid search advertising activities. [REDACTED].

#### **Figure F.1: viagogo's annual advertising spend**

[REDACTED].

Source: CMA analysis of data provided by viagogo.

7. viagogo told us that [REDACTED] involves a Google Ads campaign.<sup>139</sup> In addition to information provided by Google on the effectiveness of keywords to generate impressions and clicks, the keywords for these campaigns are selected by viagogo [REDACTED].<sup>140</sup> viagogo will [REDACTED].

8. We have found that viagogo bid on more than 100,000 [REDACTED] keywords on average each month in Google Ads auctions in the period January 2018 – February 2020. Our analysis of viagogo's use of Google Ads also shows that:<sup>141</sup>

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<sup>139</sup> [REDACTED]

<sup>140</sup> [REDACTED]

<sup>141</sup> More information on our analysis can be found in Annex F.1: Analysis of Google Ads strategies.

- (a) viagogo's monthly spend on Google Ads was less than £1.5 [redacted] million on average in the period January 2018 – February 2020, with the 50 viagogo keywords with the most impressions in each month accounting for [redacted] of this spend. This shows that, while viagogo bids on more than 100,000 [redacted] keywords on average each month, a small proportion of those are likely to generate a majority of traffic to its website from Google Ads.
- (b) Of the keywords bid on by viagogo each month, StubHub also bid on less than 10% [redacted] of these keywords on average in each month of the period January 2018 – February 2020 and Gigsberg also bid on less than 1% [redacted] of these keywords on average in each month of the period April 2019 – February 2020. This is [redacted] and [redacted] keywords on average each month where viagogo competed head-to-head in Google Ads auctions with StubHub and Gigsberg, respectively.
9. In contrast, viagogo's marketing through social media and other online channels (which, as shown in Figure F.1, accounts for [redacted] of its annual advertising spend) is [redacted]. viagogo does not engage in offline advertising in the UK, such as 'above the line' advertising campaigns on TV or Radio that aim to increase awareness of its brand to consumers.
10. viagogo's marketing and advertising strategy is reflected in the sources of unique visitors to its website.<sup>142</sup> We have found that, in 2019, over 40% [redacted] of unique monthly visitors first visited viagogo's website by clicking through an ad shown in the paid search results (i.e. Google Ads); other unique monthly visitors largely first visited viagogo's website directly ([redacted]) or through a link in organic search results ([redacted]).<sup>143</sup> The importance of paid search advertising to viagogo is also found when looking at the sources of ticket buyers to viagogo's website in 2019, which shows that over 50% [redacted] of unique monthly visitors who made a purchase through its platform first visited viagogo's website by clicking through an ad shown in the paid search results.<sup>144</sup>
11. Our analysis of viagogo's marketing and advertising strategy is consistent with its internal documents related to acquiring consumers through marketing and

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<sup>142</sup> CMA analysis of data provided by viagogo.

<sup>143</sup> [redacted]

<sup>144</sup> We consider that these proportions have been affected by viagogo's Google Ads suspension in the period July 2019 – November 2019. For example: when excluding the period July 2019 – November 2019 from our analysis, we found that over 50% [redacted] of unique monthly visitors who made a purchase through its platform first visited viagogo's website by clicking through an ad shown in the paid search results.



advertising. [REDACTED].<sup>145</sup> viagogo described that this could improve the effectiveness of its paid search advertising strategy: [REDACTED].<sup>146</sup>

### StubHub

12. We have found that StubHub’s marketing and advertising strategy in the period 2017 – 2019 aimed to increase awareness of its brand to consumers, both online and offline.
13. StubHub has done this through ‘above the line’ advertising campaigns ([REDACTED]) and promoting its brand through advertising on Social media platforms. StubHub’s spend on these marketing and advertising activities are shown in Figure F.2 below.

**Figure F.2: StubHub’s annual advertising spend**

[REDACTED].

Source: CMA analysis of data provided by StubHub.

14. Also shown in Figure F.2 is StubHub’s spend on its paid search advertising activities, which accounted for at least 50% [REDACTED] of its advertising spend in each year of the period 2017 – 2019. StubHub creates Google Ads campaign for any events in its catalogue for which it has supply, allowing it to advertise to any potential buyer who demonstrates an interest in tickets to a particular event when searching online.<sup>147</sup> StubHub chooses keywords based on [REDACTED].<sup>148</sup>
15. StubHub said that it changed its paid search advertising strategy [REDACTED]. StubHub had previously been operating its paid search advertising against ROAS targets that [REDACTED].<sup>149</sup> This meant that StubHub would [REDACTED]. StubHub told us that, when using this strategy during viagogo’s Google Ads suspension, [REDACTED].<sup>150</sup> [REDACTED].
16. StubHub told us that it moved away from this strategy to [REDACTED]. [REDACTED].<sup>151</sup> StubHub said that this bidding strategy will allow it to manage its paid search advertising at scale in future. In addition, StubHub told us that its change in paid search advertising strategy will allow it to [REDACTED] that would improve the efficiency of its advertising spend when used with a different attribution model

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<sup>145</sup> [REDACTED]

<sup>146</sup> [REDACTED]

<sup>147</sup> [REDACTED]

<sup>148</sup> [REDACTED]

<sup>149</sup> [REDACTED]

<sup>150</sup> [REDACTED]

<sup>151</sup> [REDACTED]

to better understand how buyers find tickets on its platform before making a purchase.<sup>152</sup>

17. We have found that StubHub bid on 28,000-30,000 [REDACTED] keywords on average each month in Google Ads auctions in the period January 2018 – February 2020. Our analysis of StubHub’s use of Google Ads also shows that:<sup>153</sup>
- (a) StubHub’s monthly spend on Google Ads was £200,000-400,000 [REDACTED] on average in the period January 2018 – February 2020, with the 50 StubHub keywords with the most impressions in each month accounting for [REDACTED] of this spend. This shows that, while StubHub bids on 28,000-30,000 [REDACTED] keywords on average each month, a small proportion of those are likely to generate a majority of traffic to its website from Google Ads.
  - (b) Of the keywords bid on by StubHub each month, viagogo bid on 40-60% [REDACTED] of these keywords on average in each month of the period January 2018 – February 2020 and Gigsberg bid on less than 5% [REDACTED] of these keywords on average in each month of the period April 2019 – February 2020. This is 8,000-10,000 [REDACTED] and 400-600 [REDACTED] keywords on average each month where StubHub competed head-to-head in Google Ads auctions with viagogo and Gigsberg, respectively.
18. StubHub’s marketing and advertising strategy is reflected in the sources of traffic to its website.<sup>154</sup> We have found that, in 2019, 40-60% [REDACTED] of unique monthly visitors last visited StubHub’s website by clicking through an ad shown in the paid search results; other unique monthly visitors largely last visited StubHub’s website directly ([REDACTED]) or through a link in organic search results ([REDACTED]).<sup>155</sup> When looking at the sources of ticket buyers to StubHub’s website in 2019, we found that that 20-40% [REDACTED] of unique monthly visitors who made a purchase through its platform last visited StubHub’s website directly and 20-40% [REDACTED] last visited StubHub’s website by clicking through an ad shown in the paid search results.
19. Our analysis of StubHub’s marketing and advertising strategy is consistent with its internal documents related to consumer acquisition from 2019. StubHub documents suggest that it had a greater focus on brand, with documents showing that it has analysed the performance of previous

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<sup>152</sup> [REDACTED]

<sup>153</sup> More information on our analysis can be found in Annex F.1: Analysis of Google Ads strategies.

<sup>154</sup> [REDACTED]

<sup>155</sup> [REDACTED]

advertising campaigns and commissioned consumer research to inform brand development. For example:

(a) [REDACTED].<sup>156</sup> [REDACTED].

(b) [REDACTED].<sup>157</sup>

20. StubHub told us, however, that it currently considers the average buyer to have little brand affinity with secondary ticketing platforms.<sup>158</sup> This is because buyers will purchase a ticket to an event on the platform they are available from and based on their own individual preferences. While increasing awareness of its brand to consumers could attract buyers to its website, StubHub also sees a relationship between the ticketing inventory available on its platform and how it executes its marketing and advertising strategy. For example: [REDACTED].

#### *Other ticketing platforms*

21. We have found that the advertising activities of other platforms are much more limited than that of the Parties, particularly in relation to the use of paid search advertising.
22. The Parties have been the ticketing platforms with the largest annual advertising spend in the period 2017 – 2019. viagogo’s advertising spend in 2019 was more than £5 [REDACTED] million (which is lower than may have otherwise been the case without its Google Ads suspension) and StubHub’s spend was more than £5 [REDACTED] million. The Parties and other ticketing platforms’ annual advertising spend in the period 2017 – 2019 is shown in Figure F.3 below.

**Figure F.3: Annual advertising spend of the Parties and other ticketing platforms**

[REDACTED]

Source: CMA analysis of data provided by the Parties, [REDACTED].

23. AXS told us that it does not currently invest in offline advertising campaigns and uses online marketing to promote the events for which they have tickets to consumers.<sup>159</sup> The online advertising used by AXS includes paid search advertising, advertising through Social Media channels, direct e-mail marketing and working with its affiliate partners to source traffic to its website.

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<sup>156</sup> [REDACTED]

<sup>157</sup> [REDACTED]

<sup>158</sup> [REDACTED]

<sup>159</sup> [REDACTED]

AXS told us that this applies to both its primary ticketing platform and its secondary ticketing exchange platform, AXS Resale, which are both promoted to consumers through the same marketing and advertising strategy.<sup>160</sup> AXS said that it also relies on advertising by the event organisers, promoters or artists, which (when AXS is the official partner to an event) can increase the traffic to its website.

24. Gigsberg said that, while the majority of traffic to its site generally comes through Google search, StereoBoard (a ticketing comparison website) is an important affiliate for attracting traffic to its platform.<sup>161</sup> Around 0-20% [redacted] of traffic to Gigsberg's website comes through StereoBoard, but the share of sales from this traffic was higher than for other sources of traffic. Gigsberg also told us that StereoBoard carries out its own paid search advertising, occasionally running Google Ads campaigns for specific events. This helps attract more buyers to StereoBoard and, consequently, to Gigsberg's website for these events. Gigsberg told us that it only undertakes online marketing and advertising activities to attract buyers to its website.<sup>162</sup>
25. [redacted].<sup>163</sup> [redacted]. [redacted].<sup>164</sup>
26. Other ticketing platforms said that they undertake very limited or no marketing and advertising to attract buyers to their websites in the UK. This includes:
- (a) eventbrite, which said its customers (i.e. event organisers) are responsible for marketing the events listed on its platform to buyers.<sup>165</sup>
  - (b) Gigantic, which said it promotes its ticketing inventory to buyers through artist websites, venue websites and social media.<sup>166</sup>
  - (c) SeatGeek, which does not actively advertise in the UK.<sup>167</sup> SeatGeek explained that this is because its clients are responsible for advertising and the promotion of their respective events.
  - (d) See Tickets, which said it does not spend much on advertising and does not advertise on Google or other platforms.<sup>168</sup>

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160 [redacted].  
161 [redacted].  
162 [redacted].  
163 [redacted].  
164 [redacted].  
165 [redacted].  
166 [redacted].  
167 [redacted].  
168 [redacted].

- (e) Twickets, which said it does not undertake paid marketing and has no strategy in place to do so (nor has it had one) in the past two years.<sup>169</sup>
- (f) VividSeats, which said it does not actively advertise on traditional media (e.g. television, radio) and that its digital advertising efforts (particularly related to organic and paid search) result in a small number of UK customers engaging with its platform.<sup>170</sup>

27. We have also found that the Parties have been the ticketing platforms with the largest annual paid search advertising spend in the period 2017 – 2019. viagogo’s paid search advertising spend in 2019 was more than £5 [redacted] million (which is lower than may have otherwise been the case without its Google Ads suspension) and StubHub’s spend was less than £5 [redacted] million. The Parties’ and other ticketing platforms’ annual paid search advertising spend in the period 2017 – 2019 is shown in Figure F.4 below.

**Figure F.4: Annual paid search advertising spend advertising spend of the Parties and other ticketing platforms**

[redacted]

Source: CMA analysis of data provided by the Parties, [redacted].

28. AXS told us it does not have a ‘robust’ ongoing paid search advertising strategy, although it recognises Google Ads is a key marketing tool for selling tickets to live events.<sup>171</sup> This is because, as the keywords which are most used by consumers when searching for tickets require higher bids to be successful in Google Ads auctions, AXS cannot afford to compete with viagogo, StubHub and other uncapped secondary ticketing exchange platforms. AXS said that this means that viagogo is typically at the top of the Google search results page when consumers search for an event that have tickets on AXS’ website.<sup>172</sup>
29. Gigsberg said that it would generally start a Google Ads campaign on events for which it had lots of tickets available at competitive prices (relative to other secondary ticketing exchange platforms) to buyers.<sup>173</sup> The keywords used by Gigsberg typically aim to attract only those consumers who are interested in buying tickets, such as using the characteristics of a particular event (i.e. the name of the event, city, year) as well as ‘tickets’ or ‘tour’ in search terms.<sup>174</sup>

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<sup>169</sup> [redacted].  
<sup>170</sup> [redacted].  
<sup>171</sup> [redacted].  
<sup>172</sup> [redacted].  
<sup>173</sup> [redacted].  
<sup>174</sup> [redacted].

Gigsberg told us that it typically competes with viagogo and StubHub when bidding for keywords in Google Ads auctions.<sup>175</sup>

30. [X] said its [X] paid search advertising during 2019 was due to the evolution of the industry.<sup>176</sup> [X].
31. Other ticketing platforms said that they undertake very limited or no paid search advertising to attract buyers to their websites in the UK. This includes:
  - (a) Gigantic, which told us that spending on paid search advertising is not a cost-effective form of consumer acquisition for its platform.<sup>177</sup>
  - (b) See Tickets, which told us that it cannot afford to compete with the Parties in Google Ads auctions as its operating margin is about 6.5% (which is also shared with some promoters).<sup>178</sup>
  - (c) Skiddle, which said it cannot compete with viagogo and (to a lesser extent) StubHub's paid search advertising activities and it therefore typically relies on organic Google search results.<sup>179</sup>
  - (d) Twickets, which said it does not pay for Google Ads because it cannot afford to use this channel.<sup>180</sup> Twickets explained that it would lose money if it tried to compete with viagogo and StubHub in this way as its fee per ticket is significantly smaller than for viagogo and StubHub.

### ***Visitors to ticketing platforms' websites***

32. This section sets out our analysis of the visitors to ticketing platforms' websites using data provided by SimilarWeb and comScore.

#### *SimilarWeb data*

33. We have used data provided by SimilarWeb to analyse the source of visitors and the number of unique visitors to the Parties' and other ticketing platforms' websites.<sup>181</sup>

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<sup>175</sup> [X].

<sup>176</sup> [X].

<sup>177</sup> [X].

<sup>178</sup> [X].

<sup>179</sup> [X].

<sup>180</sup> [X].

<sup>181</sup> SimilarWeb is a provider of data and market insight into the 'online world'. SimilarWeb uses data from website and mobile app owners, data from its partners with 'millions of subscribers', data from public sources and data collected anonymously from its 'contributory network' to measure internet traffic.

34. The difference in the attribution methods used by the Parties and other ticketing platforms in collecting their own visitor data means that they are not able to be compared on a like-for-like basis.<sup>182</sup> Visitor data provided by SimilarWeb has been collected using a consistent methodology and allows us to compare visitor numbers across ticketing platforms. We have therefore used data provided by SimilarWeb when comparing the source of visitors and the number of unique visitors to the Parties and other ticketing platforms' websites.
35. We have found that, in the period July 2018 – June 2020, viagogo was typically visited by many more unique visitors each month than StubHub or any other secondary ticketing exchange platforms.<sup>183</sup> The only months where viagogo was visited by fewer unique visitors than StubHub was during its Google Ads suspension, where an average of [REDACTED] unique visitors visited viagogo and an average of [REDACTED] unique visitors visited StubHub in the period August 2019 – October 2019. This is shown in Figure F.5.

**Figure F.5: Number of unique visitors to the Parties and other ticketing platforms' websites**

[REDACTED].

Source: CMA analysis of data submitted by StubHub.

36. Figure F.5 also shows that only two primary ticketing platforms ([REDACTED]) were typically visited by more unique visitors each month than viagogo in this period, with StubHub being typically visited by the same number of unique visitors each month as AXS in this period. All other ticketing platforms included in our analysis (Eventim, Fansale, Gigantic, Gigsberg, SeatGeek and Twickets) were visited by fewer than 500,000 unique visitors in each month of the period July 2018 – June 2020.
37. We also analysed the sources of visitors to Parties in 2019. Using data provided by SimilarWeb (which collects visitor data using a consistent methodology across websites) allows us to compare visitor numbers across ticketing platforms, which the data obtained from the Parties does not due to their use of different attribution models. Our analysis found that:<sup>184</sup>
  - (a) The vast majority of visitors to viagogo's website each month arrived either directly or through organic and paid search results; an average of around [REDACTED] of monthly visitors to viagogo arrived by clicking through a link

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<sup>182</sup> For example: [REDACTED]. We have therefore not directly compared the traffic data obtained from the Parties between them or with other platforms.

<sup>183</sup> CMA analysis of data provided by StubHub.

<sup>184</sup> Source: CMA analysis of data submitted by StubHub.

in organic search results, around [redacted] of monthly visitors to viagogo arrived by clicking through a link in paid search results and around [redacted] of monthly visitors to viagogo arrived by coming directly to its website.<sup>185</sup>

(b) The vast majority of visitors to StubHub's website each month arrived either directly or through organic and paid search results; an average of around [redacted] of monthly visitors to StubHub arrived by clicking through a link in organic search results, around [redacted] of monthly visitors to StubHub arrived by clicking through a link in paid search results and around [redacted] of monthly visitors to StubHub arrived by coming directly to its website.

38. When looking at the sources of visitors to Parties and other ticketing platforms' websites in 2019, we have found that the Parties, Gigsberg and SeatGeek typically sourced more than 60% of their monthly visitors from them clicking through organic or paid search results.<sup>186</sup> All other ticketing platforms ([redacted]) typically sourced less than 50% of their monthly visitors from organic or paid search. This is consistent with the marketing and advertising strategies of the Parties and Gigsberg (that said organic and paid search is an important source of visitors to their websites), as well as [redacted].

#### *comScore data*

39. We have used 'cross-visiting' data provided by comScore to analyse the overlap in unique visitors across ticketing platforms in the period January 2018 – February 2020.<sup>187</sup>

40. This 'cross-visiting' data can be used to assess consumer behaviour (i.e. whether they single-home or multi-home) to a certain extent. We have used this data to assess the proportion of unique visitors to a website (i.e. a ticketing platform) that have also visited other websites (i.e. another ticketing platform) in a given month. This data does not, however, allow us to observe whether (i) this related to the same search for tickets, the same event or if the consumer ultimately purchased a ticket to an event, or (ii) the visit to a

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<sup>185</sup> We consider that these proportions have been affected by viagogo's Google Ads suspension in the period July 2019 – November 2019. For example: the average proportion of monthly visitors to viagogo's website who arrived by clicking through a link in paid search results was around 45% [redacted] when excluding the period July 2019 – November 2019 from our analysis.

<sup>186</sup> CMA analysis of data provided by StubHub.

<sup>187</sup> comScore delivers online audience measurement and is endorsed by UKOM, the body that sets and governs the UK standard for the online industry. comScore records the online activity of panellists across different devices (PC, tablet, mobile) and for different types of content (including page content, apps, video). comScore uses a hybrid approach measuring both panel data and census data which are unified by comScore to produce an overall view of individual consumer behaviour online. The panel are recruited respondents who install metered software on their devices; provides demographic and usage data (UK panel size: desktop - target of 40,000, mobile - around 5,000). Census data is from comScore 'tags' that media owners apply to their content. This data is then adjusted by comScore so that double counting across platforms does not occur.



website was by a buyer or reseller of tickets to an event (although we expect the vast majority of unique visitors to be buyers of tickets).

41. We found in our analysis of ‘cross-visiting’ data provided by comScore platforms (for the period January 2018 – February 2020) that:<sup>188</sup>
  - (a) More unique visitors to StubHub also visited viagogo than *vice versa*. Around 8% of viagogo’s monthly visitors also visited StubHub on average over the period, with around 37% of StubHub’s monthly visitors also visiting viagogo on average over the period.
  - (b) More unique visitors to Twickets also visited viagogo or StubHub than *vice versa*.<sup>189</sup> Around 2% and 3% of viagogo and StubHub’s monthly visitors, respectively, also visited Twickets on average over the period. In contrast, around 22% and 14% of Twickets’ monthly visitors also visited viagogo and StubHub, respectively, on average over the period.
42. We were unable to analyse the overlap in unique visitors of Gigsberg with other ticketing platforms. This is because comScore did not record ‘cross-visiting’ data for Gigsberg in any month of the period January 2018 – February 2020, likely due to the low number of visitors to its websites in these months.
43. Similarly, we were unable to analyse the overlap in unique visitors of [X] and [Y] with other ticketing platforms. This is because, as these websites are not recorded in comScore data as they are not distinct to the websites for [X] and [Y]’s primary ticketing platforms, we would be unable to differentiate between visits to websites by buyers for primary and secondary tickets.

### ***Annex F.1: Analysis of Google Ads strategies of uncapped platforms***

44. This Annex sets out in full our analysis of the current Google Ads strategies of the Parties and Gigsberg.

#### ***Background on Google Ads***

45. Google Ads (and other forms of paid search advertising) allows a firm to pay for its advert (typically in the form of a text link) to appear next to or above the organic results from a search on Google (or other internet search engines) by a consumer.

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<sup>188</sup> comScore MMX Multi-Platform, Total Digital Population, Desktop aged 6+, Mobile aged 13+, January 2018 – February 2020, UK.

<sup>189</sup> comScore did not record ‘cross-visiting’ data for Twickets in some months of the period January 2018 – February 2020, likely due to the low number of visitors to its website in these months.

46. The selection and targeting of these adverts is based primarily on keywords included in the search terms of consumers.<sup>190</sup> Firms will bid for their adverts to be displayed when consumers enter particular keywords or phrases. This means that – to be successful in attracting consumers to their websites through Google Ads – firms need to identify the search terms used by consumers (and therefore the keywords to bid on) when searching for its product or service in search engines.
47. Consumers can then click on the text link displayed in the search advertising space of the search results page, as they can with the other organic search results (i.e. those that have not been paid for).<sup>191</sup> Search advertising is aimed at driving consumers to firms' websites by clicking the text link shown in the search advertising space. In the vast majority of cases, firms only pay for their adverts when a consumer clicks through the text link of its advert, i.e. they pay on a cost-per-click (CPC) basis.
48. Google Ads (and other paid search advertising providers) uses second-price auctions to set prices for advertising space, where the price paid by the firm that wins the auction (and the right to display the link in relevant search results) is determined in part by the value of the second-highest bid. A key feature of the auctions used in paid search advertising is that outcomes are also partly determined by what is referred to as the 'quality' of the ad, which includes the relevance to the search query of the ad and the underlying content of the advertiser website to which the advertising links (as well as certain other factors).<sup>192</sup> Search engines make an assessment of the 'quality' of the ad (and of certain other factors) and use this assessment to weight bids from different firms on a real-time, in-auction basis. Higher quality will mean the search engine places greater weight on the firm's bid, with the result that its advertising is more likely to appear in search results and at a lower cost-per-click.
49. Google Ads and other platforms offer tools that enable advertisers to control several other auction parameters which can affect the prices paid for adverts by firms and how often their adverts would appear in response to a consumer search. For example: with automated bidding, firms provide a performance goal to Google Ads and then allow it to use algorithms to dynamically set CPC bids to meet the firm's stated performance goals. These performance goals

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<sup>190</sup> The advert shown to a consumer may also be influenced by some limited data about the person such as their location at the time. For example: if a consumer is searching for a 'coffee shop near me', the advert displayed will depend on a combination of which companies have bid for the keywords 'coffee shop' and on which of them are closest to the location of the user to the extent that information is available.

<sup>191</sup> Firms and their agencies generally buy this search advertising space directly from search providers using the providers' self-service online sales interfaces, such as Google Ads.

<sup>192</sup> [🔗]

set by a firm could be to maximise the number of clicks through its adverts by consumers or to maximise the number of 'conversions' (i.e. consumers completing a purchase on a firm's website) for a given budget. Firms can, however, choose to manually set maximum CPC bid limits for all keywords it bids on or even set different bids for individual keywords.

### *Importance of online search for the behaviour of consumers and firms*

50. As we have found that most consumers typically start their search for tickets to an event by using a search engine, we have looked to better understand the importance of online search for the behaviour of consumers and the implications this may have for our competitive assessment.
51. The CMA has previously considered the importance of online search for the behaviour of consumers.<sup>193</sup> When reviewing the existing literature on online search, the CMA found that consumers disproportionately focus their attention, clicks and purchases on links at the top of returned search results generated by a number of different search tools (including an entire page of search engine results, i.e. both paid and organic search). On average, the first three links seem to account for 40-65% of the total clicks on desktop devices and more than 70% of the total clicks on mobile devices. The evidence suggests that this is not simply due to the fact that top links are more likely to be relevant to consumers' searches, but also to the fact that consumers seem to display an inherent bias to click on links in higher positions.
52. Organic search results on Google were specifically considered in the EC's Google Shopping decision.<sup>194</sup> The EC found that organic search results generate significant traffic to a website when ranked within the first 3 to 5 organic search results, but that consumers pay little attention to the remaining results. However, the EC decision does not make clear how clicks for organic search compare to paid search, in particular Google Ads, which are typically positioned above the organic search results.
53. Overall, both the CMA's literature review and the EC's Decision indicate that consumers do not tend to click beyond top results shown on a search results page. This implies that if a link to a website does not feature in the top (organic or paid) search results, it is unlikely to attract a significant number of consumers to their website and therefore will be unable to effectively compete with websites that do feature in the top results.

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<sup>193</sup> CMA, April 2017, 'Online search: Consumer and firm behaviour - A review of the existing literature'

<sup>194</sup> EC, June 2017, Case AT.39740, Decision on Google Search (Shopping). This decision focuses on the positioning and display by Google, in its general search results pages, of its own comparison shopping service compared to competing comparison shopping services.

### *Monthly spend on Google Ads*

54. We requested data from the Parties and Gigsberg on their monthly Google Ads spend in the period January 2018 – February 2020. This is shown in Figure F.6 below.

**Figure F.6: Monthly Google Ads spend**

[REDACTED]

Source: CMA analysis of data provided by the Parties and Gigsberg.

55. Figure F.6 shows that viagogo spends the most on Google Ads of the three secondary ticketing exchange platforms included in our analysis. viagogo's average monthly spend of less than £1.5 [REDACTED] million on Google Ads was greater than that of StubHub (£200,000-400,000 [REDACTED]) in the period January 2018 – February 2020 and that of Gigsberg (£0-200,000 [REDACTED]) in the period April 2019 – February 2020.
56. We also requested the Google Ads spend on the Parties' 50 keywords with the most impressions (i.e. displayed most often in Google's paid search results) in each month.<sup>195</sup> We found that these 50 keywords accounted for [REDACTED] and [REDACTED] of viagogo and StubHub's Google Ads spend each month, respectively.

### *Keywords bid on in Google Ads*

57. We requested the keywords bid on each month by the Parties and Gigsberg in Google Ads auctions in the period January 2018 – February 2020. The number of keywords bid on by these three secondary ticketing exchange platforms is shown in Figure F.7 below.

**Figure F.7: Number of keywords bid on each month in Google Ads auctions**

[REDACTED]

Source: CMA analysis of data provided by the Parties and Gigsberg.

58. Figure F.7 shows that viagogo bid on the most keywords in Google Ads auctions. viagogo bid on more than 100,000 [REDACTED] keywords on average each month in Google Ads auctions, whereas StubHub and Gigsberg bid on 28,000-30,000 [REDACTED] and 2,000-4,000 [REDACTED] keywords on average each month, respectively.

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<sup>195</sup> CMA analysis of data provided by the Parties.

59. We also analysed the match types used in the keywords bid on by the Parties each month in the period January 2018 – February 2020. This analysis made use of the ‘special symbols’ which indicate the match type of the keywords bid on in Google Ads auctions.<sup>196,197</sup> We found that:
- (a) viagogo used [X] match type for 40-60% [X] and [X] match type for 40-60% [X] of keywords it bid on each month on average in Google Ads auctions. Less than 10% [X] of keywords viagogo bid on each month on average in Google Ads auctions used [X] match type.
  - (b) StubHub used [X] match type for 20-40% [X], [X] match type for 20-40% [X] and [X] match type for 20-40% [X] of keywords it bid on each month on average in Google Ads auctions. Less than 5% [X] of keywords StubHub bid on each month on average in Google Ads auctions used [X] match type.
  - (c) Gigsberg used [X] match type for 40-60% [X] and [X] match type for 40-60% [X] of keywords it bid on each month on average in Google Ads auctions.

#### *Overlap in keywords*

60. We analysed the overlap in keywords bid on each month by the Parties and Gigsberg in the period January 2018 – February 2020.
61. In our analysis, we removed ‘special symbols’ that indicate the match type of the keywords bid on in Google Ads auctions.<sup>198</sup> This means that our analysis compares keywords that closely match, in that they include the same words, but may not be included in Google Ads auctions for the same search term. For example: were Firm A to bid on the keyword ‘women's hats’ using an exact match type and Firm B to bid on the same keyword using a broad match type, then only Firm B would be included in a Google Ads auction in response to a search for ‘winter headwear for women’.
62. Our analysis of the overlap in keywords bid on each month by the Parties and Gigsberg in the period January 2018 – February 2020 found that:<sup>199</sup>
- (a) Of the keywords bid on by viagogo each month, StubHub also bid on less than 10% [X] of these keywords on average in each month of the period January 2018 – February 2020 and Gigsberg also bid on less than 1%

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<sup>196</sup> See: [About keyword matching options](#), Google Ads Help (access 7 October 2020).

<sup>197</sup> StubHub also provided information on the match type of keywords in its data submissions.

<sup>198</sup> See: [About keyword matching options](#), Google Ads Help (access 7 October 2020).

<sup>199</sup> CMA analysis of data provided by the Parties and Gigsberg.

[X] of these keywords on average in each month of the period April 2019 – February 2020. This is [X] and [X] keywords on average each month where viagogo competed head-to-head in Google Ads auctions with StubHub and Gigsberg, respectively.

- (b) Of the keywords bid on by StubHub each month, viagogo bid on 40-60% [X] of these keywords on average in each month of the period January 2018 – February 2020 and Gigsberg bid on less than 5% [X] of these keywords on average in each month of the period April 2019 – February 2020. This is [X] and [X] keywords on average each month where StubHub competed head-to-head in Google Ads auctions with viagogo and Gigsberg, respectively.
- (c) Of the keywords bid on by Gigsberg each month, viagogo bid on 20-40% [X] of these keywords and StubHub bid on less than 0-20% [X] of these keywords on average in each month of the period April 2019 – February 2020. This is [X] and [X] keywords on average each month where Gigsberg competed head-to-head in Google Ads auctions with viagogo and StubHub, respectively.

## Appendix G: Summary of evidence from resellers

### Context to the reseller evidence

1. This appendix sets out the evidence we have gathered from secondary ticket resellers, who are important users of the Parties' platforms. We have engaged with these resellers to understand how competition works, the strength of competition between the Parties' platforms and with alternatives and the impact of the Google Ads suspension (explored in Chapter 7 - Closeness of Competition and Remaining constraints from third parties).
2. We have spoken to a range of resellers and have engaged with resellers in proportion to their importance to the platform, as explained below. Although we have received detailed responses from many resellers – 59 in total, representing between 10% and 12% of the Parties' total annual GTV – we have not carried out a formal quantitative survey. We therefore treat our evidence from resellers as qualitative evidence, but consider that we can place weight on it as indicative of the wider views of resellers in the market.
3. As with all our analysis, we are considering this evidence in the round alongside the rest of our evidence base.

### Approach to gathering evidence from resellers

4. Both Parties have large populations of resellers on each of their platforms – approximately [redacted] on viagogo and [redacted] on StubHub in 2019.<sup>200</sup> However, the nature of the marketplace is that most of the revenue passing through each platform, and hence fees earned by the Parties, comes from a smaller group of the largest resellers. The top decile (that is, the largest 10% of resellers) accounted for [redacted]% and [redacted]% of GTV for viagogo and StubHub respectively.<sup>201</sup>
5. Therefore, we have focused our attention on the resellers who made up the largest proportion of GTV, as these would be the ones with the most impact on the offering (eg fees, payment terms) of each Party, given that they account for most of the revenue passing through the platforms.
6. We recognise that, as a result, our reseller evidence has relatively less coverage of occasional resellers - eg consumers who may use the Parties' sites to sell tickets where they can no longer make an event. These resellers

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<sup>200</sup> CMA analysis of Parties reseller data.

<sup>201</sup> CMA analysis of Parties reseller data.

may behave in somewhat different ways from larger resellers aiming to make a profit from ticket sales. However, they are likely to have a more limited impact on the incentives of the Parties in setting fees, payment terms and other parameters of competition.

### ***Methodology for the evidence gathering***

7. To get a diverse spread of responses from resellers we carried out a mixed approach of questionnaires and calls.
8. At Phase 1 this involved the CMA contacting resellers provided by the Parties as the largest on their site and asking them to return a questionnaire. At Phase 2 another questionnaire was sent to a larger number of resellers, asking more detailed questions. We also spoke with some of the resellers who engaged at Phase 1 and discussed their responses more thoroughly.

#### *Phase 1 Questionnaire*

9. At Phase 1 the CMA requested contact details for each of the Parties' top resellers and sent them questionnaires asking about several different topics including their sales activity, alternatives to the Parties, and their views on the merger overall.
10. Of the 86 resellers that were contacted, the CMA received responses from 24.

#### *Phase 2 Questionnaire*

11. The Phase 2 questionnaire covered the same areas as Phase 1, as well as new questions about the acquisition of tickets and pricing. It was sent to 510 new resellers (ie 255 who had not responded at Phase 1 from each of the Parties). This 510 were selected according to their GTV in 2019, split in the following way:
  - (a) 300 came from the top of the GTV distribution on each platform, excluding the Phase 1 respondents.
  - (b) 150 were mid-sized resellers, with annual GTV close to the mean for each platform (£[redacted] and £[redacted] for viagogo and Stubhub respectively).<sup>202</sup>
  - (c) 60 were small resellers in the 4<sup>th</sup> decile of the distribution (generating between £[redacted] and £[redacted] of GTV in 2019).<sup>203</sup>

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<sup>202</sup> Note that these resellers were all still in the top decile of the distribution.

<sup>203</sup> CMA analysis of Parties reseller data.



12. From this exercise we received 35 responses. Most of these (30) came from the top of the distribution. We also received 4 responses from around the mean, and 1 'small' respondent.
13. The questionnaires asked what type of involvement resellers had in the secondary ticket market. As a result, we know that in our sample around half of respondents operated as businesses, and over half used ticket resale as their main source of revenue. This highlights that the sample mostly represents resellers who use the platforms repeatedly, rather than just for occasional or one-off transactions.

#### *Calls with resellers*

14. We also had calls with six resellers who had given thorough responses at Phase 1, where we discussed the written questionnaires and the Google Ads suspension. These calls allowed us to probe resellers' qualitative views on the market and to understand their interactions with the Parties' platforms in more detail. Views from these calls have been included in our assessment.

#### *Overall responses*

15. In total, this approach gathered views from resellers, who collectively accounted for around £[redacted] (viagogo) and £[redacted] (StubHub) of GTV in 2019, which represents [redacted]% and [redacted]% of total GTV respectively.<sup>204</sup> We note that most of the responses were from the top decile of resellers; however, this decile makes up the large majority of the Parties' revenues, so is likely to drive the Parties' commercial decisions.

### **Main themes of the reseller evidence**

#### ***Behaviour of resellers***

16. Nearly all resellers who we spoke with told us that they source primary tickets directly from the main primary platforms. On the rare occasions (7) where other sources were used, they were used exclusively, because these resellers had arrangements with event organisers or other owners of tickets like debenture holders.
17. In terms of listing, the majority of the resellers list on multiple platforms; only a small number (9) use a single channel in 2019, with all others using multiple. Around half of the resellers (26/59) suggested that they would sometimes list

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<sup>204</sup> CMA analysis of Parties reseller data.

the same ticket on multiple platforms, mostly just on the Parties' sites (15), but also (in fewer cases) with [redacted]. Others though said that they would not multi-home with the same ticket because they did not want to risk a double sale [redacted] or 'over complicate things' [redacted]. It was also noted by some sellers that they would not list tickets at the same time on different sites, but instead would move tickets between sites if they were not selling well [redacted].

18. Around half (28/59) of respondents only sold on the Parties' platforms in 2019, with others supplementing their use of the Parties with other channels. However, almost all the resellers (51/59) named the Parties as their first and/or second most used channels, with only one using an alternative secondary platform more than they use either of the Parties (this was [redacted]).<sup>205</sup> This highlights the prominence of the two parties in the sales of the resellers that responded to our questionnaires.
19. When it came to pricing, it was clear that there was a mix of factors which different resellers placed weight on to set prices for their tickets. Many pointed to simple supply and demand factors, such as the popularity of an event, the location of the seat and the number of other events of the same nature as that one. Nearly all (29/35 at Phase 2) indicated that they would adjust prices to match demand and make their tickets competitive, with this often resulting in prices being dropped as events got closer and they remained unsold.
20. The general message from resellers in our sample was that prices could be above or below face value depending on these factors, which matches with our other evidence on pricing (see analysis of pricing in Chapter 7). However, it was evident that the resellers mostly did sell at prices above face value, as they estimated, on average, that 58% of their tickets were sold with at least a 10% mark-up. The resellers who we spoke to in calls highlighted how this mark-up would be put on the overall cost of the ticket (ie including any fees from the primary site) rather than the actual 'face value', to reflect what they paid for the ticket.
21. Overall though the calls did suggest that the reseller preference was to sell at a mark-up [redacted], suggesting that they would be looking for profits in the first instance. In terms of prices between the parties, there was also some differences: While some resellers suggested that they would price lower on StubHub due to earlier payments [redacted], others said that they might price lower on viagogo because of the greater number of resellers competing there [redacted].

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<sup>205</sup> The other 7 resellers who used another channel more than either of the parties pointed to their own sites or 'offline' sales, such as through travel agencies.

This does not tell us much about general prices on each of the platforms, though this topic is explored further in the main text.

### ***Views on the Parties***

22. In the questionnaires there were numerous opportunities to express views on each of the Parties, and this was also a main topic of conversation during the calls. Overall, the views backed up the provisional conclusions on closeness of competition between the Parties (see Chapter 7 - Closeness of Competition between the Parties), and also told us some more about how the Parties attract buyers and sellers.

#### *viagogo*

23. The resellers we spoke with generally suggested that viagogo was the dominant secondary ticket platform, stating, for example, that they 'are the market leader in the UK' [REDACTED] and are 'the best by a country mile' [REDACTED].
24. About three-quarters of the resellers (43/59) recognised viagogo to be an alternative to StubHub, and only 3 resellers provided alternatives without including viagogo [REDACTED]. Most of these (38) viewed viagogo as the only alternative.
25. The resellers also rated viagogo very highly as this alternative, because, when asked to give ratings out-of-5 for how strong an alternative an option was, viagogo were given an average rating of 4.5-out-of-5. This was the highest average rating given to any option in the questionnaires.
26. One common theme noted by the resellers was that viagogo has a significant presence on Google search. One reseller suggested that 'they put a lot more time and effort to get their marketing right to push demand to their website' [REDACTED], while others pointed to them spending a 'lot on Google Advertisement' [REDACTED] and 'marketing aggressively' [REDACTED]. This view is backed up well by other evidence we have seen on advertising, as explained in Appendix F on Consumer Acquisition.
27. However, there were also several negatives pointed out for viagogo, with many resellers saying that they had poor customer service and that they 'do not provide a good service for the buyer or the seller' [REDACTED]. This was echoed by other resellers who said that viagogo had a 'poor reputation' [REDACTED]. Another point mentioned by resellers regarding viagogo is that they had always been paid after an event takes place when using the platform.

28. Overall though, the resellers in our sample clearly viewed viagogo as a very strong option for reselling secondary tickets.

### *StubHub*

29. The views on StubHub generally reflected their position as a smaller option in the market, as they were identified by many of the resellers as the ‘2<sup>nd</sup> biggest platform’ [redacted] and ‘a site which take some business away from viagogo’ [redacted]. However, over three-quarters of the resellers (46/59) saw StubHub as an alternative to viagogo, and although they were rated lower at 3.2-out-of-5 on average, this was still the second-best average rating for any resale option. Some resellers mentioned that StubHub had a ‘similar functionality, similar profile’ [redacted] to viagogo as well.
30. Many resellers suggested that they prefer dealing with StubHub. Some pointed to superior customer service [redacted], while others said that StubHub provide better payment terms to sellers and [redacted] which is something that viagogo never do. One reseller suggested that they had arranged a better deal with StubHub, as a result of competition between the two Parties [redacted].
31. This direct competition between the Parties was recognised by several other resellers, saying that StubHub is ‘the only serious competitor to viagogo’ [redacted] and ‘the only viable alternative’ [redacted], and one saying they are ‘each other’s main competitor’ [redacted].
32. Overall, the resellers in our sample overwhelmingly saw StubHub as an alternative to viagogo, and although having some weaknesses like a lower advertising budget and poor technology [redacted], StubHub was seen to be a good option for reselling secondary tickets.

### ***Competition with uncapped sites***

33. We asked resellers about alternative ways in which they could sell secondary tickets (other than on the Parties platforms), the closest of which being other uncapped sites. Gigsberg was the only alternative of this type mentioned by the resellers we spoke with, and when it was mentioned, it was viewed as a weak alternative.
34. Around a third (20/59) of the resellers noted Gigsberg as an alternative to the Parties, but this was only with an average strength of alternative rating of 1.4-out-of-5. This is clearly a much lower rating than was given for either of the parties (4.5 and 3.2). Furthermore, only a small number (7/59) had actually used Gigsberg in 2019, and never for more than 10% of sales, suggesting

that they were not seen as a practical alternative at that time for the majority of resellers' ticketing sales.

35. The qualitative views on Gigsberg were consistent with this, as all mentions of them refer to a 'new' company with a 'small' presence in the market. Even when rated highly by one reseller (4-out-of-5), the reseller could only state that they 'look promising' [REDACTED], and they had never actually used the platform. The reseller calls echoed this, with one mentioning that 'Gigsberg's payment terms are currently better' than the Parties but that 'its brand recognition and reach is still nothing in comparison' and that it 'was not a credible alternative to the Parties, either now or in the future'. [REDACTED]
36. This evidence overall points to Gigsberg as a company which, although holding some potential, operates at a scale nowhere near the Parties and one which does not, and would not in the next few years, constrain a merged entity.

### ***Competition with capped sites***

37. We also gathered the views of resellers on the strength of the capped platforms as another alternative to the Parties' platforms. This includes both the secondary sites which are connected to primary ticketing outlets (like Ticketmaster Exchange or AXS Resale) and the standalone capped platforms (like Twickets or TicketSwap).
38. Overall, these capped sites were only mentioned by a small number (8/59) of resellers as alternatives to the parties, although they were given an average rating of 2.1-out-of-5, which is higher than for Gigsberg but lower than for the Parties. This rating did differ somewhat when splitting the two types of platform though, as those connected to the primary sites had an average rating of 2.5, while the standalone ones only scored 1.7-out-of-5.
39. Contrary to with Gigsberg, more resellers used these capped platforms (14) than listed them as alternatives (8), and this may verify the view that they are used to complement the other sites, and only as substitutes when a mark-up was not possible. Many resellers gave an indication of this, stating that they used these sites 'to dispose of unsold inventory' [REDACTED] and 'when tickets did not sell on uncapped platforms' [REDACTED] or 'would not make that much profit' [REDACTED]. One reseller [REDACTED] explained on a call that the capped sites are present but that they are not suitable alternatives for resellers.
40. Another point made in relation to the capped sites is that those connected to the primary ticketing agents are restrictive in that you can only resell tickets bought on that platform on the site. Some resellers suggested that this made

them less attractive alternatives [REDACTED]. The standalone capped sites, as seen earlier, were overall viewed as less attractive than these, and in some instances resellers had never heard of sites like TicketSwap [REDACTED].

41. This evidence fits with our provisional view that the capped sites do provide an option for buying secondary tickets but that they are not a close alternative to the Parties' platforms for the selling of secondary tickets.

### ***Competition with other third parties***

42. The other options for buying and selling secondary tickets online, such as through social media or classified advertising sites, were discussed with the resellers in our sample too, but these were found to be used even less than the capped secondary platforms (10/59).
43. Strong reasons were given for why resellers did not use these sites, including that there is 'more aggravation and time wasters using social media' [REDACTED], 'a lot of fraud' [REDACTED] and no 'buyer safeguards or guarantees' [REDACTED] which makes the sites unattractive to buyers. Moreover, when these alternative sites are used, it is in very specific circumstances such as to 'dispose of tickets no longer available to list on resale sites' [REDACTED] or 'to update existing clients of new announcements' [REDACTED].
44. The limitations of these sites as an option for selling tickets was highlighted further by the fact that a very small number of resellers (2/59) indicated that these could be considered alternatives to the Parties, both referring to Gumtree. This means that nearly all the resellers we spoke to, even if aware that they would be able to sell tickets through these channels, do not consider them viable alternatives for carrying out their activities.

### ***Competition with offline channels***

45. The final option for selling tickets explored with resellers was selling offline, which can include selling to friends and family in person or selling outside a venue on the day of an event.
46. The views on these channels were largely negative, with the vast majority of resellers stating that they had never used them (34/41 in the Phase 2 questionnaire and the reseller calls). As with social media, offline channels were generally only used in specific circumstances, such as when a reseller already had a large established client base or was 'providing tickets between friends and family but not for business purposes' [REDACTED].

47. Those who did not use offline channels gave consistent views as to why, pointing to the lack of guarantees, protections and visibility of tickets. The resellers who we spoke to on calls explained further the limitations of the offline option, and two even said that they would exit the market if offline was the only option. This supports the provisional view that offline channels are not a close alternative to the two parties.

### ***Competition with primary sellers***

48. We also explored the constraint imposed by the primary ticket platforms, where the reseller views were consistent with other evidence. Resellers in our sample recognised that primary sites offer a strong alternative for attracting ticket buyers, giving them an average strength rating of 3.8-out-of-5. Reasons for these high ratings included that primary platforms ‘will always be the ‘go to’ venue for people purchasing tickets’ [X] and that they are the largest ticketing companies. However, they were rated lower for attracting ticket resellers (2.6-out-of-5), matching the score given to them as an alternative for selling on in paragraph 38. This reflects the concerns of resellers about the cap on resale prices that applies to listings on the primary ticketing platforms’ resale facilities [X].
49. There were also some comments from resellers about the impact that primary sales had on their secondary business. For example, one reseller [X] stated that ‘the primary market has changed significantly over the last few years’ and that they may be ‘put off buying tickets for resale for an event’ because there are more unknown variables like tickets being held back by the primary seller to then be added to the market at dynamic prices at some point in the future. This was echoed by another reseller [X] who explained that primary ticket sellers now more frequently ‘drip-feed supply into the market’, and that they would ‘be less likely to be involved in reselling tickets for events where dynamic pricing is used’.
50. Overall this indicates that the primary ticket platforms’ attempts to restrict the supply of tickets to resellers has had some impact on the secondary market. However, there is no evidence that this has strengthened the competitive constraints on the Parties’ uncapped secondary ticketing platforms, even if it may have had an impact on some resellers’ behaviour.

### **Views on the merger**

51. We also asked resellers whether they had ‘any concerns about the impact on competition of viagogo’s acquisition of StubHub’. This was a broad question,

and in practice resellers' answers were not limited to purely competition concerns.

52. Overall though, the straightforward aspect of the question saw 60% of resellers expressing a concern about the impact of the merger (35 concern; 21 no concern; 3 unsure). Along with this indication of whether they were concerned, most resellers also gave reasoned explanations for how they felt about the merger, which are explored below.

#### *Those who did have concerns*

53. The majority of resellers we spoke to (35/59) did have concerns about the impact of the merger on competition, and we saw a number of thought-out reasons for this perspective, including some very detailed responses.
- (a) Most of the resellers (26) recognised that there would be less competition in the market overall, and over one third (20) said that competition would be lost completely, and the market would turn to monopoly. Many resellers explicitly said that there would be 'no competition' [redacted], with others adding that this would allow the merged entity 'complete control' [redacted] to do 'whatever it wants' [redacted].
- (b) 14 resellers bought up concerns that the merger would lead to worse service for buyers, pointing to the fact that viagogo provide a poor offering to customers. This is explained by viagogo creating a 'poor purchase experience for buyers' [redacted] where 'consumer protection will be flouted' [redacted].
- (c) A similar number (12) explicitly said that the offer would become worse for resellers, pointing to higher fees and the ability of the platforms to treat them however they would like. One reseller said that the merger creates a 'monopoly where viagogo could increase fees for buyers and sellers' [redacted] and another that it would offer 'less flexible terms' for sellers [redacted].
54. All these concerns were further outlined by the resellers who we had calls with, saying that 'there are currently no viable alternatives' [redacted] and that the merger would lead to a 'monopoly which would not be in resellers or consumers interests' [redacted].

#### *Those who did not have concerns*

55. There were however several resellers (21) who indicated that they did not have concerns about the impact on competition. These came from both phases of the investigation and, while some gave no explanation (6) or just



said that it would not affect them (2), others (13) gave varied, reasoned explanations.

- (a) Two suggested that the merger would benefit ticket buyers by decreasing ticket prices, suggesting there would be increased competition between resellers on the platform of a merged entity [X].
- (b) Three pointed to other benefits that could arise for buyers, such as providing a 'good source and protection for the tickets for buyers' [X], and making it easier by putting everything in one place [X].
- (c) Two referred to improvements that viagogo would make to the StubHub, saying that StubHub could create 'as useful web interface for selling big amount of tickets as viagogo has' [X] and that viagogo 'can only improve things' as they have consistently outsold other channels [X].
- (d) Two suggested that the market dynamics would stay the same, as 'there are only a certain number of resellers operating in any volume' [X] and 'the marketplace sets the prices' [X].
- (e) One said that they would have more advertisement for their tickets [X].
- (f) One said that there would still be two options in viagogo and Gigsberg, and also added the point about competition between resellers pushing prices down [X].
- (g) Finally, two resellers suggested that the merger would be fine if there were 'sufficient oversight' [X] and because both sites would remain active [X].

56. Overall, although there are mixed views on what the impact of the merger will be on competition, the majority of resellers we spoke to do have concerns about the merger and have expressed sensible reasons why.

## Glossary

<b>Above the line campaigns</b>	Internet search advertising that is not targeted but can reach a wider target audience
<b>B2C resellers</b>	Business to consumer reseller
<b>Buyers</b>	Buyers of tickets on primary and secondary sites. Also referred to as 'ticket buyers' – especially when mentioning for the first time in a section.
<b>C2C resellers</b>	Consumer to consumer reseller
<b>Capped Secondary Ticketing Exchange Platform</b>	Online ticketing platforms for the sale and purchase of secondary tickets on which the resale price of a ticket is capped at face value or a fixed increment above it.
<b>Coronavirus (COVID-19)</b>	Coronavirus and then COVID-19.
<b>CPC</b>	Cost per click. The amount an advertiser pays every time an internet user clicks their online ad.
<b>CTR</b>	Click Through Rate. The number of clicks an ad receives divided by the number of times an ad is shown.
<b>Dynamic pricing (and VIP tickets)</b>	The practice of selling tickets at different times at varied prices reflecting changes in demand
<b>Face value</b>	Original price on primary tickets (excluding fees).
<b>Google Ads</b>	Google Ads (formerly Google AdWords) is an online advertising platform developed by Google, where advertisers bid to display brief advertisements, service offerings, product listings, or videos web users.
<b>GTV</b>	Gross Transaction Value, which is a measure equal to the number of tickets sold multiplied by the price collected.
<b>Keyword bidding (PPC bidding)</b>	A bid placed in a pay-per-click auction to secure ad placement at the top of search results
<b>Multi-homing</b>	The practice of resellers or buyers using more than one platform, eg, resellers spreading an inventory of tickets across multiple Secondary Ticketing Exchange Platforms
<b>Non-specialist channels and social media</b>	Platforms used to by some resellers and buyers such as Gumtree and Facebook. These are not specifically designed for the exchange of secondary tickets.
<b>Offline Channels</b>	Channels used by some buyers which are not online such as box office return outlets and ticket touts outside venues.
<b>Parties</b>	viagogo and StubHub
<b>Primary Ticketing Platform</b>	Online platforms for the sale of primary tickets.

<b>Primary tickets</b>	Tickets that are sold for the first time, usually directly by the official ticket seller at a face value set by event providers and content rights holders.
<b>Reseller(s)</b>	People/companies who resell tickets in the secondary market (individuals, brokers, etc.). Sometimes colloquially known as 'ticket touts'.
<b>ROAS</b>	Def: Return on advertising spend
<b>Secondary Ticketing Exchange Platform</b>	Online exchange platforms for the sale and purchase of secondary tickets.
<b>Secondary tickets</b>	Tickets to live events that are resold and bought on online ticketing platforms.
<b>SEM</b>	Search Engine Marketing. Internet-based marketing that endeavours to direct traffic from internet searching to a particular website.
<b>SEO</b>	Search Engine Optimisation. The process of improving traffic from internet searching to a particular website via unpaid, organic search results.
<b>SLC</b>	Substantial Lessening of Competition
<b>Slow releasing ticketing</b>	Holding back or staggering the supply of tickets to an event in order to regulate the flow of tickets into the secondary market.
<b>StubHub</b>	Collectively, StubHub Inc, StubHub (UK) Limited, StubHub Europe S.a.r.l., StubHub India Private Limited, StubHub International Limited, StubHub Taiwan Co Limited, StubHub GmbH and Todoentradas SL
<b>Switching in</b>	Platform users that previously resold or purchased tickets on one platform that then move to using another platform.
<b>The Act</b>	The Competition Act 1998
<b>The Merger</b>	Defined term for the acquisition by viagogo of StubHub
<b>Ticketing Platform</b>	Online platforms for the sale of tickets. Covering both primary and secondary.
<b>Traders</b>	Resellers that sell more than 100 tickets per year on a given secondary platform
<b>Uncapped Secondary Ticketing Exchange Platform</b>	Secondary Ticketing Platforms where the resale price of a ticket is not capped at Face Value or an increment above it (e.g. the Parties).
<b>Unique visitors</b>	Distinct individuals visiting a page
<b>viagogo</b>	Pugnacious Endeavours Inc subsidiary: PUG LLC (viagogo).