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Cases in Ethical PR Practice: TicketMaster and Taylor Swift

Abstract

The ongoing PR issue selected to study was Ticketmaster and the Taylor Swift 'Era's Tour'. This was interesting to dig into and analyze because of the large impact it had on ticket sales across the board, not just Taylor Swift tickets. Ticketmaster will never hold the same credibility that it held before and continues to try and rebuild their reputation. As well as Ticketmaster losing credibility, this also led Congress to review the 2010 Ticketmaster-Live Nation merger.

Introduction

Ticketmaster is an American ticket sales and distribution platform, based in Beverly Hills, California, with operations across the world. Their platform is used to sell tickets for every event under the sun, from music festivals to opera performances to art shows, they've got it covered. They also own a website called TicketWeb, which pushes more towards independent venues and events. In 2009, Ticketmaster and Live Nation merged their two platforms, pushing the limits of monopolizing the entire market.

Taylor Swift is a 34-year-old pop singer from rural Pennsylvania who has been taking the world by storm. She sells out arenas when she performs, and recently has even been selling out NFL games as well. In March of 2023, she commenced her 'Era's Tour' in Glendale, Arizona, and was set to complete it last December.

In November of 2022, before Taylor Swift's tour was set to begin, numerous media outlets reported demand for tickets to the Eras Tour was "astronomical," stating that over 3 million individuals had registered for the Ticketmaster Verified Fan pre-sale program. On November 15th, when tickets went on sale, within an hour the website crashed. Users reported multiple issues such as being stuck in the queue, as well as their screen freezing completely. Aside from these technical difficulties, over 2 million tickets were sold to consumers. In doing so, Taylor Swift also set the record for most tickets sold, setting a new record for the highest single-day ticket sales ever achieved by an artist.

Situation Analysis

As mentioned in the Introduction, although the site was having issues, 2.4 million tickets were still successfully sold. Individuals use the term ‘scalpers’ to reference when someone will purchase large amounts of tickets and resell them for outrageous prices. A multitude of fans deemed Ticketmaster as deceitful because of the lack of regulation regarding ‘scalpers’. In response, a handful of United States Congress members voiced to their interest in reversing the 2010 merger of Ticketmaster and Live Nation.

The Sherman Antitrust Act is a United States antitrust law that was passed in 1890, in hopes of preventing corporations from monopolizing certain markets. This law can become a very gray area because it is difficult to fully determine when a market no longer follows the rule of free competition.

In the case of Live Nation and Ticketmaster, the Sherman Antitrust Act was not taken fully into consideration. Ticketmaster was founded in 1976 and has only grown in that time. According to Statista Consumer Insights, it has the highest brand awareness out of any other ticket sales platform, with 88% of respondents having heard of the company before.

This emphasizes how powerful Ticketmaster is viewed by people across the world. Unfortunately, there has not been an official verdict on the reverting of the merger; however, there is an ongoing antitrust law investigation into the accusations of non-competitive practices. Ticketmaster released an official apology on Twitter to Swift’s fans on the evening of the site crash, as well as stating less than 5% of tickets had been sold or posted for resale on the secondary market.

Initial Response

The chairman of Live Nation at the time, Greg Maffei, released a statement shortly following the website's despair stating that they were merely unprepared for the mass influx of customers.

He stated to his knowledge only 40% of fans who receive a presale code will actually use it, and on average they will purchase 3 tickets. The site was overwhelmed by the number of fans as well as bots without presale codes, resulting in 3.5 billion total system requests.

Ticketmaster attempted to slow down the sales by waitlisting more customers in an effort to stabilize the systems, which in turn prolonged the queue and waiting time. That being said, the site was expecting roughly 1.5 million fans.

There were also contradicting statements made by Maffei and AEG, the promotor for Taylor Swift. Maffei told the media that their competitors, referring to the promotor, wanted to work with TicketMaster because they were the largest and most effective ticket sales platform in the world. AEG spoke out against these claims and stated he was forced to work alongside TicketMaster, due to many of the venues on the Era's tour having exclusive contracts with them.

Media Coverage

This event sparked a large controversy within the media. Fortune Magazine referred to the controversy as "setting off a fan political movement to take down TicketMaster". Many different journalists have covered this from different perspectives and with different agendas.

Brook Schultz, a writer for the Associated Press, angled her story to create a political movement and address how these fans are now a key voting demographic.

She states in her article, “Some of Taylor Swift’s fans want you to know three things: They’re not still 16, they have careers and resources and, right now, they’re angry. That’s a powerful political motivator, researchers say.”

She then goes on to interview Stephanie Aly, who has worked on community organizing for progressive politics. Aly touches on how this is how policy change begins, and how the US Government only functions when people are pushing.

Another columnist, named Arwa Mahdawi, who writes for the Guardian, covered the dilemma referring to Swift as an “accidental antitrust avenger”. She makes it a key point to mention that these issues with TicketMaster are not new, however this time they impacted a very influential and dominating demographic.

As well as journalists, even political figures made sure to acknowledge the issues at hand. Alexandria Ocasio-Cortez took to Twitter to say “Daily reminder that Ticketmaster is a monopoly, its merger with Live Nation should never have been approved, and they need to be reined in,” as well as posting how Swift’s fans can report complaints with the United States Department of Justice.

Public Reaction

The public reaction to TicketMaster was heinous. Taylor Swift’s fans went about handling this in a variety of ways. Some fans were prompted to take legal action, and in doing so a group of these fans, who also happened to be lawyers, formed a grassroots organization called Vigilante Legal LLC. The organization began collecting complaints to bring forward to the Federal Trade Commission and the attorneys general within each U.S. state, with potential violations of the Americans with Disabilities Act of 1990.

The controversy also prompted the formation of an advocacy group led by Gen Z, known as Voters of Tomorrow, which launched an antitrust initiative named 'S.W.I.F.T.'—an abbreviation for 'Swifties Working to Increase Fairness from Ticketmaster'.

As far as official legal action, a lawsuit was filed on December 22nd 2022 by Julie Barfuss, against Live Nation Inc. and TicketMaster LLC. The lawsuit began with 26 different plaintiffs, but once it was filed roughly 150 more individuals showed interest in joining.

According to Wikipedia, "It [the plaintiffs] demanded a civil penalty of \$2500 for every violation of the California Unfair Competition Law, alongside plaintiffs seeking the costs of legal fees, and any additional relief the court deems fit." This suit took place in the Los Angeles County Superior Court with claims of "intentional deception" as well as "fraud, price-fixing, and antitrust violations".

Barfuss told CNN, "I tried in total of 41 times that first day to get tickets. It kicks you out into the queue and you're back in and then I kept getting errors. Then, I again spent a couple hours trying to do it the second day. When I finally got in and was going to buy tickets, they were like \$1400."

Barfuss' card was charged a total of 41 times, charging her a sum of \$14,286.70. After speaking with a customer service representative, they informed her she was believed to be a bot. She agreed to settle in arbitration; however, the case was later reopened by the U.S. Court of Appeals when other plaintiff individuals believed the arbitration agreement to be unclear.

Long Term Impact

TicketMaster's reputation will forever be tarnished after this incident. They used to be a monopoly that was everyone's primary site to purchase tickets. In this day and age, media outlets can spread information like wildfire, and in this case, was not a positive thing for this platform.

In turn, TicketMaster will no longer hold the same level of power that it used to. They are not trusted by consumers to purchase tickets, and after the response by their executive officer, not as respected either. Furthermore, there is not yet an official verdict on the reevaluation of the Live Nation and TicketMaster merger.

As well as their overall reputation, TicketMaster lost a lot of brand loyalty with their consumers. Taylor Swift's fan base has been seen growing exponentially over recent years, especially with her original fan base now having disposable income of their own. A lot of fans spending money on more concerts than just Taylor Swift. This wasn't just one bad event for TicketMaster, it was a loss of an entire demographic.

As well as TicketMaster frustrating many different groups of people, it also found a way to bring them together politically. No one was pleased with how this event unfolded, and in an attempt to seize the opportunity of vulnerable fans, politicians brought attention to issues much larger than one pop singer's tour.

It was interesting to see how these politicians and their public relations teams approached this issue. It's truly impressive how a downturn in ticket sales can unexpectedly drive policy change, especially with such widespread support. The Taylor Swift Ticketmaster controversy showcases the real impact of grassroots advocacy, as well as how regular fans speaking up can make big changes happen in an industry.

Analysis

Taylor Swift's team went into crisis management mode almost immediately after this event took place. They took action, such as constructing crisis response teams, drafting media messaging, and creating a uniform response to handle the situation as quickly and efficiently as possible.

Ticketmaster and Taylor Swift's team input communication strategies to address fans, the media, and stakeholders. This involved issuing statements, such as the Live Nation CEO stating after the fact, "We apologize to Ms. Swift. We need to do better, and we will do better." They also did so by holding press conferences and interacting with fans across social media platforms.

Taylor Swift's team prioritized transparency in their communication efforts to build trust and credibility with fans. They did so by having Swift post a 3 paragraph response to TicketMaster, in which she writes, "It's Excruciating for Me to Just Watch Mistakes Happen." She provided clear and accurate information about the situation, addressing concerns, and being open about any actions taken to address the situation.

TicketMaster however was not on the same page. Their initial reaction was to push the blame onto someone else, in this case the fans, saying their website was overwhelmed due to the sudden surge of people. It was also later that they attempted blaming Swift's promotor for partnering with them, saying they could have chosen a different platform to use. This was extremely disheartening to a lot of loyal users, given that it appeared to have been a very avoidable event.

Recommendations

This event I believe was handled very well Taylor Swift and her team, however I do find it unsettling that Swift still works alongside TicketMaster so nonchalantly. She still uses the platform as her primary form of ticket sales, despite how recently this series of events took place. I know it might be unlikely, but I believe Swift separating herself from the corporation would be the most impactful way to address this. To have the chairman of a company you're partnering with state essentially, 'you could have chosen anyone else to work with, so this was actually your fault' is pretty wild. Let alone to keep working together.

TicketMaster should have owned up to their mistakes from the get-go. I believe this would have resolved it much quicker and would also have kept TicketMaster out of the legal repercussions they faced. Had they apologized and resolved the issue more efficiently, there would have been a lot less fan's hoping for their downfall, and in turn could have potentially prevented the potential revocation of the Live Nation and TicketMaster merger. I also believe they could have managed their long term reputation a lot better had they apologized and admitted blame, because there have been other artists, such as Zach Bryan, who have been known to make negative public regards to the platform. He did so by releasing a live album in late 2022, titled "all my homies hate ticketmaster" after multiple tweets prior that year with statements such as "can someone shut down ticketmaster yet?"

Conclusion

The Taylor Swift and TicketMaster controversy was a very intriguing event that will forever have lasting effects on the company's reputation. When it came to the day of presale, the TicketMaster website was overwhelmed and merely could not handle the mass influx of users.

The Live Nation Chairman, Greg Maffei, stated that following their regular statistics, they were prepared for the event. However, they received over 3.5 billion service requests, from fans with the presale code, as well as bots without it. Following the media attention, there were further disputes between the TicketMaster Executive, and Swift's promotion company, AEG.

The media attention this scandal received was primarily stories slamming TicketMaster, and demanding to know what is going to happen next. Although this was not the original plan with the media coverage, politicians took charge and called attention to the US antitrust laws, and how the Supreme Court needs to dissolve the Live Nation TicketMaster Merger of 2010.

Multiple lawsuits came out of this controversy as well, resulting in financial compensation to over 175 plaintiffs just in one specific lawsuit. Dollars spent on unhappy fans are drops in the bucket to a company of this magnitude; however, the damage to their reputation will never be fully dissolved. They lost the trust and loyalty of a large portion of their consumers. In this generation, that is more important than any amount of money to a consumer base, and in my opinion TicketMaster did a very poor job at realizing that in this case.

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