ICN Unilateral Conduct
Regional Workshop

Exclusive Dealing Hypothetical
Background

• Hypothetical designed to explore the competitive effects of exclusivity arrangements

• Based on *SISTIC* – a recent abuse of dominance finding against Sistic.com (a ticketing service provider, “TSP”) by the Competition Commission of Singapore – but moderated to introduce:
  – greater pro-competitive motives for exclusivity
  – alternative anti-competitive theories of harm
  – further debate on market definition and dominance issues

• Hypo concerned with exclusivity arrangements between TSPs and the venues and promoters to which they provide these services
  – Set in fictional Commonwealth of Peranaka
  – Relates to arrangements involving TicketSling, the leading TSP in Peranaka
Ticketing Services

• Ticketing service providers such as TicketSling act as middlemen between two groups of customers – event promoters and ticket buyers – by providing them a platform to buy and sell tickets for events held at various venues in Peranaka.

• “Open” ticketing services
  – can be customised to meet the ticketing needs of different types of event promoters and venue operators concurrently.

• “Dedicated” ticketing services or “self-ticketing”
  – systems that are built for a dedicated purpose (i.e., for use by a specific event, venue or activity) and provide specific ticketing needs on an ongoing basis.
Ticketing Service Value Chain

**Venues**
(host events)

$ - Venue hire fee

**Promoters**
(organise events, e.g. secure artists, venues and ticketing services)

$ - Ticket Revenues

$ - Ticketing administration fee; commission

**Ticket Service Providers**
(sell and distribute tickets)

$ - Ticket Revenues

$ - Booking fee; handling fee

**Consumers**
The Agreements

The agreements at issue (the “Exclusive Agreements”) are as follows:

The **PASTA**, between TicketSling and the **Pandan**
- The Pandan a “world-class” performing arts venue complex (2 venues)
- All events at the Pandan to use TicketSling as sole TSP (i.e. full exclusivity)
- Signed 7 years ago, 3 years left to run

The **CHIPSSA**, between TicketSling and the **Chi Peranaka Stadium (the CHIPS)**
- The CHIPS a “world-class” indoor sports and events stadium and venue
- All events at the CHIPS to use TicketSling as sole TSP for first 7 days of sales
- Renewed 3 years ago, 2 years left to run

The **SUPA**, between TicketSling and **Shiok Entertainment**
- Shiok the leading promoter in Peranaka
- SUPA requires Shiok to use TicketSling as sole TSP for all events
- 3 year term, 1 year left to run
- SUPA entitles Shiok to discount of 20% off TicketSling standard prices, and caps booking and handling fees that TicketSling charges to ticket buyers
Ticketing Services

<table>
<thead>
<tr>
<th>TSP</th>
<th>Events</th>
<th>Sports</th>
<th>Other</th>
<th>All Genres</th>
</tr>
</thead>
<tbody>
<tr>
<td>TicketSling</td>
<td>80%</td>
<td>88%</td>
<td>75%</td>
<td>82%</td>
</tr>
<tr>
<td>TicketLibertas</td>
<td>10%</td>
<td>4%</td>
<td>12%</td>
<td>8%</td>
</tr>
<tr>
<td>ChingayTickets</td>
<td>7%</td>
<td>0%</td>
<td>11%</td>
<td>5%</td>
</tr>
<tr>
<td>ATN</td>
<td>3%</td>
<td>8%</td>
<td>2%</td>
<td>4%</td>
</tr>
</tbody>
</table>

If “self-ticketing” included, TicketSling’s share in “Other” would be below 25% and overall share of tickets sold would be around 50%.

In 2011, approximately 75% of TicketSling tickets sold under Exclusive Agreements (i.e. approximately 60% of all tickets sold, excluding self-ticketing).

<table>
<thead>
<tr>
<th>TSP</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>Total (2009-2011)</th>
</tr>
</thead>
<tbody>
<tr>
<td>TicketSling</td>
<td>88%</td>
<td>74%</td>
<td>82%</td>
<td>81%</td>
</tr>
<tr>
<td>TicketLibertas</td>
<td>7%</td>
<td>7%</td>
<td>8%</td>
<td>8%</td>
</tr>
<tr>
<td>ChingayTickets</td>
<td>5%</td>
<td>5%</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>ATN</td>
<td>0%</td>
<td>14%</td>
<td>4%</td>
<td>6%</td>
</tr>
</tbody>
</table>
Promoters

Top 5 Promoters, 2011

<table>
<thead>
<tr>
<th>Promoter</th>
<th>Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shiok</td>
<td>30%</td>
</tr>
<tr>
<td>Global Promotions</td>
<td>18%</td>
</tr>
<tr>
<td>ArenaPromo</td>
<td>15%</td>
</tr>
<tr>
<td>CHIPS</td>
<td>12%</td>
</tr>
<tr>
<td>Pandan</td>
<td>5%</td>
</tr>
<tr>
<td>Others</td>
<td>20%</td>
</tr>
</tbody>
</table>

- Shiok share of 30% comprises: 15pp from events held at the CHIPS, 10pp from events held at Pandan, 5pp from events at other venues
- The CHIPS and Pandan only promote events held at their own venues
- A further 13% of overall tickets are promoted at either the CHIPS or Pandan by promoters other than Shiok, CHIPS or Pandan

- Event promoters use “open” ticketing service providers
- Apart from the fee structure, promoters consider the following when selecting a TSP:
  - attractive and accessible sales outlets for ticket buyers
  - strong call centre support and ability to cope with high call volumes
  - security against ticket forgery
## Venues

### Top 5 venues by event genre, 2011

<table>
<thead>
<tr>
<th>Events</th>
<th>Sports</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>CHIPS**</td>
<td>37%</td>
<td>55%</td>
</tr>
<tr>
<td>Pandan**</td>
<td>17%</td>
<td>35%</td>
</tr>
<tr>
<td>Peranakan Grand Arena*</td>
<td>13%</td>
<td>4%</td>
</tr>
<tr>
<td>Peranakan Grand Forum*</td>
<td>11%</td>
<td>3%</td>
</tr>
<tr>
<td>The Amphitheatre</td>
<td>5%</td>
<td>2%</td>
</tr>
<tr>
<td>Others</td>
<td>16%</td>
<td>1%</td>
</tr>
</tbody>
</table>

| CHIPS**                     | 70%        | Pandan**    |
| New Moon Circuit**          | 35%        | Peranakan Grand Forum* |
| The Grove                   | 4%         | Peranakan Grand Arena* |
| The Lane                    | 3%         | The Amphitheatre     |
| Kampong Polo Club           | 2%         | CHIPS**        |
| Others                      | 11%        | Others        |

- **Note:** Table does not include venues that self-ticket, such as SilverScreen, a cinema chain.
- Promoters and ticket buyers distinguish between “world-class” (**), “premium” (*) and “non-premium” venues.
- Categorisation depends on, among other things, seating capacity, prestige/reputation, accessibility of location, standard of technical equipment and support, and venue facilities (e.g. parking, food and beverage service, etc.)
The Complaint

Ticket service provider ATN has complained that TicketSling:

- is dominant in the market for the provision of ticketing services, and
- that the Exclusive Agreements have foreclosed ATN from the market to the detriment of promoters and consumers

Promoter Global Promotions has complained that:

- it pays higher prices (i.e. higher commission and ticketing administration fees) in Peranaka than in nearby countries, and
- has no real choice but to deal with TicketSling

Note: Under Peranakan competition law, efficiencies can be argued as “objective justification” for any alleged infringement
Supporting Materials

- Supporting materials and evidence include:
  - background information on TSPs, ticketing system suppliers, venue operators and event promoters, and the historical development of the industry in Peranaka (A.1);
  - information on TicketSling’s pricing structure and pricing developments (A.2);
  - discussion of network effects in ticketing services provision (A.3);
  - CHIPS ticket sales data (A.4);
  - internal TicketSling emails and memoranda on exclusive dealing arrangements (A.5 and A.6);
  - results of surveys of ticket buyers and event promoters (A.7);
  - extract from Peranaka Competition Authority investigation of self-ticketing and supply-side substitution (A.8);
  - extract from ATN entry analysis presentation (A.9)